ALTERNATIVE PAYMENT MODEL
CONTRACTING CHECKLIST

June 2017

Your practice should know the following before considering participation in an alternative payment model.

KNOW YOUR BUSINESS

☐ You currently collect and analyze your data.
☐ You can demonstrate outcomes for the model patient population.
☐ You know your cost per case for the model patient population.
☐ You know what percent of your business is derived from the model patient population.
☐ You know your case mix severity.
☐ You use data to improve your clinical practice.

KNOW YOUR PRACTICE

☐ You know how the model fits into your business strategy and vision.
☐ This is your target population.
☐ You have the infrastructure to establish connectivity with the collaborators.
☐ You have the necessary clinical expertise.
☐ You have the necessary scheduling capacity, staff, and space.
☐ You know what impact your participation will have on existing patients.

KNOW YOUR MARKET

☐ You have researched the players in the local health care marketplace.
☐ You know about the partners participating in the bundle.
☐ You have the necessary marketing skills.
☐ A model convener is in your area.

UNDERSTAND THE MODEL

☐ You can articulate your value proposition.
☐ You have assessed the pros and cons of participation.
☐ You understand the concept of total cost of care.
☐ You have assessed your risk tolerance.
☐ You have the skills and ability to review and interpret your model partners’ data.
Your practice should be aware of the following aspects of alternative payment models.

- Medicare patients retain the freedom to choose their provider and services.
- Model conveners have target case prices set annually.
- Model conveners have target quality benchmarks.
- Contracting will likely be complicated.
- The models will include risk stop-gaps.
- You may have higher-acuity patients.
- You will need to foster collaboration with partners.
- Staff education will be required to succeed in any alternative model.
- There are many unanswered questions, and you should anticipate change.

**BUNDLED PAYMENT PROS AND CONS**

<table>
<thead>
<tr>
<th>Pros</th>
<th>Cons</th>
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<tbody>
<tr>
<td>More business and revenue; more referral generators</td>
<td>Involves a specific market segment</td>
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<td>May lead to practice growth</td>
<td>May require additional space and/or staff requirements</td>
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<td>Possible profit sharing</td>
<td>Risk of financial liability after first year</td>
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<td>Facilitates collaboration with the care team</td>
<td>Ability may be limited to impact partners’ performance and successfully collaborate with the care team</td>
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<td>Pressure on providers and practice for good outcomes</td>
<td>Reliance on entire care team to achieve good outcomes</td>
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<td>Demonstrates the value of physical therapy</td>
<td>Requires data collection</td>
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<td>Ability to participate in new models</td>
<td>Model may continue to develop</td>
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<td>Potential to influence care delivery system</td>
<td>Ability to influence care pathways may be limited</td>
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<tr>
<td>Encourages data collection</td>
<td>Infrastructure, including IT, needed to support data collection</td>
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<tr>
<td>Encourages development of community relationships</td>
<td>Will require resources to develop and maintain relationships</td>
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