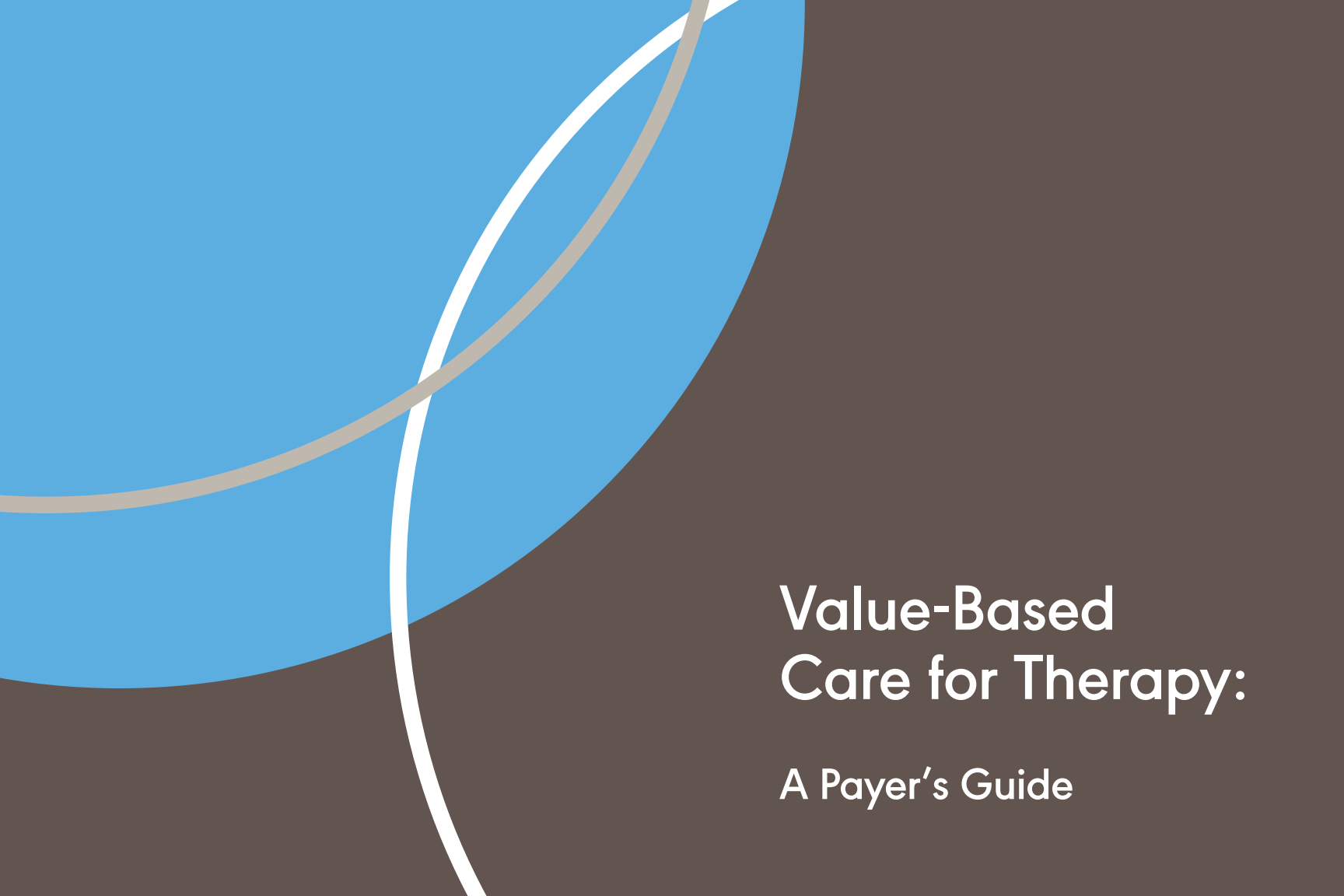




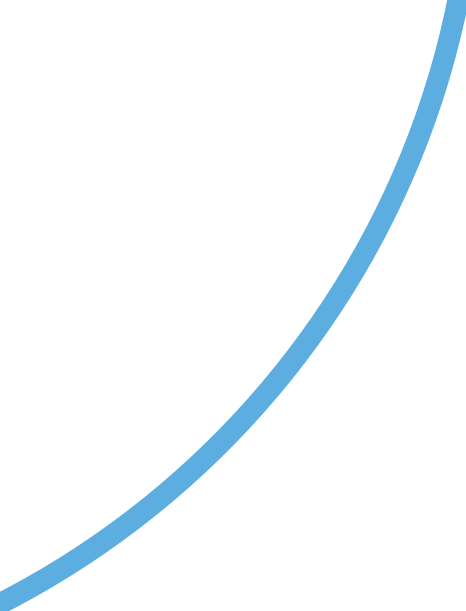
Value-Based Care for Therapy:

A Payer's Guide



Though the United States spends far more on health care than other high-income countries, Americans experience worse health outcomes than our peers around the world. The U.S.' fee-for-service payment system could play a role in this, as it incentivizes volume over value. As a result, payers are exploring value-based care arrangements to improve quality and manage cost.

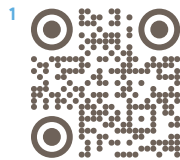
The American Occupational Therapy Association (AOTA), the American Physical Therapy Association (APTA), and the American Speech-Language-Hearing Association (ASHA) have come together to outline important knowledge and key considerations for payers who are exploring value-based payment arrangements for therapy services. Such arrangements, originally conceived to be physician-focused, require special considerations to ensure cost and quality are accurately measured and incentivized in the therapy space.



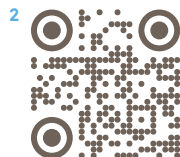
In this booklet...

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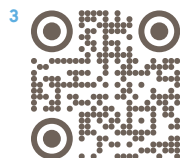
Triple Aim to Quintuple Aim



The Triple Aim:
Care, Health,
and Cost



From Triple to
Quadruple Aim:
Care of the Patient
Requires Care of
the Provider



Quintuple Aim:
A Framework for
Achieving Value-
Based Care

To address cost and quality concerns, leaders at the Institute for Healthcare Improvement developed a framework called the **Triple Aim**¹ in 2008. The goals of the Triple Aim were to enhance the patient's experience of care, improve population health, and reduce the per-capita costs of health care. The **Quadruple Aim**² added a fourth goal to improve clinician experience due to concerns about how clinician burnout affected patient satisfaction, clinical outcomes, and overall health care costs. Alternative

payment models can reduce clinician burnout by reducing administrative burden, implementing payment methods that support adequate care to meet patient needs, and eliminating policies or practices that delay or prevent patient access to care.

Lastly, the **Quintuple Aim**³ adds a focus on health equity, emphasizing the importance of everyone having the opportunity to achieve their highest level of health.

TRIPLE AIM 2008

1. Improved patient experience
2. Better outcomes
3. Lower costs

QUADRUPLE AIM 2014

4. Clinician well-being

QUINTUPLE AIM 2021

5. Health equity

Leveraging Healthy People to Advance the Needs of Vulnerable Populations

LEARN MORE

Health equity is the attainment of the highest level of health for all people.

Achieving health equity requires valuing everyone equally with focused and ongoing societal efforts to address avoidable inequalities, and to eliminate disparities in health and health care.



OBJECTIVES

Identify priorities by browsing **Leading Health Indicators** and other objectives

Compare **population-level progress** to national targets



DATA

Use **Healthy People data** to track health disparities and inform program and policy development



RESOURCES

Find inspiration by consulting **evidence-based resources** to use in your community

Review **Healthy People in Action stories** to learn how others are addressing health equity



FRAMEWORKS

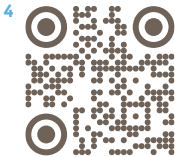
Use the **Healthy People 2030 framework** as a model for program planning

Use the **social determinants of health framework** to build **partnerships across sectors** and communicate root causes of health disparities

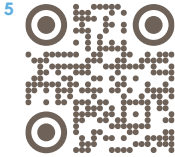


DEFINITIONS

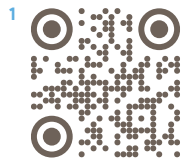
Use the definitions of **health equity** and **health disparities** to promote a shared understanding and identify areas for collaborative action to improve health for all



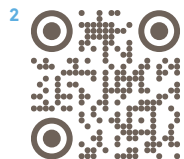
4
U.S. has the worst healthcare outcomes while spending the most, study shows



5
Health Care Access



TEAM (Transforming Episode Accountability Model) | Centers for Medicare & Medicaid Services



Medicare: Voluntary and Mandatory Episode-Based Payment Models and Their Participants | U.S. Government Accountability Office

Fragmented Care (Siloed Care)

“Fragmented care delivery” or “siloed care” refers to a health care system where a patient’s care is spread across multiple providers with poor coordination and communication between them. This fragmented care leads to a disjointed experience and poorer health outcomes, including higher in-hospital cost and mortality.

Value-based care models incentivize providers to focus on improving patient outcomes and quality of care, rather than just the quantity of services provided. Shifting incentives away from volume to outcomes and quality requires an integrated approach to patient care, directly contrasting with fragmented care delivery. Value-based care aims to address the poor health outcomes associated with volume-based care by encouraging collaboration among providers to deliver coordinated care for each patient.



Fragmented Care vs. Value-Based Care

LEARN MORE

Fragmented Care

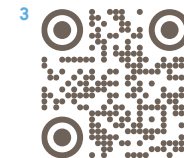
- Results in little or poor communication across multiple providers
- Prioritizes minutes and visits over outcomes and value of care
- Lacks shared medical records and care plans
- Creates potential for duplicative or unnecessary tests, treatments, and hospital admissions
- Often leads to patient confusion and dissatisfaction

Value-Based Care

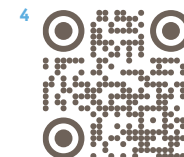
- Focuses on patient outcomes and quality of care
- Incentivizes providers to collaborate across different specialties
- Emphasizes data analysis to track patient progress and identify areas for improvement
- Aims to reduce unnecessary costs by preventing duplicative care and health complications and optimizing care delivery
- Includes the patient's perspective regarding their outcomes and value of interventions



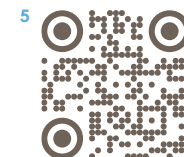
Value-based care addresses fragmented care by leveraging care coordination and data analytics to focus on individual patient needs through tailored treatment plans.



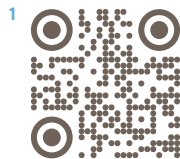
3
Siloed mentality,
health system
suboptimization...



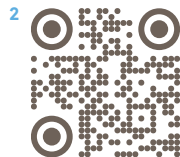
4
Overcoming silos in
health care systems
through meso-level
organisations...



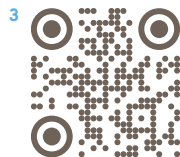
5
Association between
interhospital care
fragmentation,
readmission
diagnosis, and
outcomes



U.S. Health Care
from a Global
Perspective, 2022



Health Care Costs
and Affordability



U.S. is drastically
behind other
wealthy nations
on healthcare...

U.S. Cost vs. Outcomes

The U.S. health economy is the most expensive health system in the world, underwritten by the federal government, state Medicaid programs, employers, and patients. National health care expenditures increased from \$2.8 trillion in 2012 to \$4.9 trillion in 2023. They are expected to reach \$7.7 trillion by 2032.

NATIONAL HEALTH EXPENDITURES ARE PROJECTED TO GROW TO \$7.7 TRILLION BY 2032.

Increased spending has not resulted in a meaningful improvement in patient outcomes, quality of care, or overall population health in the U.S. From 2020 to 2050, the percentage of U.S. adults with chronic conditions is projected to increase by 12.4%.

The limited focus on preventative care and increased utilization of behavioral health and urgent care services coupled with constrained provider supply will likely lead to greater morbidity and mortality in the U.S.

The inputs of the U.S. health care system, as measured by cost, exceed the outputs, as measured by the actual value or benefits received by Americans.

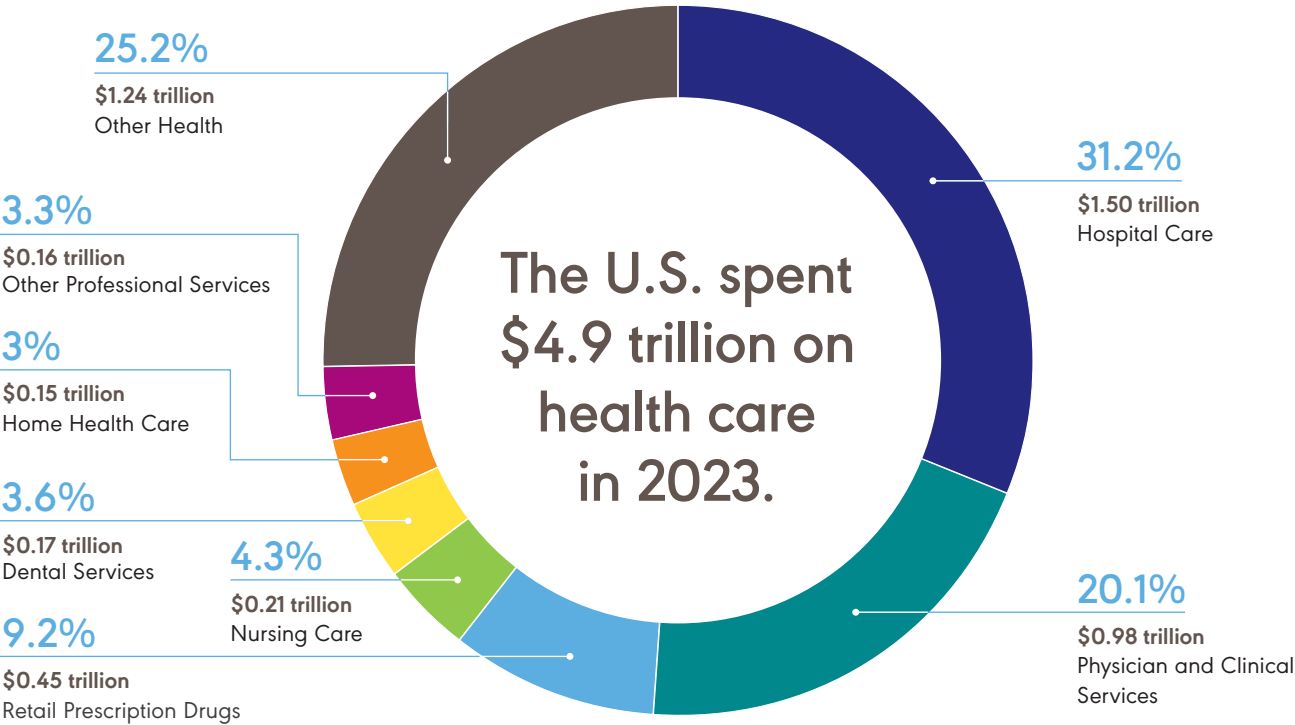
Health care will be best delivered by those who achieve value for cost and optimize that value.

There is a significant difference between value maximization and value optimization. Maximization aims for the highest possible outcome without regard to limits (financial, time, provider access, etc.). To be successful, providers must consider optimization, which involves making the best or most effective use of resources within constraints. This includes assessing whether more affordable care alternatives can deliver strong value and beneficial outcomes for patients, relative to their cost.

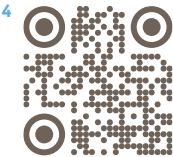
While closely related, value-based care and value-based payment are distinct. Value-based care is the service delivery model focused on delivering high-quality, patient-centered care that is well-coordinated and efficient and is seen as valuable and worthwhile by the patient. Value-based payment (also called value-based contracting or value-based reimbursement) is a specific type of payment system that rewards providers for achieving these goals. One such payment system is an alternative payment model (APM).

National Health Expenditures by Service Type in 2023

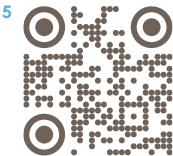
LEARN MORE



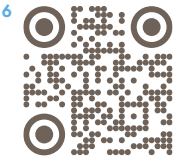
Note: "Other Health" includes spending on durable equipment and non-durable products, other health, residential, and personal care, government public health activities, administration and net cost of health insurance, and investments. "Other Professional Services" includes services provided by chiropractors, optometrists, physical, occupational, and speech therapists, podiatrists, and private-duty nurses. Nursing care includes nursing care facilities and continuing care retirement communities.



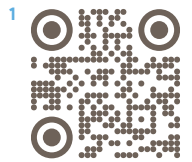
4
Nurturing a Culture of Value-Based Care for Lasting Results



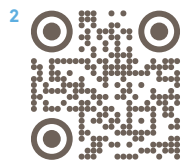
5
2024 Trends Shaping the Health Economy



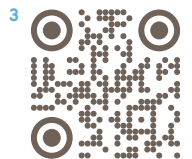
6
CMS National Health Expenditures 2023 Highlights



Medicare Sustainable Growth Rate



Alternative Payment Models (APMs) Framework



Value-Based Care: Alternative Payment Models

Alternative Payment Models (APMs)

A Medicare APM can be:

- A Center for Medicare and Medicaid Innovation (CMMI) model under section 1115A (other than a Health Care Innovation Award);
- A Medicare Shared Savings Program (MSSP);
- A demonstration under the Health Care Quality Demonstration Program; or
- A demonstration required by federal law.

The Medicare Access and CHIP Reauthorization Act of 2015 (MACRA) is bipartisan legislation signed into law on April 16, 2015.

MACRA created the Quality Payment Program was intended to:

- Repeals the **Sustainable Growth Rate¹** formula;
- Changes the way that Medicare rewards clinicians for value over volume;
- Streamlines multiple quality programs under the Merit-based Incentive Payment System (MIPS); and
- Gives bonus payments for participation in eligible APMs.

Other types of APMs include:

- **Patient-centered medical homes** that deliver a primary single point of care to maximize care coordination.
- **Episodic or bundled payment models** that provide a fixed payment, typically for both acute and post-acute care for a specified length of time.
- **Accountable Care Organizations (ACOs)** that take system-wide responsibility for the care of an individual across all their health care needs. This arrangement can include upside and/or downside financial risk for costs and/or outcomes.
- Population-based **capitated payment models** that pay an entity for managing the care needs for a whole population, often with a financial risk/reward arrangement for costs and savings.
- **Direct contracting models** that allow clinicians and practices to engage with APMs for specific services or patients—essentially, subcontracting for specific care.

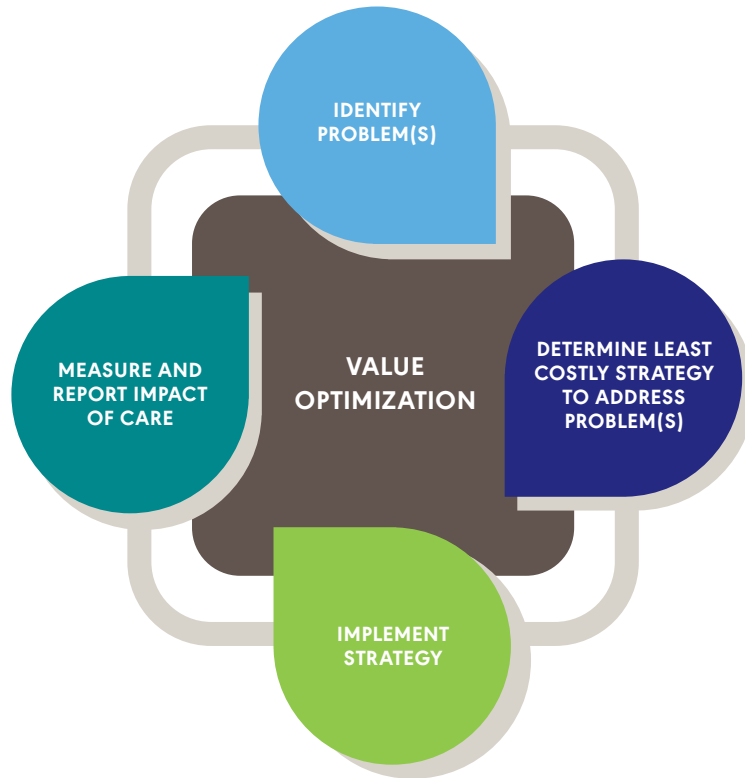


Importance of Data

Navigating value-based payment first and foremost requires data. Data helps determine value, which is calculated by outcomes over cost. This data needs to communicate three primary things:

- Objective measure of metrics requiring intervention at start of, during, and at end of episode of care;
- Cost of interventions necessary to produce the desired outcome; and
- Patient satisfaction metrics.

Operating in a Value Optimization Environment



Identify the problem(s)

- Perform screening and examination using standardized objective measures and patient-reported tools.

Determine the least costly strategy to address the problem(s)

- Consider all available resources.
- Consider necessary collaborators in care.
- Consider all modes of service delivery models.
- Activate and engage patients in their own care process.

Implement the Strategy

- Deliver care.
- Coordinate all aspects of care.
- Routinely reassess to ensure strategy is producing desired results and realign as needed.

Measure and Report the Impact

- Use standardized objective measures, observation techniques, and patient-reported tools.

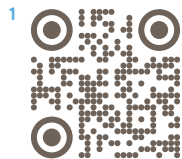
Quality Measures

The quality measures selected in value-based care arrangements are critical, as they track a provider or health system's performance. Quality measures serve as an essential counterweight to cost savings to ensure that attempts to save money do not jeopardize the health, safety, and outcomes of the patient.

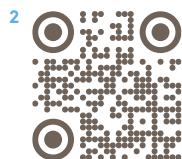
In existing arrangements, quality measures are often physician-focused—for example, immunization status, cancer screenings, high blood pressure control, and depression screenings. While therapy providers can help patients make gains that could eventually impact these measures, they are not the most effective way to track therapy outcomes. While these metrics are appropriate for primary care physicians, they do not adequately measure the valuable impact of therapy providers on supporting functional performance, safe mobility, and optimal independence which has a significant impact in the prevention and management of chronic disease and high-cost adverse events. Judging a therapy practitioner's performance on appropriate measures such as functional independence, achievement of patient-centered goals, and patient-reported outcomes is essential to achieving better value care.



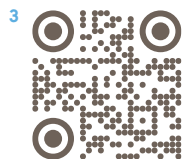
Risk Adjustment



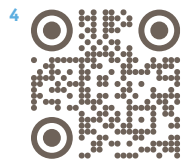
The Basics of Risk Adjustment



Addressing Social Risk Factors In Value-Based Payment



Area-Level Social Determinants of...

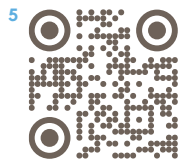


Assessing Area-Level Deprivation as a Proxy...

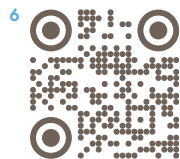
Risk adjustment is a process used to account for variations in patient acuity and predicted cost of care. **Risk adjustment**¹ uses factors such as a patient's health status, underlying conditions, and age to predict patient outcomes and resource utilization and to **determine payment**².

Value-based care programs use risk adjustment to adjust payment and to accurately measure and compare outcomes. **Without risk adjustment, providers with higher-acuity patients could be unfairly penalized**³ when compared to providers treating lower-acuity patients.

Upstream drivers of health or social determinants of health (SDOH)—nonmedical factors that influence health outcomes and patient well-being—are also being used in current risk adjustment models.



Creating a Sustainable Future for Value-Based Care



Risk Adjustment and Risk Stratification in Quality Management

Examples of SDOH include housing stability, transportation, food security, and economic stability. Other factors such as Medicare/Medicaid dual eligibility have also been used to adjust for nonmedical factors that might influence health outcomes.

Geographic data sources have also been used as a proxy for capturing patient-level social needs data. The Area Deprivation Index, Social Deprivation Index, and Neighborhood Stress Score are examples of geographic assessments of social needs. Payers should approach using area-level SDOH measures with caution, as area-level assessments can provide less accurate information than individual-level assessments.

Hierarchical Condition Categories (HCC) is a commonly used risk adjustment model. HCC uses diagnostic codes and demographic data to assign risk levels. The Centers for Medicare & Medicaid Services uses HCCs to determine payment for Medicare Advantage plans and traditional Accountable Care Organizations.

What Can Therapy Do for Your Members?

Occupational therapy practitioners, physical therapists, and speech-language pathologists (SLPs) are experts at supporting patients in achieving their goals and providing them with the knowledge, resources and strategies to achieve lasting behavior change to improve their health outcomes. They are highly trained in interdisciplinary collaborative practice and can help patients achieve their individual goals through shared decision-making.

Occupational Therapy Practitioners:

- Address a client's ability to safely perform activities of daily living (ADLs) such as dressing, toileting, bathing, managing medications, preparing a meal, managing money, and housekeeping. Difficulties performing ADLs have a negative impact on overall quality of life, increase fall risk, and can lead to hospitalizations.
- Assess the need for potential home modifications and safety equipment to improve safe discharge planning and home safety, maximize function, and reduce the risk of in-home injury.
- Help clients identify strategies, behaviors, and adaptations to effectively perform health management tasks, such as managing chronic

conditions, to prevent avoidable hospitalizations and exacerbations of chronic conditions.

Occupational therapy intervention uses everyday life activities (occupations) to promote health, well-being, and the ability to participate in the important activities in your life. This includes any meaningful activity that a person wants to accomplish, including taking care of yourself and your family, working, volunteering, going to school, and many others.

Occupational therapy practitioners provide interventions to address (not all inclusive):

- ADLs (e.g., dressing, bathing, toileting, meal preparation, and medication management)
- Environmental modifications
- Assistive technology
- Functional cognition
- Driving and community mobility
- Sensory integration and processing
- Returning to work, school, and leisure activities
- Fall prevention
- Health promotion and management
- Pain management
- Mental and behavioral health.





Physical Therapists

Physical therapy is a dynamic profession with an established theoretical and scientific base. Physical therapists are health professionals who diagnose and manage movement dysfunction as it relates to the restoration, maintenance, and promotion of optimal physical function and the health and well-being of individuals, families, and communities. Physical therapists possess a distinct body of knowledge that provides a unique perspective on purposeful, precise, and efficient movement across the lifespan.

Physical therapists design and implement a customized and integrated plan of care in collaboration with the individual to achieve the individual's goal-directed outcomes. They work toward maximizing an individual's ability to engage with and respond to their environment, emphasizing movement-related interventions to optimize functional capabilities and performance.

Physical therapists follow core concepts to incorporate best practice principles into their daily practice and to deliver quality individualized services. The commitment to professional practice

includes the following components: (1) evidence-based practice; (2) quality assessment and outcomes; and (3) professional values.

Physical therapists play a unique role in society in wellness, fitness, health promotion, and the prevention and management of disease and disability. Physical therapists' expertise in optimizing movement guides enhanced activity and quality participation in life and society. While physical therapists are experts in rehabilitation and habilitation, they also have the expertise to help groups of people (such as families and communities) improve their overall health and decrease the risk of preventable health conditions.

Speech-Language Pathologists (SLPs)

SLPs can help ensure that patients and providers are able to clearly and accurately exchange information in the ways that work best for them. Without effective communication, all care can become low-value care.

Effective communication can:

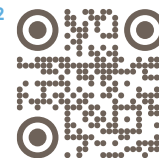
- Improve diagnostic accuracy
- Help patients understand treatment options
- Ensure informed consent
- Support decision-making
- Increase adherence to care recommendations
- Enhance patients' autonomy and participation in care
- Reduce hospitalizations, lower length of stay, and reduce morbidity
- Help patients achieve oral (PO) feeding and reduce the chances of developing aspiration pneumonia by addressing dysphagia and feeding disorders
- Assist patients and families in maximizing and/or compensating for impaired cognitive functions such as attention, memory, problem-solving, reasoning, and executive function.

SLPs work to prevent, assess, diagnose, and treat speech, language, voice, social communication, cognitive-communication, and swallowing disorders in children and adults.

Speech disorders occur when a person has difficulty producing speech sounds correctly or fluently (e.g., stuttering) or has problems with his or her voice or resonance.

Language disorders occur when a person has trouble understanding others (receptive language), or sharing thoughts, ideas, and feelings (expressive language). Language disorders may be spoken or written and may involve the form (phonology, morphology, syntax), content (semantics), and/or use (pragmatics) of language in functional and socially appropriate ways.

2



Who Are Speech
Pathologists, and
What Do They Do?

Social communication disorders occur when a person has trouble with the social use of verbal and nonverbal communication. These disorders may include problems (a) communicating for social purposes (e.g., greeting, commenting, asking questions), (b) talking in different ways to suit the listener and setting, and (c) following rules for conversation and storytelling. All individuals with autism spectrum disorder have social communication problems. Social communication disorders are also found in individuals with other conditions, such as traumatic brain injury.

Cognitive-communication disorders include problems organizing thoughts, paying attention, remembering, planning, and/or problem-solving. These disorders can happen as a result of a stroke, traumatic brain injury, systemic changes (such as long COVID or cancer-related cognitive impairment), or dementia. They can also be congenital.

Swallowing disorders (dysphagia) are feeding and swallowing difficulties, which may follow an illness, surgery, stroke, or injury.

Additionally, SLPs:

- Provide aural rehabilitation for individuals who are deaf or hard of hearing. Aural rehabilitation is a therapy focused on helping individuals with hearing loss improve their ability to understand spoken language and participate more fully in communication.
- Provide augmentative and alternative communication (AAC) systems for individuals with expressive and/or language comprehension disorders, such as autism spectrum disorder or progressive neurological disorders.
- Work with people who don't have speech, language, or swallowing disorders, but want to learn how to communicate more effectively (e.g., work on accent modification or other forms of communication enhancement).



Questions can be directed to:

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Quality@aota.org

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