



*Better Care, Smarter Spending, and Healthier People*

# Clinical Episode Payment (CEP) Work Group

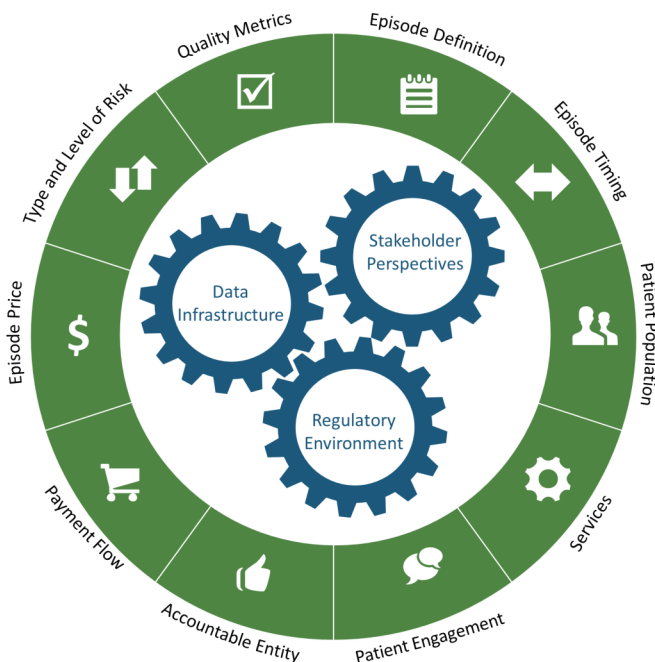
## PURPOSE

The CEP Work Group's purpose is to accelerate and implement effective clinical episode payment models that drive better health outcomes for patients at a lower cost. The Work Group aims to achieve this by identifying payment strategies and aligning transformative innovations within and across the private and public sectors.

## WORK GROUP CHARGE

- ✓ Provide a directional roadmap for providers, health plans, patients and consumers, purchasers, and states, based on existing efforts and innovative thinking.
- ✓ Promote alignment (within the commercial sector, as well as across the public and commercial sectors) in both design and operational approach.
- ✓ Find a balance between alignment/consistency and flexibility/innovation.
- ✓ Strike a balance between short-term feasibility and long-term aspiration.

## CEP MODEL DESIGN FRAMEWORK



The CEP Work Group identified the following set of episode payment model design elements that address many of the questions stakeholders must consider when designing an episode payment model.



## Joint Replacement Design Recommendations

1. Episode Definition	2. Episode Timing	3. Patient Population	4. Services	5. Patient Engagement
Elective & appropriate total hip & total knee replacement due to osteoarthritis	30 d. pre-procedure to 90 d. post-discharge & meet requirements	Broadest possible pool of patients with risk/severity adjusted	All services needed for joint replacement	Tools assess function & care path with transparent cost & care info
6. Accountable Entity	7. Payment Flow	8. Episode Price	9. Type and Level of Risk	10. Quality Metrics
Physician-level clinician preferred with caveats	Retrospective reconciliation with upfront FFS	2 years' historical cost balance regional/provider data	Upside/Downside Risk	PROMs and quality scorecards



## Maternity Design Recommendations DRAFT FOR PUBLIC COMMENT

1. Episode Definition	2. Episode Timing	3. Patient Population	4. Services	5. Patient Engagement
Prenatal care, labor & birth, & postpartum care for low-risk women and babies	40 weeks pre-birth to 30 d. postpartum for the baby, 60 d. postpartum for the woman	Broadest possible pool of low-risk women and babies, with stop-loss policies to address risk	All services provided during pregnancy, labor & birth, & post-partum	Support for patient engagement during provider selection, shared care planning, & prenatal & parenting education
6. Accountable Entity	7. Payment Flow	8. Episode Price	9. Type and Level of Risk	10. Quality Metrics
Provider best able to engineer change in care delivery, and able to accept risk.	Prospective payment or Retrospective Reconciliation	Balance single & multiple providers with regional utilization history	Upside/downside risk	Clinical & patient-reported outcome measures



## Cardiac Design Recommendations DRAFT

1. Episode Definition	2. Episode Timing	3. Patient Population	4. Services	5. Patient Engagement
Condition: 12 months of active CAD management Procedure: PCI or CABG for treatment of CAD	Condition: Parallel to benefit year Procedure: Pre-op, procedure to 30-90 d. post-discharge	Condition: CAD; patient in same health plan for full 12 months Procedure: PCI or CABG needed based on appropriate use guidelines	Core services for CAD management & for quality delivery of procedure	Patient education & self-mgmt, patient & family engagement in care planning; shared decision-making
6. Accountable Entity	7. Payment Flow	8. Episode Price	9. Type and Level of Risk	10. Quality Metrics
Condition: Cardiologist or PCP Procedure: Intensivist or cardiothoracic surgeon	Prospective payment or retrospective reconciliation	Balance single & multiple providers with regional utilization history	Upside/downside risk	Clinical & patient-reported outcomes; some process measure; functional status

Read the white papers at <https://hcp-lan.org/groups/work-products/>