

# Joining an Alternative Payment Model

## Aligning Internal Stakeholders

*Internal communication and transparency around your organization's transition to an alternative payment model are critical for success in an APM.*

### KEY POINTS

- 1 Involve a cross functional team in planning & decision-making process
- 2 Understand currently available and future data (financial & clinical) needs
- 3 Prepare value proposition that can be shared internally & externally

#### Plan

- Engage representatives from departments who will be impacted by the changes
- Assess current state of leadership (engaged?), communication (is it effective?), and team roles (is there flexibility and value-added within each role?)
- Review plan with PDSA (Plan, Do, Study, Act) – receive feedback from all stakeholders if possible
- Hold regular strategy meetings (monthly/quarterly) to review outcomes with broader team
- Identify Key Performance Indicators aligning with contract goals, for example:
  - Correct coding
  - Lower ER/hospital utilization rates
  - Value Consistency – *A clinician who is routinely exceeding performance goals may generate more revenue than a clinician with inconsistent performance with higher patient volume*

#### Engage

- Assess staff's readiness to change
- Develop goal statement (what do we want to accomplish)
- Convey value proposition of organizational changes to each department (what are the pros/cons) and outline what the changes will improve/fix
- Ensure changes can be measured by SMART criteria (smart, measurable, achievable, relevant, and time-bound)
- Create accountability for specific tasks

#### Report

- Review and share data internally before reported
- Utilize performance dashboards to gain a quick, current understanding of important metrics
  - Are ALL stakeholders aware of the cost of doing business and their impact on the bottom line?
  - E.g. are clinicians aware of how performance indicators are tied to their evaluation and/or compensation?
- Financial performance can be measured by looking at:
  - P&L Statements
  - Operating margin
  - Overhead ratio
  - A/R turnover
  - Collection rate
  - Denial rates
  - Quality data
  - Billed/paid ratios
  - Cost per visit
  - Revenue source, by payer and patient population tracking
  - Cash flow statements

#### Consider

- Understand what has worked within your system when implementing organizational changes
  - Identify inefficiencies leading to lower productivity or that may confuse patients
  - Automize frequently performed tasks or workflows to ensure consistency, mitigate risk and improve adherence
- Be aware of burn-out symptoms, high turnover, and a strong sense of adversary to change
- Identify key performance indicators at your organization and review on a regular basis
- Recognize change takes time and celebrate success