American College of Emergency Physicians®
ADVANCING EMERGENCY CARE

The Alternative Payment Model (APM) Physician Checklist

The following checklist is intended to guide ED leadership on their **journey to value-based care**. The checklist consists of questions and useful insights to assist ED groups as they **assess their readiness for participation in risk-based contracts**.

Prior to Participating in Value-Based Care:

- ☐ **Assess Hospital Capabilities**
- ☐ **Assess ED Group Maturity**
- ☐ **Identify ED Physician Leadership**
- ☐ **Identify the Opportunity for Cost Saving and Quality Improvement**
- ☐ **Target Payors**
- ☐ **Design the Model**
- ☐ **Foster a Cultural Shift**

Sources: American Medical Association. Prepare your practice for value-based care. (2019). https://edhub.ama-assn.org/steps-forward/module/2702555 ; HCTTF. The Transformation to Value: A Leadership Guide. (2017). https://hcttf.org/2017-9-13-the-transformation-to-value-a-leadership-guide/; American Hospital Association. Evolving Care Models: Aligning Care Delivery to Emerging Payment Models. (2019). https://www.aha.org/system/files/media/file/2019/04/MarketInsights_CareModelsReport.pdf

Assess Hospital Capabilities

The following chart illustrates a **well-positioned hospital's capabilities** for engaging in value-based arrangements. Hospital's without these characteristics should still consider pursuing APMs.

Questions to Consider:

- Are these characteristics representative of the hospital you are currently contracted with?

Care Continuum

Network: Hospital's networks are robust and can address most of patient's needs across the care continuum	**Affiliation:** Contracts between groups, hospitals and payors require a commitment to shared quality or utilization metrics.	**Quality Improvements:** A portion of ED contract is directly tied to performance through in-direct participation in a value-based arrangement.

Clinical and Care Management

Practices: Shared and standardized clinical protocols across hospital's care continuum.	**Care Management:** Multi-disciplinary and integrated healthcare team that includes advanced practice providers (physician's assistants, nurse practitioners, and clinical nurse specialists). Designated care managers for high risks patients to better address underlying social determinates of health.	**Quality Improvements:** Quality improvement measures and programs are coordinated across the hospital.

IT Infrastructure and Analytics

Electronic Health Record (EHR): Hospital working towards interoperability. Strategy in place to develop a common platform that integrates EHR and analytics.	**Population Health Management Tools:** Population health-management systems (i.e. SDA screening) to identify high-risk patients are in place.	**Performance Analytics:** Ability to track patient-level data, performance metrics against quality and utilization targets.

Financial Management Strategy

Practice Management and Revenue-Cycle Management: Shifting towards full alignment with reimbursement model.	**Actuarial/Risk Management Capabilities:** ED physicians have the capacity to negotiate and manage performance for contracts with some risk.

Governance and ED Physician Engagement

Governance Structure: Existing structure in place that can oversee alternative payment models development and implementation.	**Operating Units:** Functions may need to be created to support care delivery model.	**Provider Engagement:** Shared commitment to advancing alternative payment and value-based arrangements across the health system. Strategy in place to begin workforce development and organizational transformation required to support the transition to an APM.

American Hospital Association. Evolving Care Models: Aligning Care Delivery to Emerging Payment Models. (2019).
https://www.aha.org/system/files/media/file/2019/04/MarketInsights_CareModelsReport.pdf

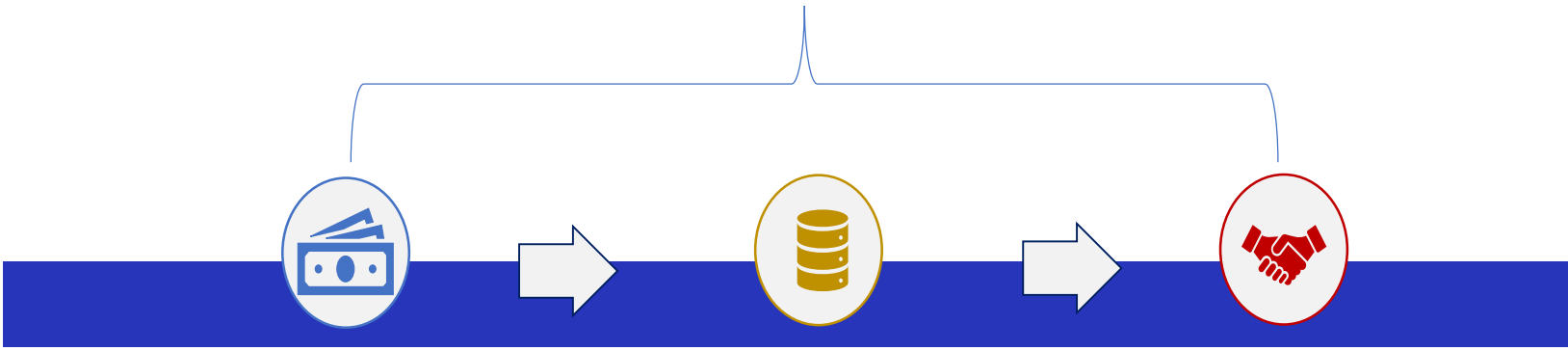
Assess ED Group Maturity

Establishing your groups position on the **healthcare reform continuum** is necessary before developing and implementing a value-based care model. The following **continuum represents reimbursement models** moving away from volume and towards value.

Question to Consider:

- Have you aligned clinician contracts with the aims of a value-based health system?

Journey to Value Driven Reimbursement Models



Fee-For-Service (FFS) No Link to Quality and Value

Reimbursement based on the number of services provided or the number of procedures ordered.

Fee-For-Service (FFS) Linked to Quality and Value

Utilize traditional FFS payments but adjusted based on infrastructure investments to improve clinical services, clinician reporting of quality data, and/or provider performance on cost and quality metrics.

APMs Build on Fee-For-Service (FFS) Architecture

Structured to support care coordination by covering a complete set of related services for a procedure that may be delivered by multiple clinicians.

Sources: Health Care Payment Learning & Action Network (HCP-LAN). APM Framework. (2017). https://hcp-lan.org/apm-refresh-white-paper/ ; Health Care Payment Learning and Action Network (HCP LAN). APM Measurement Effort. https://hcp-lan.org/apm-measurement-effort/

Identify ED Physician Leadership

Identifying **strong leadership among ED physicians** will help ensure success. ED physician leaders should work closely with hospital and health plan leadership to **develop and execute on a shared vision of value transformation**.

Questions to Consider:

- Does your current strategic vision explicitly include embracing models of VBC delivery?
- Do you have clear strategic goals related to your quality improvement program?
- Do you have a robust communication strategy to reach stakeholders?
- Have you engaged patients, families and communities in planning of VBC?

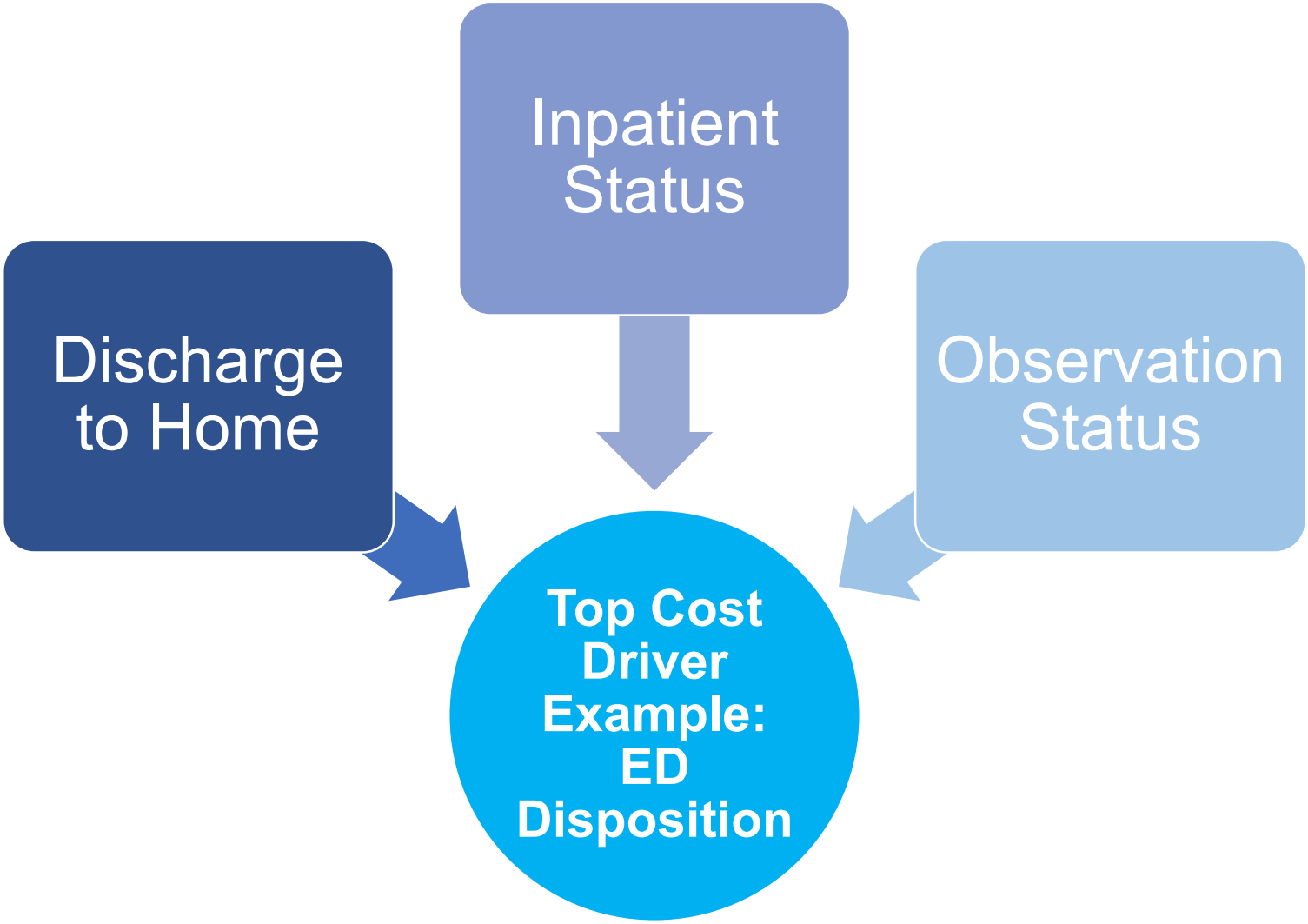
Working together and **across stakeholder types** and **supporting direct physician engagement** will help advance your capacity to engage in value-based arrangements

Moving your emergency department group towards value will lead to **improved health outcomes for patients and lowered costs**.

Sources: American Hospital Association. Evolving Care Models: Aligning Care Delivery to Emerging Payment Models. (2019). https://www.aha.org/system/files/media/file/2019/04/MarketInsights_CareModelsReport.pdf Health Care Payment Learning & Action Network (HCP-LAN). Success Factors and Infographic. https://hcp-lan.org/workproducts/APM-Success-Factors-Report.pdf

Identify the Opportunity for Cost Saving and Quality Improvement

Decision to **admit or discharge** from the ED significantly impact healthcare spending. One example of an APM focused on emergency medicine could seek to reduce inpatient admissions and observation stays when appropriate through enhanced care coordination. This value-based model could **dramatically reduce costs for payors and provide shared-savings opportunities.**



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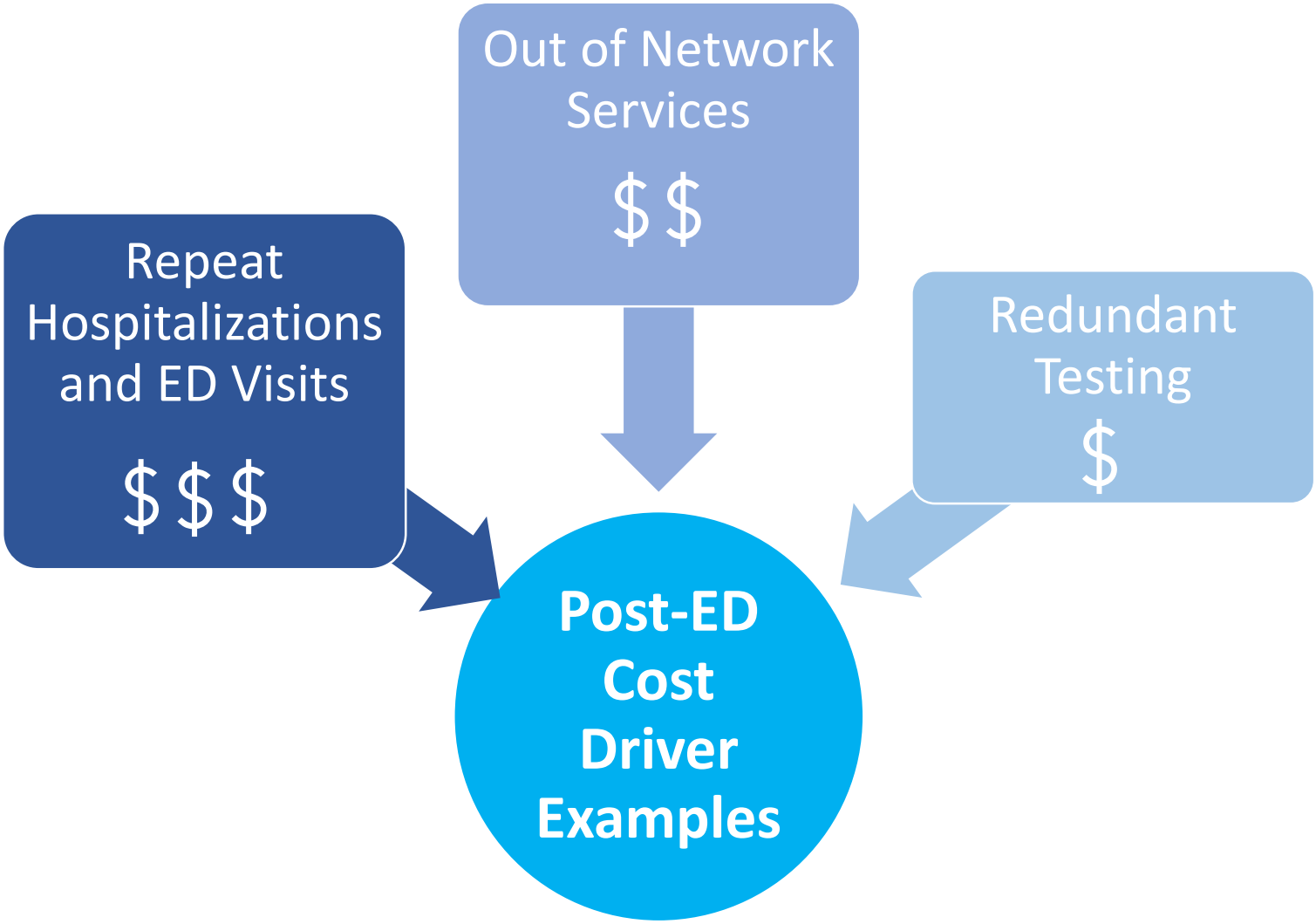
Identify the Opportunity for Cost Saving and Quality Improvement

Other APM example involves reducing the costs associated with a given episode of care. Determine specific areas for improvement to **better meet the needs of a specific patient population** and the associated services that are **contributing to the cost of care within an episode framework.**



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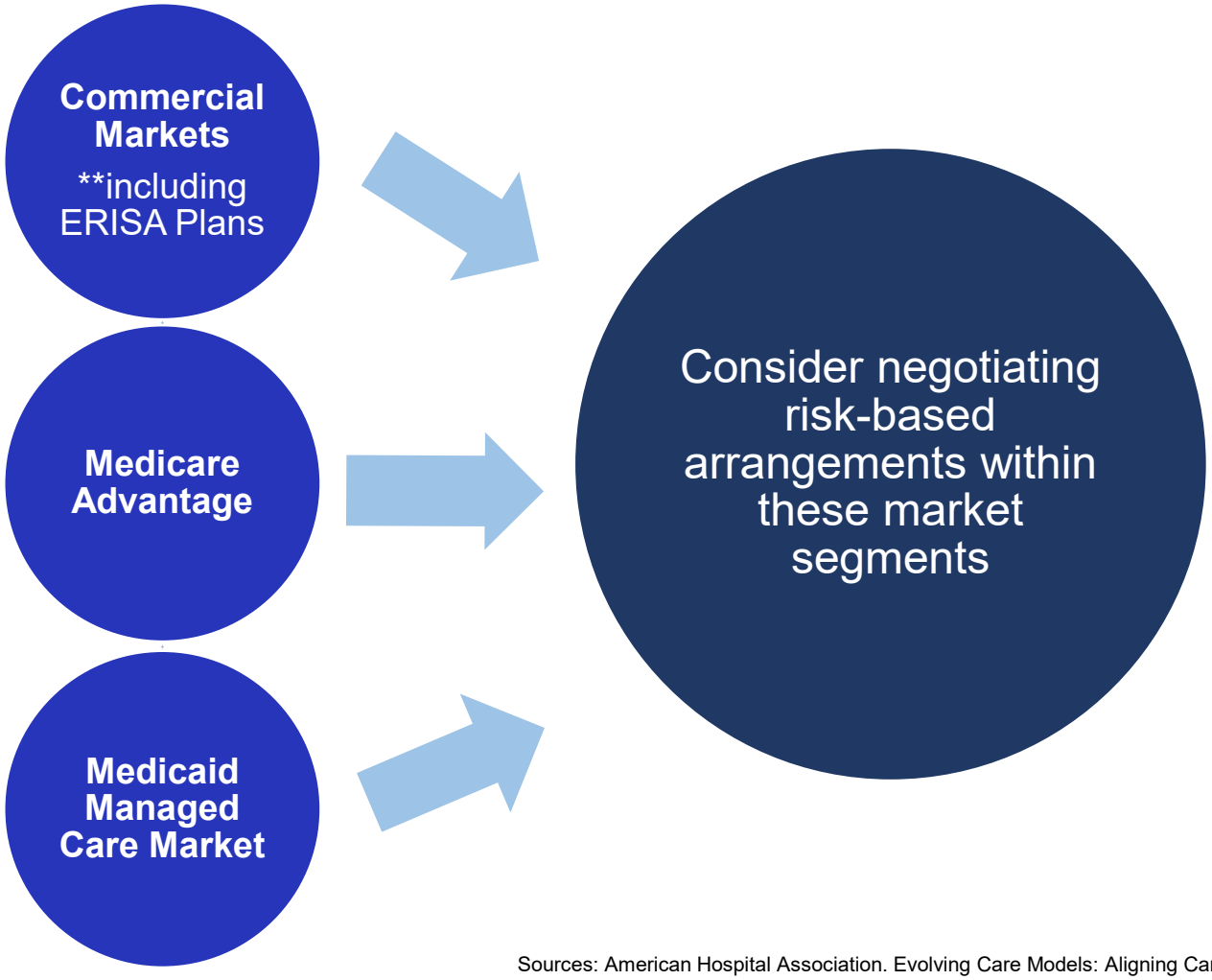
Target Payors

Mature ED groups are well positioned to contract with **a payor** to test an advance value-based models .

Questions to Consider:

- What does your local market look like (i.e. high penetration of managed care, Medicare advantage plans or is the market dominated by one commercial payer)?
- Do you have any direct contracts with payors?



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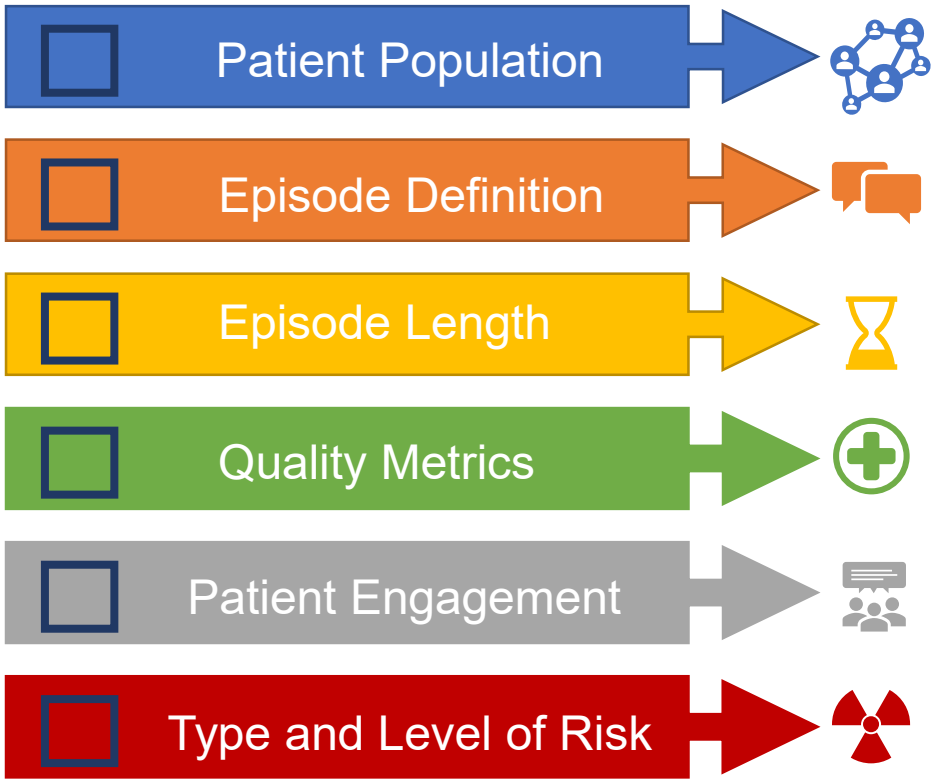
Design the Model for the Pilot

Develop payment and care delivery models that are **evidence-based, patient-centric** and **minimizes burden on ED staff**.

Set **realistic expectations** for yourself about clinical outcomes, monetary savings, and overall value transformation progress.

Solicit feedback from primary care and other specialty physicians, patients and other caregivers through model development.



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Foster a Cultural Shift in the Emergency Department

Generating **buy-in among stakeholders** is required to successfully transition to value. Developing a **shared vision** for care delivery and payment reform will help position you for long-term success in spite of initial challenges.

Question to Consider:

- Do you have key stakeholder participation and buy-in (e.g. hospital, accountable care organizations (ACOs), medical staff, post-acute care providers)?

Sources: American Hospital Association. Evolving Care Models: Aligning Care Delivery to Emerging Payment Models. (2019). https://www.aha.org/system/files/media/file/2019/04/MarketInsights_CareModelsReport.pdf Health Care Payment Learning & Action Network (HCP-LAN). Success Factors and Infographic. https://hcp-lan.org/workproducts/APM-Success-Factors-Report.pdf

Successful Participation in Value-Based Care

ED physician groups are well-positioned to partner with payors to test alternative payment models in an effort to **improve patient care and reduce overall system costs**. ED groups considering risk-based contracts must have the following **pre-requisites**:

Successful Participation in Value-Based Care:

- ☐ Hospital system is interested in advancing along the healthcare continuum and staffing is sufficient to support a value-based program
- ☐ Have ED physician leadership in place that focuses on value-driven care
- ☐ Capable of analyzing administrative and EHR data to identify variations in discharge dispositions that represent a cost-saving opportunity
- ☐ Posses the capacity to create a model that addresses the needs of a specific patient population
- ☐ Local-market includes payors who are receptive to undertaking a value-based contract
- ☐ Favorable attitude towards risk sharing and value-based changes across the environment