



# Physician Alignment & Engagement Workgroup

*March 27, 2014*

## Maryland Health Services Cost Review Commission



# Current Payment Models

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- ▶ Report due in May
  
- ▶ Summary from Barry Rosen
  - ▶ Base Salary + Bonus
  - ▶ Designated Health Services
  - ▶ % of Revenue / Net Revenue
  - ▶ wRVUs
  
- ▶ Payer Categories
  - ▶ Commercial insurers
    - ▶ PCMH and other non-traditional arrangements
  - ▶ Medicaid
  - ▶ Medicare (FFS, MA, ACOs, other Demos)
  
- ▶ Discussion / Data Collection
  
- ▶ Next steps

# Gain Sharing & Pay for Performance

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- ▶ Report due in May
- ▶ Application & Operational Plan to CMS for Bundled Payments and Shared Savings
- ▶ Gain Sharing & Shared Savings / Pay for Performance Overview
- ▶ Summary from MHA & JHHS
  - ▶ Existing constructs that use HSCRC as a vehicle (ARMs)
  - ▶ Hospital pre-funding of incentive pool
  - ▶ Propose application of ACO waivers to the State of Maryland under the Demonstration Model
- ▶ MedChi
- ▶ Applied Medical Software (AMS)
- ▶ WMHS / BRG
- ▶ Specialty Episode of Care Opportunities

# Gain Sharing & Pay for Performance

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## ▶ Key Policy Questions

- ▶ Can / Should Gain Sharing, Shared Savings and / or Pay for Performance be used in tandem?
- ▶ How flexible are the models? To what extent could / should they allow variation by hospitals or physicians?
- ▶ What are we trying to encourage?
- ▶ Will these models work with existing physician incentive programs, such as PCMH?

# Gain Sharing & Pay for Performance

Key Model Components	Pay for Performance	Gain Sharing	Shared Savings	Other
Price / Volume / Total Cost				
Type of Physicians / Providers to Participate				
Payment Structure				
Infrastructure Requirements				
CMS / OIG Approval Needed				
Complexity & Flexibility				
Timing				
Cost and Source of Funding				