January 26, 2022

Physician-Led Models Are At The Heart of the Value-Based Care Movement
Three Recommendations to Encourage Greater Physician Adoption of and Participation in New Care Models

The Partnership to Empower Physician-Led Care (PEPC) is proud to sponsor the first national Health Care Value Week (January 24-28, 2022), along with more than 70 other leading value-based care organizations. This week has been a time to reflect on the progress made to date in moving away from an inefficient fee-for-service model and toward models that encourage and incentivize patient-centered, holistic care, while also reducing health care costs.

Physician-led models have been – and will continue to be – at the core of this movement. This has been clear in the discussion this week and is also supported by the evidence generated by model implementation to date. We will not succeed in realizing our ambitious accountable care goals without fully engaging physicians and tapping into the trust built into the physician-patient relationship to more robustly engage patients.

So what do we do now? Below are three key recommendations.

1. **Double down on policies that incentivize and support physicians in adopting and deepening their value-based arrangements.**

We believe – and the evidence shows – that physician leadership/participation is a critical factor in model success. The evidence is strong that more physician participation in models can be as important a factor in generating savings as increasing risk. For example, the Centers for Medicare and Medicaid Services recently released data showing that physician-led accountable care organizations (ACOs) are creating a better experience for patients while lowering costs across the entire system. Medicare Shared Savings Program (MSSP) results from 2020 show that, across the health care system, ACOs led by physicians, often called "low revenue," typically create more savings than hospital-led ACOs, often known as "high revenue." According to CMS data, in 2020, 90 percent of low revenue ACOs generated savings against the benchmark, compared to only 75 percent of high revenue ACOs. [1]Additionally, low revenue ACOs saved more than 5.3 percent, twice as much as high revenue ACOs, who only saved 2.5 percent. In 2020, low revenue ACOs also generated more than an additional $100 in per beneficiary savings ($241) compared to high revenue ACOs ($137).[2]

Additionally, through Comprehensive Primary Care+ physicians and physician practices demonstrated their ability to reduce emergency room and acute care visits through advanced primary care medical homes. Independent practices outperformed system-owned practices by 15% in PY2017 and 18% in PY2019, even though both practice types improved their performance on overall utilization.

These are the types of results that we should build on following the tenant, "if it works, do more." CMS and Congress should consider advancing model opportunities aimed at encouraging more physicians to jump into these models.

2. **Clearly and consistently communicate with physician leaders about the long-term benefits and roadmap for value-based care investments.**

[1] CMS ACO Performance Year Financial and Quality Results 2020
[2] Accountable Care Learning Collaborative

Adopting, implementing, and scaling value-based care models requires a significant investment from any provider, but the lift is particularly heavy for independent practices and physicians operating with limited time and resources while focusing first and foremost on patient care. Physician owners and leaders making the choice to move away from fee-for-service must understand the consequences and benefits of doing so, and be able to business plan over the short, medium, and long-term for the future of their practices (i.e., small businesses).

Physicians, like other model participants, need a clear understanding of how their model investments can continue to be leveraged to achieve key health care goals even if the model they were participating in is not expanded. To that end, we must design models with an "off ramp" in mind at the outset, particularly if the "off ramp" is unlikely to be actuarial certification for program-wide expansion. Failing to create and consistently communicate regarding the "off ramp" may discourage physicians and practices from seeking the value of participating in payment and delivery system models over time.

3. "Level the playing field" across practice settings where possible.

Policies that "level the playing field" are important to create consistency across practice sites, to encourage different types of providers to participate in models, and to ensure beneficiaries have similar model experiences regardless of the provider from whom they receive care. Examples of two policies supported by PEPC to level the playing field include implementation of site neutral payments for clinic visits (and also other services in the future) and information blocking regulations that discourage larger providers from using critical clinical information as a strategic asset to retain and/or recruit patients.

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PEPC looks forward to continuing to work with the Administration and Congress to improve our health care system for patients. There is important work to be done, and it requires us all to row in the same direction – together – toward our collective goals.