



Tailored Incentive Structures for Specialty Models

Specialty care represents a broad spectrum of complex health care needs, which requires models to be tailored to specific conditions and patient populations. HCTTF members – including payers, Accountable Care Organizations (ACOs), and specialty groups – are developing innovative longitudinal specialty arrangements in the private sector. As discussed in our [specialty care brief](#), **payers are creating tailored financial incentives for specialties with the greatest opportunity to impact clinical outcomes and the total cost of care (Figure)**. These models support specialty groups as they partnering with risk-bearing entities (both payers and ACOs) to take financial accountability for clinical and financial outcomes, as shown in HCTTF [case studies](#).

Figure: Tailored Incentive Structures for Specialty Models

Does the condition represent a significant majority of beneficiaries' total cost of care (both for individual patients and in aggregate for the payer)? If yes, is there a clinically appropriate opportunity to reduce costs?

Yes

Longitudinal Total Cost of Care Models

Example Specialties: Nephrology, Oncology, Cardiology

Example Payment Models: Full Capitation, ACOs with global risk (e.g., risk sharing above/below a total cost of care target)

No

Does the condition or set of conditions drive high spending within a specialty (without representing a significant majority of the total cost of care)? If yes, is there a clinically appropriate opportunity to reduce costs?

Yes

Condition-Based Models

Example Specialties: Cardiology, Endocrinology, Gastroenterology, Joint Pain

Example Payment Models: Sub-capitation or risk sharing above/below target for in-scope conditions over longitudinal period (e.g., 1 year)

No

Does a given procedure or diagnosis drive high spending within a specialty type for a relatively short time period (without representing a significant majority of the total cost of care)? If yes, is there a clinically appropriate opportunity to reduce costs?

Yes

Episode-Based Models

Example Specialties: Joint Replacement & other Orthopedics Procedures

Example Payment Models: Prospective or retrospective bundled payment with "specialist risk sharing above/below target for in-scope episodes within defined period (e.g., 30-90 days)