

ALTERNATIVE PAYMENT MODEL CONTRACTING CHECKLIST

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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

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