

Payment Context for Improving Autism Services

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Worst Ways to Pay Healthcare Providers



Fee-for-service

- Payment after a provider bills for each individual service
- Encourages higher volume of services, some unnecessary/inappropriate
- Burdensome for providers to code and bill
- Does not support tailored/flexible approaches for different patients
- Does not cover the work of coordinating services

Capitation

- Payment of a monthly/annual sum based on predictions of all the services a provider will deliver to a specified population of patients
- Can include “insurance risk,” or “performance risk”
- Allows flexible, tailored services
- Depending on level of payment (Price), can cover coordination
- Incentive to stint on care or avoid patients who need more services
- Predictable revenue for providers
- Burden on providers to manage financial risk

Salary

- Annual salary regardless of the amount of services provided
- Predictable revenue for providers
- Allows for flexible, tailored services
- Supports service coordination
- May result in lower productivity by providers (fewer patients/visits/services)

Slightly Better Ways to Pay Healthcare Providers



Variations on Fee-for-Service

Pay-for-performance

- \$5 FFS per ABA session
- +/- \$1.50 bonus or penalty based on last year's quality performance

Case rates with quality adjustments

- \$50 for ABA/child/year
- +/- \$12 bonus or penalty based on last year's quality performance

Bundled payments with quality adjustments

- \$100 for all autism services/child/year
- +/- \$25 bonus or penalty based on last year's quality performance
- Provider holding the contract is responsible for managing services delivered by other autism providers to these 40 patients

Variations on Capitation

Professional value-based payment

- \$50K total budget for ABA services delivered by this provider to 10 patients
- +/- \$15K based on last year's quality

Global value-based payment

- \$200K total budget for all autism services delivered by all providers to 40 patients
- +/- \$70K based on last year's quality
- Provider holding the contract is responsible for managing services delivered by other autism providers to these 40 patients

Variations on Employment and Salary

Base salary plus productivity and quality bonuses

\$30K base

\$10K for hitting productivity targets

\$10K for hitting quality targets

- Trial and error to find the right size for bonuses
- Behavior change not meaningful unless at least 30% of total pay involved

What's "Enough"
and What's "Quality?"



Focus on Outcomes That Matter Most



The Experts



Treat Whole Persons



Build Consensus

What Should a
Payer Do?



Guiding Principles for Evolving Payment Policies

- Learn about and act on what's important to those you serve
- Use short learning cycles and make rapid adjustments
- Don't treat all providers the same
- Take a phased approach
- Beware of false precision
- Keep it simple