HCP LAN

Health Care Payment Learning & Action Network

Value Incentive & System Innovation Collaborative

Washington, DC

March 1, 2016

Sam Nussbaum, MD

PURPOSE

The Health Care Payment Learning & Action Network (LAN) was launched because of the need for:

Better Care

The LAN seeks to shift our health care system from the current fee-for-service payment model to a model that pays providers and hospitals for quality care and improved health.

Smarter Spending

In order to achieve this, we need to shift our payment structure to incentivize quality and value over volume.

Healthier People

Such alignment requires the participation of the entire health care community. The LAN is a collaborative network of public and private stakeholders.

“

What we have to do is to share these best practices, these good ideas, including new ways to pay for care so that we’re rewarding quality. And that’s what this network is all about.

President Barack Obama

2015 LAN Launch Event

”

HCP LAN
Health Care Payment Learning & Action Network

Whether you are a patient, a provider, a business, a health plan, or a taxpayer, it is in our common interest to build a health care system that delivers better care, spends health care dollars more wisely and results in healthier people. Today's announcement [of the launch of the LAN on March 25, 2015] is about improving the quality of care we receive when we are sick, while at the same time spending our health care dollars more wisely.

Sylvia M. Burwell, HHS Secretary

HCP LAN
Health Care Payment Learning & Action Network

OUR GOAL

Goals for U.S. Health Care

2016

30%

In 2016, at least 30% of U.S. health care payments are linked to quality and value through APMs.

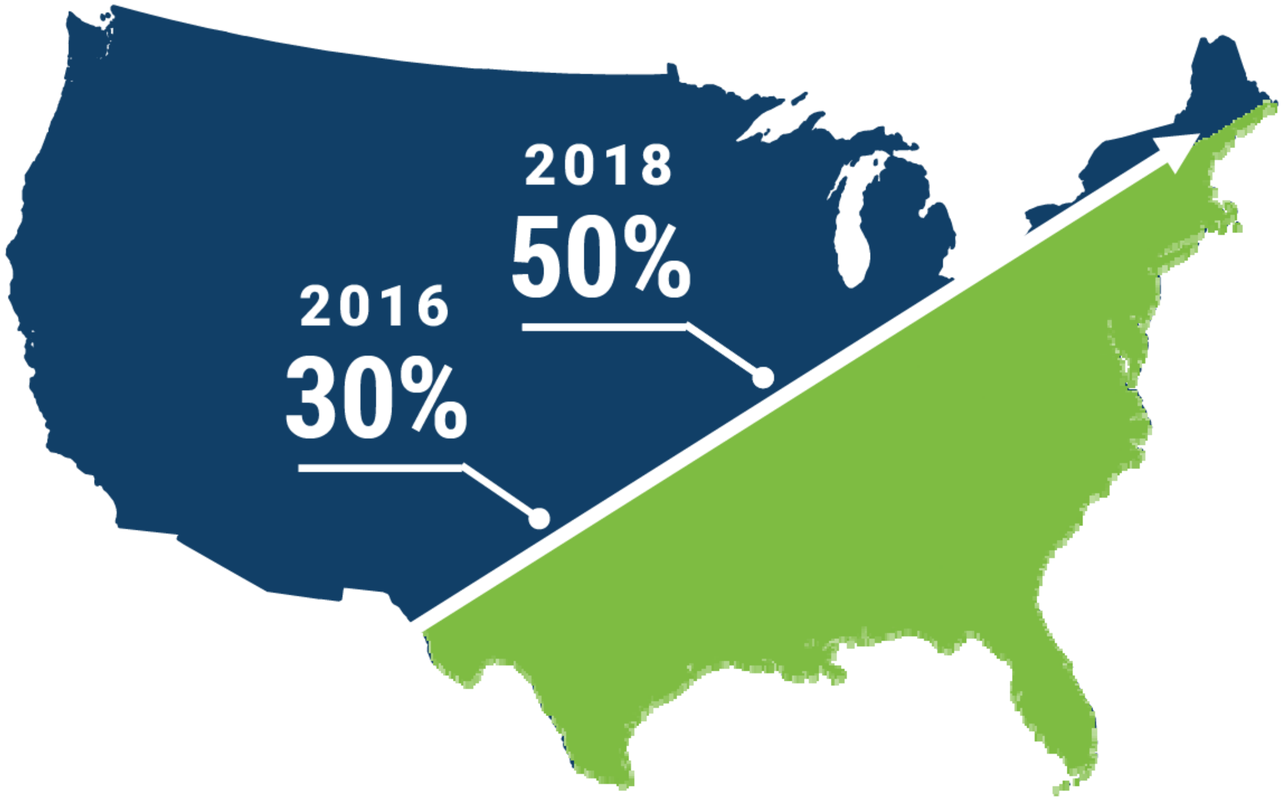
2018

50%

In 2018, at least 50% of U.S. health care payments are so linked.

These payment reforms are expected to demonstrate better outcomes and lower costs for patients.

Adoption of Alternative Payment Models (APMs)



Better Care, Smarter Spending, Healthier People

HCP LAN
Health Care Payment Learning & Action Network

LAN BY THE NUMBERS

(Updated February 4, 2016)

LAN Participants

LAN Organizations

Number of organizations represented by LAN participants

Leaders

Guiding Committee, Work Group, Affinity Group, and Payer Collaborative members

HCP LAN
Health Care Payment Learning & Action Network

OPERATIONAL MODEL

Critical path to broad adoption of Alternative Payment Models (APMs)





Gather Innovations	Establish Framework	Develop Recommendations	Drive Alignment	Demonstrate Results
• Leadership Groups • Partnerships • Research • LAN Engagement	• APM Framework • Guiding Principles	• Population-Based Payment Model Components • Clinical Episode Payment Models	• Implementation Resources • Learning & Sharing	• Measure & Track Progress • Payer Collaborative • Pilot Recommendations

LEADERSHIP GROUPS

Providing leadership and coordination of LAN activities and priorities

Guiding Committee

Primary leadership body of the LAN. The GC meets monthly, establishes and oversees work groups, and actively engages stakeholders across the LAN.

Work Groups

Short-term, multi-stakeholder initiatives of 14-16 experts charged with identifying and assessing the primary barriers to adoption and outlining key steps toward the achievement of goals.

Affinity Groups

Venues for participants in each sector, such as employers/purchasers, to engage around specific topics and to identify and disseminate knowledge and best practices.

WORK GROUPS

Identifying and assessing barriers to adoption and outlining key steps toward the achievement of goals

Alternative Payment Model Framework & Progress Tracking (APM FPT)

This group is proposing an approach for measuring APM adoption across the U.S. health care system that includes clarity on what should be measured as well as the set of categories (Framework) that enable meaningful reporting.

Payer Collaborative

The Payer Collaborative brings together industry leaders from both public and private health plans to inform the LAN's approach for measuring progress of APM adoption against the LAN's goals of 30 percent adoption by 2016 and 50 percent adoption by 2018

Population-Based Payment (PBP)

This group is identifying the most important elements of population-based payment models for which alignment across public and private payers could accelerate their adoption nationally, with a focus on data sharing, financial benchmarking, quality measurements, and patient attribution.

Clinical Episodes Payment (CEP)

This group is helping align payer and provider efforts around clinical episode-based payments. The group will focus on a limited number of clinical conditions and rely heavily on existing work in the clinical domains. This group will leverage the experience of experts in each clinical field that has been identified as an area of focus.

HCP LAN
Health Care Payment Learning & Action Network

WORK GROUP UPDATES

APM FPT
APM Framework & Progress Tracking

- ✓ Final Released
  - APM Framework
- ✓ In Development
  - Progress Tracking

Payer Collaborative

- ✓ Group Established
- ✓ APM Measurement Effort pilot initiated

CEP
Clinical Episode Payment

- ✓ Sprints Launched
  - Elective Hip and Knee Replacement
- ✓ Future Sprints
  - Maternity
  - Cardiac Care

PBP
Population Based Payment

- ✓ Drafts Released
  - Patient Attribution
  - Financial Benchmarking
- ✓ Sprints Launched
  - Performance Measurement
  - Data Sharing

APM FPT MEMBERS

Member Roster

Sam Nussbaum
Former Executive Vice President of Clinical Health Policy and Chief Medical Officer, Anthem, Inc.

Shari Erickson, MPH
Vice President, Governmental and Regulatory Affiars, American College of Physicians

Andrea Gelzer, MD, MS, FACP
Senior Vice President and Corporate Chief Medical Officer, AmeriHealth Caritas

Jim Guest, JD
Former President and CEO of Consumer Reports

Paul Harkaway, MD
Senior Vice President, Clinical Integration & Accountable Care, Trinity Health, Inc.

Scott Hewitt, MPH
Vice President, Network Standards & Payment Strategy, UnitedHealthCare

Susan Nedza, MD, MBA, FACEP
CMIO and Senior Vice President of Clinical Outcomes Management, MPA Healthcare Solutions

Steve Phillips, MPA
Senior Director, Global Health Policy, Johnson and Johnson

Richard Popiel, MD, MBA
Executive Vice President Health Care Services and Chief medical Officer, Cambia Health Soultions

Rahul Rajkumar, MD, JD
Deputy Director, Center for Medicare and Medicaid Services

Jeffrey Rideout, MD
President and CEO, Integrated Healthcare Association

Dick Salmon, MD, PhD
National Medical Executive, CIGNA Healthcare

Julie Sonier, MPA
Director of Employee Insurance Division, Minnesota Management and Budget

Lisa Woods
Senior Director of Health Care Benefits, Walmart Stores Inc.

Elizabeth Mitchell
President and CEO, Network of Regional Healthcare Improvement

KEY PRINCIPLES

APM Framework–summary of key principles

1

Empower Patients to be Partners

Changing providers' financial incentives is not sufficient to achieve person-centered care, so it will be essential to empower patients to be partners in health care transformation.

2

Shift to Population-Based Payments

The goal is to shift U.S. health care spending significantly towards population-based payments.

3

Incentives Should Reach Providers

Value-based incentives should ideally reach the providers who deliver care.

4

Payment Models & Quality

Payment models that do not take quality into account will be classified within the appropriate category and marked with an "N" to indicate "No Quality" and will not count as progress toward payment reform.

5

Motivate Providers

Value-based incentives should be intense enough to motivate providers to invest in and adopt new approaches to care delivery.

6

Dominant Form of Payment

APMs will be classified according to the dominant form of payment, when more than one type of payment is used.

7

Examples in the Framework

Centers of excellence, accountable care organizations, and patient-centered medical homes are examples in the Framework, rather than categories, because they are delivery systems that can be applied to and supported by a variety of payment models.

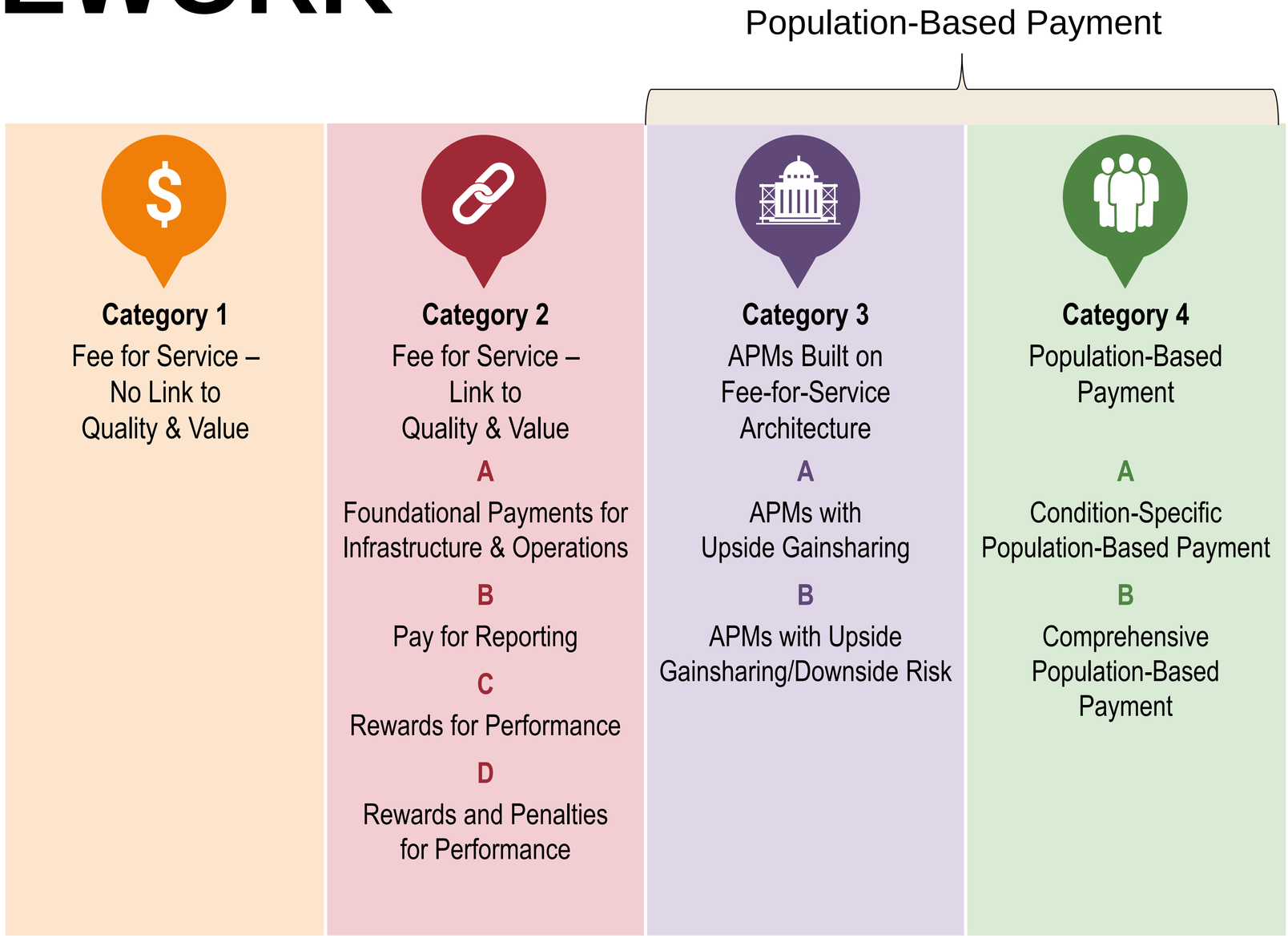
HCP LAN
Health Care Payment Learning & Action Network

APM FRAMEWORK

At-a-Glance

The framework is a critical first step toward the goal of better care, smarter spending, and healthier people.

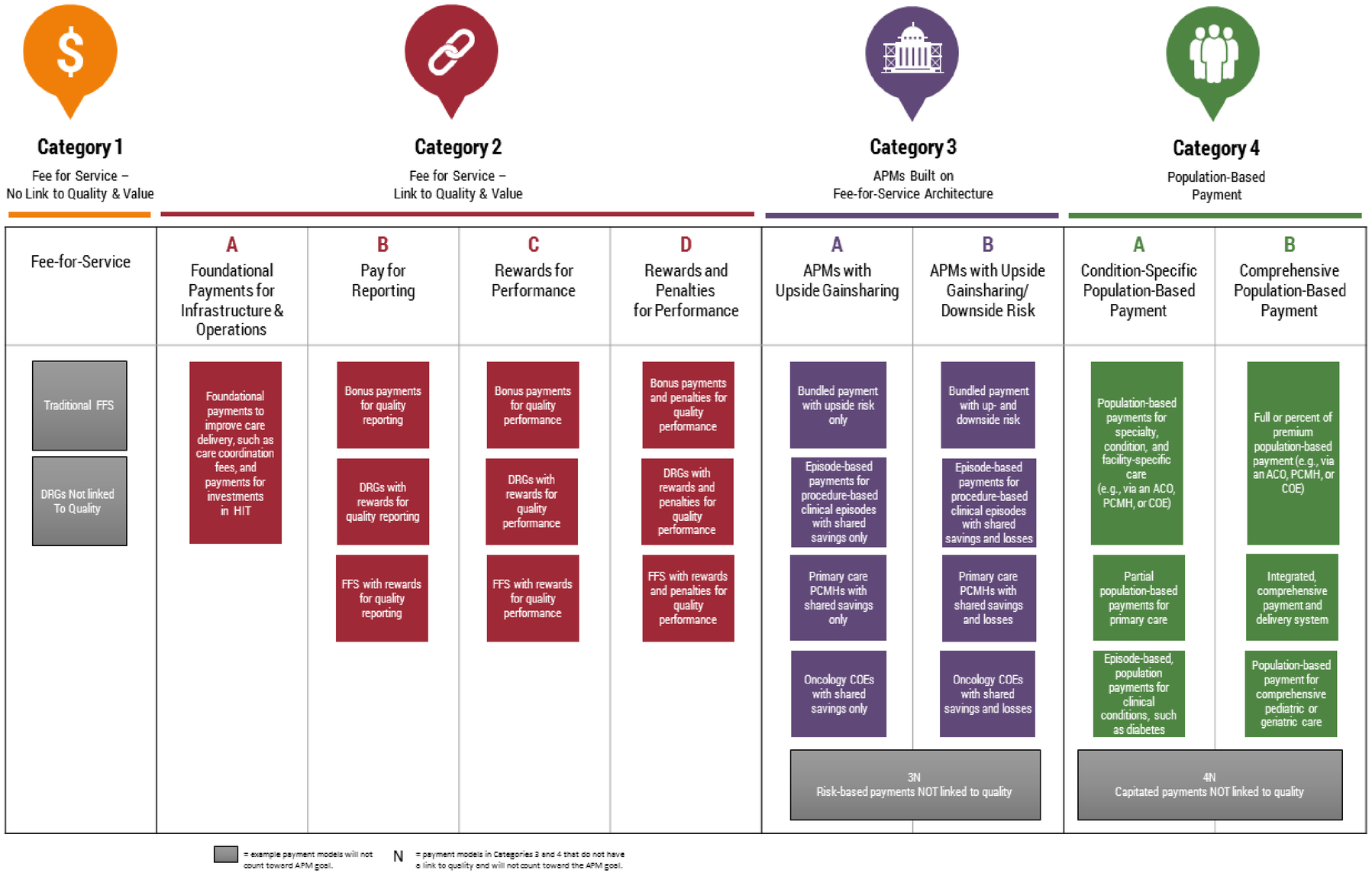
- **Serves as the foundation** for generating evidence about what works and lessons learned
- **Provides a road map** for payment reform capable of supporting the delivery of person-centered care.
- **Acts as a "gauge" for measuring progress** towards adoption of alternative payment models
- **Establishes a common nomenclature and a set of conventions** that will facilitate discussions within and across stakeholder communities



The framework situates existing and potential APMs into a series of categories.

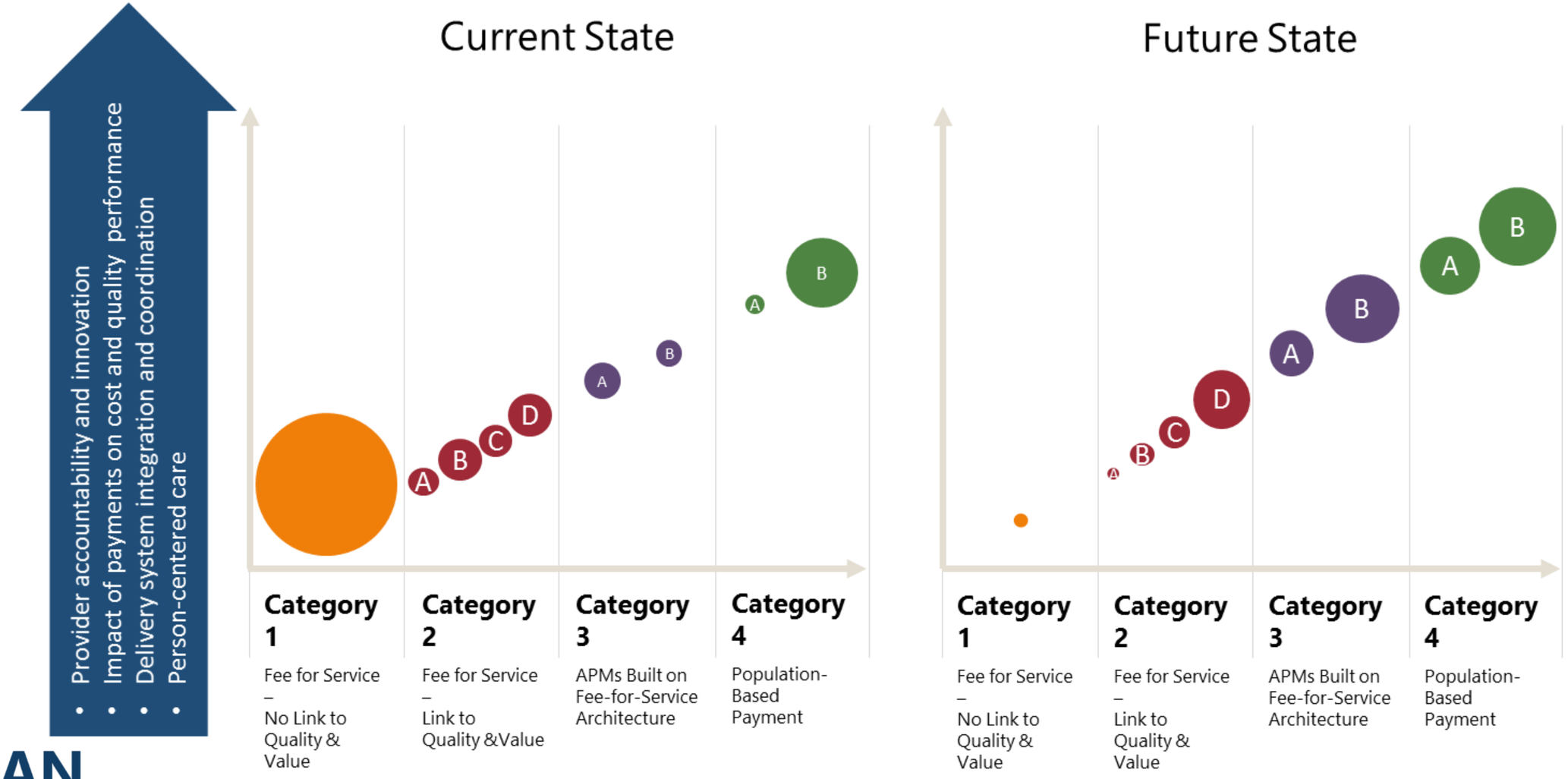
HCP LAN
Health Care Payment Learning & Action Network

APM FRAMEWORK



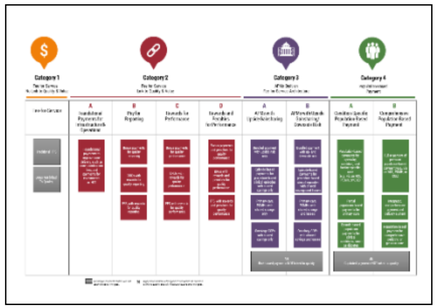
HCP LAN
Health Care Payment Learning & Action Network

WORK GROUP'S GOALS FOR PAYMENT REFORM



HCP LAN
Health Care Payment Learning & Action Network

APM MEASUREMENT



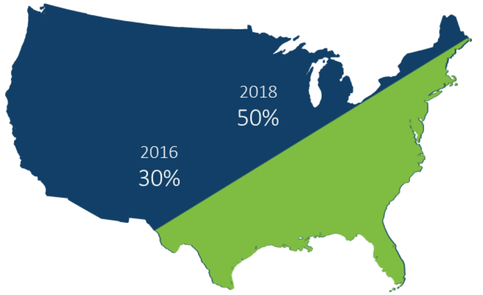
The LAN intends to use the APM Framework as a "gauge" for measuring progress towards adoption of APMs

Payer Collaborative

A diverse group of health plans assembled to inform the LAN's approach for measuring adoption of APMs

Measurement Pilot

A subset of Payer Collaborative participants will take part in an exercise to further inform and test the feasibility of the approach



The resulting approach will be used to measure the nation's progress towards the goals of 30 percent adoption by 2016 and 50 percent adoption by 2018

HCP LAN
Health Care Payment Learning & Action Network

PBP Work Group

Population-Based Payment (PBP)

16 Members

Chairs

Dana G. Safran

Senior Vice President, Performance Measurement and Improvements, Blue Cross Blue Shield of Massachusetts

Glenn Steele, Jr.

Chairman, xG Health System

This group is identifying the most important elements of population-based payment models for which alignment across public and private payers could accelerate their adoption nationally, with a focus on data sharing, financial benchmarking, quality measurements, and patient attribution.

Key Activities

- ✓ Establishing patient attribution and financial benchmarking standards
- ✓ Developing performance measurement guidelines
- ✓ Identifying data sharing requirements

HCP LAN
Health Care Payment Learning & Action Network

FINANCIAL BENCHMARKING

For population-based payment models

The draft white paper titled *Accelerating and Aligning Population-Based Payment Models: Financial Benchmarking* describes approaches for setting an initial benchmark and updates over time and also addresses risk adjustment considerations. The white paper discusses the need to balance voluntary participation with the movement towards convergence in a market with providers at different starting points.

Key Components

- Principles
- Recommendations

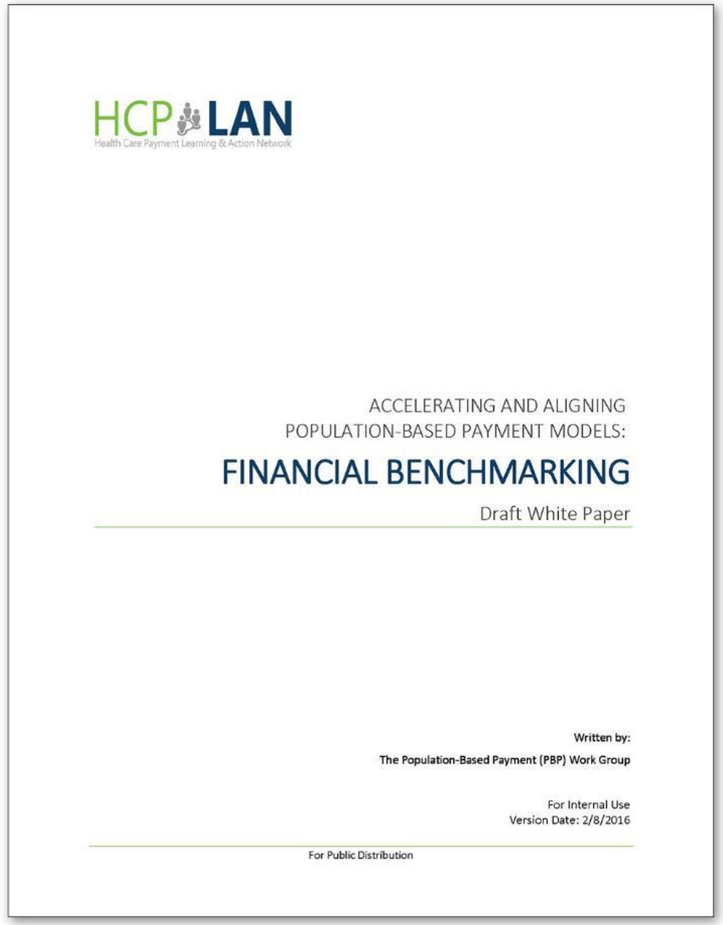
Development ✓
Nov. 2015–Feb. 2016

Draft Release ✓
Feb. 8, 2016

Public Comment ✓
Feb. 8–Mar. 7, 2016

Revise
March–April 2016

Final Release
April 2016


HCP LAN
Health Care Payment Learning & Action Network

ACCELERATING AND ALIGNING
POPULATION-BASED PAYMENT MODELS:
FINANCIAL BENCHMARKING
Draft White Paper

Written by:
The Population-Based Payment (PBP) Work Group

For Internal Use
Version Date: 2/8/2016

For Public Distribution

HCP LAN
Health Care Payment Learning & Action Network

CEP Work Group

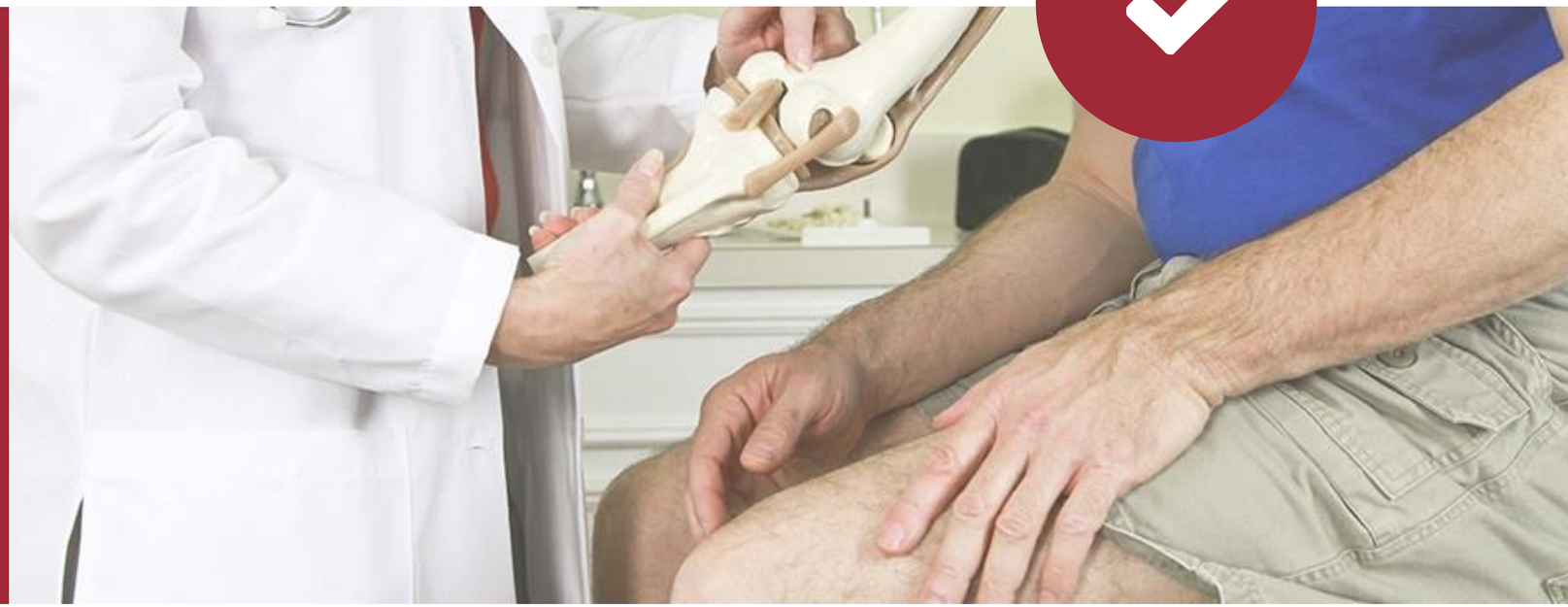
Clinical Episode Payment (CEP)

14 Members

Chair

Lewis Sandy

Senior Vice President, Clinical Advancement, UnitedHealth Group

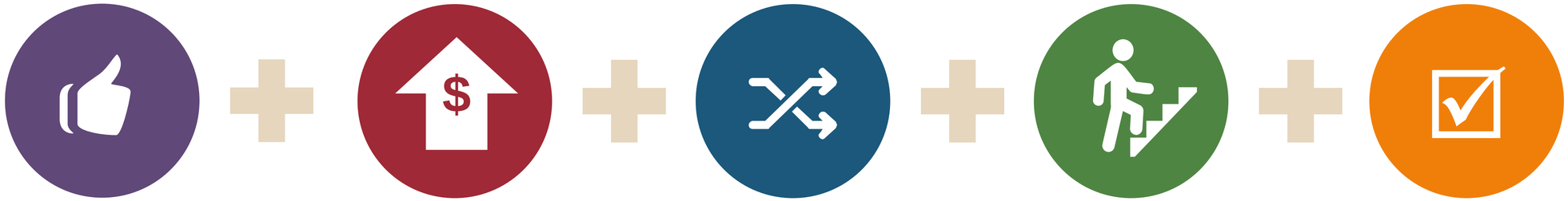


This group will propose an approach for measuring APM adoption across the U.S. health care system that includes clarity on what should be measured as well as the set of categories (Framework) that enable meaningful reporting.

Key Activities

- ✓ Identifying the elements for elective joint replacement, maternity, and cardiac care episode payments
- ✓ Identifying best practices for implementing clinical episode payment models

EPISODE SELECTION CRITERIA



Empowering Consumers

Conditions & procedures with opportunities to include patients and family caregivers' through the use of decision aids support for shared decision-making; goal setting and support for identifying high-value providers.

High Volume, High Cost

Conditions & procedures for which high cost is due to non-clinical factors such as inappropriate service utilization and poor care coordination that correlate with avoidable complications, hospital readmissions and poor patient outcomes.

Unexplained Variation

Conditions & procedures for which there is high variation in the care that patients receive, despite the existence evidenced based "best" practices.

Care Trajectory

Conditions & procedures for which there is a well-established care trajectory, which would facilitate defining the episode start, length and bundle of services to be included.

Availability of Quality Measures

Conditions & procedures with availability of performance measures that providers must meet in order to share savings which will eliminate the potential to incentivize reductions in appropriate levels of care.

LAN SUMMIT

https://www.lansummit.org

Spring LAN Summit

April 25-26, 2016

Sheraton Hotel

8661 Leesburg Pike
Tysons, VA 22182
Tysons, VA

- ✓ Save the Date
- ✓ Presentations Planned from Work Groups on Work Products
- ✓ Call for Sessions Coming Soon! (end of February)

CONTACT US

We want to hear from you!

Website
www.hcp-lan.org | www.lansummit.org

Twitter
@Payment_Network

Linked-In
https://www.linkedin.com/groups/8352042

YouTube
http://bit.ly/1nHSf1H

Email
PaymentNetwork@mitre.org

HCP LAN
Health Care Payment Learning & Action Network