

ALIGNING FOR SHARED ACCOUNTABILITY



APM Adoption Across Markets: A Closer Look at the LAN Measurement Effort

Welcome



Andréa Caballero, MPA

Technical Project Lead
LAN APM Measurement Effort

Program Director
Catalyst for Payment Reform

Panelists



**Arrah Tabe-
Bedward**

Deputy Director
*Center for Medicare
& Medicaid
Innovation*



Kat Latet

Director of Health
System Innovations
*Community Health
Plan of Washington
(CHPW)*



Brent Stice

Associate Vice
President, Value-
Based Program
Operations &
Analytics
Humana



John Pilotte

Director of
Performance-Based
Payment Policy
Group
CMS



Terri Bauer

Executive Director
and Head of
Actuarial &
Underwriting
*Aetna Accountable
Care Solutions*

LAN APM Measurement: Success Through Partnership







Methodology

Refreshed LAN APM Framework



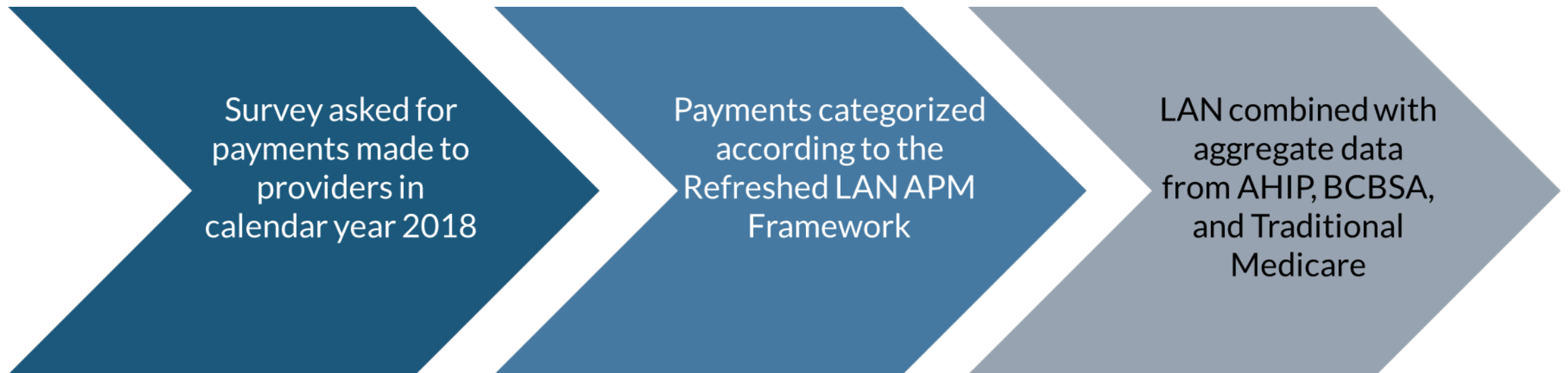
Look
back on
2018
data

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



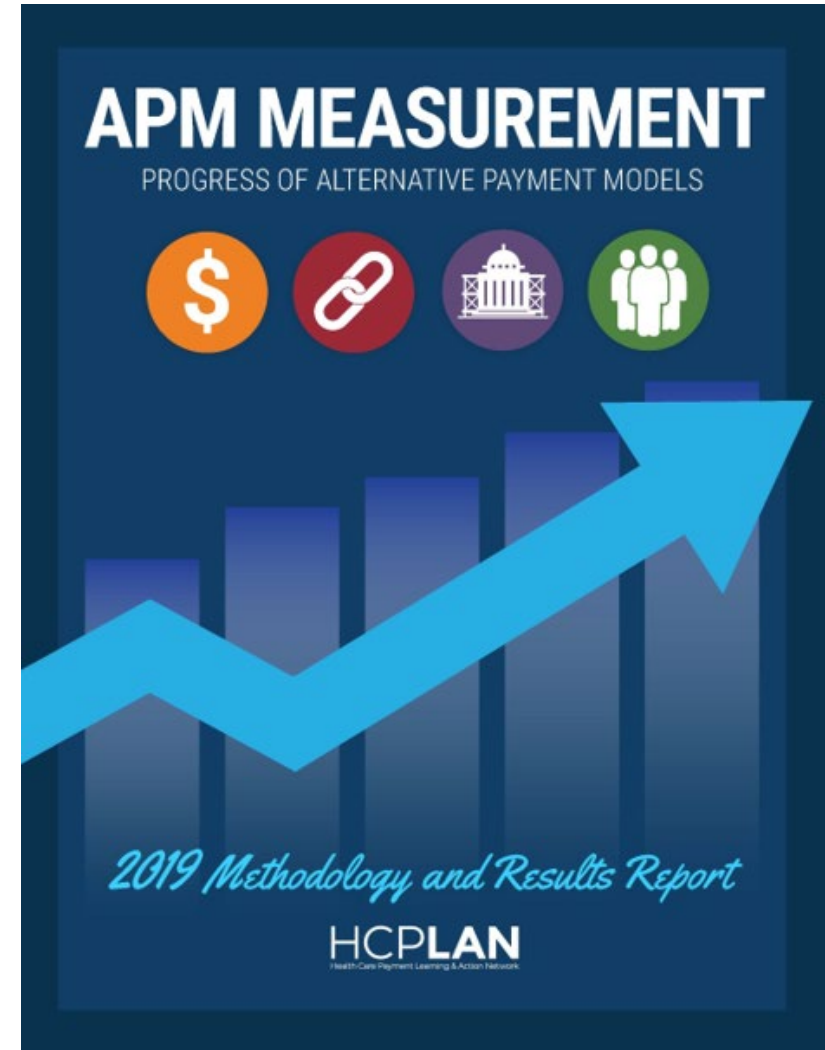
Methodology (cont.)

Commercial, Medicaid Managed Care Organizations and Medicare Advantage health plans, state Medicaid agencies, and Traditional Medicare contributed to the data set



Limitations

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



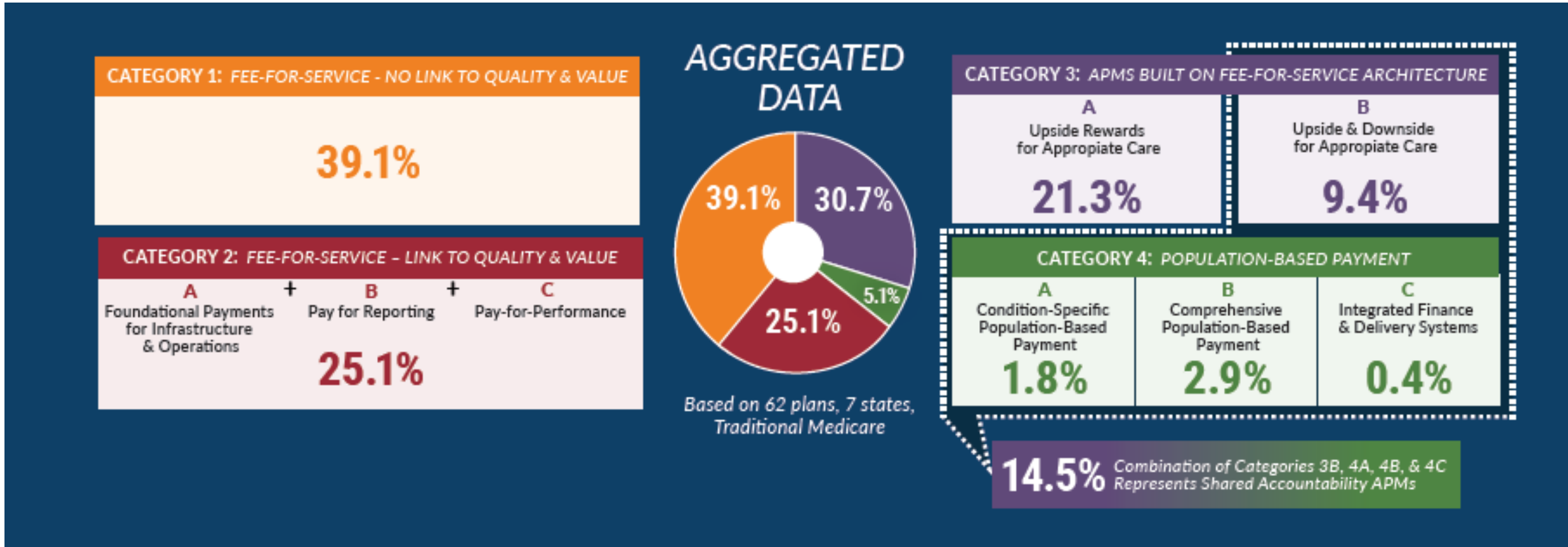
HCP-LAN New Goal Statement

Goal Statement

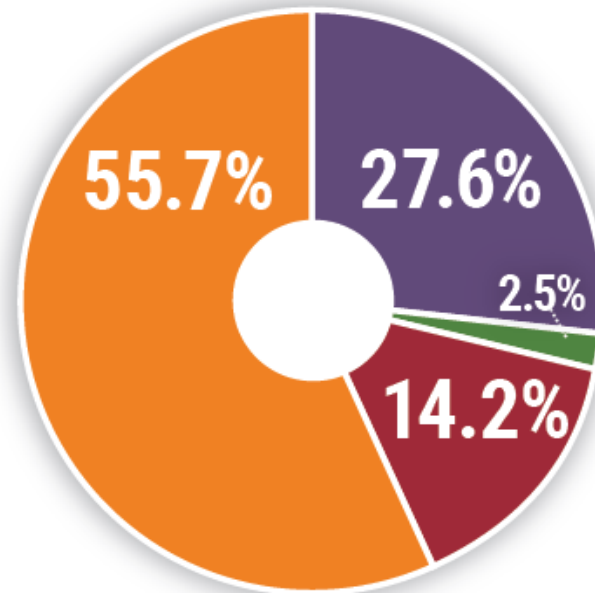
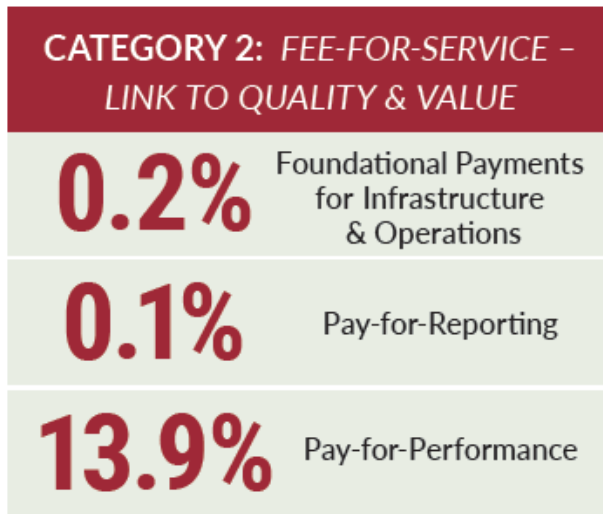
Accelerate the percentage of US health care payments tied to quality and value in each market segment through the adoption of shared accountability alternative payment models.

	Medicaid	Commercial	Medicare Advantage	Traditional Medicare
2020	15%	15%	30%	30%
2022	25%	25%	50%	50%
2025	50%	50%	100%	100%

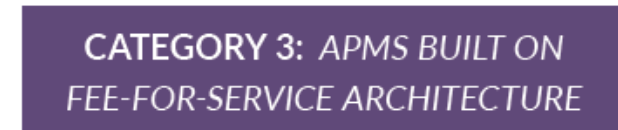
Aggregate Results at a Glance



Line of Business Results – Commercial



Representativeness of covered lives:
Commercial - 61%



19.5% Upside Rewards for Appropriate Care

8.1% Upside & Downside for Appropriate Care

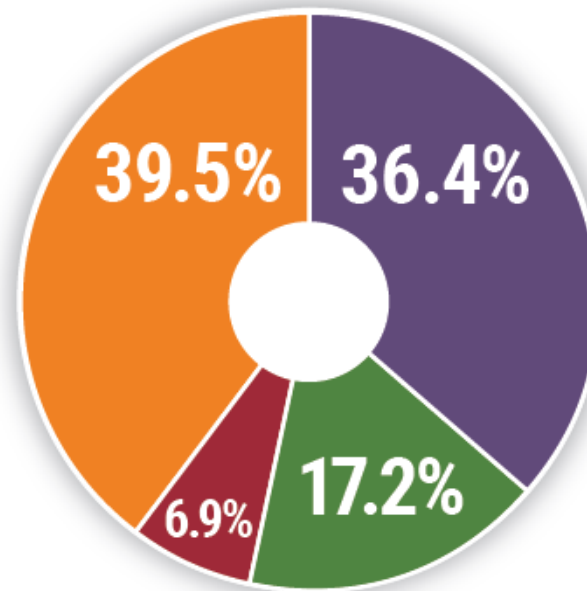
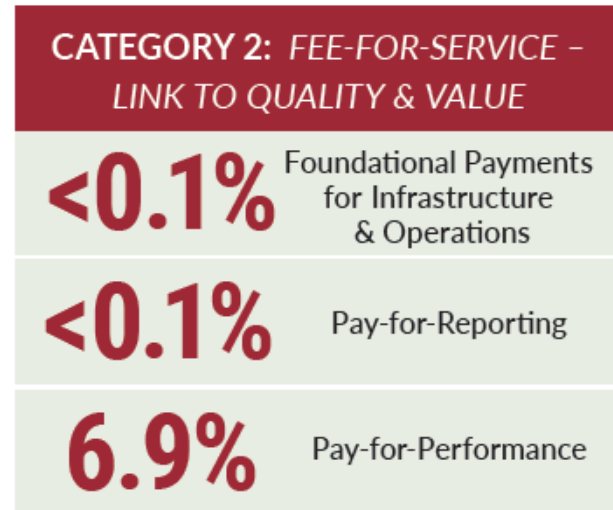


0.7% Condition-Specific Population-Based Payment

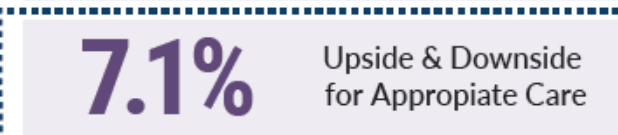
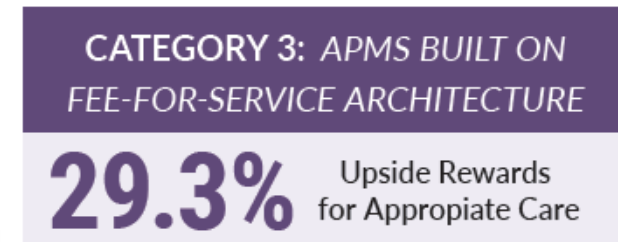
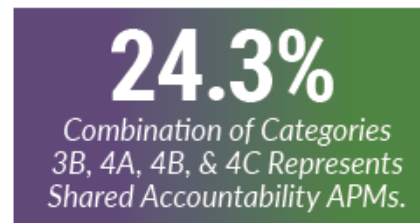
1.4% Comprehensive Population-Based Payment

0.4% Integrated Finance & Delivery Systems

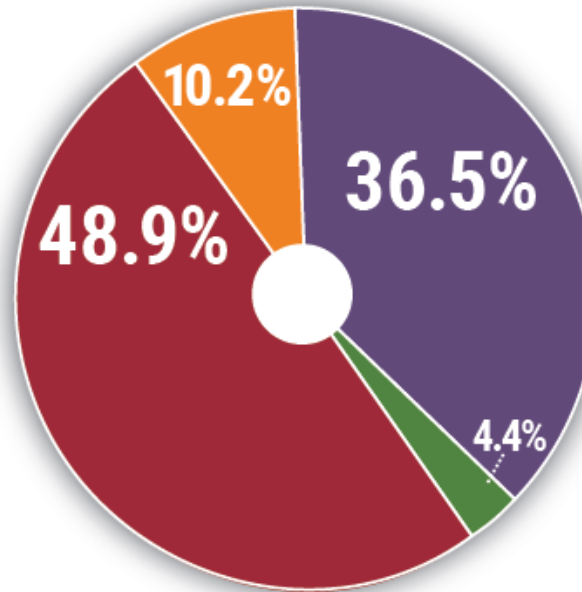
Line of Business Results – Medicare Advantage



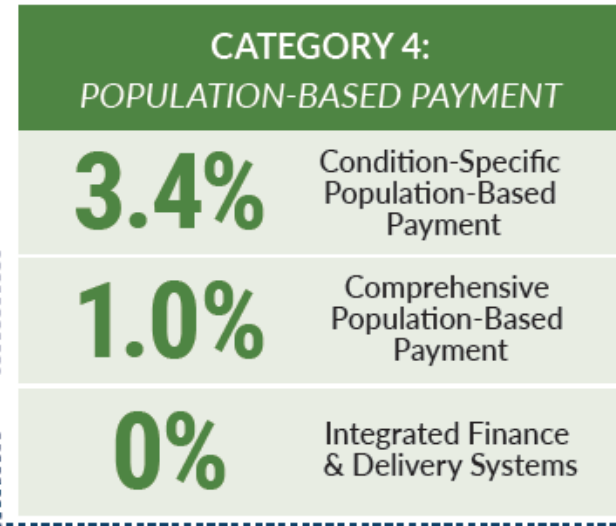
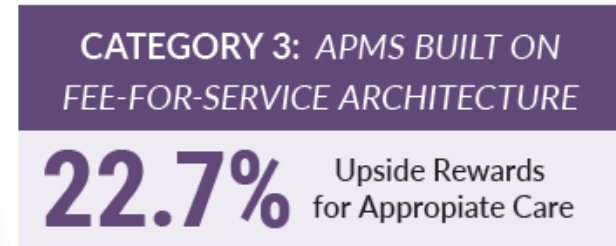
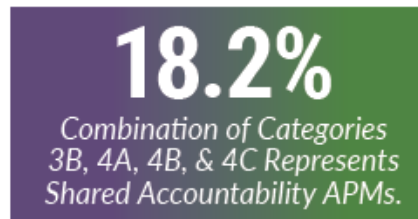
Representativeness of covered lives: Medicare Advantage - 67%



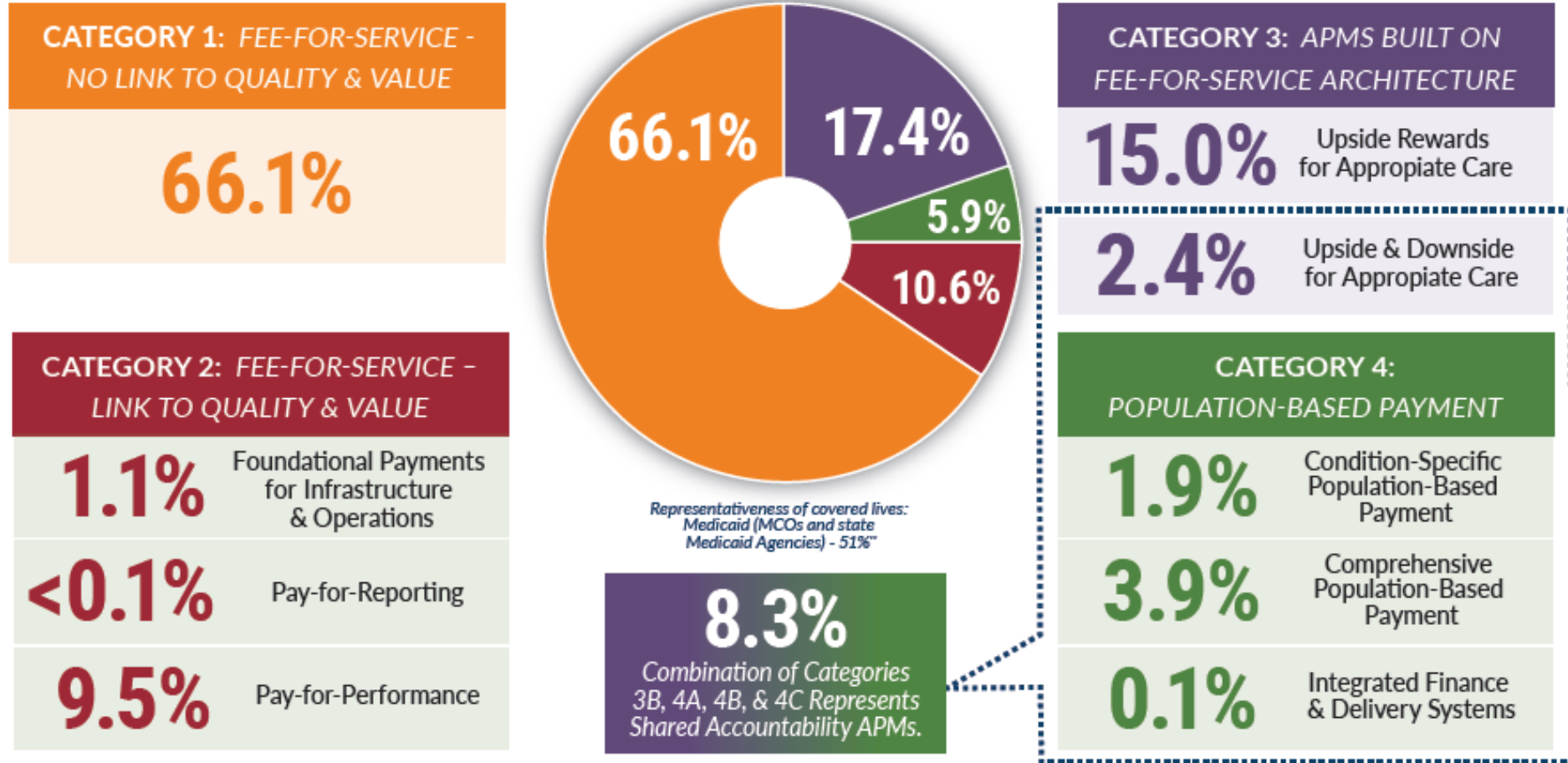
Line of Business Results – Traditional Medicare



Representativeness of covered lives:
Traditional Medicare - 100%



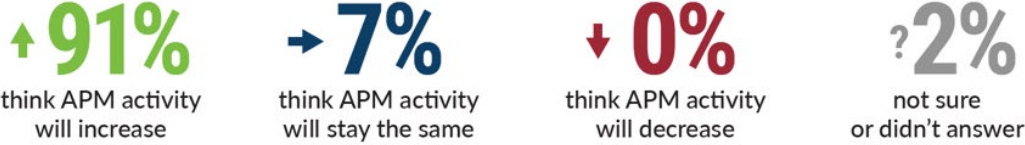
Line of Business Results - Medicaid



Informational Questions

PAYERS' PERSPECTIVE

What Do Payers Think about the Future of APM Adoption?



Categories Payers Feel Will Increase the Most



Will APM adoption result in...	Strongly Agree/ Agree	Strongly Disagree/ Disagree	Unsure
...better quality of care?	97%	2%	1%
...more affordable care?	88%	4%	8%
...improved care coordination?	95%	2%	3%
...more consolidation among health care providers?	56%	19%	25%
...higher unit prices for discrete services?	9%	63%	28%

- Top 3 Barriers:**
1. Provider willingness to take on financial risk
 2. Provider ability to operationalize
 3. Provider interest/readiness

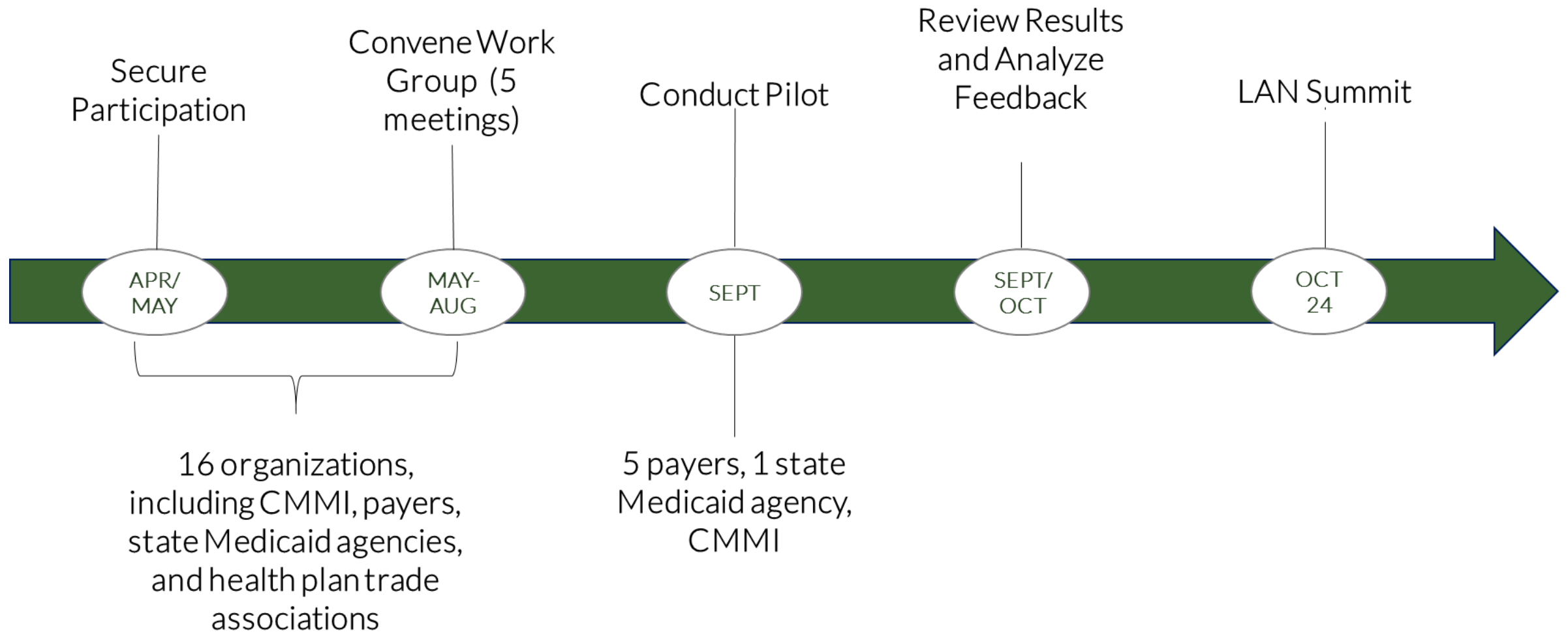
- Top 3 Facilitators:**
1. Health plan interest/readiness
 2. Government influence
 3. Provider interest/readiness

- Top 3 Barriers:**
1. Provider willingness to take on financial risk
 2. Provider ability to operationalize
 3. Provider interest/readiness

- Top 3 Facilitators:**
1. Health plan interest/readiness
 2. Government influence
 3. Provider interest/readiness

Downside Risk Work Group and Pilot





Work Group Participation and Timeline

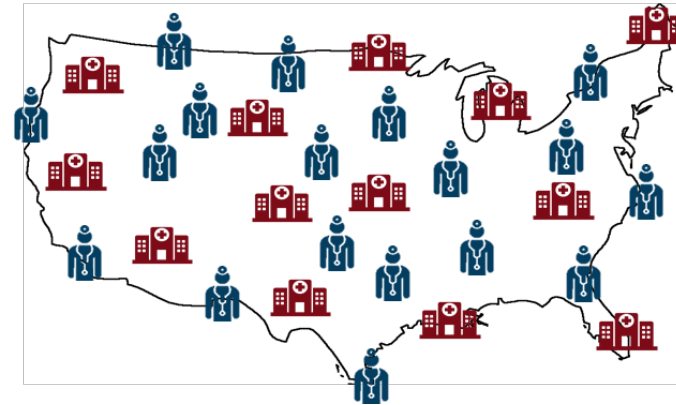


What is the LAN Trying To Measure?

We know APM Categories 3B, 4A, 4B, 4C include *some* two-sided risk, but not how much....

Ultimately, the LAN is interested in learning....

 CATEGORY 1 FEE FOR SERVICE - NO LINK TO QUALITY & VALUE	 CATEGORY 2 FEE FOR SERVICE - LINK TO QUALITY & VALUE	 CATEGORY 3 APMS BUILT ON FEE-FOR-SERVICE ARCHITECTURE	 CATEGORY 4 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 Systems (e.g., global budgets or full/percent of premium payments in integrated systems)



How much spend flows through two-sided risk contracts that contain more/less than Nominal Risk?

Key Decisions that Informed Design of Metric

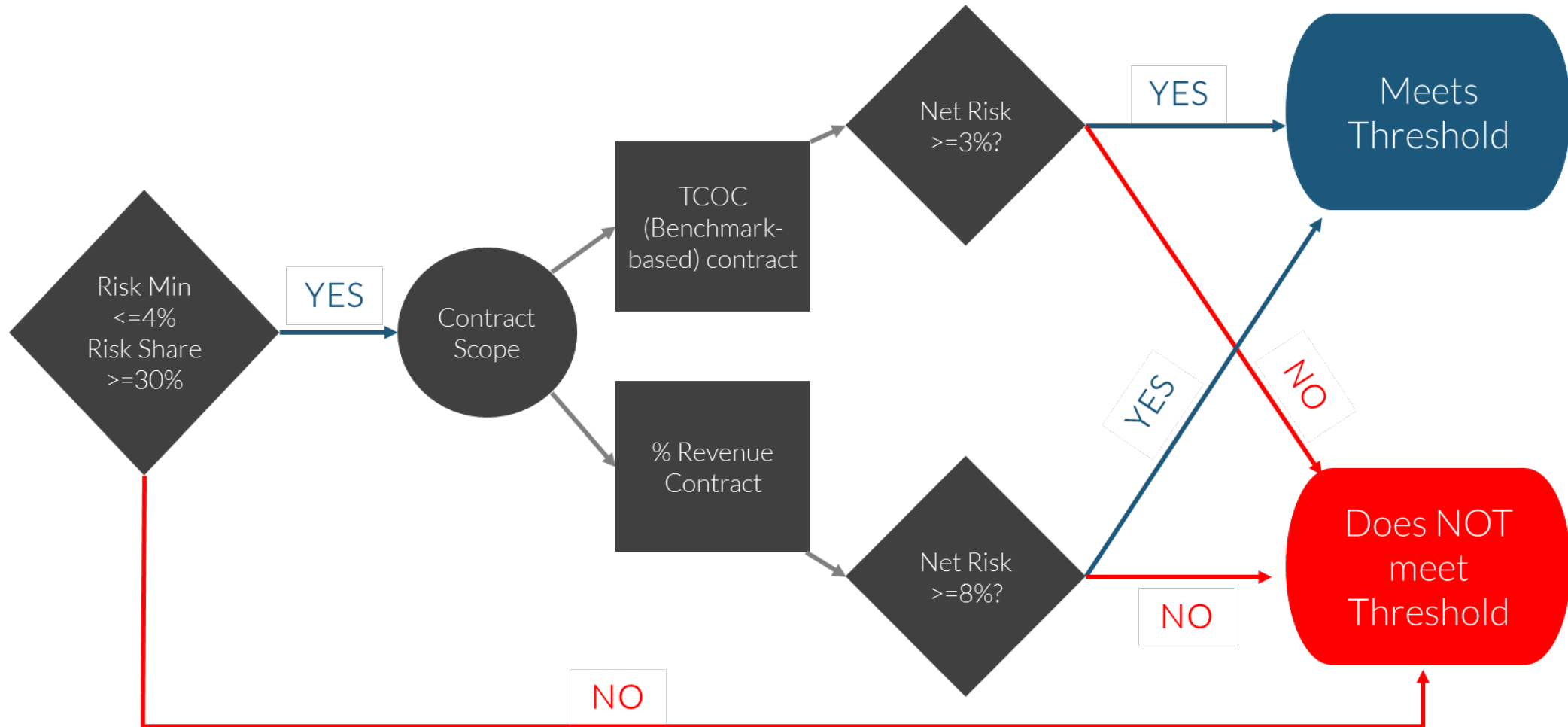


- ✓ Borrow certain definitions and risk parameters from QPP
- ✓ Align nominal risk requirements with QPP
 - 3% (Total Cost of Care Contracts)
 - 8% (Percent Revenue Contracts)



- ✓ Include **any type** of recoupment method in determining nominal risk
- ✓ Calculate **net risk** by contract and report by line of business

Determining Whether a Two-sided Risk Contract Meets a Nominal Risk Threshold



Pilot Purpose

The LAN wanted to know...

1. Does the metric work?
2. What areas need refinement? More instructions, definitions, etc.?
3. Is the data easy to find and report?
4. Is the analysis useful for internal or external reporting?
5. What is the reporting burden to collect the data?

Pilot Findings

What did we want to learn?	What did we find?
Does the metric work?	YES, for 3B. More discussion needed on the applicability to Categories 4A, 4B, 4C.
What areas need refinement? More instructions, definitions, etc.?	Instructions needed to address N/A for certain data elements. Worksheet and online survey were user-friendly.
Is the data easy to find and report?	YES. Confirmed health plans use various contractual methods to recoup potential financial deficits.
Is the analysis useful for internal or external reporting?	Moderately useful.
What is the reporting burden to collect the data?	Multiple departments involved to collect the data. Hours to complete varied; Average 14.8 hours.

Visit the LAN Website for our Resources

<https://hcp-lan.org/>



Exit Survey

We want to know what you think!

Let us know your thoughts at the end of each session! The Guidebook app provides quick, simple evaluations for your feedback.

[Session Evaluation Survey](#) (or scan QR code)

[LAN Summit Overall Survey](#)



Contact Us

We want to hear from you!



www.hcp-lan.org



[@Payment_Network](https://twitter.com/Payment_Network)



PaymentNetwork@mitre.org



[/in/Payment-Network](https://www.linkedin.com/company/Payment-Network)



Search: Health Care Payment
Learning and Action Network



ALIGNING FOR SHARED ACCOUNTABILITY



Thank You!