FIELD GUIDE TO DESIGNING A CLINICAL EPISODE PAYMENT (CEP) MODEL

EPISODE PARAMETERS

- **Episode Definition**: The episode of care can be defined as all of the medical care a person receives between the start and end of an episode. Exclusions for some services needed for specific conditions may apply depending on the episode design.

- **Episode Timing**: The beginning and end points of each episode must be clearly defined and are often shaped by the episode definition.

- **Patient Population**: These are the demographic and other common characteristics of the individuals anticipated to receive a certain type of care.

- **Services**: These include inpatient and outpatient procedures, diagnostics, drugs and devices, preventive and post-acute care, and high-value support services.

- **Patient Engagement**: Involves supporting patient and family involvement in the care process, including shared decision-making and care planning, access to full health records, care coordination, and patient-reported quality measures.

- **Episode Price**: This is the payment for a care episode, which should strike a balance between provider-specific and multi-provider/regional utilization history.

- **Type and Level of Risk**: Accountable entities utilize both upside reward and downside risk. Transition periods and risk mitigation strategies are used to encourage both broad provider participation and broad patient population.

- **Quality Metrics**: Quality measures may be used to hold providers accountable for the quality of care being given, the level of resource use, and a patient’s experience with the care.

- **Data Infrastructure**: Understand and develop the systems that are needed to successfully operationalize episode payments.

- **Regulatory Environment**: Understand relevant state and/or federal regulations and how they may impact the design and implementation of episode models.

- **Stakeholder Perspectives**: Ensure that the voices of all stakeholders—consumers, patients, providers, payers, states, and purchasers—are included in the design and operation of episode payments.

- **Interaction Between Multiple APMs**: Consider the context of the broader strategic goals when deciding whether to implement multiple payment models and address the operational issues that arise when two entities may have responsibility for the costs of care for one patient.

- **Accountable Entity**: This entity should be ready to take responsibility for the care the patient receives and carry the risk associated with providing that care. Typically, there is a degree of shared accountability given the number of clinicians that provide care to the patient.

- **Payment Flow**: The method of payment is determined by the circumstances of each care episode. There are two options: a prospectively established price paid as one payment to the accountable entity; or an upfront fee-for-service payment to individual providers with retrospective reconciliation and a potential for shared savings/losses.

Read the White Paper.
For a full list of recommendations and to read the paper go to: https://hcp-lan.org/groups/cep/clinical-episode-payment/