

Assessing the Process of Designing a Payment Transformation



Non-Financial Motivators

Has the team identified non-financial motivators and incorporated those motivators into the care transformation or payment model?

- What actions have the team taken to partner with the front-line individuals who are necessary to successful implementation of the care transformation model to identify what motivates them beyond financial incentives (e.g., mission, recognition, peer norms)?
 - Are those motivators actively built into the initiative rollout and implementation (versus just assumed)?
 - Are motivators consistent across different team members, teams, and partner organizations?

Measure/Metric Selection

Do the process and outcome measures targeted by financial incentives sufficiently track the equity goals of the care transformation?

- Do current measures capture progress for the populations experiencing disparities related to the health equity focus or do they only measure aggregate trends?
- Are there measures that are no longer useful?
- Have new gaps been identified that require new measures?

Conflicting Models / Priorities

Has your team conducted an environmental scan of existing care and payment models that teams are expected to implement and promote? Do any of the identified models utilize incentives?

- Do any existing (or upcoming) care or payment models pull the team members toward goals that conflict with your initiative (e.g., being asked to optimize daily activities to advance processes, or metrics that work against the payment model initiative)?
 - If so, which competing goals or demands are most disruptive? Can any of those competing demands be aligned or deprioritized?

Costs and Payment Model Fit

Are there one-time, up-front, or ongoing implementation costs not covered by the payment model?

- Has the finance team modeled the total cost of the care transformation against expected payment flows?
- What infrastructure, staffing, or technology costs are not covered by the current payment model?
 - Could additional payment types (e.g., episode-of-care, foundational payments, global budget, pay-for-performance, etc.) help close the gap?

Payment Model Evolution

How might the payment model need to evolve over the short-, mid-, and long-term to sustain progress and reduce disparities?

- Is there a plan for what comes after the launch of the care and transformation models?
 - What payment changes would be needed as the initiative matures and the care model becomes routine or obstacles are identified (e.g., as care teams begin to easily meet goals or have a great deal of trouble meeting the goals, if it is found that an incentive amount is un-motivating or demotivating team members)?
 - Who has the authority to modify payment arrangements?
 - How engaged are they in monitoring the model launch and sustainability planning?

Incentive Design and Effectiveness

Are billing and reimbursement systems configured to easily link payment incentives to individuals or teams within a specific healthcare organization?

Are incentives working as intended to drive behavior changes most critical to the initiative's success?

- What data was used to identify the equity goal?
 - Has the team learned any new information post-implementation that indicates a need to re-assess metric selection or measurement processes?
 - Do current measures capture progress for the populations experiencing disparities or only aggregate trends?
 - Are there measures that are no longer useful?
 - Have new gaps emerged that require new measures?
- If the payment model involves incentives:
 - Has the team verified (post-implementation) that they motivate individual or organizational behavior changes most critical to the initiative's success as intended?
 - Do potential recipients of the incentive report that they feel rewarded for improvement, achieving specific targets, or both as intended?
 - Does the frequency and timing of incentive reporting and payouts work as intended?
 - Are timing changes needed to maximize the potential impact of the model?
- Is there a mechanism to monitor the strategies that stakeholders use to meet incentive targets?
 - Do you know whether teams are hitting targets through genuine improvement or by gaming the measure?

- Is there a feedback loop between performance data and strategy adjustment?
 - Is there a process for determining when and how to adjust strategies as needed?
 - Who is responsible for identifying and acting on unintended incentive behaviors?
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- Is there a process in place to ensure that disparities gaps do not lessen due to care processes or outcome measures worsening for the originally advantaged group?
 - Can your current reporting data and reporting mechanisms reveal a scenario where the disparities gap closed as a result of decline rather than improvement?
 - Who reviews the data and reports? How frequently?