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# Value-Based Care in Physical Therapy: Navigating Payment in 2022

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# Learning Goals

- Describe what value-based care and value-based payment mean for physical therapists
- Identify opportunities and barriers to participation in alternative payment models in physical therapy
- Explain the movement toward MVPs under Medicare
- Communicate the advantage of transitioning from fee-for-service to value-based payment

# Chapter 1

Overview of the Current Value-Based Practice  
and Payment Environment

MIPS, MVPs, APMs

# What Is Value?

**Worth, usefulness, or importance in comparison with something else**

- Value is stakeholder dependent
- Value is relative

# Stakeholder Considerations

- Is it worth the time as compared to . . . ?
- Is it worth the money as compared to . . . ?
- Is it worth the effort as compared to . . . ?
- Is it worth the resources as compared to . . . ?

# Dealing With Relativity

**Our solutions must be equal to or better than other solutions at an equal or lower cost**

# Categories of Alternative Payment Models

- **Category 1:** Fee-for-service with no link to quality or value
  - Example: physician professional fees
- **Category 2:** Fee-for-service linked to quality and value
  - Examples: pay-for-performance (e.g., MIPS) and infrastructure improvement payments
- **Category 3:** Alternative payment models built on a fee-for-service architecture that hold providers financially accountable for performance
  - Examples: shared savings (e.g., MSSP ACOs); episode-based payments for procedures (e.g., BPCI), Comprehensive Primary Care Plus (CPC+) Track 1
- **Category 4:** Alternative payment models using population-based payment, with safeguards against limiting necessary care
  - Examples: global capitated budgets (e.g., integrated delivery systems), Comprehensive Primary Care Plus (CPC+) Track 2, prospective bundled payments for chronic conditions



# Merit-Based Incentive Payment System (MIPS)

- Pay for performance
- End-of-year payment adjustment based on
  - Quality
  - Cost
  - Improvement activities
  - Promoting interoperability
- Largest quality program including PT
- Still very challenging
  - Eligibility
  - Administrative burden
  - Payout

# MIPS Value Pathways

- Next-generation MIPS
- Sunset ‘traditional” MIPS by 2027
- Simpler reporting requirements
- Better comparison between different providers
- Doesn't resolve issues with traditional MIPS

Lewis et al., 2020

Health Care Payment Learning & Action Network, n.d.

Margolis Center for Health Policy, 2020

# What Is the Data Telling Us About Value-Based Payment?

- Substantial adoption over the past decade
  - CMS continues to launch new models
  - One-third of commercial payer payments are made under an APM
  - State Medicaid programs are focused on payment reform
- Evidence is mixed on the results of these models

# Where Are Commercial Payers in the Transition to Value-Based Care?

The pandemic has had both positive and negative influences on value-based care progress and alternative payment model uptake

- Many providers have gained a new perspective on the benefits of value-based care due to the pandemic since fee-for-service did not serve them well during this time
- The pandemic had a slightly stalling effect on value-based care progress early on, but in the first six months of 2021, payers have moved ahead with value-based contracting

# How Has the Pandemic Influenced the Shift to Value-Based Payment?

Providers in more advanced payment models had more financial resilience against the reductions in in-person volume

- In 2020, orthopedic procedures were down 90%
- Providers in shared-value arrangements for orthopedics had a steady cash flow of about \$160 per member, per month
- Providers in fee-for-service models had \$0 cash flow for many months

# Chapter 2

## Facilitated Q&A

# Facilitated Q&A

Robert Worth, PT, DPT, ATC/L, MS

Craig Johnson, PT, MBA

# Facilitated Question #1

What kind of alternative payment models do you participate in?



## Facilitated Question #2

How did you get started in payment beyond fee-for-service?

## Facilitated Question #3

What has been the biggest challenge to your participation in value-based care?

## Facilitated Question #4

Where do the greatest opportunities lie for physical therapists to seek payment opportunities other than fee-for-service?

# Facilitated Question #5

What's one thing you wish you had known before you got started?

## Facilitated Question #6

What are the advantages of participating in alternative payment models?

# Chapter 3

## Audience Q&A

# Question & Answer Session



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