

OUTPATIENT OUTLOOK

Want To Prepare For CMS' P4P? Use This Expert Advice

► Read why you should keep track of outcome measures now.

With the Medicare therapy caps in swing, Pay for Performance (P4P) is probably the last thing on your mind. But don't let those thoughts wander too far because this incentive-based payment program is right around the corner, and it could brighten — or dampen — your reimbursement future.

Follow the Latest P4P News

Congress has introduced bills (H.R. 3617 and S. 1356) that would revise the current payment system. Plus, many private insurers have already implemented P4P programs for physicians — and rehab generally follows close behind, notes **Ken Maily, PT**, of **Maily & Inglett Consulting, LLC** in Wayne, NJ.

Existing physician P4P programs measure how doctors bring patients through treatment. However, a rehab P4P program would take this a step further and measure actual outcomes, says **Mitchel Kaye, PT**, director of quality assurance for **PTPN** in Calabasas, CA. So, don't be out of the loop while CMS determines your reimbursement standards.

Watch for: Turn your attention to CMS' new feasibility study on P4P in outpatient rehab. The agency is using the **Focus on Therapeutic Outcomes, Inc.** (FOTO) database in two facilities: **CentraState Medical Center** in Freehold, NJ and **Presbyterian Health Care Services** in Albuquerque, NM. FOTO will use its Value Purchasing Payment Algorithm to help CMS determine the financial impact of a P4P program.

“Outpatient rehab being the fastest growing segment in Medicare payments is one of many reasons P4P is on the forefront,” says **Al Amato, MBA, PT**, president of **FOTO**, based in Knoxville, TN. On the same note, “we're also helping develop an exceptions process to the therapy cap that involves an outcomes system,” he adds.

Important: Continue to follow this exciting news, but don't just be a spectator. Here's what you can do to ensure CMS develops a P4P system that works for you and your therapists.

1. Establish Performance Measures.

Since a rehab P4P program would be more outcome-based

Using a risk adjustor for each patient can level the playing field.
—*Al Amato, PT,*
president of FOTO

than physician P4P, you and your therapists should be concerned with the potential performance indicators.

“And despite what payers — including Medicare — say, they *are* profiling providers, with a primary focus on utilization statistics,” Maily points out.

Key: Your first step is to track outcomes data and define “good performance.” “If we're not comfortable using the tools that demonstrate good performance, then the payer is going to come up with its own tools,”

Maily warns, “and they may not be the tools we want.” For starters, look at what you're providing, and get into the habit of documenting on admission and discharge then comparing the two, Kaye recommends. “And if the patient is not improving, document what you're changing in treatment in order to obtain improvement.”

2. Use Risk Adjustors. Some experts worry that under P4P, therapists will avoid treating complex conditions that result in poor outcomes. But using a risk adjustor for each patient can level the playing field, Amato explains.

A risk adjustor can include factors such as age, comorbidities, acuity of the problem, diagnosis and body parts affected, Amato offers. “We've been working with our database of 1.6 million patient episodes, and we've identified risk adjustments that can profile a particular patient.” This would allow a valid comparison of like patients treated by different therapists and would be “...the basis for research and possible use in pay for performance proposals,” he adds.

The good news: Experts agree that a well-researched and fairly implemented P4P system would be a great improvement. “Right now, we don't reward superior performance, so there's little incentive to perform superiorly, at least from a reimbursement perspective,” Maily comments. “But P4P would be an excellent change,” he says, “and rehab is in an ideal position to address it because we've always measured our patients in terms of goal achievement.” ■