

## Developing Alternatives to the RBRVS/SGR

---

Gail R. Wilensky

Project HOPE

January 24, 2014



## Current “Disconnect” with RBRVS/SGR

---

- ◆ RBRVS rewards *volume* rather than *value*
  - presence of “overvalued” codes makes this worse
- ◆ “Disconnect” between the behavior of *individual* physician and the affect of *all* physicians on SGR
  - no *reward* for *good* behavior; no *consequences* to *bad* behavior

And --- it hasn't worked!!

2



## Developing Alternatives

- ◆ Earlier strategies: separate SGRs for different physician groups
  - HR 3162 of 2007
  - HR 3961 of 2009
- ◆ Current Efforts:
  - Bipartisan E/C bill and bipartisan, bicameral “Discussion draft” from SFC/Ways and Means
  - *Clear Similarities*:  
Zero to small updates; higher adj. for docs who participate in ADS that ↑ value; ↓ payments for docs who don't ↑ value.

3

## Important Challenges Remain

- ◆ Most obvious:  
How to pay for the SGR repeal?  
\$116 bil? \$175 bil?
- ◆ Also important:
  - which performance measures should determine payment shifts?
  - which advance payment models should be included for higher payment rates?



4

## Lessons From Ongoing Pilot and Demo Projects

---

- ◆ Patient Centered Medical Homes
  - many models being tried;
  - modest savings (at best);
  - few independent evaluations to date
- ◆ ACOs
  - still relatively new (for Medicare)
  - mixed first year results for Pioneer ACOs; 9 left
- ◆ Mixed models also being tried  
e.g., BCBS of Michigan

5

## Bundled Payment Projects

---

- ◆ CMMI bundled payment initiatives
  - four models, all have hospital as focal point of the bundle
  - cover different provider types e.g., hospital, physician, post-acute
- ◆ AMA initiative
  - condition-based payment for specialty physicians: payment covers specialty physicians costs for treating given medical conditions
  - still in the development phase



6

## What's Not Being Tried?

---



- ◆ *Systematic assessments* of alternative ways to reimburse physicians *outside* of hospital bundle
  - episode-based payments for physicians with differing time frames
  - bundled payment for all physicians treating a specified medical condition
- ◆ Relative lack of focus on alternative ways of reimbursing specialists may reflect higher level of satisfaction with past reimbursement levels.

7

## Need to Be Cautious About Findings from Pilots

---



- ◆ Most are in *early* stages of *evaluation*  
Many still in *early* stages of *implementation*
- ◆ All are *voluntary*  
Raises questions of *self selection*; *generalize ability*
- ◆ Early savings may not be *sustainable*  
Some projects received advantages of one-time subsidies

Still – More promising than in last two decades!

8