



# Effects of Health Care Payment Models on Physician Practice in the United States

**FOLLOW-UP STUDY**

**APPENDIX**

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For more information on this publication, visit [www.rand.org/t/RR2667](http://www.rand.org/t/RR2667)

Published by the RAND Corporation, Santa Monica, Calif.

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## Appendix A: Literature Review Search Terms

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capitation  
bundled payment  
BPCI  
cardiac rehabilitation incentive payment  
pay for performance  
PFP  
P4P  
shared savings  
concierge  
retainer payment  
accountable care organization  
ACOs  
Pioneer ACO  
NextGen accountable care  
medical home  
PCMH  
Medicare Shared Savings Program  
MSSP  
comprehensive primary care initiative  
CPCi  
comprehensive care for joint replacement  
CJR  
Medicare health care quality demonstration  
physician hospital collaboration demonstration  
Federally Qualified Health Center  
advanced primary care practice demonstration  
financial incentive  
flat fee primary care  
direct primary care  
MACRA  
Medicare Access CHIP Reauthorization  
quality payment program  
QPP  
merit-based incentive payment system  
MIPS  
advanced alternative payment model

advanced APM  
affordable care act payment  
Trumpcare payment  
health insurance marketplace  
Covered California  
Massachusetts Health Connector  
Health Choices, Florida  
My Arkansas Insurance  
Healthy Michigan  
value-based payment  
VBP  
episode based payment  
global payment  
Hospital Readmissions Reduction Program

Terms above were combined with one of the following terms:

health  
healthcare  
physician practice

## Appendix B: Interview Guides

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### RAND/AMA Interview Guide: Physician Practice Leaders

- Go through informed consent checklist. Give interviewee a copy of the checklist.
- Turn on recorder.
- Please state your name and the title of your position at [name of practice].

#### Introductory questions

1. Please tell us about your role at [name of practice] and how long you've been here.
2. [if new interviewee] Can you give us a brief history of [name of practice]? Just the highlights would be fine.

*Probes: How was the practice started, and when? What have been the biggest changes over the past few years? [if not clear] Have there been any changes to practice ownership?*

3. Has the practice undergone any major changes since 2014?
4. How is the practice governed? How are decisions made about clinical operations, policies and strategic directions for the practice as a whole? For individual clinics (if applicable)?

*Probes: How are financial decisions made? How about decisions to enter into new payment contracts with health plans? Does a consultant advise you on these kinds of decisions? Do you go to other organizations (your IPA, the state medical society, etc.) for support in making these decisions? What mechanisms are there for quality, safety, or performance improvement?*

## Sources of revenue

We would like to ask a few general overview questions about the practice's sources of revenue, just to set the context for our more detailed questions about payment models.

5. **What is the approximate breakdown of total revenues, among your commercial payers, Medicare, Medicaid, and self-pay? How has this changed since 2014?**

Ballpark figures are fine; this is just so we get a rough sense to guide the interview. *[if not clear] What is the payer breakdown by patient population?*

6. **What is the approximate breakdown of total revenues by payment model? In other words, how much is fee-for-service, pay-for-performance, bundled payment, capitation, partial capitation, etc.?** Again, ballpark figures are fine.

*Probe: [For risk-based payments mentioned] How much revenue could potentially be earned or lost, as a fraction of total practice revenues? Ballpark figures are fine.*

7. *[if not clear]* What types of clinical services bring the most fee-for-service revenue to the practice? *[Prompt if needed: Office visits? Procedures? Doing lab and radiology tests?]* How has this changed since 2014?

*Probes: What is the approximate percentage breakdown of revenues among these services over the past year?*

8. *[if not clear]* **Other than payment for the clinical services we've discussed, are there any other sources of revenue for the practice? How has this changed since 2014?**

*Probes: Payment or subsidy from a parent organization? From hospitals? Sales of products? Retainer or membership fees paid by patients? Research and clinical trials?*

## Payment models

For this study, we are particularly interested in changes in payment models and how they impact physician practices and professional satisfaction. We will be asking about payment models like the traditional "fee-for-service" payment model and other payment models, including pay-for-performance, capitation, episode-based payments, and shared savings. We are also interested in hearing about any experience you may have with new delivery models like

Accountable Care Organizations and Patient-Centered Medical Homes—if these have included changes to how the practice is paid.

### **Current payment models—overview**

9. [if repeat interviewee] **In 2014, we heard about some alternative payment models in which [name of practice] was participating. These included: [insert payment models]. Since 2014, how have these payment models changed or evolved?**

*Potential probes: Which ones have expanded or become a bigger chunk of revenue? Which ones have diminished or been discontinued? Why? What other changes? How have these payment models affected [name of practice's] bottom line?*

10. **Under what payment models is [name of practice] currently reimbursed? We're just interested in getting a list of these models right now.**

*Probes: For example, fee-for-service, pay-for-performance, bundled payment, capitation, shared savings, retainer or subscription, ACO, PCMH.*

11. [If not clear] **Has [name of practice] started to participate in any new payment models since 2014? Again, this is just to get a list of the ways the practice is paid.**

12. [if not clear] **How is [name of practice] responding to MACRA? What changes are you making? Based on what you know now, how do you think MACRA will affect the practice? [if not clear] Which of these changes occurred in 2017, and which in 2018?**

*Probe: Will the practice be in MIPS or an APM? How is the practice preparing? How well informed do you feel about MACRA?*

*Probe, for anticipated effects on practice: Why will these effects take place?*

*What part of MACRA will cause them? When do you anticipate that these effects will occur?*

## Payment models—specifics

[Repeat for each new payment model]

13. **When did you start participating in [insert payment model]? [if not already clear] Which payers are using this payment model?**

14. **Why did the practice start participating in this payment model?**

*Probe: When deciding to participate in this payment model, how did you think about the tradeoffs in terms of the costs and benefits to the practice? What were the alternatives to doing this?*

*Probe: What did you think the effects on practice revenue would be? [if not clear] How about effects on overall practice finances, net of any expenses associated with participating in this payment model?*

*Probe: Have you received any outside assistance to help the practice do well in this payment model?*

[Repeat for each new and pre-2014 payment model]

15. **Since you started participating in this model, what has changed?**

- *Probe: **What are physicians doing differently**, if anything? Has their approach to patient care changed in any way? Are they working longer or shorter hours? Are they doing different activities? Anything they're not doing anymore or doing less of? If so, who is now doing these activities, if anybody? Is there anything new that physicians are doing, or doing more of? Have you observed any changes in how satisfied physicians are with their work here? How can you tell?*
- *Probe: **Have you hired anybody new**? Changed anybody's jobs, aside from physicians?*
- *Probe: **What have been the effects on practice managers**, including yourself? What kind of new administrative work does this payment model involve?*

- Probe: What has been the effect on the practice's **financial sustainability**? Did your expectations about financial effects end up being accurate? Have there been any surprises? (Has it affected how well you sleep at night?)
- Probe: **Has the practice changed its structure**? Gotten bigger or smaller? Joined an IPA or similar organization?
- Probe: How has it changed your **relationships with hospitals**? Has the practice started or ended an affiliation with a hospital? When? How does/did the link with the hospital affect the practice financially? How does/did the link with the hospital affect how patient care is provided?
- Probe: How has it changed your **relationships with subspecialists outside the practice**? Have there been changes in whether and when you make referrals? Or which subspecialists get referrals from you?
- Probe: What about the effects on the **quality of patient care**? **Costs of patient care**? Do you think patients are noticing anything different? How can you tell?
- [for older models] Probe: **How successful has the practice been in this payment model**? What seem to be the best strategies for success? Is there anything you would advise other practices to do or not do, if they were getting started in a similar payment model?
- [for new models] Probe: Is it clear to you **how to succeed in this payment model (for example, earn a bonus)**? Or is it hard to tell what you should do? Why or why not?

16. [for 2014 payment models] In 2014, we had heard the following things about [insert payment model]: [insert challenges, strategies, early results from 2014]. How has this played out over time?

**Probe:** Which of these challenges have been overcome? How? What strategies seemed best? What didn't pan out as planned, if anything? What were the biggest surprises?

**17. What changes do you anticipate in the future, as a consequence of this payment model?**

*Probes: How about your relationships with hospitals? With other physician practices? With other payers? With patients?*

*Probe: Do you think the practice will continue to participate in this payment model?*

**18. What have been the most important changes related to payment at this practice in the past three years?**

*Probe: For example, what about rates of payment? How important are the new payment models we discussed, relative to these other changes to payment?*

*Probe: What kinds of experiences has the practice had with patients who are obtaining health insurance through the new health insurance exchanges under the Affordable Care Act?*

*Probe: Have changes in payment resulted in any changes in the types of patients you see? For example, have there been changes in patient demographics or the mix of health conditions that you see?*

**Physician compensation [ask if not already clear]**

**19. How are physicians compensated in this practice? What is the formula?**

*Probes: For example, based on revenues, RVUs, salaried, share of practice profits, pay-for-performance, etc. What are the main financial incentives for physicians working here?*

*Probe: How do these vary by physician type? For example, partners vs. employees, or physicians of different specialties?*

**20. [if not already clear] Since 2014, have any of the new payment models we've discussed changed the way physicians are compensated in this practice? How have their financial incentives changed? Why?**

*Probes: Do all physicians participate in all models? Do some participate in some models and others participate in others? How is this decided? How does this impact their income and incentives? How are bonuses earned by the practice allocated among physicians? How about financial penalties?*

*[if not clear] Probe: How has the distribution of payment changed between different physicians in the practice (e.g., between partners and employed physicians, between different specialties)? Why?*

21. **[if not already clear] How well do you think physicians in the practice understand their compensation formulas and how to do well in them?**

*Probes: Do physicians have a clear idea of how to affect their earnings? What are the ways? Are there areas of confusion? [if there is confusion] What tools or resources would help alleviate this confusion?*

### **Payment models—general effects**

22. **[If not already clear] What have been the major challenges for your practice in dealing with new payment models?**

*Probe (if necessary): How have you handled the challenges? i.e.: system or leadership support (political, administrative)? Difficulty of making changes? Insufficient resources? Discomfort of clinicians or other staff with the model? Reactions of patients? Physician turnover or early retirement? Trouble recruiting or retaining physicians?*

*Probe: What advice would you give to a practice like yours about how to handle the payment models we've discussed?*

23. **What types of support or information would be useful to help [name of practice] better adapt to the payment models we've discussed?**

*Probes: Have you already received assistance with participating in new payment models? What kinds of assistance?*

24. **[if not clear, for pre-2014 payment models] In hindsight, would you make any changes to your approach to [list 2014 payment models]? In other words, if you had a chance to do it over again, knowing what you know now, what would you do differently?**

*Probe: Would you change anything about your decision to participate in this payment model? What advice would you give to other physician practices that might be considering participation in this kind of payment model?*

25. [if not clear] **How has your level of confidence in engaging these new payment models changed since 2014 (if at all)? Your level of trust in payers?**

*Probe: Have payer personnel changed? If so, what impact has this had on your relationships with the payer?*

26. What changes do you anticipate in the future, as a consequence of the new payment models that we've discussed? Over the next year? Next 3 years? Longer?

*Probes: How about your relationships with hospitals? With other physician practices? With other payers? With patients?*

27. Have you encountered any regulatory impediments to adopting new payment models?

*Potential probes: What regulatory changes would make it easier for your practice to be more successful in the types of new payment models we've talked about? Can you give a specific example or two? What other changes, including those that might not require legislation or changes in regulations, might make things easier?*

28. [if not clear] **How have performance measures for your practice changed since 2014?**

*Probes: Is the number of measures increasing or decreasing? What are sources of these measures? How well do they align with each other? Is this getting better? Worse?*

## **Future and past payment models**

29. Is [name of practice] considering participation in any new payment models in the near future, in addition to those we've discussed?

*Probes: What are the pros and cons of these models, from your perspective?*

**30. With the recent change in federal administration, what kind of changes do you expect in payment policies? How has this affected your participation in alternative payment models?**

*Potential Probes: How are you dealing with uncertainty? Any changes in how you decide about making investments? Has your willingness to participate in new payment models changed in any way? What about possible changes to the ACA?*

**Specifics to ask, only if not addressed earlier, and only if there is sufficient time**

31. Are there any payment models that you don't currently have a chance to participate in, but that you would like health plans to offer to your practice? Which ones? Why?

32. Is [name of practice] designated as a "patient-centered medical home"? If so, how did [name of practice] achieve that designation? How does this designation affect the payments the practice receives?

33. Is [name of practice] part of an Accountable Care Organization? Which one(s)? How does this designation affect the payments the practice receives? What other effects have there been?

34. Does [name of practice] participate in any narrow network health plans? Does participation in the narrow network plan require that [name of practice] conform with certain payment models? Have narrow network plans changed over the last 2 years as a share of [name of practice]'s revenues?

35. Does [name of practice] participate in any tiered or high-performance network health plans? In which tier is [name of practice]? Has [name of practice] changed its practice in any way to move into, or remain in, the preferred tier?

36. For [name of practice], how have relationships with hospitals been changing over the past few years?

## Wrap up

**37. In general, what percentage of Medicare fee-for-service payment rates do you get from your commercial payers? How about Medicaid?**

*Note: This can be answered in multiple ways. Some practices will answer as a ratio of Medicare (e.g., if Medicare pays \$1, our commercial payers tend to pay \$1.25). Other practices will answer as a ratio of their costs (e.g., Medicare pays 40% of our costs, and commercial payers pay 50% of our costs). Either way is fine.*

*Note: We are asking for a fee-for-service to fee-for-service comparison.*

*A concrete example would be an E4 office visit (CPT code 99214): if Medicare pays \$1 for this, what do the commercial payers tend to pay?*

**38. What changes or improvements would you suggest making to the way health care is reimbursed in this area?**

*Probe: Why? What would be the effects of these changes?*

**39. Is there anything we haven't discussed that would be important to understanding the impact of payment models on [name of practice]? Anything that we haven't asked that we should be asking?**

**End.**

## RAND/AMA Interview Guide: Practicing Physicians

- Go through informed consent checklist. Give interviewee a copy of the checklist.
- Turn on recorder.
- Please state your name and the title of your position at [name of practice].

### Introductory questions

1. Can you tell us about your role at [name of practice] and how long you've been here?
2. [if new interviewee] **Can you give us an overview of your training and background, before joining this practice?**  
*Probes: Where did you work most recently, and in what capacity?*
3. [if new interviewee] Why did you choose this practice? What are some differences with other practices where you've worked?  
*Probes: How were you recruited? How do you like practicing/working here, relative to your previous setting?*
4. **Can you describe a typical day of patient care for you? Or a typical week, if that's easier? What kinds of activities do you do?**  
*Probe: How many patients do you see in the office? Communicate with via email? Talk with on the phone? Interact with in other ways? How do you decide whether to see patients vs. email or interact with them in other ways?*

### Payment models

5. **Under what payment models is [name of practice] currently reimbursed? It's fine if you're not sure ... just give your best estimate.**  
*Probes: For example, fee-for-service, pay-for-performance, bundled payment, capitation, shared savings, retainer or subscription.*

Prompt: We've heard that [name of practice] has started to participate in some new payment models: [list payment models from practice leader interview]. We would like to ask you some questions about how these new payment models may have affected—or not affected—your experiences providing health care.

*Or*

6. **[ask only if not already clear from practice leader interview] Has [name of practice] started to participate in any new payment models?**

*Probes: What was the impetus for participating in this payment model? What factors influenced your practice's decision to participate in this new payment model? In general, how are decisions made regarding the practice's participation in various payment models? How involved are individual physicians in choosing to participate in various models of payment?*

*Probes: Who decided that your practice would deal with new payment models? Did you have a say in the decision? Was there widespread support from other physicians in the practice? Why, or why not?*

*And*

7. **[ask only if not already clear from practice leader interview] Is [name of practice] considering participation in any new payment models?**

*Probes: What are the major factors impacting this decision?*

8. **[if repeat interviewee] In 2014, we heard about some alternative payment models in which [name of practice] was participating. These included: [insert payment models]. Since 2014, how have these payment models changed or evolved?**

*Potential probes: Which ones have expanded or become a bigger chunk of revenue? Which ones have diminished or been discontinued? Why? What other changes? How have these payment models affected [name of practice's] bottom line?*

9. **[for 2014 payment models] In 2014, we had heard the following things about [insert payment model]: [insert challenges, strategies, early results from 2014]. How has this played out over time?**

*Probe: Which of these challenges have been overcome? How? What strategies seemed best? What didn't pan out as planned, if anything? What were the biggest surprises?*

**10. From your perspective, what have been the most important changes related to payment at this practice in the past three years?**

*Probe: For example, what about rates of payment? How important are the new payment models we discussed, relative to these other changes to payment?*

*Probe: What kinds of experiences has the practice had with patients who are obtaining health insurance through the new health insurance exchanges under the Affordable Care Act?*

*Probe: Have changes in payment resulted in any changes in the types of patients you see? For example, have there been changes in patient demographics or the mix of health conditions that you see? Changes in patient volume?*

**11. [model by model] Since you started participating in this payment model, what has changed? What has the practice done differently, compared to what you would have done without this payment model?**

*Probe:*

- *What has changed in your typical workday or workweek? Is there anything you do differently? Changes in how you care for patients? Anything you do more of? Less of?*
- *Are there new types of staff or allied health professionals in the practice? Are they doing anything differently? Have you changed how you work with these individuals?*
- *What about practice leadership and management? Are they doing anything differently?*
- *[if primary care] What about your interactions with hospitals and other providers outside the practice? Have these changed in any way? How? What about referrals to subspecialists? Have these changed in any way?*

- *[if subspecialist] What about your interactions with hospitals and other physicians? Have these changed in any way? How? What about physicians who refer patients to you? Have these referrals changed in any way?*
- *What has been the effect on the practice's financial sustainability, as far as you know?*
- *What have been the effects on the quality of care so far, if any? How about costs of care? How can you tell? What differences have patients noticed, as far as you can tell?*
- *[if not clear] Have your interactions with patients changed? How?*

12. **[if not clear] What have you heard about MACRA? Have you received information about how the practice will respond? [if yes] How is [name of practice] responding to MACRA? How will MACRA affect how you care for patients? (i.e., how will MACRA affect the work you do, personally?)**

*Probe: Will the practice be in MIPS or an APM? How is the practice preparing? Is there anything that you will personally be doing differently, as far as you know? How well informed do you feel about MACRA? What information do you need that you don't have currently?*

*Probe, for anticipated effects on work performed personally: Why will these changes take place? What part of MACRA will cause this change? When do you anticipate that these changes will occur? [if not clear] Which of these changes will occur in 2017, and which in 2018?*

13. **How is physician compensation structured in this practice?**

*Probe:*

- *For example, based on revenues, RVUs, salaried, share of practice profits, pay-for-performance, etc. What are the main financial incentives for physicians working here?*
- *How satisfied are physicians with their compensation? How stable and secure is their compensation? Have there been any recent changes to the overall amount of compensation? How about their overall financial*

*picture, like where they feel like they are on track for financial security at retirement?*

- *How satisfied are you with your compensation package? Do you have any concerns or worries about your compensation in the near or more distant future?*

**14. How has physician compensation changed in this practice since 2014?**

*Probe: To what extent has these changes been in response to the new payment models? Which ones?*

15. Based on what [you've said/others in the practice have said], my understanding is that [x] percent of [name of practice]'s revenues are at risk, based on [quality/patient satisfaction/efficiency/other]. Does that sound about right? Have those "at-risk" payments affected how [name of practice] operates? Have they affected how you practice medicine? If so, how?

16. [if not already clear] **How well do you think physicians in the practice understand their compensation formulas and how to do well in them?**

*Probes: Do physicians have a clear idea of how to affect their earnings? What are the ways? Are there areas of confusion? Do you have a good sense of what your income will be in the next year? How certain are you?*

17. **Taken together, how have these changes related to [list the changes resulting from new payment models] enhanced or restricted your ability to provide high-quality care? How about your sense of control over your clinical activities? Your overall professional satisfaction?**

*Probe:*

- *Have you had any ethical concerns about any of the payment models we've discussed? Situations where you felt like there's a financial price you'd pay for doing the right thing? Which ones? Can you give an example to illustrate?*
- *Have any ethical concerns or conflicts been reduced or resolved as a consequence of the new payment models we've discussed?*

18. What changes do you anticipate in the future, as a consequence of the new payment models that we've discussed? Over the next year? Next 3 years? Longer?

*Probes: How about your relationships with hospitals? With other physician practices? With other payers? With patients?*

19. [if not clear, for pre-2014 payment models] **In hindsight, would you make any changes to your approach to [list 2014 payment models]?** In other words, if you had a chance to do it over again, knowing what you know now, what would you do differently?

*Probes: Would you change anything about your practice's decision to participate in this payment model? What advice would you give to other physician practices that might be considering participation in this kind of payment model?*

20. **What types of support or information would be useful to help [name of practice] better adapt to the new payment models we've discussed?**

*Probes: Have you already received assistance with participating in new payment models? What kinds of assistance?*

21. [if not clear] **How have performance measures for your practice changed since 2014?**

*Probes: Is the number of measures increasing or decreasing? What are sources of these measures? How well do they align with each other? Is this getting better? Worse?*

22. Have you encountered any regulatory impediments to adopting new payment models?

*Potential probes: What regulatory changes would make it easier for your practice to be more successful in the types of new payment models we've talked about? Can you give a specific example or two?*

## **The Future**

23. Over the next year or so, what are your most important goals in this practice?

*Probe: Why choose these particular goals for the next year?*

24. **With the recent change in federal administration, what kinds of changes do you expect in payment policies? How has this affected your participation in alternative payment models? Are you hearing anything from physician practices about how they are responding or plan to respond?**

*Potential Probes: How are you dealing with uncertainty? Any changes in how you decide about making investments? How about physician practices? What about possible changes to the ACA?*

*[if ortho] Were you affected by the discontinuation of the mandatory CJR bundled payment initiative?*

*[if cardiology or cardiac surgery] Were you affected by changes in the coronary artery bypass graft episode-based payment model under Medicare?*

## **Other**

25. What changes or improvements would you suggest making to the way health care is reimbursed in this area?

*Probe: Why? What would be the effects of these changes?*

26. **Is there anything we haven't discussed that would be important to understanding the impact of payment models on your work at [name of practice]? Anything we should have asked you but didn't?**

**End.**

## RAND/AMA Interview Guide: Local Medical Society Leaders

- Go through informed consent checklist. Give interviewee a copy of the checklist.
- Turn on recorder.
- Please state your name and the title of your position at [name of medical society].

### Introductory questions

1. Can you tell us about your role at [name of medical society] and how long you've been here?

### Market factors

2. When we last spoke in 2014, you gave us a nice overview of health care delivery in this geographic area. Over the past 3 years, how has the market changed?

*Probe for changes in:*

- *Major physician groups or practices: How are they organized? How large are they, in general? Are the answers different for PCPs versus specialists?*
- *Major health plans*
- *Major hospitals or hospital systems*
- *Relationships between physician practices, between physicians and payers, and between hospitals and physicians (including community-based physicians)*
- *The role of teaching institutions and government-owned provider organizations (including providers owned by state or local government)*

3. In general, what percentage of Medicare fee-for-service payment rates do physicians in [name of market] get from your commercial payers? How about Medicaid?

*Probe: How much does this vary from practice to practice—and what causes this variation? Specialty to specialty?*

## Payment models

4. **In 2014, we heard about some alternative payment models (i.e., other than fee-for-service) that were being implemented in this area. These included: [insert payment models]. Since 2014, how have these payment models changed or evolved?**

*Potential probes: Which ones have expanded? Which ones have diminished or been discontinued? Why? What other changes?*

5. **Aside from the MACRA quality payment program, have there been any new payment models introduced since 2014?**

*Potential probes: Which payers and providers are involved? Why were they implemented? How receptive were providers, practices, hospitals? Are there any practices that exhibited exemplary performance with this payment model? To what do you attribute this success? How about practices that have struggled?*

6. **What about MACRA? How are physician practices responding to it?**

*Potential Probes: What are the different general responses? Which types of practices seem to be having each type of response? How knowledgeable are physician practices about MACRA? [if not clear] Which of these changes occurred in 2017, and which in 2018?*

7. **With the recent change in federal administration, what kinds of changes do you expect in payment policies? Are you hearing anything from physician practices about how they are responding or plan to respond?**

*Potential Probes: How are they dealing with uncertainty? Are they changing how they make long-term investments? Was anybody affected by the discontinuation of Medicare's mandatory bundled payment program for joint replacement (CJR), for example? How about possible changes to the ACA?*

8. **What types of support do you offer to practices to better understand and do well in new payment models we've discussed? What is the uptake?**

*Potential Probes: Why did you decide to provide X type of support? Have you tried other methods? What factors influence uptake? Anything special for MACRA?*

9. Beyond what you are able to offer, what types of support or information do practices need to better understand and do well in the new payment models we've discussed?
10. **[model by model] Do you think that [change XYZ in payment model] is leading to better or worse quality of care? How about costs of care?**  
*Potential probes: How can you tell? [if not clear] Are there data to support this view, or is it more of a "gut sense" of what is going on? [if not clear] Which changes in payment model have had the biggest effects on quality? On costs?*
11. **How has the organization of physician practices in [name of market] been changing? Why?**  
*Probes: Are practices merging or getting bigger? Getting smaller? Hospitals or health plans employing practices? IPAs forming or becoming more active? Why? How do these changes differ across different physician specialties [if not clear] Probe: How about relationships between physician practices and hospitals?*
12. **[if not clear] Are changing payment models leading to changes in the organization of physician practices in [name of local market]? If so, how?**
13. **[if not clear] How are changing payment models leading to changes in relationships between physician practices and hospitals in [name of local market]?**  
*Probes: Are hospitals purchasing physician practices? Does this depend on physician specialty? What are you hearing about how these buyouts are going?*
14. Have there been regulatory impediments to adopting new payment models?  
*Potential probes: What regulatory changes would make it easier for physician practices to be more successful in new payment models? Can you give a specific example or two? What other changes, including those that might not require legislation or changes in regulations, might make things easier?*
15. What has been the role, if any, of [name of medical society] in shaping emerging payment models locally?

## Other

16. What changes or improvements would you suggest making to the way health care providers are paid in this area?

*Potential Probe: Why? What would be the effects of these changes?*

17. [If not clear] In this market, are there any special challenges that make it harder for particular specialties to get involved in new payment models? How about particular geographic areas or communities?

*Potential Probe: How are subspecialists getting involved in ACOs, if at all? Is there a distinction between physicians in those specialties that see patients in hospitals versus those that see patients only in office settings and ambulatory surgical centers? Are there certain communities—urban, low income, or rural—that pose particular challenges?*

18. Have physicians suggested or pushed for any particular kinds of new payment models? What were these, and what happened?

19. **Is there anything we haven't discussed that would be important to understanding the impact of payment models on health care in this area? Anything that we haven't asked that we should have asked?**

**End.**

## RAND/AMA Interview Guide: MGMA Chapter Leaders

- Go through informed consent checklist. Give interviewee a copy of the checklist.
- Turn on recorder.
- Please state your name and the title of your position at [name of MGMA chapter].

### Introductory questions

1. Can you tell us about your role at [name of MGMA chapter] and how long you've been here?

### Market factors

2. Tell us about the history and context of health care delivery in this geographic area.

*Potential Probes:*

- *Who are the major physician groups or practices? How organized are the local practices? Are the majority in large, centrally managed delivery systems? Largely solo practitioners?*
- *Who are the major health plans?*
- *Who are the major hospitals or hospital systems?*
- *How have relationships between providers evolved over time? How about relationships between physicians and payers? How about between hospitals and physicians (including community-based physicians)?*
- *What about the role of teaching institutions? Government-owned provider organizations (including providers owned by state or local government)?*
- *Probe: What have been the major changes since 2014?*

## Payment models

3. **Can you tell us about any new payment models that have been introduced since 2014 in this market?**

*Potential probes: What was the impetus for implementing this payment model? How receptive were providers, practices, hospitals? Are there any practices that exhibited exemplary performance with this payment model? To what do you attribute this success? How about practices that have struggled?*

4. **How are physician practices responding to MACRA?**

*Potential probes: What are the different general responses? Which types of practices seem to be having each type of response? How knowledgeable are physician practices about MACRA? [if not clear] Which of these changes occurred in 2017, and which in 2018?*

5. [If not already clear] In addition to the payment models we've already discussed, are there additional major payment models operating in this area?

*Potential Probe: Has this changed? What factors influence the major payment models? Are there particular practices in the area that seem to do better or worse with various payment models?*

6. **With the recent change in federal administration, what kinds of changes do you expect in payment policies? Are you hearing anything from physician practices about how they are responding or plan to respond?**

*Potential Probes: How are they dealing with uncertainty? Are they changing how they make long-term investments? How about possible changes to the ACA?*

7. **What types of support do you offer to practices to better understand and do well in new payment models? What is the uptake?**

*Potential Probes: Why did you decide to provide X type of support? Have you tried other methods? What factors influence uptake? Anything special for MACRA?*

8. Beyond what you are able to offer, what types of support or information do practices need to better understand and do well in the new payment models we've discussed?

9. **[model by model] Do you think that [change XYZ in payment model] is leading to better or worse quality of care? How about costs of care?**

*Potential probes: How can you tell? [if not clear] Are there data to support this view, or is it more of a “gut sense” of what is going on? [if not clear] Which changes in payment model have had the biggest effects on quality? On costs?*

10. **How has the organization of physician practices in [name of market] been changing? Why?**

*Probes: Are practices merging or getting bigger? Getting smaller? Hospitals or health plans employing practices? IPAs forming or becoming more active? Why? How do these changes differ across different physician specialties [if not clear] Probe: How about relationships between physician practices and hospitals?*

11. **Are changing payment models leading to changes in the organization of physician practices in [name of local market]? If so, how?**

12. **[if not clear] How are changing payment models leading to changes in relationships between physician practices and hospitals in [name of local market]?**

*Probes: Are hospitals purchasing physician practices? Does this depend on physician specialty? What are you hearing about how these buyouts are going?*

13. **Have you heard about any regulatory impediments to adopting new payment models?**

*Potential probes: What regulatory changes would make it easier for physician practices to be more successful in new payment models? Can you give a specific example or two? What other changes, including those that might not require legislation or changes in regulations, might make things easier?*

## Other

14. What changes or improvements would you suggest making to the way health care providers are paid in this area?

*Potential Probe: Why? What would be the effects of these changes?*

15. [If not clear] In this market, are there any special challenges that make it harder for particular specialties to get involved in new payment models? How about particular geographic areas or communities?

*Potential Probe: How are subspecialists getting involved in ACOs, if at all?*

*Are there certain communities—urban, low income, or rural—that pose particular challenges?*

16. Have physicians suggested or pushed for any particular kinds of new payment models? What were these, and what happened?

17. **Is there anything we haven't discussed that would be important to understanding the impact of payment models on health care in this area? Anything that we haven't asked that we should have asked?**

**End.**

## RAND/AMA Interview Guide: Health Plan Leaders

- Go through informed consent checklist. Give interviewee a copy of the checklist.
- Turn on recorder.
- Please state your name and the title of your position at [name of health plan].

### Introductory questions

1. Can you tell us about your role at [name of health plan] and how long you've been here?

### Market factors

2. When we last spoke in 2014, you gave us a nice overview of health care delivery in this geographic area. Over the past 3 years, how has the market changed?

*Probe for changes in:*

- *Major physician groups or practices: How are they organized? How large are they, in general? Are the answers different for PCPs versus specialists?*
  - *Major health plans*
  - *Major hospitals or hospital systems*
  - *Relationships between physician practices, between physicians and payers, and between hospitals and physicians (including community-based physicians)*
  - *The role of teaching institutions and government-owned provider organizations*
3. How does [name of health plan] fit within the larger local market? How has this changed since 2014?  
*Potential probes: What distinguishes you from the other health plans in the area? Do providers or practices look to you for support in choosing or implementing various payment models? What services do you offer?*

## Payment models

4. In 2014, we heard about some alternative payment models that [name of health plan] was using. These included: [insert payment models]. Since 2014, how have these payment models changed or evolved?

*Potential probes: Which ones have expanded? Which ones have diminished or been discontinued? Why? What other changes?*

5. Can you tell us about any new payment models that [name of health plan] has introduced since 2014? Examples include: capitation, episode-based payments, pay for performance, ACOs, and medical homes. We are interested in all product lines you may have, including commercial, Medicare Advantage, and Medicaid.

*Potential probes for each payment model [ask for both pre-2014 and newer models]:*

- *When was this payment model introduced? What was the impetus for implementing this payment model? How receptive were providers, practices, and hospitals?*
- *Along with this payment model, what kind of new goals or requirements did providers need to meet? [if not clear] Are there quality requirements or incentives?*
- *What kinds of assistance or guidance have you provided, if any? Have you provided claims or utilization data to physician practices, including utilization their patients may have outside the practice (like hospital admissions and ED visits)?*
- *What kinds of practices have exhibited exemplary performance with this payment model? To what do you attribute this success? How about practices that have struggled?*
- *[if not clear] For this payment model, does it seem to work best for certain kinds of physician practices (like certain sizes or specialties)? Certain patient populations?*

- *Are there any payment models that you have tried but that didn't work out? What were these, and what happened?*
  - *Have any providers approached you with ideas for new payment models? What were these, and what happened?*
6. [if not clear] **How has MACRA figured into your approach to paying physician practices?**  
*Potential probes: Has it altered which payment models you use, or how they are formulated? How? Has it changed how physician practices respond to them? [if not clear] Which of these changes occurred in 2017, and which in 2018?*
7. [if not clear, for each new payment model] What types of support or information do physician practices in the area request when they are thinking about participating in a new payment model?
8. What types of support do you offer to physician practices who are considering participation in a new payment model? How often are these supports utilized?
9. Are there any types of support or information that you think physician practices should be asking for when they are deciding whether to participate in new payment models like [XYZ]? (go through payment models)
10. **[If not already clear] In addition to the payment models we've already discussed, are there new payment models operating in this area since 2014? Are there any new models in which you are collaborating with other health plans on a common approach?**  
*IF YES TO MULTI-PAYER MODELS: Can you tell us a little bit about any factors that made collaboration with other health plans easier or harder? What was the process like, when different payers were trying to align priorities?*

11. **[If NO to multi-payer models] To what extent are the requirements for payment models offered by different health plans in this area harmonized? Are requirements the same/similar? Are episodes or bundles the same? Are quality measures the same?**

12. **[model by model] Do you think that [change XYZ in payment model] is leading to better or worse quality of care? How about costs of care?**

*Potential probes: How can you tell? [if not clear] Are there data to support this view, or is it more of a “gut sense” of what is going on? [if not clear] Which changes in payment model have had the biggest effects on quality? On costs?*

13. **Have you encountered any regulatory impediments to implementing new payment models? What kinds?**

*Potential probes: What regulatory changes would make it easier to implement new or better payment models? Can you give a specific example or two? What about your ability to use new payment models for your self-insured customers (i.e., ASO contracts)? What other changes, including those that might not require legislation or changes in regulations, might make things easier?*

## **Other**

14. **With the recent change in federal administration, what kinds of changes do you expect in payment policies? How has this affected your payment strategies? Are you hearing anything from physician practices about how they are responding or plan to respond?**

*Potential Probes: How are you dealing with uncertainty? How about physician practices? Are they changing how they make long-term investments? How about possible changes to the ACA?*

15. **What changes or improvements would you suggest making to the way health care providers are paid in this area?**

*Potential Probe: Why? What would be the effects of these changes?*

16. [If not clear] In this market, are there any special challenges that make it harder for particular specialties to get involved in new payment models? How about particular geographic areas or communities?

*Potential Probe: How are subspecialists getting involved in ACOs, if at all?*

*Are there certain communities—urban, low income, or rural—that pose particular challenges?*

17. **Is there anything we haven't discussed that would be important to understanding the impact of new payment models on health care in this area? Anything that we haven't asked that we should have asked?**

**End.**

## RAND/AMA Interview Guide: Hospital Leaders

- Go through informed consent checklist. Give interviewee a copy of the checklist.
- Turn on recorder.
- Please state your name and the title of your position at [name of hospital].

### Introductory questions

1. Can you tell us about your role at [name of hospital]?
2. Can you give us a brief description of current relationships between [name of hospital] and physician practices in [name of market]? How have these relationships changed over the past 3 years? Just the highlights would be fine.  
*Probes: Do you own any practices? Have a PHO or other agreements with specific sets of practices? What specialties are involved?*

### Payment models—overview

3. What is the approximate breakdown of total revenues, among your commercial payers, Medicare, Medicaid, and self-pay? Ballpark figures are fine; this is just so we get a rough sense to guide the interview. *[if not clear] What is the payer breakdown by patient population?*
4. In 2014, we heard about some alternative payment models in which [name of hospital] was participating. These included: [insert payment models]. Since 2014, how have these payment models changed or evolved?  
*Potential probes: Which ones have expanded or become a bigger chunk of revenue? Which ones have diminished or been discontinued? Why? What other changes? How have these payment models affected [name of hospital's] bottom line?*
5. Since 2014, have there been new payment models in which [name of hospital] participates, such as shared savings? [get list of models]

6. [if not clear] **How is [name of hospital] responding to MACRA? Readmission penalties? Bundled payment initiatives?** *[if not clear] Which of these changes occurred in 2017, and which in 2018?*

### **Payment models—specifics**

[Repeat for each past and new payment model]

7. **When did you start participating in [insert payment model]? [if not already clear] Which payers are using this payment model?**
8. **Why did the hospital start participating in this payment model?**  
*Probe: When deciding to participate in this payment model, how did you think about the tradeoffs in terms of the costs and benefits? What were the alternatives to doing this?*
9. **Since you started participating in this model, how has it changed relationships between [name of hospital] and physician practices in [name of market]?**  
*Probe: What other major changes have resulted from this model—i.e., what is the hospital doing differently?*
10. [if not clear] **Have you observed or noticed any effects of this payment model on physician practices in [name of market]? What kinds of changes have you seen or heard about?**
11. **What changes to your relationships with physician practices do you anticipate in the future, as a consequence of this new payment model?**

### **Payment models—general effects**

12. [if hospital has changed relationships with physician practices, and not clear already] **From the standpoint of hospital finances, what has been the effect of these new relationships with physician practices?**

*Probe: So far, is the hospital making or losing money on this? Are there differences between physician practices (like some are net earners for the hospital, while others are not)? Which types of physician practices seem to be improving hospital finances? How about the opposite?*

13. Aside from what we've discussed already, have there been any other changes in relationships between [name of hospital] and physician practices outside the hospital? Physicians within the hospital?

*Probe: Has it become easier or harder to obtain on-call coverage from physicians?*

14. [if not clear, for pre-2014 payment models] **In hindsight, would you make any changes to your approach to [list 2014 payment models]?** In other words, if you had a chance to do it over again, knowing what you know now, what would you do differently?

*Probe: Would you change anything about your decision to participate in this payment model? What advice would you give to other hospitals that might be considering participation in this kind of payment model?*

### **Payment models—direct effects on physician practices (not involving hospital)**

Putting the [name of hospital]'s involvement in new payment models aside for a moment, we would like to hear your impressions of what kinds of changes and pressures are affecting physician practices in [name of market]. So we're interested in your observations as a "third party."

15. **Since 2014, how have the payment models we've discussed affected physician practices in [name of market]?** [Examples, if necessary]

*Probe: What kinds of changes in physician practice are you seeing or hearing about? Are there new pressures on physician practices to change how they are organized? Which kinds of practices seem to be the most affected? Which ones seem to be adapting the best? Which are having the hardest time? Why do you think this is so?*

16. **What is the impact of these new payment models on the quality of care in the community? On costs? On administrative burden of physicians?**

## **Other**

17. **With the recent change in federal administration, what kinds of changes do you expect in payment policies? How has this affected your participation in alternative payment models? Are you hearing anything from physician practices about how they are responding or plan to respond?**

*Potential Probes: How are you dealing with uncertainty? Any changes in how you decide about making investments? How about physician practices? What about possible changes to the ACA?*

18. **What changes or improvements would you suggest making to the way health care providers are paid in this area?**

*Probe: Why? What would be the effects of these changes?*

19. **Is there anything we haven't discussed that would be important to understanding the impact of payment models on [name of hospital] and its relationships with physician practices? Anything that we haven't asked that we should be asking?**

**End.**

## Appendix C: Practice Financial Questionnaire

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This questionnaire focuses on your practice, which is named in the accompanying cover letter.

In your responses, please report on your practice during calendar year 2017.

Please feel free to gather information from others in your practice for relevant parts of this questionnaire.

### Participation in Pilots, Demonstrations, and New Payment Models

1. During 2017, did your practice participate in the following types of pilots, demonstrations, or new types of payment contracts?

a. Accountable Care Organization (ACO) demonstrations or contracts (specify): <sub>1</sub> No <sub>2</sub> Yes <sub>3</sub> Not sure / Don't know

b. [if YES] What percentage of your practice's patients was included in an ACO demonstration or contract? \_\_\_\_\_ %

c. Patient-Centered Medical Home (PCMH) or Comprehensive Primary Care (CPC) demonstrations or contracts (specify): <sub>1</sub> No <sub>2</sub> Yes <sub>3</sub> Not sure / Don't know

d. [if YES] Approximately what percentage of your patients was included in a PCMH or CPC demonstration or contract? \_\_\_\_\_ %

e. Bundled payment or episode-based payment demonstrations or contracts (specify): <sub>1</sub> No <sub>2</sub> Yes <sub>3</sub> Not sure / Don't know

f. [if YES] Approximately what percentage of your patients was included in a bundled or episode-based payment demonstration or contract? \_\_\_\_\_ %

g. Other types of pilots, demonstrations, or new types of payment contracts (specify): <sub>1</sub> No <sub>2</sub> Yes <sub>3</sub> Not sure / Don't know

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## Practice Finances

**2.** During 2017, approximately what percentages of your practice's total revenue came from the following sources?  
*Please give your best estimate for each item.*

*Types of **payer***

- |   |       |                    |
|---|-------|--------------------|
| a. Commercial health plans (all types, including but not limited to HMOs and PPOs)        | _____ | % of total revenue |
| b. Traditional Medicare   | _____ | % of total revenue |
| c. Medicare Advantage (private plans for Medicare beneficiaries, including Medicare HMOs) | _____ | % of total revenue |
| d. Medicaid   | _____ | % of total revenue |
| e. Patient self-pay   | _____ | % of total revenue |
| f. Other (specify):<br>_____  | _____ | % of total revenue |
| <b>TOTAL =</b>  |       | <b>100 %</b>       |

*Types of **payment received** (please give your best estimates)*

- |   |       |                    |
|---|-------|--------------------|
| g. Fee-for-service payments   | _____ | % of total revenue |
| h. Capitation payments ( <i>not paid by patients directly</i> )                                     | _____ | % of total revenue |
| i. Episode-based payments ( <i>or "bundled payments"</i> )  | _____ | % of total revenue |
| j. Membership, retainer, or subscription fees paid by patients directly                             | _____ | % of total revenue |
| k. Payments based on quality of care  | _____ | % of total revenue |
| l. Payments based on patient experience or satisfaction scores                                      | _____ | % of total revenue |
| m. Payments based on utilization or efficiency of care ( <i>including shared savings payments</i> ) | _____ | % of total revenue |
| n. Other types of payment (specify):<br>_____   | _____ | % of total revenue |
| <b>TOTAL =</b>  |       | <b>100 %</b>       |

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*Types of **revenue at risk**: please include potential bonuses, penalties, and withholds regardless of whether awards or penalties occurred. Please give your best estimates, dividing by your practice's total possible revenue (i.e., if all bonuses and no penalties were received).*

- o.* How much of total revenue was at risk based on quality of care? \_\_\_\_\_ % of total possible revenue
- p.* How much of total revenue was at risk based on patient experience or satisfaction? \_\_\_\_\_ % of total possible revenue
- q.* How much of total revenue was at risk based on utilization or efficiency of care? \_\_\_\_\_ % of total possible revenue
- r.* How much of total revenue was at risk based on other criteria? \_\_\_\_\_ % of total possible revenue (specify):  
\_\_\_\_\_

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**3.** Over the next 3 years, how likely is it that the practice will change its ownership model (e.g., change from hospital-owned to physician-owned, or vice versa)?

*Please check one response.*

<sub>1</sub> Not at all likely

<sub>2</sub> Somewhat likely

<sub>3</sub> Very likely

**THANK YOU for completing this questionnaire.**

**Please return it using the postage-paid envelope.**