Physicians and HMSA developing payment transformation pilot programs for specialists

HMSA is working with local physicians to develop pilot programs for oncology, cardiology, and orthopedic payment transformation initiatives. While the three pilot programs will be tailored for the unique needs of each specialty, each program will explore the advantages of bundled payments. Simply put, a bundled payment combines all the care and services a patient needs for a single episode of care into one payment from HMSA. Cancer treatment, knee replacement surgery, and a heart attack are examples of an episode of care.

“Specialty care is extremely varied; some specialties are procedural, office, or hospital based. It doesn’t make sense to apply the payment model that we develop for an orthopedic surgeon to an obstetrician or a cardiologist,” said Dr. Mark Mugiishi, HMSA’s chief medical officer. “Bundled payments are a proven concept and an excellent tool to improve patient care. We’re working with hospitals and specialty groups to explore existing bundles, learn from them, and then modify them so that they work for specialty practices here in Hawaii.” Mugiishi also notes that even bundles won’t work for every specialty type, and which is why HMSA is looking at innovative ways to involve other specialty groups. Some early discussions are revolving around telehealth, collaborative care (e.g., Project ECHO), and care pathways.

HMSA and specialty groups are now in the early stages of designing the pilot programs. The specialists are the cardiology group at The Queen’s Medical Center, a local oncology group, and Orthopedic Associates. All three groups volunteered to work with HMSA to determine quality measures and payment models to test.

“It’s extremely exciting that there’s so much interest from providers in what we’re doing,” said Mugiishi. “The level of collaboration that we’re seeing in payment transformation is something we’ve always strived for and are finally achieving.

“Much like we did with our primary care pilot program, we plan to work closely with these physicians to find out what works and what doesn’t. We expect that we’ll continually revise and modify the payment model based on feedback from program participants with the goal of adding more bundles and more specialties in the future.”
Dr. Mark Mugiishi answers questions about HMSA’s payment transformation program

**Q** Will the payment transformation program for specialists be similar to the one for primary care providers? That is, one monthly flat rate for everyone?

**A** No, it won’t. Unlike payment transformation for PCPs, we’re exploring a variety of strategies for different specialties including focusing on bundled payments for select specialists. Medicare and some private health plans already use bundled payments, which have been proven to improve patient care. For example, a bundled payment could be appropriate for an orthopedic procedure, where the consultation, surgery, hospitalization, post-hospital care, and follow-up visits are all covered in one payment to all of the involved providers. Bundles won’t work for every specialty type, however, and we’re looking at alternative payment models involving telehealth, collaborative care (e.g., Project ECHO), and care pathways.
Q: Who’s included in the first round of the bundled specialty payment transformation program and how were they selected?

A: We chose oncologists, cardiologists, and orthopedists because bundled payments have already been successfully implemented with these specialties elsewhere. We want to make the best use of the research that’s already out there.

Q: I’m a primary care provider and haven’t joined the payment transformation program. When and if I do, can I expect my reimbursements to decrease?

A: No. In fact, we’re doing all we can to make sure that there’s a very small financial impact to your practice. We understand that you have an office to run, staff to pay, and your own operating expenses. This is why we’ll base your initial per member per month fee on the patients you currently see and the amount of services that you provide to them. The goal of payment transformation is to give you the freedom to transform your practice without worrying about the financial impact so that you can practice in a way that’ll be best for all of your patients. Over time, you can expect your payments to be positively impacted by efficient, high-quality management of your total patient panel.

Q: How will HMSA determine if the payment is fair? What if it costs me more than what HMSA is willing to pay?

A: We’re confident that we can work with the specialists and hospitals to develop and agree on these bundled payment models. It’ll be a while before we finalize the pilot program for specialists and roll it out. All of the providers and hospitals who’ll participate in this initial program for specialists volunteered because like us, they want a better, more-sustainable way to deliver health care.
If you have questions, we have answers.
Contact HMSA Provider Services:
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About HMSA
Caring for the people of Hawaii is our promise and our privilege. Working together with employers, partners, and physicians and other health care providers, we promote wellness; develop reliable, affordable health plans; and support members with clear, thoughtful guidance.

HMSA is the most experienced health plan in the state, covering more than half of Hawaii’s population. As a recognized leader, we embrace our responsibility to strengthen the health and well-being of our community.

Headquartered on Oahu with centers and offices statewide to serve our members, HMSA is an independent licensee of the Blue Cross and Blue Shield Association.