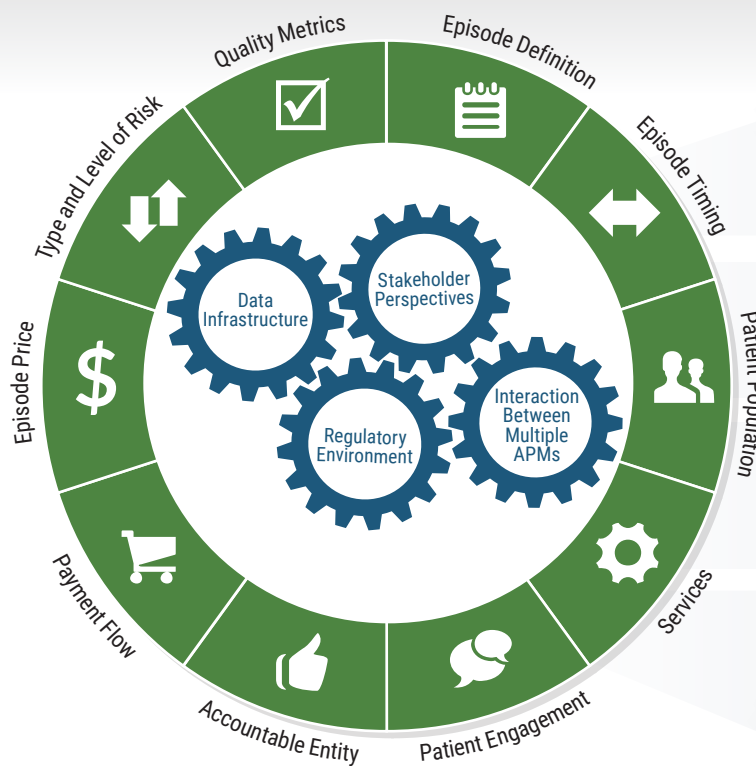


# FIELD GUIDE TO DESIGNING A CLINICAL EPISODE PAYMENT (CEP) MODEL

## EPISODE PARAMETERS



## OPERATIONAL CONSIDERATIONS

### 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.

### 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.

### 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.

## DESIGN ELEMENTS



### 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.



### 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.



### 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.

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/>



Elective  
Joint  
Replacement



Maternity  
Care



Coronary  
Artery  
Disease

