Partnering for the Future

LAN SUMMIT

Health Care Payment Learning & Action Network

303 Panel: APM Adoption in Each Market Segment

OCTOBER 22, 2018 | SHERATON TYSONS HOTEL | TYSONS, VA

Welcome

Andréa Caballero

Program Director, Catalyst for Payment Reform

Panel Speakers

Steven Farmer

Center for Medicare & Medicaid Innovation

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Andrea Gelzer

Senior Vice President of Medical Affairs, AmeriHealth Caritas

Seth Morris

Director Network Development, Anthem

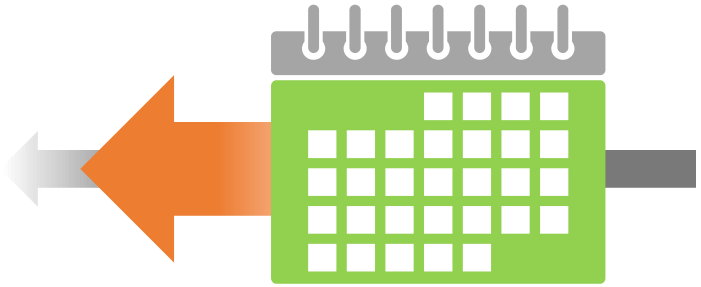
APM Measurement Objectives

In its third year of APM Measurement, the LAN strove to:

- ✓ Build on partnerships with national associations
- ✓ Maintain robust participation & capture a diversity of payers
  - 77% in 2018, 61 health plans and 3 FFS Medicaid state
- ✓ Measure progress toward the LAN's 30% goal in 2016 and 50% goal in 2018
  - In 2015, 23% of payments were in Category 3 & 4 APMs
  - In 2016, 29% of payments were in Category 3 & 4 APMs
- ✓ Report by market segment and by payment method
  - Operationalized the Refreshed APM Framework

LAN APM Measurement: Success Through Partnership

Methodology



Look back on 2017 data

Refreshed LAN APM Framework

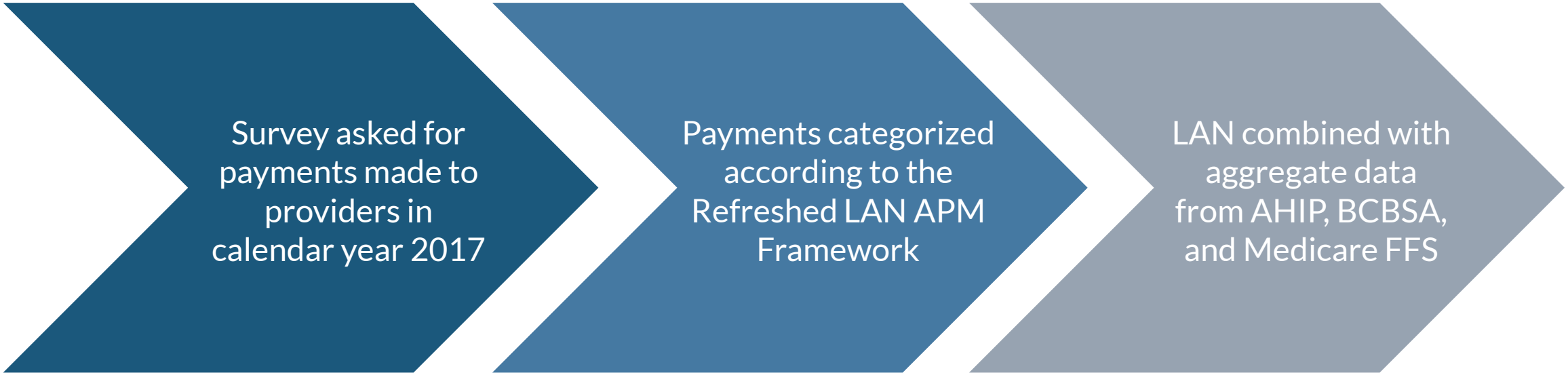
CATEGORY 1	CATEGORY 2	CATEGORY 3	CATEGORY 4
FEE FOR SERVICE – NO LINK TO QUALITY & VALUE	FEE FOR SERVICE – LINK TO QUALITY & VALUE	APMS BUILT ON FEE-FOR-SERVICE ARCHITECTURE	POPULATION – BASED PAYMENT
	A **Foundational Payments for Infrastructure & Operations** (e.g., care coordination fees and payments for HIT investments)	A **APMs with Shared Savings** (e.g., shared savings with upside risk only)	A **Condition-Specific Population-Based Payment** (e.g., per member per month payments, payments for specialty services, such as oncology or mental health)
	B **Pay for Reporting** (e.g., bonuses for reporting data or penalties for not reporting data)	B **APMs with Shared Savings and Downside Risk** (e.g., episode-based payments for procedures and comprehensive payments with upside and downside risk)	B **Comprehensive Population-Based Payment** (e.g., global budgets or full/percent of premium payments)
	C **Pay-for-Performance** (e.g., bonuses for quality performance)		C **Integrated Finance & Delivery System** (e.g., global budgets or full/percent of premium payments in integrated systems)
		3N Risk Based Payments NOT Linked to Quality	4N Capitated Payments NOT Linked to Quality

AHIP

BlueCross BlueShield Association

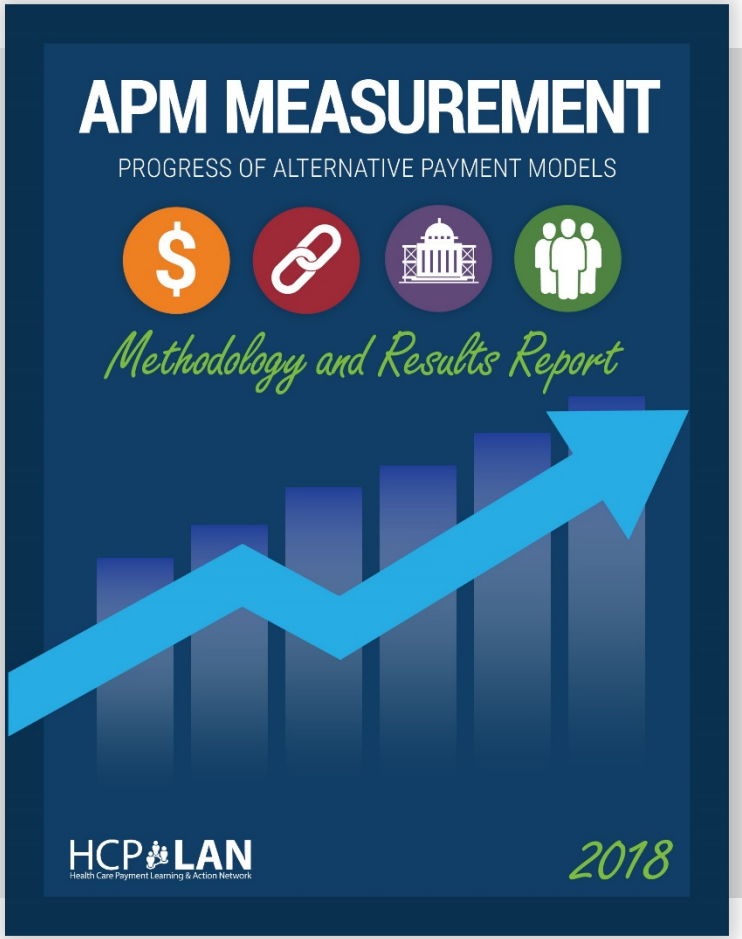
Methodology

Commercial, Medicaid and Medicare Advantage health plans, managed FFS Medicaid states, and Medicare FFS contributed to the data set

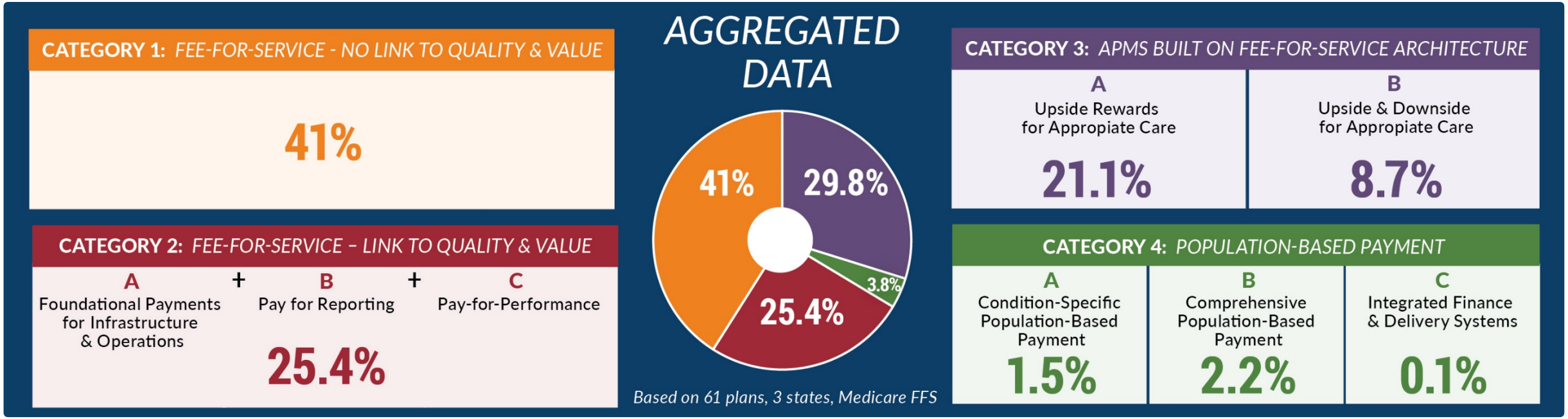


Limitations

- Health plan participation was voluntary
- Potential variation in the interpretation of the metrics
- Data system challenges



Aggregate Results at a Glance



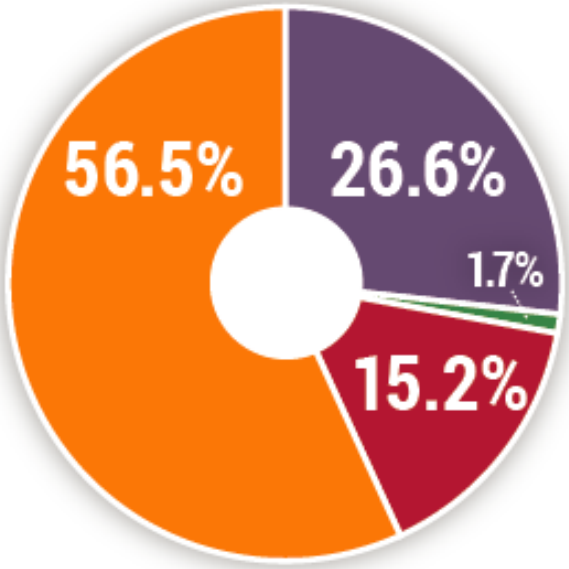
Line of Business Results - Commercial

CATEGORY 1: *FEE FOR SERVICE - NO LINK TO QUALITY & VALUE*

56.5%

CATEGORY 2: *FEE FOR SERVICE – LINK TO QUALITY & VALUE*

0.2%	Foundational Payments for Infrastructure & Operations
0%	Pay for Reporting
15%	Pay-for-Performance



Representativeness of covered lives: Commercial - 63%

CATEGORY 3: *APMS BUILT ON FEE-FOR-SERVICE ARCHITECTURE*

18.4%	Upside Rewards for Appropiate Care
8.2%	Upside & Downside for Appropiate Care

CATEGORY 4: *POPULATION-BASED PAYMENT*

0.2%	Condition-Specific Population-Based Payment
1.4%	Comprehensive Population-Based Payment
0.1%	Integrated Finance & Delivery Systems

COMMERCIAL

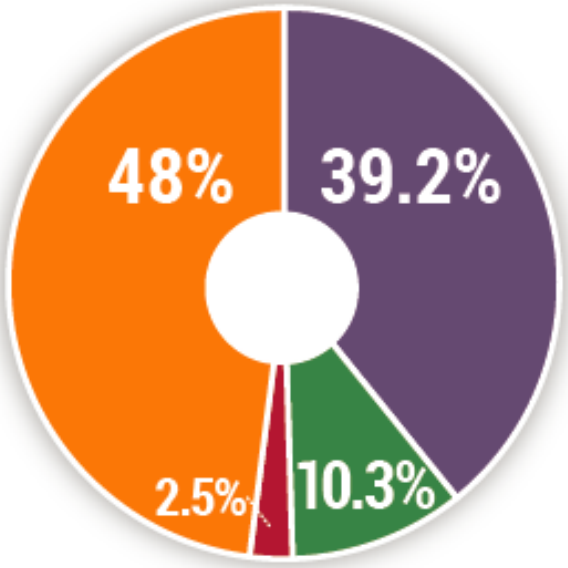
Line of Business Results–Medicare Advantage

CATEGORY 1: *FEE FOR SERVICE - NO LINK TO QUALITY & VALUE*

48%

CATEGORY 2: *FEE FOR SERVICE – LINK TO QUALITY & VALUE*

0%	Foundational Payments for Infrastructure & Operations
0%	Pay for Reporting
2.5%	Pay-for-Performance



Representativeness of covered lives: Medicare Advantage - 70%

CATEGORY 3: *APMS BUILT ON FEE-FOR-SERVICE ARCHITECTURE*

25.3%	Upside Rewards for Appropiate Care
13.9%	Upside & Downside for Appropiate Care

CATEGORY 4: *POPULATION-BASED PAYMENT*

1.2%	Condition-Specific Population-Based Payment
9%	Comprehensive Population-Based Payment
0.1%	Integrated Finance & Delivery Systems

MEDICARE ADVANTAGE

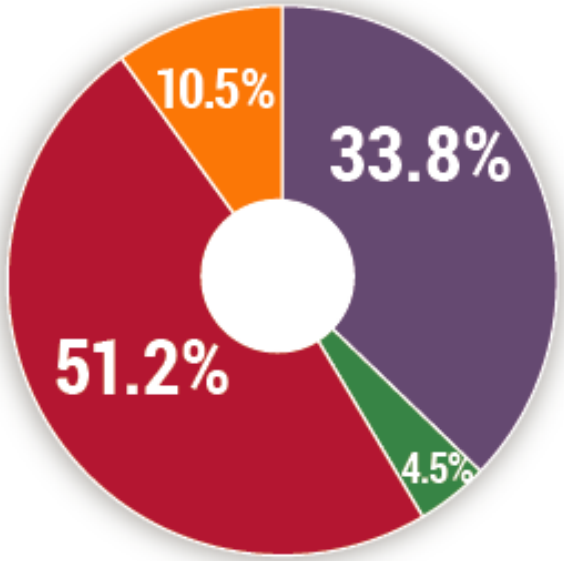
Line of Business Results – Medicare FFS

CATEGORY 1: *FEE FOR SERVICE - NO LINK TO QUALITY & VALUE*

10.5%

CATEGORY 2: *FEE FOR SERVICE – LINK TO QUALITY & VALUE*

51.2%



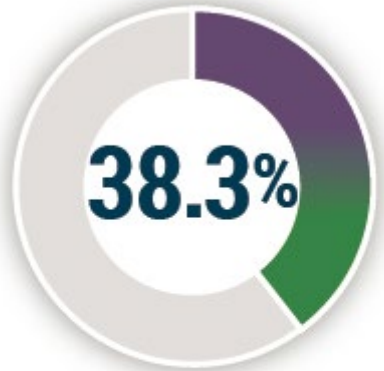
Representativeness of covered lives: Medicare FFS - 100%

CATEGORY 3: *APMS BUILT ON FEE-FOR-SERVICE ARCHITECTURE*

24.6%	Upside Rewards for Appropiate Care
9.2%	Upside & Downside for Appropiate Care

CATEGORY 4: *POPULATION-BASED PAYMENT*

3.4%	Condition-Specific Population-Based Payment
1.1%	Comprehensive Population-Based Payment
0%	Integrated Finance & Delivery Systems



MEDICARE FFS

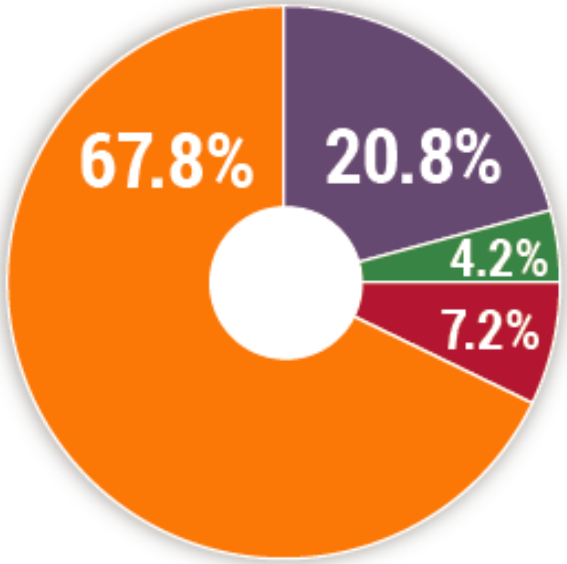
Line of Business Results – Medicaid

CATEGORY 1: *FEE FOR SERVICE - NO LINK TO QUALITY & VALUE*

67.8%

CATEGORY 2: *FEE FOR SERVICE – LINK TO QUALITY & VALUE*

0.1%	Foundational Payments for Infrastructure & Operations
0.2%	Pay for Reporting
6.9%	Pay-for-Performance



Representativeness of covered lives: Medicaid - 50%

CATEGORY 3: *APMS BUILT ON FEE-FOR-SERVICE ARCHITECTURE*

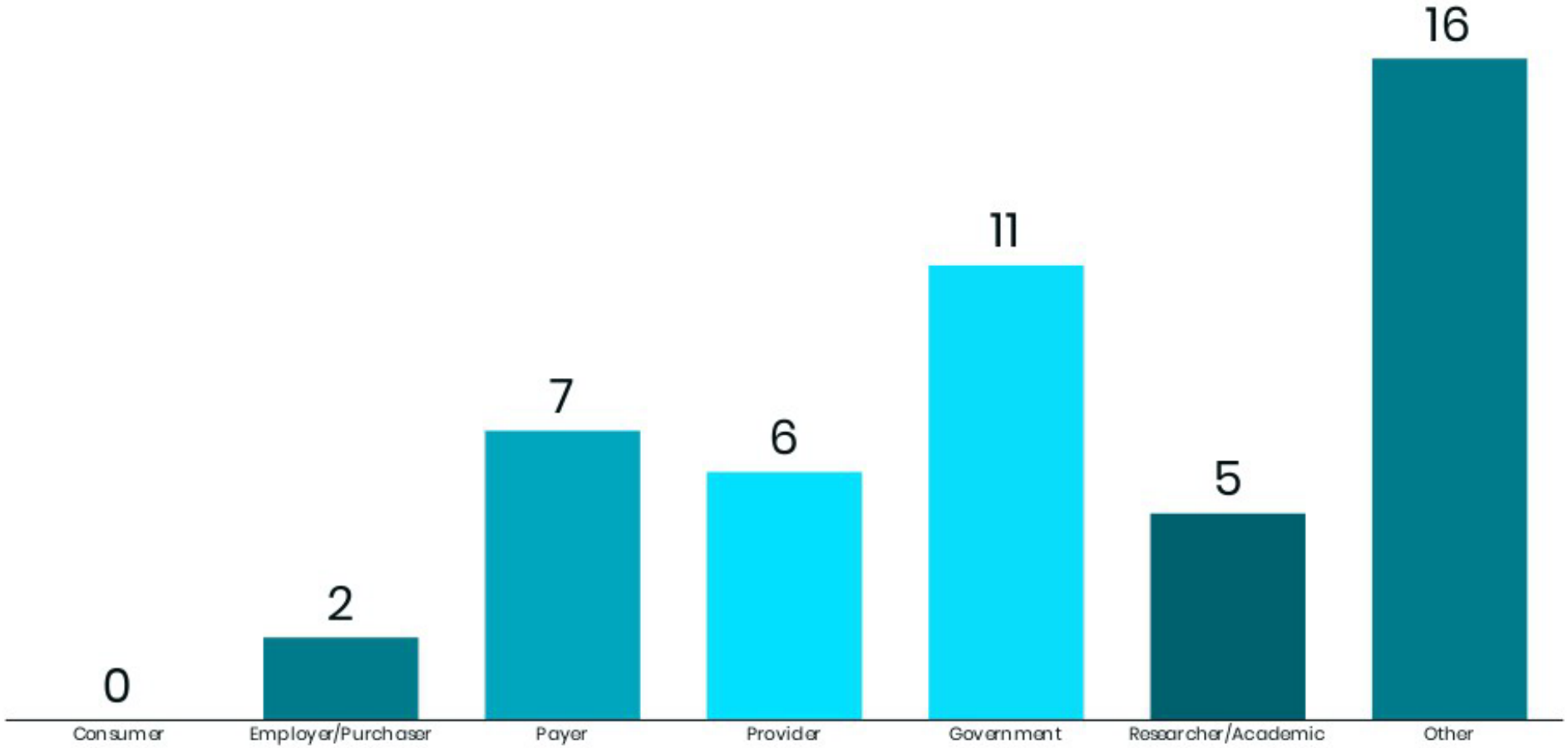
17.6%	Upside Rewards for Appropiate Care
3.2%	Upside & Downside for Appropiate Care

CATEGORY 4: *POPULATION-BASED PAYMENT*

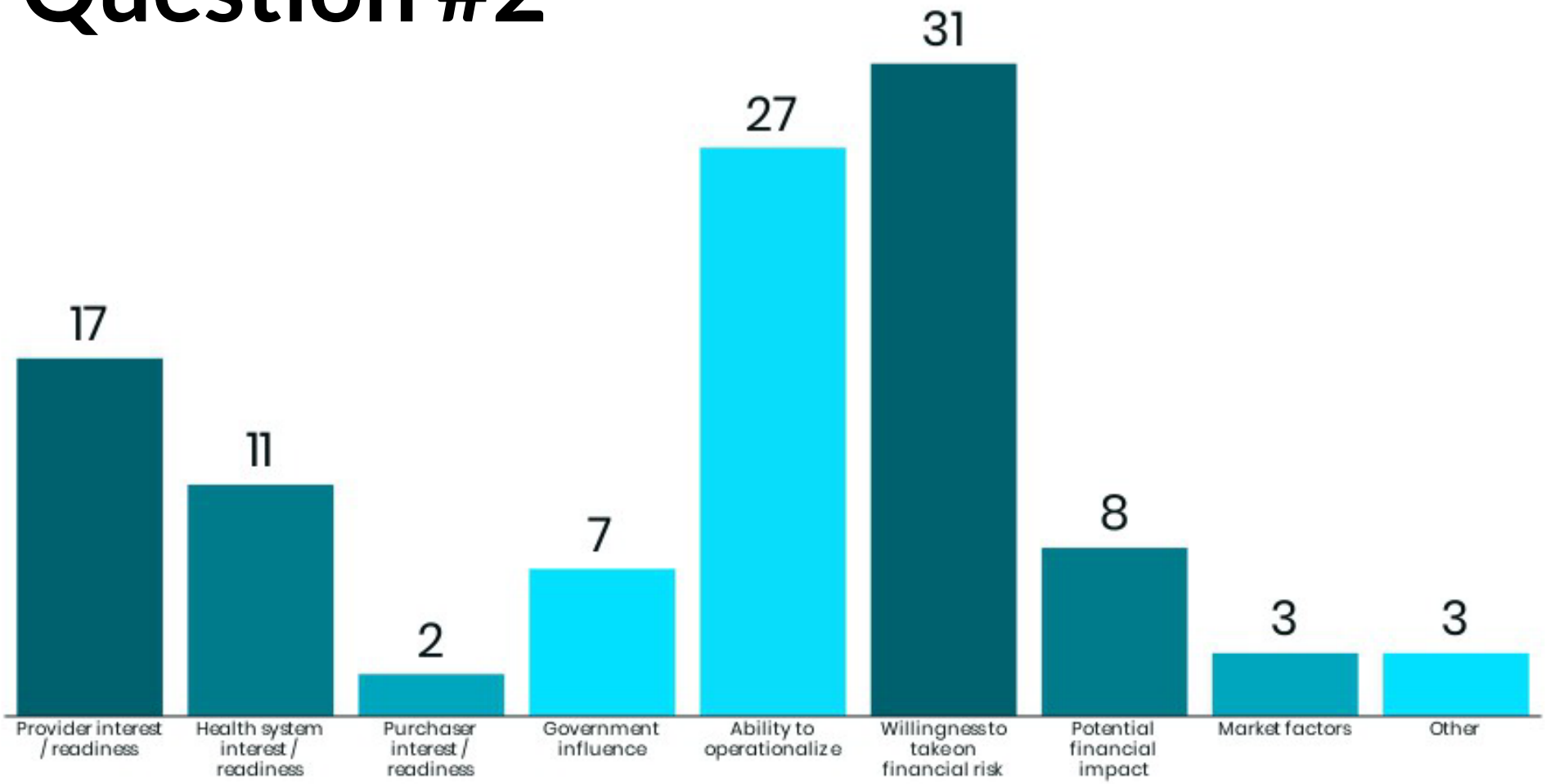
1.8%	Condition-Specific Population-Based Payment
2.2%	Comprehensive Population-Based Payment
0.2%	Integrated Finance & Delivery Systems

MEDICAID

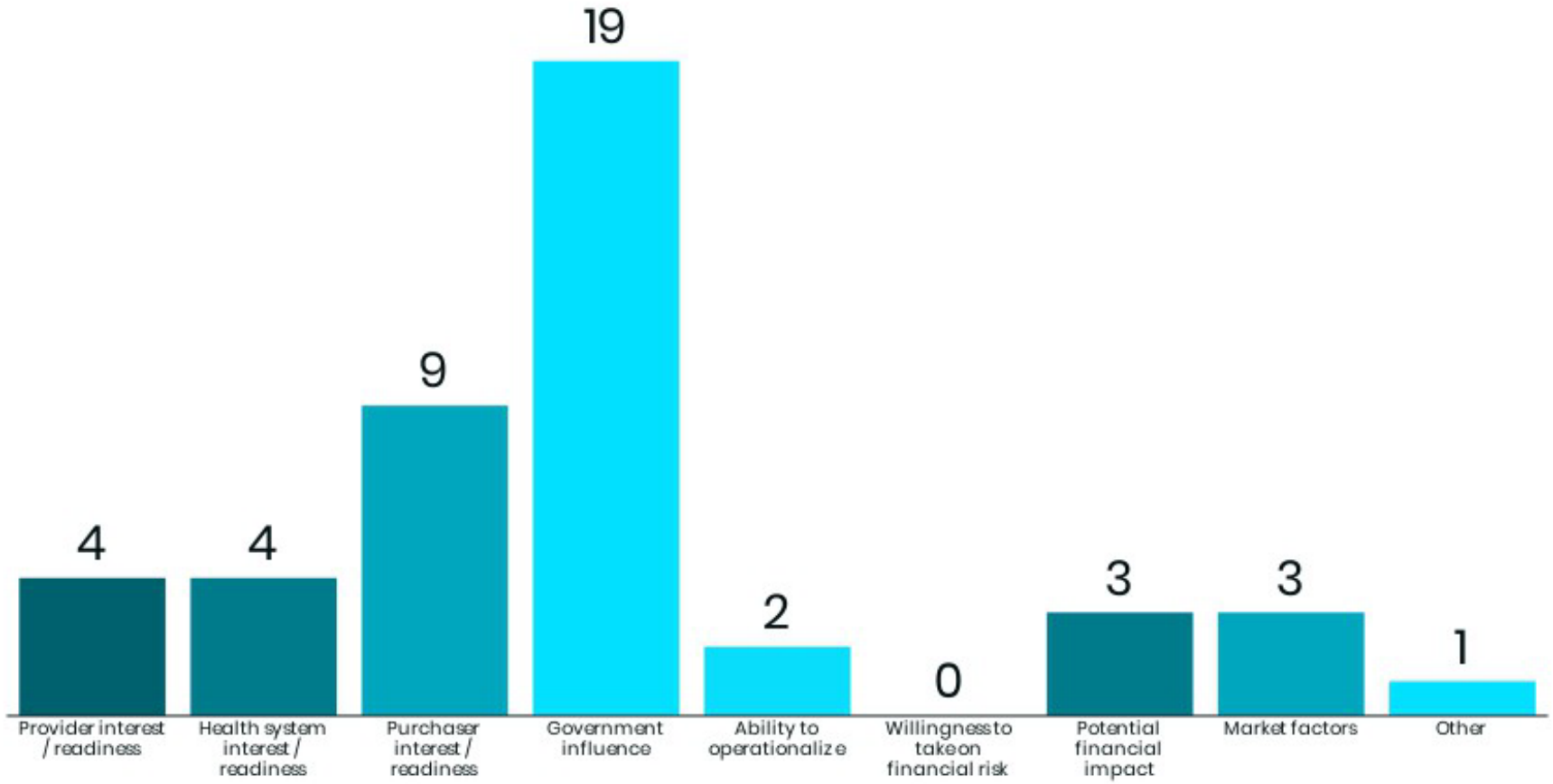
Poll Question #1



Poll Question #2



Poll Question #3



Informational Questions

PAYERS' PERSPECTIVE

What Do Payers Think about the Future of APM Adoption?

↑ 90% think APM activity will increase

→ 9% think APM activity will stay the same

↓ 0% think APM activity will decrease

? 1% not sure or didn't answer

Categories Payers Feel Will Be Most Impacted

3B 48% **3A 25%**

Will APM adoption result in...	Strongly Agree/ Agree	Strongly Disagree/ Disagree	Unsure
...better quality of care?	99%	0%	1%
...more affordable care?	89%	2%	9%
...improved care coordination?	97%	1%	2%
...more consolidation among health care providers?	59%	18%	23%
...higher unit prices?	6%	73%	21%

*Top 3 Barriers:

1. Willingness to take on financial risk
2. Ability to operationalize
3. Provider interest/readiness

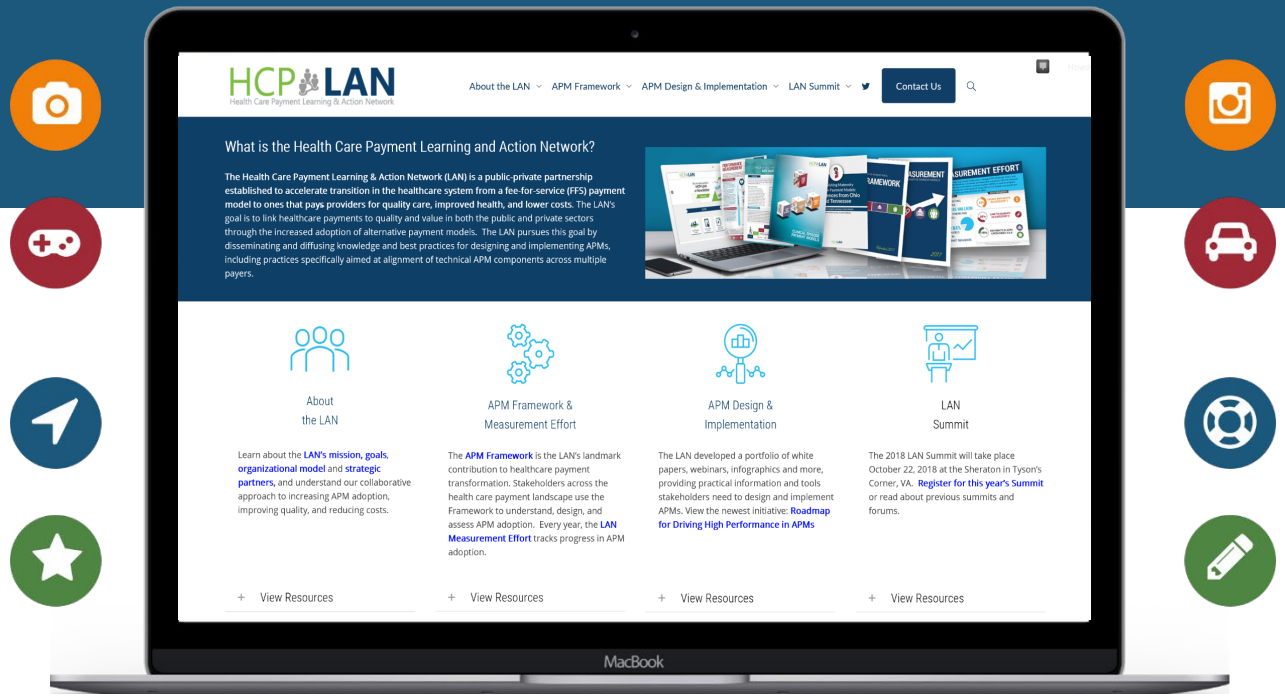
Top 3 Facilitators:

1. Health plan interest/readiness
2. Purchaser interest/readiness
3. TIE: Provider interest/readiness and government influence

*Please see the Methodology and Results Report and the LAN Insights Report for more information.

Visit the LAN Website for our Resources

https://hcp-lan.org/



Exit Survey

We want to know what you think!

Please take a moment to complete the exit survey so we can continue to improve and enrich the LAN. Use the link in ***Guidebook*** for this session to provide us your feedback.

Contact Us

We want to hear from you!

www.hcp-lan.org

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Thank You!