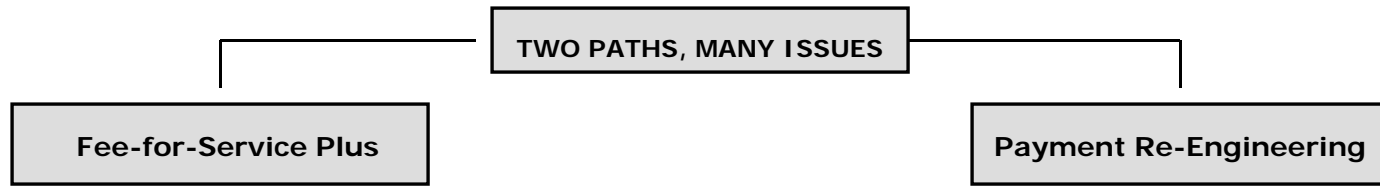
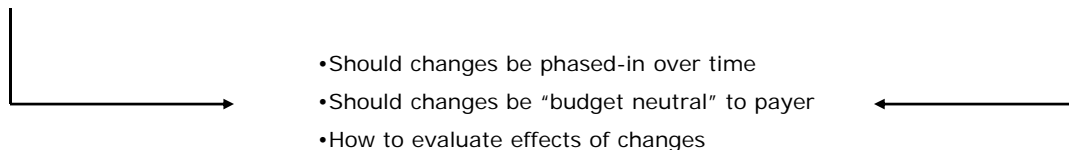


# Medical Home Reimbursement Project Pathways for Change



1. If & how to change basic FFS payments based on ...
  - Provider compliance with non-mandatory care guidelines / processes
  - Provider achieving better patient outcomes
  - Provider reducing utilization of services, lowering costs, or slowing growth in costs
  - Higher patient satisfaction or experience levels
  - Other situations (e.g., high share of low-income patients in panel)
2. Threshold of performance needed to trigger payment changes (e.g., absolute v relative threshold, at what levels; tiered thresholds for progressively higher incentives)
3. Size & timing of rewards/penalties relative to basic payment (e.g., tiered or not; fixed or relative to total payment)
4. Protection for high-cost patients against exclusion from care
5. If & how to adjust basic payment to reflect costs of IT needed to comply with reporting on processes, outcomes, patient satisfaction or reduced use/cost

1. What basic payment method to use & should it vary by types of patients / conditions.
2. Whether to bundle basic payments for multiple providers & how to allocate the result among providers.
3. How to set basic payment level & whether to adjust it for providers with special characteristics or outlier cases.
4. Performance standards to receive basic payment & whether they should vary by types of patients / conditions (e.g., major acute episodes, chronic conditions, minor acute episodes, preventive care)
5. Whether to phase-in a reformed payment system by type of patient / condition (e.g., start with preventive care)
6. Whether to add performance incentives / penalties to basic payment (see FFS Plus issues).
7. Whether to include patient / consumer incentives re choice of provider & participation in care.



**Sources** (with some tweaks & re-interpretation): Dudley, R.A. and M.B. Rosenthal. "Pay for Performance: A Decision Guide for Purchasers." *Agency for Healthcare Research and Quality*, US Department of Health and Human Services, Publication No. 06-0047, April 2006. Miller, H.D. "Creating Payment Systems to Accelerate Value-Driven Health Care: Issues and Options for Policy Reform." *The Commonwealth Fund*, September 2007. Williams, C.H. and J.B. Christianson. "Paying for Quality: Understanding and Assessing Physician Pay-for-Performance Initiatives." *The Synthesis Project*, the Robert Wood Johnson Foundation, Policy Brief No. 13, December 2007.