



# Patient-Centered Payment for SPECIALTY CARE

Many patients have health problems that require specialized expertise to diagnose or treat. Specialty care providers deliver three types of services that complement the work that primary care practices do:

- **Diagnosis and Treatment Planning.** In some cases, it is difficult to determine the cause of a patient's symptoms without specialized training and experience. An inaccurate diagnosis can lead to unnecessary or harmful treatment for a non-existent problem and/or failure to properly treat the real problem. In addition, many patients receive unnecessary tests and/or unnecessarily expensive tests to rule out unlikely diagnoses. In some cases, these tests can lead to false positive results that contribute to inaccurate diagnoses and unnecessary treatments.
- **Management of Chronic Conditions.** Although many chronic conditions can be managed effectively by a primary care practice, some patients with a chronic condition will need or want to receive support from a specialty care provider, particularly patients with severe conditions, including serious behavioral health conditions, and patients for whom standard treatments are not effective or have problematic side effects. In addition, some patients with a chronic condition may need to temporarily receive treatment and proactive management services for that condition from a specialty practice rather than the primary care practice, such as when the patient experiences an acute condition that complicates management of the chronic condition (e.g., the patient becomes pregnant and the medications she had been taking for the chronic condition are problematic during pregnancy).
- **Treatment of Serious Acute Conditions.** Treatments and procedures for serious acute conditions may require not only special expertise, special equipment, or special facilities to perform, but multiple providers may need to contribute components of the necessary care. For example, a patient who needs surgery will require the services of a surgeon, an anesthesiologist, a hospital, and potentially other physicians and post-acute care providers in order to achieve the best outcome. All of these providers have to work together as a team if the patient is to receive care in the most effective, efficient way.

Many current value-based payment systems try to discourage the use of specialty care regardless of whether patients need it or not, or they penalize the use of expensive components of specialty care (e.g., drugs or rehabilitation) in ways that can be harmful to the patients who need those types of services. There are very few value-based payment systems specifically designed to support high-quality specialty care, particularly ambulatory specialty care.

In a *patient-centered* payment system, payments should enable patients to receive services that require special-

ized expertise, and the payments should encourage a team-based approach to specialty care delivery when multiple providers are involved. No one payment method can support all types of care for all patients.

**Patient-Centered Payment for Specialty Care** will require four different types of payment:

- **Payments for Diagnosis and Treatment Planning.** A physician (or team of physicians) with expertise in diagnosing the cause of a specific symptom or set of symptoms should receive a one-time Diagnosis Payment to support the time involved in determining an appropriate diagnosis. In cases where the same symptoms could result from very different kinds of problems, separate payments to two or more specialty providers may be necessary. If the patient is diagnosed with a specific health problem, there should be an additional Treatment Planning Payment to support the time needed to work with the patient to plan an appropriate treatment.
- **An Episode Payment for Treatment of Common Acute Conditions.** For common acute conditions where there is an evidence-based protocol for treatment, such as many types of surgeries for patients with no unusual characteristics, the team of providers delivering the treatment should receive an Acute Condition Episode Payment, i.e., a single "bundled" payment for all of the services that all of the providers deliver in order for the patient to receive all components of appropriate, evidence-based care for the condition. The amount of the payment should be based on the cost of the specific services that need to be delivered.
- **Monthly Payments for Management of Chronic and Extended Acute Conditions.** If a patient enrolls with a specialty provider for ongoing assistance in treating and managing a chronic condition, that provider should receive a Monthly Chronic Condition Management Payment for that patient to support delivery of appropriate chronic condition management services. Since continuous, proactive care is needed to reduce the severity of symptoms and prevent exacerbations of the condition, a monthly payment is necessary to support this. Monthly payments are also appropriate for patients with an acute condition that will require focused treatment or management over an extended period of time, but where the exact length of treatment is uncertain or the intensity of treatment may vary from month to month, such as patients with cancer and women who are pregnant. Higher monthly payments will be needed for patients with a combination of chronic conditions or other characteristics that require significantly more time and assistance, and higher payments will be needed when treatment first begins.

- **Payments for Coordinated Treatment of Uncommon or Complex Conditions.** For patients who have an uncommon acute or chronic condition or who have other characteristics that require special approaches to treatment, it may be either impossible or inappropriate to prospectively define an episode payment or monthly payment for their treatment. In these cases, the members of the provider team treating the patient should receive (a) fees for each of the individual services they deliver, and (b) a Treatment Coordination Payment to ensure that all of the services are effectively coordinated and that quality standards are met.

In order to assure that each individual patient receives appropriate, high-quality specialty care, a specialty provider or team of providers should be required to:

- **Deliver Evidence-Based Care.** The specialty provider team should only bill and be paid for a Diagnosis or Treatment Planning Payment, a Monthly Chronic Condition Management Payment, an Acute Condition Episode Payment, or Treatment Coordination Payment if the patient had received all services that are consistent with applicable, evidence-based Clinical Practice Guidelines (CPGs) or the provider had documented the reasons for deviation from those guidelines in the patient's clinical record.
- **Monitor Patient Outcomes.** The provider should only bill for and be paid for services if it used a Standardized Assessment, Information, and Networking Technology (SAINT) to monitor whether the treatments and services delivered are achieving the desired outcomes.
- **Achieve Outcomes Within the Control of the Provider.** If a specific outcome can be defined that is desirable for the patient, feasible to achieve, and under the control of the provider or team of providers treating or managing the patient's health condition, then the provider team should also be held accountable for

achieving that outcome in order to receive payment for their services. However, this will generally only be possible for patients with a common chronic or acute condition and no special characteristics.

- **Contribute Information to a Clinical Data Registry.** Data on outcomes achieved for patients are essential for developing the evidence necessary to fill the gaps in current clinical practice guidelines and to update the guidelines as new treatments and approaches to care delivery are developed. Participation in a Clinical Data Registry enables information on services and outcomes from multiple providers to be assembled in a way that supports analysis and research on the effectiveness of different approaches to diagnosis and treatment for patients with specific characteristics.

The amounts of payments should be based on the estimated cost for a specialty provider or team to deliver the care during a month or episode of care, considering the amount of time needed to deliver evidence-based services, the types of personnel and facilities that are most appropriate to deliver the services, the cost of drugs and medical devices used for treatment or condition monitoring, the cost of collecting outcome data and participating in a clinical data registry, and other costs such as equipment, utilities, and space.

For patients with insurance, cost-sharing amounts should be designed to enable and encourage patients to receive services that improve outcomes and to use providers that deliver good outcomes at a lower cost.

More detail on patient-centered payment for specialty care is available at [www.PatientCenteredPayment.org](http://www.PatientCenteredPayment.org).

