Ambulatory Specialty Model might become value-based behemoth

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Effective Jul 23, 2025
Published Jul 28, 2025
Last Reviewed Jul 23, 2025

Value-based care

CMS announces in the rule a new innovation model, directed by the Center for Medicare and Medicaid Innovation and meant to draw heart and back specialists into value-based care the way accountable care organizations (ACO) have been drawing in primary care providers and other specialists.

The Ambulatory Specialty Model (ASM) will, per the rule, "test whether adjusting payment for specialists based on [specialists'] performance on targeted measures of quality, cost, care coordination, and meaningful use of certified electronic health record (EHR) technology (CEHRT) results in enhanced quality of care and reduced costs through more effective upstream chronic condition management."

This would be a mandatory model, meaning it will be assigned to a select group of specialists in certain regions who treat Medicare beneficiaries with the chronic conditions of heart failure and low back pain in outpatient settings. Eligible specialty providers are cardiology, anesthesiology, interventional pain management, neurosurgery, orthopedic surgery, pain management and physical medicine and rehabilitation, and will be identified as such by their National Provider Identifier and Taxpayer Identification Number (NPI/TIN).

CMS says it is looking at "approximately [25%] of [U.S.] CBSAs [Core Based Statistical Areas] and metropolitan divisions" for the program. According to Theresa Hush, CEO and co-founder of value-based care consultancy Roji Health Intelligence in Chicago, given the density of these units, that would make ASM "by far the largest specialty value-based payment model" under Medicare.

The program will run from Jan. 1, 2027, through Dec. 31, 2031.

According to CMMI's section on ASM, performance metrics will resemble those of the MIPS MVP model, in that performance measures will be tailored "to the type of provider and the treatment of a specific condition." Also as in MVP, the rule says, specialists will report on a set of measures and activities "clinically relevant to their specialty type and the chronic condition of interest." But, unlike MIPS or MVP, ASM participants' performance will be judged "against only those clinicians treating the same chronic condition," not all other MIPS reporters.

Heart failure and low back pain were chosen because "they have previously established episode-based cost measures (EBCMs) specified for the MIPS cost performance category," says CMS. Also, per CMMI, heart failure and low back pain "are among the costliest conditions to Original Medicare, with annual spending of $10-13 billion and $6-$8 billion on each, respectively," and CMS hopes for meaningful savings from reducing "low-value" care expenditures such as "avoidable hospitalization and unnecessary procedures."

Heart failure costs will be identified by the EBCMs in the Advancing Care for Heart Disease MVP and the low back pain costs by the EBCMs in the Rehabilitative Support for Musculoskeletal Care MVP. Specialists will need to meet an annual threshold of 20 or more attributed episodes from at least one of these EBCMs to be eligible.

Specialists in the model will be encouraged to engage in proactive preventive treatment modalities such as "conversations about non-medical, lifestyle-based interventions with their patients... removing the onus from patients to act as the go-between among clinicians they see for their care by incentivizing clinicians to coordinate care for their patients focus on interventions that are low cost with high patient benefits more seamlessly."

While some CMS/CMMI value-based care models, such as Kidney Care Choices, are aimed at specialists, most of them focus on primary care as the center of longitudinal patient care. Hush believes that, along with CMMI's Transforming Episode Accountability Model (TEAM) model for episodic payments of procedures in acute care hospitals, ASM is "likely to be the path for future value-based specialty payment models. Both models reflect the enormous cost driven by specialty care. [Also,] CMS specifically made it possible for ASM arrangements with ACO participating primary [care providers]. Such arrangements could significantly improve savings for ACOs in the future and be the mechanism for ACO referrals to specialists."

Resource

- CMMI, "Ambulatory Specialty Model," July 16, 2025: www.cms.gov/priorities/innovation/innovation-models/asm

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