



Principles for Alternative Payment Models

Alternative payment models (APMs) are generally defined as any method of paying for health care services that differs from the standard fee-for-service payment system.¹ The Center for Medicare and Medicaid Innovation (CMMI) has wide authority to design and test new and promising models geared toward improving health care quality and lowering costs. While most CMMI APMs are currently being tested in Medicare, engaging payers outside of Medicare is imperative to improve overall health outcomes for women of all ages.

While there is no single approach to payment reform that will work for all physicians or their patients, the principles outlined below can serve as a starting point for obstetrician-gynecologists (ob-gyns) as they consider implementing alternative payment and service delivery models.

APMs should lead to better health for patients.

- APMs should allow ob-gyns to be primary care providers if they so choose.
- APMs should allow patients to choose the health care provider who is responsible for coordinating their care, so long as that provider is qualified, willing, and able to assume the responsibility.
- APMs should promote and provide payment for care coordination and other high-value services that are not currently reimbursable under fee-for-service.
- APMs should preserve and enhance existing insurance protections related to access to qualified providers.

APMs should create a higher functioning health care delivery system.

- APMs should include a validated risk adjustment tool to account for the social determinants of patients' health and differences in clinical acuity that does not penalize health care providers for caring for sicker, more complex patients.
- APMs should financially support the implementation of robust data gathering and evaluation tools, as well as processes for continuous quality improvement around those data, that incorporate feedback from ob-gyns and other health care providers.

APMs should lower total costs of care.

- APMs should promote alignment across payers to expedite the movement to value-based care and reduce administrative burdens for health care providers.
- APMs should properly apportion accountability to the providers responsible for various parts of care administered to a patient and provide a transparent process for validating accountability.
- APMs that include financial incentives should guard against withholding care and reward high-performing physicians.
- APMs should develop and implement quality measures based on outcomes that are meaningful for patients.

APMs should promote physician wellness.

- Ob-gyns and their patients should have the choice of whether to participate in APMs or to continue delivering and receiving services under the standard fee-for-service payment system.
- Any mandatory payment model should be limited to upside-only risk.
- Ob-gyns should only be held accountable for aspects of spending and quality that they can control or influence.
- APMs should reduce regulatory and/or administrative burden on participating ob-gyns in order to save the health system money.

¹ Center for Healthcare Quality and Payment Reform. The Payment Reform Glossary: Definitions and Explanations of the Terminology Used to Describe Methods of Paying for Healthcare Services. First Edition. Available at: <http://www.chqpr.org/downloads/PaymentReformGlossary.pdf>