

# The role of specialists in alternative payment models and accountable care organizations

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# Questions to explore

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- Do specialists have opportunities to participate in alternative payment models (APMs) and accountable care organizations (ACOs)?
  - Yes, but ACOs determine the role of physicians
- Are ACOs with specialists more likely to reduce volume and spending?
  - Thus far, limited evidence suggests the opposite

# Medicare Access and CHIP Reauthorization Act of 2015 set up two payment paths for clinicians

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- Path for clinicians who participate in advanced APMs (A-APMs)
  - May qualify for 5% incentive payment (2019-2024)
  - 0.75% annual update starting in 2026
- Merit-based Incentive Payment System (MIPS) for other clinicians
  - Payment adjustment based on performance
  - 0.25% annual update starting in 2026
- Commission recommended eliminating MIPS and establishing new voluntary value program (2018)

# An A-APM is an APM that...

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- Requires entity to use certified electronic health record technology
- Makes payment based on a set of quality measures comparable with MIPS
- Requires entity to bear financial risk for monetary losses in excess of a nominal amount (or be a medical home expanded under Section 1115A)

# APMs with opportunities for specialist participation and tracks that qualify as A-APMs

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- APMs that include services typically provided by specialists
  - Bundled Payments for Care Improvement Advanced model
  - Comprehensive Care for Joint Replacement model
  - Oncology Care Model
  - Potential future models (e.g., Radiation Oncology model, Kidney Care First)
- Maryland's all-payer and total cost of care models
- ACOs
  - Medicare Shared Savings Program
  - Next Generation ACOs
  - Comprehensive ESRD Care model
  - Vermont all-payer ACO

# Specialists' participation in ACOs

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- Beneficiaries are mainly assigned to ACO based on primary care visits with primary care clinicians who participate in ACO
- But ACOs may also include specialists as participating physicians
- Each ACO determines the nature of its relationship with participating physicians

# Factors influencing specialists' participation in ACOs

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- Why would specialists want to participate in an ACO?
  - Might lead to more referrals from physicians in ACO
  - Could potentially share in savings if ACO receives shared savings
  - May qualify for 5% incentive payment if ACO is an A-APM
- Do ACOs want to include specialists?
  - Specialists who constrain volume growth could help reduce spending
  - But ACOs don't need specialists for patient assignment (beneficiaries are mainly assigned to ACOs through primary care clinicians)
  - ACOs can influence practice patterns of outside specialists by encouraging ACO physicians to refer to low-cost specialists

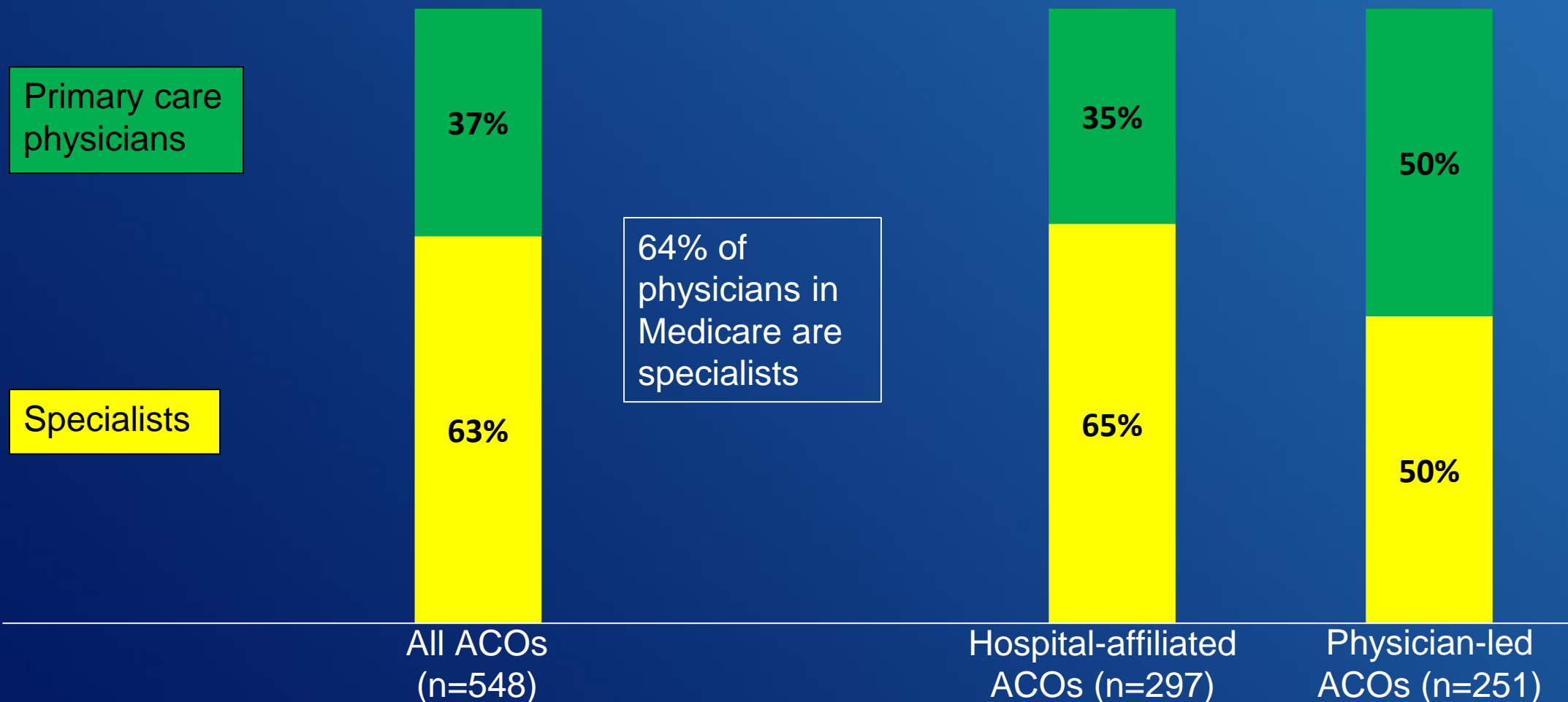
# Findings from interviews and focus groups on the role of specialists in ACOs

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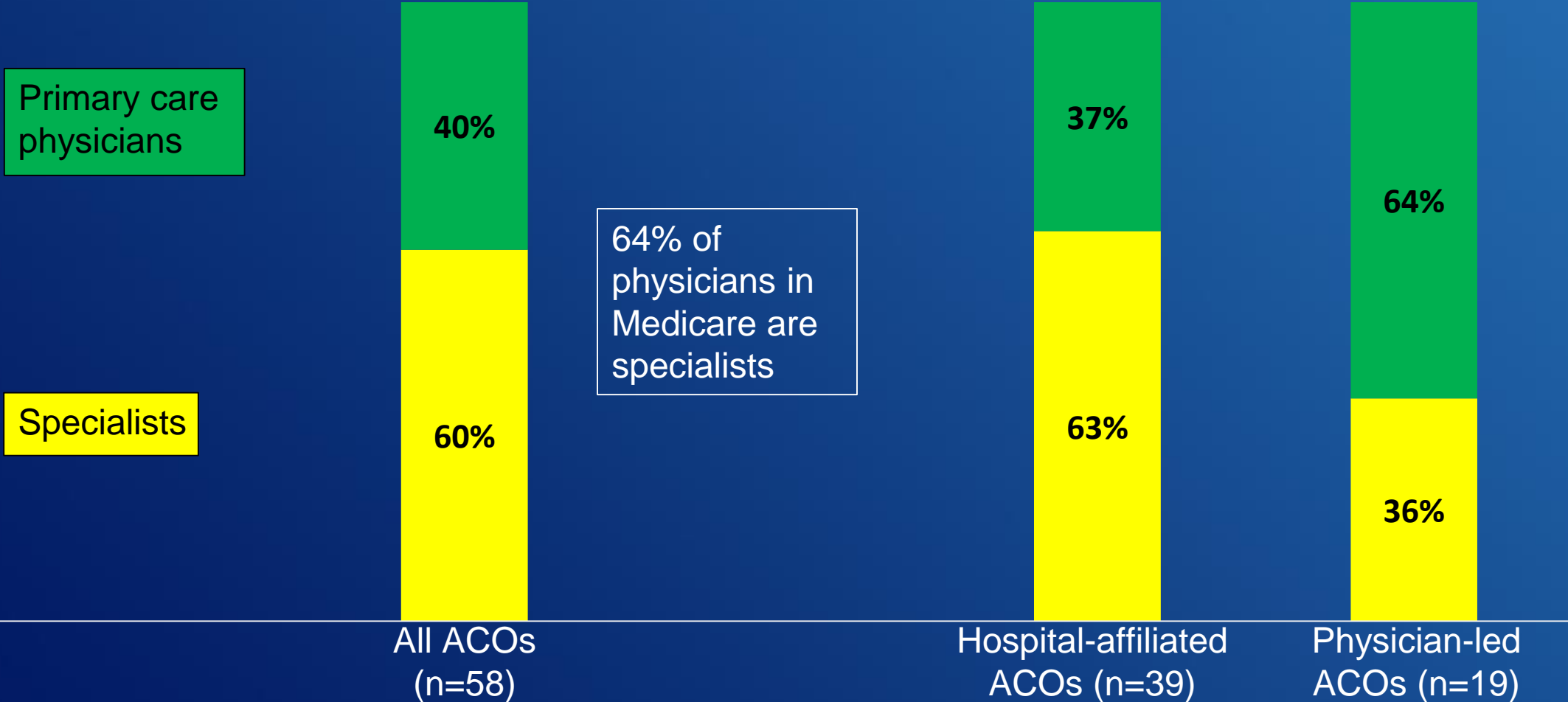
- Findings from interviews and focus groups conducted by Commission staff with ACO leaders and physicians, OIG report based on interviews with ACOs
- ACOs led by primary care physicians are more selective about participating physicians, may not include specialists
- ACOs affiliated with health systems tend to include all employed physicians in ACO, have more specialists than primary care physicians
- ACOs use various approaches to manage referrals to specialists
  - Give primary care physicians data on specialists' use of services
  - Data sharing encourages specialists to reduce spending and improve quality



# Share of physicians in MSSP ACOs who are specialists varies by ACO type, 2018



# Share of physicians in Next Generation ACOs who are specialists varies by ACO type, 2018



# Research on the impact of specialists on ACOs' volume and spending is limited

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- Primary care physician group ACOs in MSSP reduced total Medicare spending but multispecialty physician group ACOs did not (McWilliams et al. 2016)
- ACOs in MSSP with high share of primary care physicians reduced number of visits with specialists but ACOs with high share of specialists did not (Barnett and McWilliams 2018)
  - Suggests that ACOs with more primary care physicians have stronger incentive to reduce use of specialty care

# Conclusion

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- Do specialists have opportunities to participate in APMs and ACOs?
  - Yes, but ACOs determine the role of physicians
- Are ACOs with specialists more likely to reduce volume and spending?
  - Thus far, limited evidence suggests the opposite