The Future Of Venous Reimbursement In A Non-Fee For Service Environment [2018 UPDATE]

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THE FUTURE IS NOW
PAYMENT REFORMS HAVE ARRIVED

SYLVIA BURWELL HHS SECRETARY
Centers for Medicare & Medicaid Services (CMS)
Announce Effort to Move From Fee-For-Service to Value-Based Payment and Delivery →
January 27 2015
WHAT’S ITS STATUS 3 YEARS LATER?

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Replaced fee-for-service systems with “value-based approaches”

VALUE-BASED CARE
- Form of reimbursement that ties payments for care delivery to the quality of care provided and rewards providers for both efficiency and effectiveness
- Alternative to and potential replacement for fee-for-service reimbursement which pays providers retrospectively for services delivered based on bill charges or annual fee schedules

VALUE-BASED MODELS TO REDUCE THE COST OF MEDICARE

DECREASE COSTS
ALTERNATIVE PAYMENT PROGRAMS

ACO

BUNDLED PAYMENTS

*UTILIZATION
*PRICE
ACCOUNTABLE CARE ORGANIZATION (ACO)

*Group of health care providers who agree to share responsibility for the quality, cost, and coordination of care with aligned incentives for a defined population of patients

*Shared savings is designed to reward a group of providers for working together to deliver care that meets performance standards for quality of care and lowers health care costs

*RISK SHARING → One sided vs two sided

ROLE OF SURGERY IN ACOs

• Specialists not central to ACOs
• Attribution of patients to ACOs is based exclusively on primary care services
• Difficult for an ACO to figure out how to share savings with specialists, like surgeons.
• More effective Strategy → rewarding providers for reducing avoidable care than for making unavoidable care more efficient

ACOs CURRENTLY

• 67% of Specialist visits are outside of an ACO
• Do not focus on surgeons
• Focus on care coordination and reducing admissions/readmissions
• Huge variation in surgeons’ participation → practice’s contractual role rather than strategic value
• Weak financial incentives vs FFS

CURRENT EXAMPLE OF A CONTRACTED VEIN SERVICE TO AN ACO

• GSV Ablation Through an integrated network of Vein Centers (VCs)
• VCs “go at risk” for delivering vein care to an ACO as an OUTSOURCED CONTRACTOR
• VCs must have firm grasp on their costs and this must be based on a projected annual usage of their services
• Determine “Quality Indicators”
• Profit for VC built into the economic model

BUNDLED PAYMENT

Method in which payments to health care providers are related to the predetermined expected costs of a grouping, or “bundle,” of related health care services
CRITERIA FOR SELECTING SURGICAL PROCEDURES FOR BUNDLED PAYMENT (I)

• Elective, non-emergent procedures →
• High volume, high expenditure (CMS Standards) →
• Existence of evidence-based or appropriateness criteria
• Established measureable processes of care or performance measures →
• Ability of the outcomes to be risk adjusted →
• Fixed, lump sum payment is shared among all caregivers, who also share savings when actual expenditures fall below the bundled payment amount.

INDIVIDUAL CMS REIMBURSEMENT FOR VARIOUS PROCEDURES

CRITERIA FOR SELECTING SURGICAL PROCEDURES FOR BUNDLED PAYMENT (I)

• Elective, non-emergent procedures → YES
• High volume, high expenditure (CMS Standards) → NO
• Existence of evidence-based or appropriateness criteria →
• Established measureable processes of care or performance measures → Pending Appropriateness
• Ability of the outcomes to be risk adjusted → NO

CONCLUSIONS
VALUE BASED REIMBURSEMENT

• ACO Model-Evidence of external Contracting for Ablation Services currently

• Bundled Payment Model-Doesn’t satisfy the procedural volume and cost criteria

COMPARISON OF CMS VOLUME FOR VARIOUS PROCEDURES

0 100,000 200,000 300,000 400,000 500,000 600,000 700,000 800,000 900,000

TKR/PTCA EVA-STENT IVC DEVICE LYSIS

TKR/PTCA EVA STENT FILTER

$45 K

$45 K CABG