

May 23, 2016

Lew Sandy, MD
Clinical Episode Payment Workgroup
Health Care Payment Learning and Action Network
PaymentNetwork@MITRE.org

Dear Dr. Sandy:

Thank you for the opportunity to provide comments on the clinical episode payment (CEP) workgroup's recent paper on maternity care. The Pacific Business Group on Health (PBGH) is a non-profit organization that leverages the strength of its 65 members—who collectively spend \$40 billion a year purchasing health care services for more than 10 million Americans—to drive improvements in quality and affordability across the U.S. health system. Several PBGH employers have had to consider and make important design decisions around alternative payment models in both self-funded and fully insured arrangements.

These deliberations and multi-faceted experiences inform our feedback today. As the largest collective underwriter of American healthcare, public and private employers are increasingly interested in alternative payment methods like CEP. Properly designed and aligned across payers, episode-based payments have the potential to increase value throughout the broader system in which we all purchase and receive care. The workgroup's current recommendations regarding maternity care are an important foundational component of that effort, and we are deeply appreciative of the LAN's work in these endeavors.

We preface our comments by reiterating our strong support and offer limited feedback for improving the CEP maternity care recommendations in three areas. These include:

1. Clearly state that prospective negotiation of the comprehensive maternity care bundle is both possible and necessary.

The LAN CEP document emphasizes challenges with moving toward prospective payment and the ways in which retrospective fee-for-service (FFS) reconciliation is simpler and more practical to implement in our current system. The workgroup should be more aspirational and point to many successful instances of prospectively negotiated maternity bundles functioning in the market today. Employers we spoke with recommended that the workgroup refer to several areas where ambitious alternative maternity payment models that share many of the CEP group's priorities have already been implemented, including South Carolina, Texas (Community Health Choice), New Jersey (Horizon Blue Cross Blue Shield), and California (Comprehensive Perinatal Service Program).

2. Endorse the principle that bundle reimbursement is contingent on the reporting of patient reported outcomes and patient experience measures.

While the workgroup mentions the utility and desirability of patient-reported outcome (PRO) and experience measures, there is no explicit call for mandatory reporting of them. As the group notes, PROs and patient experience measures are a necessary complement to existing process and outcome

measures that ensure providers are delivering patient- and family-centered care. They must be collected and publicly reported. Accountable providers should also demonstrate use of evidence-based shared decision-making tools (e.g., CAHPS shared decision-making measure) as a condition of bundle reimbursement.

3. Provide examples of how plans and providers have successfully managed risk exclusion while ensuring that complex patients (e.g., severely depressed, substance abuse) have access to needed services.

As the workgroup notes, the comprehensive maternity bundle should encompass the broadest possible patient population. Employers we spoke with believe it would be helpful for the CEP group to provide examples of how plans and providers already using comprehensive maternity bundles have designed minimal patient exclusion criteria and stop-loss mechanisms that ensure complex patients still have access to needed services.

Finally, several purchasers felt that providing explicit language, talking points, or instructions for employers who want to encourage their carriers to adopt this type of prospectively negotiated, comprehensive maternity bundle could increase the uptake and impact of the CEP workgroup's recommendations. A "gold standard" and set of metrics with which to evaluate the maternity bundles offered by carriers and TPAs would also be helpful. We strongly advise the group to develop a short implementation toolkit for commercial purchasers as part of the white paper.

Thank you again for the opportunity to provide feedback to the CEP workgroup on this important methodological document. We look forward to continuing to engage public and private purchasers in the workgroup's activities, and strongly support the LAN's broader effort to increase value across the U.S. health system.

Please contact me should you require any additional information or clarification.

Sincerely,



David Lansky, PhD
President and CEO
Pacific Business Group on Health