

# Palliative Care’s Opportunity in Today’s Changing Payment Landscape

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## Introduction

The methods that Medicare, Medicaid and private payers use to reimburse providers for care are rapidly changing from fee-for-service to value-based purchasing (VBP) arrangements. Most VBP arrangements include some form of quality and cost tracking and reporting, linking performance on quality measures and resource use directly to provider payment. Palliative care has been shown to positively impact the care a patient receives, but little is known about how palliative care may impact payment now and in future years.

## What we did

Our research developed a comprehensive picture of current and proposed quality measurement impacting payment for physicians, medical homes, hospitals, nursing homes, home health agencies, accountable care organizations, cancer centers, and dialysis centers, as well as commercial and Medicare Advantage plans. From these, we identified the measures that palliative care has been shown to improve, based on literature review. These measures are opportunities for palliative care to increase an entities’ payment from Medicare and other payers.

Cross Cutting Measures in VBP Arrangements	How does palliative care improve performance?
Hospital Readmissions	Care coordination and pain and symptom management can prevent multiple hospital visits
Emergency Department Visits	Care coordination and pain and symptom management can keep a patient out of the hospital
Depression Screening and Management	Comprehensive support from a palliative care team can better identify and treat depression compared to other teams of providers

Figure 1 – Palliative Care’s Impact on Cross-Cutting Measures

## Opportunities for Palliative Care in Value-Based Payment Arrangements

Palliative care positively impacts several cross-cutting measures used to evaluate health plans and providers participating in VBP arrangements. Some of the measures that are used consistently across many of the VBP arrangements are hospital re-admissions, emergency department visits, and depression screening and management, **all of which have been shown to improve when palliative care is delivered when compared to usual care** (see fig 1).

The Consumer Assessment of Healthcare Providers and Systems (CAHPS) survey is another opportunity for palliative care to impact Medicare Advantage Plans and providers. The CAHPS survey measures patient experience of care via surveys provided to patients who received care in hospitals, accountable care organizations, patient-centered medical homes, cancer centers, dialysis centers, home health agencies, and nursing homes, and is also used to evaluate patients’ experience with their health plan. Questions on CAHPS surveys include topics such as communication with doctors, pain management, and shared decision-making—**exactly what palliative care delivers expertly**. A version of CAHPS is used to evaluate many entities’ performance in VBP arrangements, and is closely tied to payment.

## Implications for Palliative Care Providers

- There are numerous opportunities for palliative care to improve health care entities' performance scores.
- Cross-cutting measures’ ubiquitous presence makes a strong argument for the integration of palliative care teams in all the settings, and suggests that **palliative care integration can be financially beneficial for the institution as well as clinically beneficial to the patient**.
- Additional research comparing financial performance under VBP arrangements for entities with palliative care integration to entities without is needed to confirm the potential benefits that we have found.

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## In-Depth Example: Hospitals

Hospitals are required to participate in two VBP arrangements: the Hospital VBP program and hospital readmission penalties. Performance on measures from these arrangements plus several other measures are also published online for patients and beneficiaries to see via Medicare’s Hospital Compare website. Palliative care can improve performance on many measures across hospital VBP arrangements and hospital compare (see fig. 2), increasing hospital revenue and improving publically-reported quality measures.

Quality Accountability Vehicle	Included measure categories positively affected by palliative care
Hospital Value-based purchasing	Clinical process of care measures Hospital CAHPS results Cost of treatment measures
Hospital re-admission penalties	30-day readmission measures for AMI, heart failure, pneumonia, COPD, and elective joint replacement
Hospital Compare (Star ratings) – publicly reported performance	Hospital CAHPS measures Timely & effective care measures Complication rate Readmission & mortality rates Use of medical imaging Payment & value of care measures

Figure 2 – Quality Accountability Measures in Hospitals

