

The Physician-Focused Payment Model Technical Advisory Committee: Charting Future Directions

Office of the Assistant Secretary for Planning and Evaluation

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Summary

The Physician-Focused Payment Model Technical Advisory Committee (PTAC) was authorized by the Medicare Access and CHIP Reauthorization Act of 2015 (MACRA) to provide stakeholders with an opportunity to bring proposed physician-focused payment models (PFPMs) to the attention of policymakers and to be evaluated by independent experts. The Committee began accepting proposals in December 2016. Since that time, PTAC has deliberated and sent recommendations to the Secretary of the U.S. Department of Health and Human Services (HHS) on 28 proposals as of January 2021.

Through the proposal review process, the Committee has contributed to the policy debate regarding alternative payment models and delivery system transformation. As described in this paper, the PTAC process has helped activate the stakeholder community to engage in policy discussions, identified key care and payment issues that might be addressed by PFPMs, and contributed by providing publicly available materials to inform the broader policy debate. PTAC recommendations have had some influence on Innovation Center model development at the Centers for Medicare & Medicaid Services (CMS) Innovation Center (also known as the Center for Medicare & Medicaid Innovation, or CMMI), and none of the recommendations have resulted in specific models being implemented as proposed by the submitter.

The current environment presents both challenges and opportunities for PTAC to continue operating in a way that contributes to the policy debate. Since February 2020, the Committee has not received any new proposal submissions to review or letters of intent indicating future submissions since February 2020. The potentially significant cost of developing proposals, and the knowledge that the Innovation Center is unlikely to fully implement recommended proposed models may be limiting interest among stakeholders. In addition, the pandemic may be diverting the attention of providers to think about the impact of COVID-19 on their patients and practices. On the other hand, Administration officials have suggested ways in which PTAC's advice could be valuable to them. For example, they suggested that PTAC could have input into why most models established to date have had disappointing results with regard to savings, or assist with stakeholder engagement on model development. Thus, in considering how to move forward, PTAC might address the following questions:

- How can PTAC reduce the burden of submitting proposals and further activate the stakeholder community to submit them?
- Within its statutory authority and limitations, how can PTAC enhance its analyses and deliberations of proposals for providing advice and comment to the Secretary?

- How can PTAC leverage past proposals to further develop and provide recommendations and comments to the Secretary on important care delivery and payment issues, including those raised by the pandemic?
- How can PTAC contribute to the discussion on how the performance of CMMI PFPMs might be improved?
- How can PTAC contribute to the discussion of alternative payment model (APM) themes that cut across CMMI efforts such as model evolution, care coordination, financial incentives, and evaluation methods?
- What resources can PTAC provide that would support stakeholder efforts to develop proposed models? How can PTAC support stakeholders' efforts to strengthen proposed models, especially around payment design and risk adjustment, without actually providing technical assistance?

The Committee has begun to consider process changes that may be consistent with addressing these questions. For one, as the Committee reviews any new submissions, it will be able to ask for and receive more detailed data and analyses from the Office of the Assistant Secretary for Planning and Evaluation (ASPE) to support expanded advice and comment to the Secretary concerning APM approaches to the issues raised by the proposal. Second, in September 2020, PTAC held its first theme-based discussion during a public meeting, which focused on telehealth and APMs. Finally, the Committee will also consider an alternative proposal submission path for proposals that are potentially worthy of consideration but may contain gaps related to one or more of the Secretary's PFPM criteria intended to encourage an increased flow of proposals and greater outreach to potential submitters.

Introduction

The Physician-Focused Payment Model Technical Advisory Committee (PTAC) was authorized by the Medicare Access and CHIP Reauthorization Act of 2015 (MACRA). PTAC provides stakeholders with an opportunity to bring proposed physician-focused payment models (PFPMs) to the attention of policymakers and to be evaluated by independent experts against criteria as set by the Secretary of Health & Human Services (the Secretary).¹ PTAC

¹ 42 CFR § 414.1465 https://www.ecfr.gov/cgi-bin/text-idx?SID=e69ea7fd1c8f3041acaaa7c861c90b29&mc=true&node=se42.3.414_11465&rgn=div8

evaluates these stakeholder-submitted proposals and submits comments about them as part of a Report to the Secretary. These Reports include recommendations as to whether and how the U.S. Department of Health and Human Services (HHS) should proceed regarding the proposal, such as recommending that the proposal be tested by the Center for Medicare & Medicaid Innovation (CMMI) to inform payment model development.

Given the statutory and regulatory frameworks and the recommendations made by PTAC, one criterion by which to weigh PTAC's success has been the extent to which CMMI tests and/or implements proposals recommended by the Committee. PTAC members and those submitting proposals initially believed that CMMI would be able to develop and implement a number of models as recommended to the Secretary. It has become increasingly clear that this is not the case. Limits on CMMI's ability to quickly implement numerous models, as well as HHS priorities for the types of models being tested, indicate that PTAC's recommended models would not likely be implemented as initially proposed. Instead, these recommendations could significantly influence, or become part of, broader models under CMMI development such as Accountable Care Organizations (ACOs) or the Direct Contracting Model.²

As part of recognizing the complexities associated with developing, implementing, and evaluating payment and health care delivery models, PTAC has been reassessing the processes it uses to deliberate and offer recommendations and comments based on its evaluative reviews, within its statutory charge. In this paper, we describe the ongoing process of PTAC's evolution and assess the value of PTAC's work to date more broadly than has been done in the past, that is, beyond the extent to which CMMI has used PTAC's recommendations to launch PTAC-recommended models. PTAC's impact on and contributions to payment and delivery system transformation policy can be assessed using a broader framework. To date, the Committee's efforts have produced a considerable volume of policy relevant information about proposed payment models that is made available to the public. In addition, PTAC plays an important role by offering stakeholders a public venue in which they can raise awareness of policymakers regarding care delivery and payment issues. This paper examines the comprehensive output from PTAC's deliberative processes over the past three years and offers additional factors that could provide a broader framework for assessing impact. We also describe some processes and activities newly undertaken by PTAC that can enhance the extent to which all of the products the Committee utilizes inform the broader public discussion of payment and delivery system transformation.

² <https://innovation.cms.gov/innovation-models/direct-contracting-model-options>

Overview of PTAC: Statute, Process, and Deliberations

The statutory mission of PTAC is to make comments and recommendations to the Secretary on proposals for physician-focused payment models (PFPMs) submitted by individuals and stakeholder entities. PFPMs are defined in regulation as alternative payment models (APMs) in which Medicare is a payer, eligible professionals (as defined in the Social Security Act)³ are core participants, and that target the quality and costs of services participating eligible professionals provide, order, or can significantly influence.⁴ Members of PTAC are appointed by the Government Accountability Office and have included clinicians, health economists, researchers, and consultants, all of whom have expertise in payment policy. As prescribed by MACRA, PTAC is staffed by the Office of the Assistant Secretary for Planning and Evaluation (ASPE) at HHS.

Since PTAC began accepting proposals in December 2016, the Committee has reviewed and submitted Reports to the Secretary on 28 proposals as of January 2021 that cover a wide range of payment, clinical, and care delivery issues. Entities that submit proposals range from professional organizations and medical schools to health care systems and solo practitioners, and the proposals they submit identify care delivery and/or payment challenges within existing current Medicare physician reimbursement policies.⁵ Twenty proposals were recommended or referred for some type of testing, implementation or other attention; only 8 of the 28 were either not recommended or deemed not applicable. Although CMS leadership has named several proposals that have influenced particular CMMI models, no model submitted to PTAC has been implemented outright.

Proposals submitted to PTAC undergo a thorough review informed by research, data analysis, public input, and clinical, financial, actuarial and other subject matter expert consultation. The outputs of this information-gathering are posted online, offering a public record of PTAC's analytical efforts. Figure 1 describes the current PTAC proposal review process from proposal submission to recommendations to the Secretary as well as the outputs from the process. Any individual or organization can submit a proposal for a PFPM to PTAC on a rolling

³ 1848(k)(3)(B) of the Social Security Act

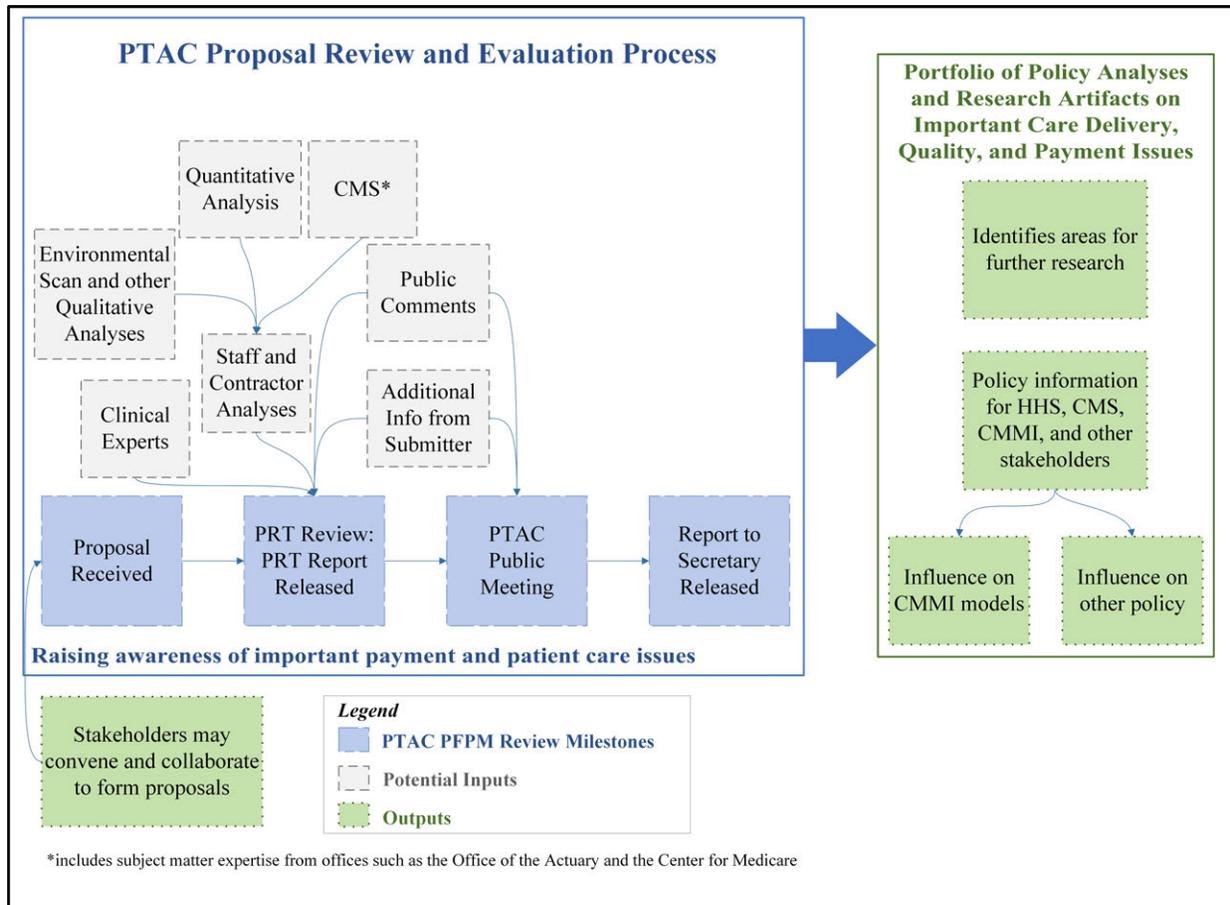
⁴ 42 CFR § 414.1465 https://www.ecfr.gov/cgi-bin/text-idx?SID=e69ea7fd1c8f3041acaaa7c861c90b29&mc=true&node=se42.3.414_11465&rgn=div8

⁵ For a more thorough analysis of the types of stakeholders that have submitted to PTAC, see A Review of Proposed Models Deliberated and Voted on by the Physician-Focused Payment Model Technical Advisory Committee (PTAC) as of December 2019.

<https://aspe.hhs.gov/system/files/pdf/252376/ProposedModelsDeliberatedandVotedonasofDec2019.pdf>

basis.⁶ Upon receipt of a proposal, the proposal is posted online for a period of public comment, typically three weeks.

Figure 1. Inputs and Outputs of PTAC Proposal Review Process



A subcommittee of two or three PTAC members known as a Preliminary Review Team (PRT) conduct the first review of each proposal. As per MACRA, the PRT and PTAC as a whole review each proposal to determine the extent to which they meet certain criteria as defined in regulation, such as payment methodology, flexibility, and patient safety.⁷ The PRT’s review of the proposal typically includes an environmental scan. As part of its review, the PRT can also ask the submitter for additional information about their proposal. The PRT may also request ASPE to perform further research, including quantitative and qualitative analyses, and it may seek consultation with the CMS Office of the Actuary (OACT) as well as subject matter experts. Once

⁶ PTAC’s Proposal Submission Instructions as of June 5, 2020
https://aspe.hhs.gov/system/files/pdf/226776/PTACProposalSubmissionInstructions_2.pdf

⁷ 42 CFR § 414.1465. https://www.ecfr.gov/cgi-bin/text-idix?SID=e69ea7fd1c8f3041acaaa7c861c90b29&mc=true&node=se42.3.414_11465&rgn=div8

the PRT determines that they have gathered enough information on a proposal, the PRT then summarizes its findings on the extent to which the proposal meets each of the Secretary's ten criteria, rendering one of the following opinions: *does not meet*, *meets*, or *meets with priority consideration* on each criterion individually. The PRT then submits a report with their findings to the full PTAC.

Next, the proposal is scheduled for deliberation and voting by the full Committee at a PTAC public meeting. In advance of the public meeting, PTAC members receive and review the full proposal, any public comments received, any answers to specific PRT questions or other additional comments from the submitters, the final PRT report, and any materials the PRT used in its review, all of which are also posted online. At the public meeting, the PRT summarizes the proposal and their findings. Submitters are invited to present opening remarks and answer questions from PTAC. Members of the public are also permitted to comment on the proposal during the meeting, in addition to the aforementioned public comment period. Finally, after considering the discussion with the submitters and the public comments, PTAC deliberates and votes on the proposal for each of the Secretary's ten criteria and for a final recommendation. In the weeks after the public meeting, PTAC drafts and submits its Report to the Secretary. The report describes the proposal, including the care delivery and/or payment policy challenges and any solutions submitters have identified, and summarizes the Committee members' deliberations, comments, and voting. The Secretary is then required to post a response on the CMS website.⁸

PTAC Experience to Date: 2016 to 2020

PTAC has routinely evaluated its processes and procedures and modified them accordingly to improve its ability to deliberate and make recommendations, as well as to streamline the proposal experience for submitters.⁹ In addition, the Committee has become more knowledgeable about the resource-intensive processes and procedures that CMMI uses to develop and launch a model. As detailed later, CMMI has noted their recognition of the valuable insights on payment and care delivery and value-based transformation provided by stakeholders through their proposals as well as the evaluation, comments and recommendations PTAC shares in Reports to the Secretary. To gather further information, CMMI typically meets with PTAC submitters after the Committee's public deliberations. Additionally, in January 2019, CMMI also produced a fact sheet that provides information to the

⁸ <https://innovation.cms.gov/innovation-models/pfpms>

⁹ PTAC's Proposal Submission Instructions have evolved over time to reflect new voting categories and new proposal submission guidelines.

public about how they are using PTAC recommendations and about types of payment models that would have a higher likelihood of being implemented.¹⁰

In the remainder of this paper, we describe a broader understanding of PTAC's role and the success factors that might be used to evaluate its impact. We also describe ongoing changes to the Committee's operations that are intended to further enhance its impact.

The Impact of PTAC on APM Policy: Potential Future Directions

A broader framework includes the Committee's contributions to raising and analyzing payment and care delivery issues and producing analyses on key issues, to inform value-based transformation. PTAC's work might be considered in four categories:

1. Impact on models implemented by the Innovation Center
2. Increasing public awareness of important payment and health care delivery issues that affect access to and quality of health care delivered and that could be addressed through alternative payment models
 - a. Increasing awareness of gaps, inefficiencies and quality issues related to models of care
 - b. How payment policies relate to these issues and the role payment models play in addressing them
3. Activating providers to recognize care delivery and payment issues and respond by developing and/or participating in models
4. Providing a compendium of information to inform the public and policymakers around PFPM development

PTAC Impacts on CMMI Models

CMMI has publicly described aspects of proposals submitted to and reviewed by PTAC that have influenced models put forth by the Center. For example, when CMMI unveiled a set of new payment models as part of its Primary Care Initiative in April 2019, the announcement materials acknowledged PTAC for its influence on the models' development, also recognizing the contributions of four proposal submitters.^{11,12} In July 2019, former Director of CMMI, Adam

¹⁰ Fact sheet <https://innovation.cms.gov/Files/fact-sheet/ptac-value-fs.pdf>

¹¹ <https://www.cms.gov/newsroom/press-releases/hhs-news-hhs-deliver-value-based-transformation-primary-care> HHS NEWS: HHS To Deliver Value-Based Transformation in Primary Care. April 22, 2019.

¹² Specifically referenced in the CMS statement were the Advanced Primary Care Model from the American Academy of Family Physicians, An Innovative Model for Primary Care Office Payment from Jean Antonucci, MD, The Patient and Caregiver Support for Serious Illness Model from the American Academy of Hospice and Palliative Medicine, and The Advanced Care Model from the Coalition to Transform Advanced Care.

Boehler, thanked PTAC for its contributions to the new Advancing American Kidney Health Initiative.¹³ At PTAC’s June 2020 virtual public meeting, former CMS Administrator Seema Verma said that “PTAC plays a vital role in our development of these models by providing practical well-vetted input and we are deeply grateful for that. And conversations with submitters who have gone through the PTAC process have informed and enriched our thinking on these issues.”

Importantly, PTAC recommendations can also influence CMS policy beyond affecting new CMMI models. For example, in the final Physician Fee Schedule Rule for Calendar Year 2020,¹⁴ CMS discussed a gap in codes for chronic care management services identified by stakeholders and specifically mentioned that the concern had “also been raised by the stakeholder community in proposal submissions to [PTAC].”¹⁵

PTAC Contributions to Raising Important Payment and Care Delivery Issues

Providers on the front lines of health care delivery are in a unique position to experience and identify key issues that potentially affect access to and quality of health care. These include perceived gaps in care delivery models and payment policies, inefficiencies in the delivery of and/or payment for health care including outcomes, and quality issues related to models of care for specific services or diseases. Most importantly, these stakeholders can identify how current payment policies do not incentivize, or even themselves are obstacles to, the best care for patients. PTAC offers stakeholders a venue to raise these issues with the potential for them to be analyzed and deliberated on in a public forum with the knowledge that policymakers will be made aware of the resulting comments and recommendations.

Indeed, PTAC’s deliberations have already brought awareness to many important issues. Taken together, the proposals received and deliberated on by PTAC represent a substantial range of care delivery and payment issues that frontline stakeholders have identified and deemed able to potentially be addressed by an alternative payment model. ASPE’s support contractor reviewed the 24 proposals PTAC had deliberated and voted on as of December 2019 for key themes.¹⁶ The analysis found that these proposals covered a wide variety of topics: 13

¹³ <https://twitter.com/aboehler/status/1148986182698774530> Adam Boehler, July 10, 2019. @aboehler. At the time of the tweet, the account’s handle was @AdamCMMi.

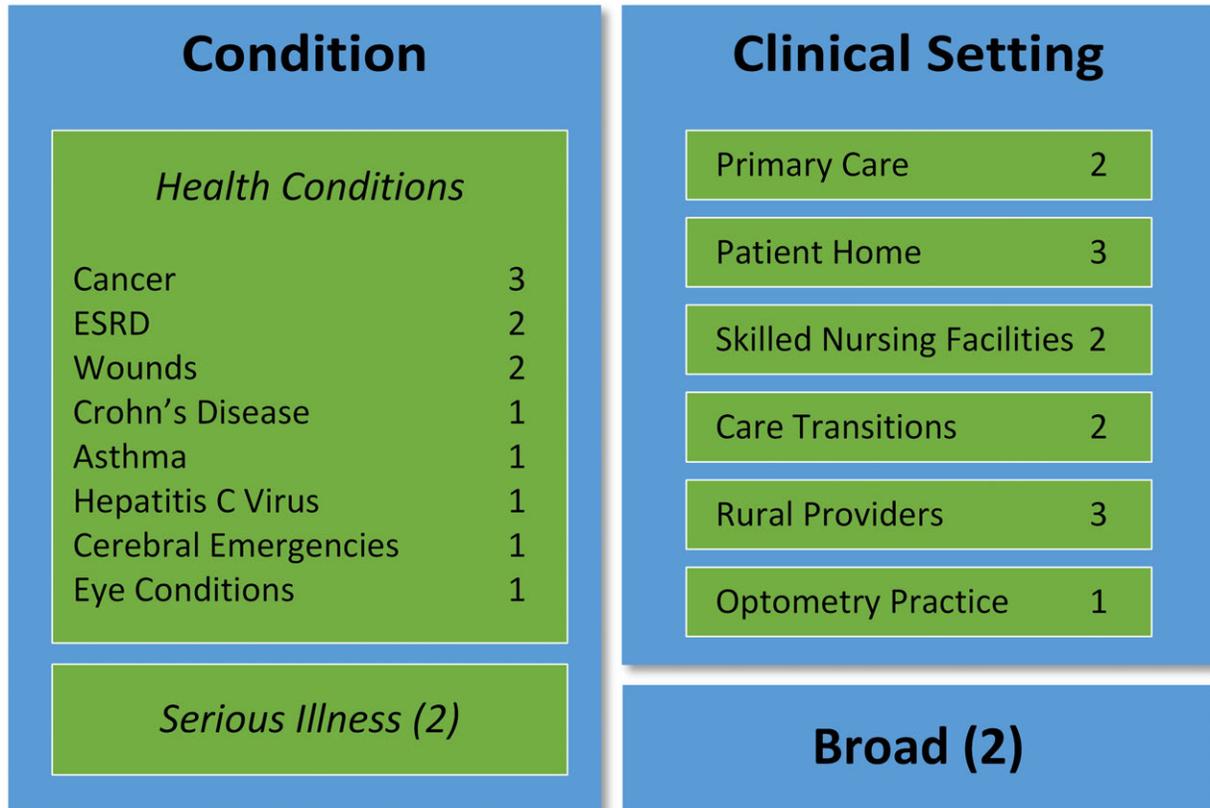
¹⁴ <https://www.federalregister.gov/documents/2019/11/15/2019-24086/medicare-program-cy-2020-revisions-to-payment-policies-under-the-physician-fee-schedule-and-other>

¹⁵ <https://www.federalregister.gov/documents/2019/11/15/2019-24086/medicare-program-cy-2020-revisions-to-payment-policies-under-the-physician-fee-schedule-and-other>

¹⁶ NORC. A Review of Proposed Models Deliberated and Voted on by the Physician-Focused Payment Model Technical Advisory Committee (PTAC) as of December 2019. 2020. <https://aspe.hhs.gov/system/files/pdf/252376/ProposedModelsDeliberatedandVotedonasofDec2019.pdf>

focused on a specific health condition or serious illness, 9 focused on a particular clinical setting, and 2 were broadly applicable, as illustrated in Figure 2. Some of these represented care delivery areas in which, at the time, there was no applicable APM in the CMS portfolio, such as two proposals to address wound care.

Figure 2. Focus Area of Proposed Models Reviewed by PTAC, December 2016–October 2020



Source: Adapted from NORC analysis of proposals deliberated and voted on by PTAC.¹⁷

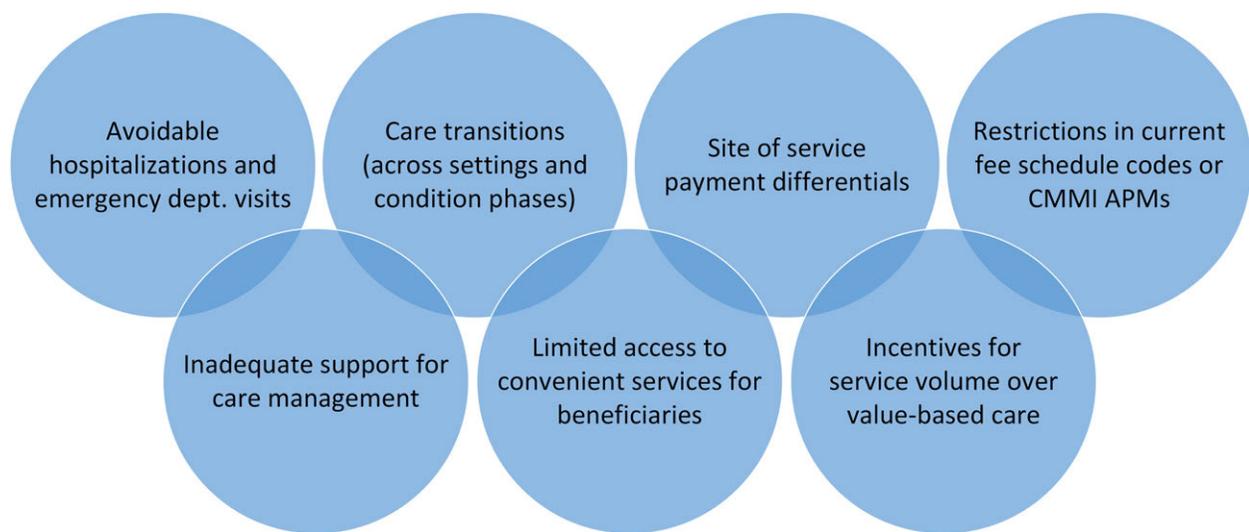
Notes: Numbers denote how many proposals have covered each category. Three proposals are included in two categories because these proposals focus on both a specific health condition and a clinical setting. Dialyze Direct's proposal focused on end-stage renal disease and skilled nursing facilities; the University of New Mexico Health Sciences Center's proposal focused on cerebral emergencies and rural providers; and the University of Massachusetts Medical School's proposal focused on eye conditions and optometry practices.

In addition to addressing a variety of settings and conditions, stakeholders have identified several care delivery gaps in their proposals to PTAC. As illustrated in Figure 3 below, these gaps include suboptimal care management; limited access to convenient services;

¹⁷ NORC. A Review of Proposed Models Deliberated and Voted on by the Physician-Focused Payment Model Technical Advisory Committee (PTAC) as of December 2019. 2020. <https://aspe.hhs.gov/system/files/pdf/252376/ProposedModelsDeliberatedandVotedonasofDec2019.pdf>

utilization of unnecessary services or harmful care; and a lack of integrated care across providers, settings, and disease phases. For example, many proposals highlighted ways that beneficiary travel burdens when seeking care could be alleviated, such as by offering onsite dialysis services at skilled nursing facilities.¹⁸ Proposals have also identified multiple ways that integration of care could be improved, including across transitions between care settings (such as from the emergency department and home or between inpatient and ambulatory care) and throughout disease progression (such as patients with chronic kidney disease whose conditions are advancing to end-stage renal disease).

Figure 3. Care Delivery and Payment Issues Targeted in Proposed PFPMs Deliberated and Voted on by PTAC, December 2016–December 2019



Source: NORC analysis of 24 proposals deliberated and voted on by PTAC as of December 31, 2019.¹⁹

Submitters have also identified a variety of payment issues through their proposals, also depicted in Figure 4. These payment issues include misaligned incentives, differential payments based on site of service, insufficient payment for care management, and services that are not currently covered but that submitters believe would improve care. For example, proposals have identified several interdisciplinary care team members, such as social workers, therapists, or nutritionists, who could help improve health outcomes but cannot bill Medicare at all or for

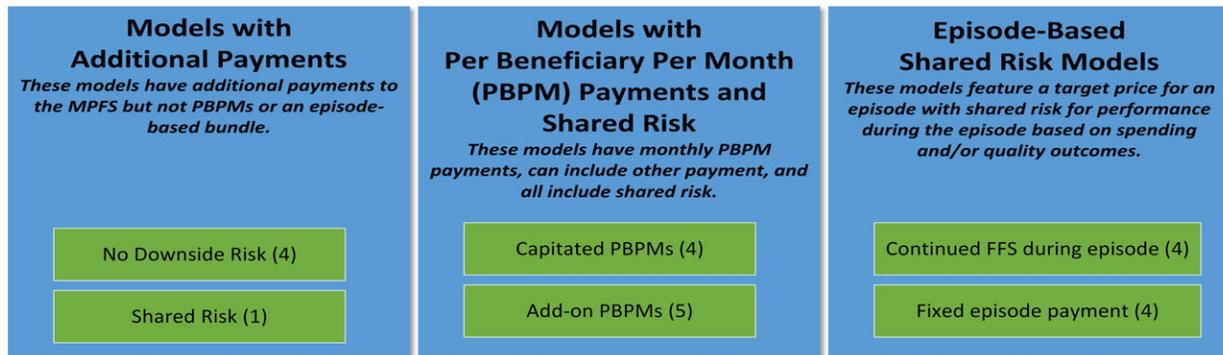
¹⁸ NORC. A Review of Proposed Models Deliberated and Voted on by the Physician-Focused Payment Model Technical Advisory Committee (PTAC) as of December 2019. 2020.

<https://aspe.hhs.gov/system/files/pdf/252376/ProposedModelsDeliberatedandVotedonasofDec2019.pdf>

¹⁹ Ibid.

certain services.²⁰ Proposals also raised examples of misaligned incentives, in which payment policy would encourage decisions that are incongruous with recommended patient care. Stakeholders suggested a variety of payment approaches to address these various concerns, as represented in Figure 4. These included proposing additional payments to the Medicare Physician Fee Schedule either with no risk or shared risk; per beneficiary per month payments with shared risk; and episode-based models with shared risk for performance, either with continued fee-for-service payment or as fixed episode payments.²¹

Figure 4. Approaches to Payment for Service Delivery in Proposed PFPs Deliberated and Voted on by PTAC, December 2016–October 2020



Source: NORC analysis of 24 proposals deliberated and voted on by PTAC as of December 31, 2019.²²

Notes: Numbers denote how many proposals used each approach. FFS=fee for service. MPFS=Medicare Physician Fee Schedule. PBPM=Per Beneficiary Per Month.

As discussed earlier, the 2020 Physician Fee Schedule Rule indicated that stakeholders helped identify gaps in current payment policy by submitting proposals to PTAC.²³ HHS leadership has already taken note of PTAC’s value in raising awareness of particular care and payment issues. For example, as part of his public remarks to PTAC in June 2020, Brad Smith, former CMMI Director & Deputy Director of the White House Domestic Policy Council, noted that one way PTAC and CMMI can collaborate is for PTAC to help CMMI explore which areas in which new models should be considered. He also said the agency is committed to meet with any submitters whose proposals PTAC has recommended, and that “where appropriate, [CMMI

²⁰ On these types of proposals, the Committee must decide if these issues are fee-for-service issues and therefore should be referred elsewhere for consideration, or whether they can be addressed through various types of APMs.

²¹ NORC. A Review of Proposed Models Deliberated and Voted on by the Physician-Focused Payment Model Technical Advisory Committee (PTAC) as of December 2019. 2020.
<https://aspe.hhs.gov/system/files/pdf/252376/ProposedModelsDeliberatedandVotedonasofDec2019.pdf>

²² Ibid.

²³ <https://www.federalregister.gov/documents/2019/11/15/2019-24086/medicare-program-cy-2020-revisions-to-payment-policies-under-the-physician-fee-schedule-and-other>

wants] to incorporate that with everything else [they're] hearing from across the country to roll out models."²⁴ Taken together, the portfolio of PTAC proposals and the related documents used to inform the Committee's review identify a broad array of stakeholder-identified care delivery and payment issues, accompanied with expert-vetted research and public input about these topics.

Activation of Stakeholder Community Around Care Delivery and Payment Redesign

Perhaps more difficult to measure directly, yet possibly the most significant contribution of PTAC, is that the Committee provides a publicly accessible doorway to the policy process. Delivery system transformation requires the active participation of the provider community. Those who provide care know best what the current obstacles to improving patient care are and can serve the broader health care community by identifying these challenges and proposing solutions. PTAC may encourage this type of activity since the process assures stakeholders that their proposals will be heard in a public venue, deliberated on, and brought to the attention of policymakers. The Committee's existence and process offer stakeholders a specific reason to define an ideal alternative payment model for their setting or program, as well as a mechanism to call policymakers' attention to their ideas. Stakeholders who have submitted proposals to PTAC have been encouraged by the Committee's thorough analysis of and deliberations about their proposals in this public forum.

PTAC has received proposals from a variety of submitters; the most frequent types of submitters have been national provider associations or specialty societies and regional or local single-specialty physician practices.²⁵ The Committee has also received proposals from multiple academic institutions, regional or local multispecialty practices or health systems, individual physicians, and coalitions. The opportunity to submit proposals to PTAC may encourage these individuals and organizations to discuss what an ideal payment model looks like for them and then propose that model to PTAC. Different organizations have also partnered together to submit a proposal. For example, the Johns Hopkins School of Nursing and the Stanford Clinical Excellence Research Center collaborated on a proposal that sought to "improve the functional ability of older adults with chronic conditions and functional limitations."²⁶

²⁴ Transcript of PTAC's Public Meeting on June 22, 2020

<https://aspe.hhs.gov/system/files/pdf/261946/JunMeetingTranscript2020.pdf>

²⁵ NORC. A Review of Proposed Models Deliberated and Voted on by the Physician-Focused Payment Model Technical Advisory Committee (PTAC) as of December 2019. 2020.

<https://aspe.hhs.gov/system/files/pdf/252376/ProposedModelsDeliberatedandVotedonasofDec2019.pdf>

²⁶ https://aspe.hhs.gov/system/files/pdf/255731/CAPABLE_PTAC_Proposal_20181030.pdf

Submitting a proposal to PTAC can also help organizations refine their ideas. One such example occurred with the Coalition to Transform Advanced Care (C-TAC), which submitted a proposal called the Advanced Care Model (ACM) Service Delivery and Advanced Alternative Payment Model. C-TAC's proposal was discussed at a PTAC public meeting, but instead of the Committee proceeding to a vote, the submitters instead decided to withdraw their original proposal and resubmit a revised version based on the conversation the submitter had with the Committee at the public meeting.²⁷ The C-TAC team of submitters included Brad Smith, who would later serve as the Director of CMMI and Senior Advisor to the Secretary for Value-Based Transformation. When Mr. Smith spoke at PTAC's June 2020 public meeting as a member of HHS leadership, he said that "through that process, [the Committee] gave us really helpful feedback. We refined our model a lot, and...[PTAC] also approved another palliative care model around the same time." He then remarked that CMMI, before his tenure there, then used the palliative care proposals that PTAC had reviewed as well as other ideas to contribute to the creation of the Serious Illness Population model.

PTAC can also foster public discussion on payment issues with stakeholders that might not otherwise be brought to the attention of policymakers. At the Committee's March 2019 public meeting, PTAC deliberated on two proposals related to wound care. One was submitted by a geriatrician that operates a wound care clinic, and the other was submitted by a large private outpatient rehabilitation company. Several stakeholders representing other entities involved in wound care also made public comments on these proposals, either written or in person at the public meeting. Although the Committee voted not to recommend either proposal, PTAC wrote in its Report to the Secretary that the Committee "believe[s] the proposals have raised important issues that need to be addressed regarding the delivery of wound care services and payment for those services."²⁸ The Committee suggested that the relevant stakeholder community "should first identify a more comprehensive approach to wound care delivery." Then, a payment model can be designed to support that model of care." While the submitters may have been disappointed that their proposals were not recommended, they have succeeded in raising an important care delivery issue that was deliberated on during a public session and assured awareness of it in the policy community.

This particular role of PTAC is likely to be accentuated in the future, because the Committee has begun hosting theme-based discussions at public meetings to further explore particular issues raised across several proposals. PTAC held its first discussion of this type about

²⁷ <https://aspe.hhs.gov/system/files/pdf/255736/9-7-17TranscriptPTAC.pdf>

²⁸ <https://aspe.hhs.gov/system/files/pdf/255731/RTSSehaandUpstream.pdf>

telehealth and alternative payment models at its September 2020 public meeting, described in detail below.

PTAC Contributions to Policy Information and Analyses of Important Payment and Care Issues

The contributions the Committee makes to the evidence available to policymakers, stakeholders and the public regarding alternative payment models is an area to build upon over the coming year. In addition to describing PTAC's review and deliberation process, Figure 1 above also provides a roadmap to describing in a more complete manner the current and potential impact of the Committee. The figure details the many inputs and outputs from the process. As a proposal is reviewed, the PRT and full Committee receive several sources of evidence to consider from HHS staff, ASPE's support contactor, and the public. These include original data analyses related to the issue, environmental scans, literature reviews, and advice from relevant experts. The process assures that these sources of evidence and the Committee's expertise are used to deliberate on the issues and synthesize all information into policy-relevant information that is made available to the public. Indeed, the process generates a wealth of publicly available documents, including the Committee's Report to the Secretary, an environmental scan, comments received from the public, transcripts of the Committee's public deliberation and any conversations with the submitter or relevant clinical experts, and any data analyses that had been conducted to aid the Committee's review. Given the breadth of proposals PTAC has received, PTAC has written reports about a variety of conditions and settings, in addition to commenting on issues that span multiple proposals, such as care coordination and telehealth.

One objective of PTAC moving forward is to provide the best information possible to inform the policy community about APM development and delivery system transformation. The PTAC processes were developed to meet the Committee's statutory charge to carefully review proposals submitted by the stakeholder community. As described above, the process has the potential to collect, assess, and make public a substantial amount of relevant data and evidence regarding the payment and care delivery issues involved. We are assessing the output to date in order to consider the most useful ways to make it available to policymakers and the public and to inform potential changes in PTAC processes that could enhance the quality of the information flowing from the Committee's deliberations.

In order to make this assessment, we compared the output from selected proposal reviews by PTAC to the results of an independent literature review on the same topic.²⁹ As an

²⁹ The analyses will be detailed in a forthcoming report from NORC to be posted on the [ASPE PTAC website](#).

example, we selected past proposals related to palliative care. ASPE's support contractor analyzed all publicly available PTAC documents related to the review of two proposals that included palliative care. The contractor then used an independent team to conduct a payment policy-focused literature review on this subject. The information for both reviews were then organized according to using a lightly modified version of Bardach's classic policy analysis framework – that is: background for the policy area including issues magnitude and policy gaps, development and evaluation of policy alternatives, and recommendations as part of the framework.³⁰ The team then compared the information from the two sources.

The results suggested that in most areas of a classic policy analysis, the information provided by the PTAC processes about palliative care, for example, was comparable to that of the independent literature review. In brief, the analysts relying on PTAC outputs were able to comprehensively define the policy issues and problems, review and identify gaps in existing research knowledge and current payment policy, and understand important considerations in palliative care payment policy. PTAC's review had considered the extent to which Medicare fee-for-service arrangements, existing APMs, and demonstration projects incorporated palliative care and why submitters believed the need for an additional model remained. Documents related to PTAC's review contained information on patient preferences in palliative care, supplemented by a specific request by the PRT that reviewed one of the palliative care proposals. PTAC also explored health care workforce issues that affect the delivery of palliative care. This analysis demonstrates that, consistent with Figure 1, the many outputs of the PTAC proposal review process can serve as a useful starting point for assessing the overall payment policy and care delivery landscapes for policymakers and other stakeholders interested in a topic that PTAC has explored by reviewing a related proposal.

Because the Committee's process was structured to focus on the specific payment models proposed, the policy options considered were somewhat narrower than those considered in the literature review. However, through its review, PTAC detailed several elements that are specifically important and nuanced when designing a palliative care model, including the complexity of defining patient eligibility, challenges of accounting for varying enrollment timeframes, the sensitive nature of patient and family preferences, and the importance of flexible interdisciplinary teams. The PTAC process also generated ample information about cost, quality assurance, and patient safety that is specific to the palliative care space.

³⁰ Bardach E. *A practical guide for policy analysis: The eightfold path to more effective problem solving*. 3rd Ed. Washington, DC: CQ press; 2009.

Thus, the inventory of PTAC proposals and resulting documents can serve as a rich resource for the Committee, policymakers, and other stakeholders interested in understanding important payment policy considerations in a given topic area covered by PTAC. As described below, new directions the Committee has begun to pursue will allow for broader consideration of payment model options for key issues in patient care.

New Directions for PTAC

To date, PTAC has contributed to the policy discussion related to APMs and delivery system transformation in the four areas described above. The significant forward-looking question for the Committee is whether they can continue and expand their contributions. There are a number of factors to consider at this moment in time.

- The flow of proposals to PTAC has stopped. It is uncertain whether the stakeholder community will continue to submit the types of proposals they have in the past given the cost and time involved in developing them and navigating the review process, the inability of CMMI to implement specific models as proposed, and issues posed by the pandemic.³¹
- After ten years of experience with CMMI developing, implementing, and evaluating APMs, it may be time for PTAC to fully consider its directions for the future.³²
- Goals set by the Health Care Payment Learning and Action Network (HCP-LAN) in 2017 and recent CMMI proposed models, such as the Direct Contracting Model announced in 2019, signal a movement toward APMs with greater downside financial risk including population-based payment.³³ The future of narrowly focused models or those with limited financial risk is uncertain.
- The COVID-19 pandemic has raised additional considerations for APMs in general and for the incorporation of specific services such as telehealth.

³¹ Public Input on the Committee's Request for Input on the PTAC's Review of PFPs

https://aspe.hhs.gov/system/files/pdf/255731/Responses_InformingPTACsReviewofPFPs.pdf

³² Jeff Micklos, Clare Pierce-Wrobel, Joshua Traylor. The Center For Medicare And Medicaid Innovation Can Be A Powerful Force To Accelerate Change, But Not Without Key Reforms, Health Affairs Blog, February 12, 2020.

<https://www.healthaffairs.org/doi/10.1377/hblog20200204.111760/full/>

³³ <https://hcp-lan.org/workproducts/apm-refresh-whitepaper-final.pdf>;
<https://innovation.cms.gov/innovation-models/direct-contracting-model-options>

These considerations raise several questions for PTAC with regard to its future contributions related to providing information and influencing APM policy:

- How can PTAC reduce the burden associated with submitting proposals and further encourage the stakeholder community to propose PFPMs?
- Within its statutory requirements, how can PTAC enhance its analyses and deliberations of proposals for providing recommendations and comment to the Secretary?
- How can PTAC leverage past proposals to further develop and provide advice to the Secretary on important care delivery and payment issues; including those raised by the pandemic?
- How can PTAC contribute to the discussion on how the performance of CMMI models might be improved?
- How can PTAC contribute to the discussion of APM themes that cut across CMMI efforts such as model evolution, care coordination, financial incentives and evaluation methods?

Moving Forward

In addressing these challenges, the Committee has developed a new Vision Statement and adopted several changes consistent with its experience over the past several years.³⁴ These changes include efforts intended to improve PTAC's outreach to the stakeholder community, expanding the use of its resources to enhance analysis, comments, and recommendations on specific proposals submitted, encouraging the submission of new types of proposals to identify key policy issues, and holding public sessions to further analyze important themes that have been raised by past proposals.

As part of these efforts, PTAC has **expanded its stakeholder outreach** in multiple crucial ways. First, ASPE's support contractor reached out to all stakeholders that have submitted proposals to PTAC to help identify strengths of and potential improvements in PTAC's processes and to learn about their experiences pursuing payment innovation after the PTAC process. Feedback from these interviews the contractor conducted with 16 past submitters has been used by PTAC and ASPE staff to drive process improvements, update the Proposal Submission

³⁴ PTAC's Vision Statement <https://aspe.hhs.gov/ptac-physician-focused-payment-model-technical-advisory-committee>

Instructions, and expand communication with submitters while PTAC reviews their proposals. PTAC has also begun issuing more frequent calls for public input on specific APM-related topics, beyond its standard public comment periods related to specific proposals. For example, the Committee has issued two different requests for information (RFI) in 2020: one was to gather information to enhance review of future proposals, and the other was about the intersection of telehealth and alternative payment models. Information received from these RFIs will be used to inform future PTAC proposal reviews, recommendations to the Secretary, and ongoing process improvements.

One way in which the Committee has attempted to meet new challenges is **to expand their analyses** and, by doing so, enhance their Reports to the Secretary. Specifically, the PRTs and the full Committee can ask for and receive data and research in order to both carefully analyze the proposal at hand and provide advice to the Secretary about the model. The Committee has requested that the environmental scans conducted for each proposal be expanded to include more information about related alternative payment models, to even better equip members to evaluate the proposal at hand. For example, the PRT for the proposal submitted by the American Society of Clinical Oncology (ASCO) requested tables that describe ASCO's proposal and existing models referenced by the proposals. These tables served to call attention to the proposal's several unique features, including ASCO's use of evidence-based, high-quality clinical pathways as a decision-making tool that can help mitigate the risk of overtreatment and under-treatment of cancer by averting cancer-drug therapy selections based on cost. Thus, these documents served as tools that the PRT and PTAC could use to readily identify attributes in the proposal that could, in turn, serve to inform the Committee's comments and recommendations to the Secretary and policymakers as a whole.

PTAC has also recognized that the time, resources, and expertise needed to submit a fully developed proposal to the Committee may present a barrier to participation in the process for many stakeholders who have valuable ideas for improving care through APMs. The Committee has **streamlined the instructions for proposal submissions** to expand participation opportunities for stakeholders who may lack resources to fully detail their PFFM ideas.³⁵ The expanded analysis and deliberation described above means that regardless of how extensive their proposals are, submitters raise important health care delivery issues. PTAC can provide an evaluative review regardless of a proposal's sophistication, enabling the submitter and PTAC to provide valuable advice to the Secretary on the issues raised by the submitter. PTAC has also

³⁵ PTAC's most recent update to the Proposal Submission Instructions were released in June 2020. https://aspe.hhs.gov/system/files/pdf/226776/PTACProposalSubmissionInstructions_2.pdf

published a Common APM Approaches Reference Guide to assist stakeholders in determining which payment methodology may be most appropriate for their proposal.³⁶ The Committee hopes these changes will encourage more idea generation on care delivery and payment models and an increased number of proposals.

Finally, PTAC has expanded its public meetings to **include theme-based discussions** structured to delve into timely APM-related topics raised in past proposals. These sessions are not intended to re-deliberate on previous proposals. Rather, they are intended to leverage the insights of such proposals as the Committee seeks public input from a variety of sources that will eventually be distilled into additional recommendations to the Secretary. These theme-based discussions might focus on specific payment issues or elements of care such as telehealth or care coordination, with a focus on APM development. Because past proposals have raised so many important issues, these sessions can also address broader issues important to APM development and evaluation.

PTAC held its first theme-based discussion at its September 2020 public meeting about telehealth and payment models and included public input in multiple formats. The Committee leveraged its existing body of work and stakeholder relationships to facilitate these discussions in two key ways. First, ASPE's support contractor interviewed 13 past submitters whose proposals had included some component of telehealth and incorporated learnings from these conversations into both a public environmental scan about telehealth and APMs and a brief background presentation given at the public meeting. Secondly, PTAC organized a panel discussion of six of these past submitters with proposals related to telehealth. PTAC held an additional panel discussion with experts on telehealth who represented many perspectives, from patient advocacy and providers to academic research and the payer community. The session included an open public comment period and an opportunity for Committee members to offer reactions to what they learned throughout the day. The outputs from this public meeting are still in progress but promise to be a wide-ranging inquiry into a timely topic.

Conclusion: Contributions of PTAC

The United States has begun a transformation of its health care delivery system from relatively fragmented care toward one that provides coordinated, person-centered care. It is necessary to incentivize and support this change through a transition from largely fee-for-service payment to alternative payment models that increasingly hold providers accountable for the cost and quality of care. PTAC has made substantial contributions to the policy debate

³⁶ PTAC's Common Alternative Payment Model (APM) Approaches: Reference Guide was released in January 2020. <https://aspe.hhs.gov/system/files/pdf/261946/Common-APMs-Reference-Guide.pdf>

on these issues. Notable successes so far have been to activate the provider community to examine and identify important care delivery and payment issues and to bring proposals for addressing these issues to a public forum for PTAC to analyze for policymakers. Moreover, PTAC's processes for reviewing these proposals and providing recommendations to the Secretary have already produced a substantial amount of important data and information to support further policy development and debate.

The recent COVID-19 pandemic has presented both challenges and opportunities for value-based purchasing in health care. It has highlighted the health care system's strengths and vulnerabilities, as well as the need for policies to encourage delivery systems to be both efficient and resilient. The pandemic has caused us to consider the relative strengths and weaknesses of fee-for-service payment and alternative payment models for incentivizing these objectives. It has also caused us to focus on how policies implemented in response to a public health emergency, such as waivers to expand telehealth use, might be made permanent or modified as part of alternative payment approaches. Moving forward, PTAC may be able to use their processes to assist in meeting these policy challenges. The Committee has the ability to engage the stakeholder community and consider the input these stakeholders provide along with a variety of current evidence to provide advice to policymakers and high-quality policy information to the public.

Nonetheless, the current environment presents challenges for the Committee if it is to continue contributing to the policy debate. The changes to PTAC's vision, success factors, objectives, and processes that began in early 2020 are targeted at addressing these challenges. These changes should further encourage a diversity of important stakeholders to bring forth issues and ideas concerning APMs. Moreover, they should allow PTAC to produce an even greater quality and quantity of policy-relevant information to support delivery system transformation.