

ALIGNING FOR SHARED ACCOUNTABILITY



LAN SUMMIT

Health Care Payment Learning & Action Network

Welcome

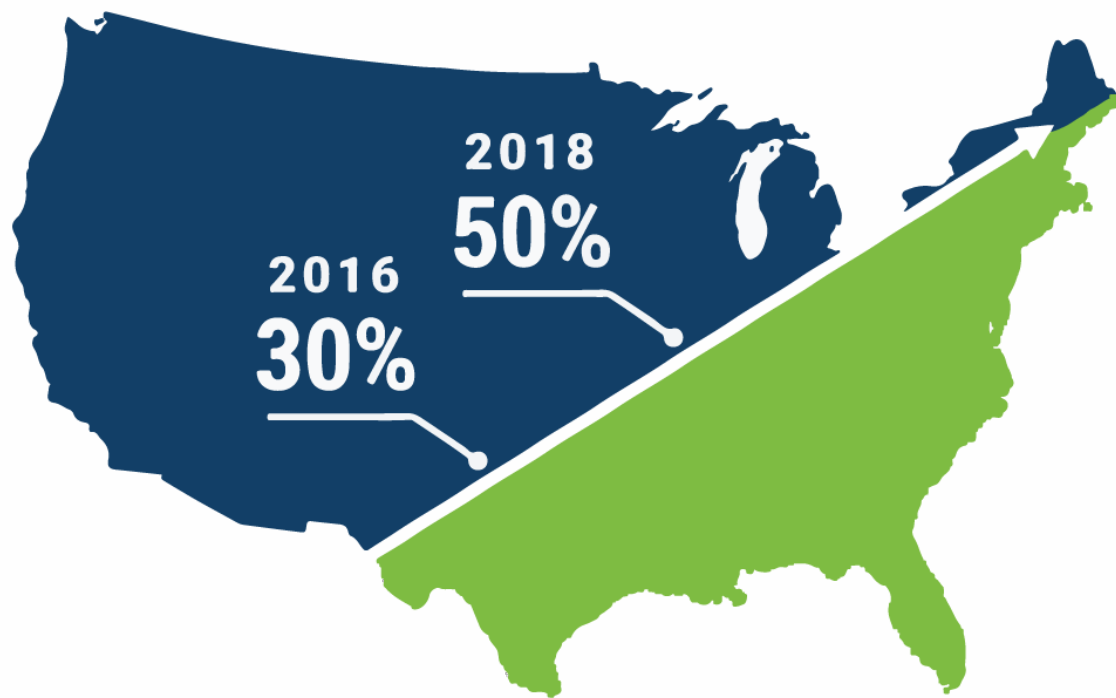


Mark Smith, MD, MBA

LAN Guiding Committee Co-Chair

LAN Mission, Goals, and Progress

Mission: To accelerate the health care system's transition to alternative payment models (APMs) by combining the innovation, power, and reach of the private and public sectors. The shift from fee-for-service to paying for quality via APMs is aimed at achieving better quality, better health, and lower cost.



GOALS

Goal of U.S. health care payments linked to quality and value through APMs in Categories 3 and 4.

RESULTS

2015 Data : 23%

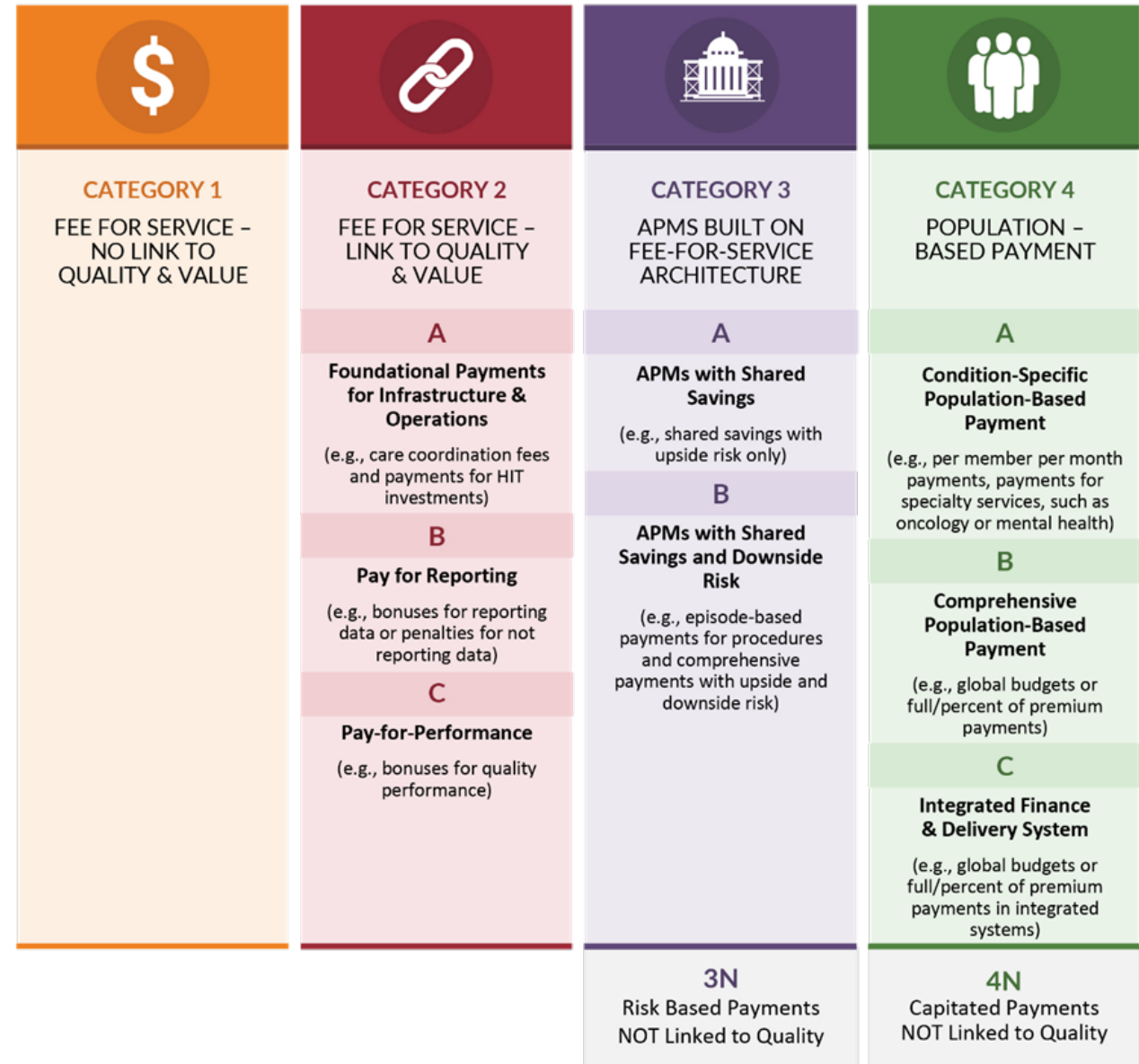
2016 Data : 29%

2017 Data : 34%

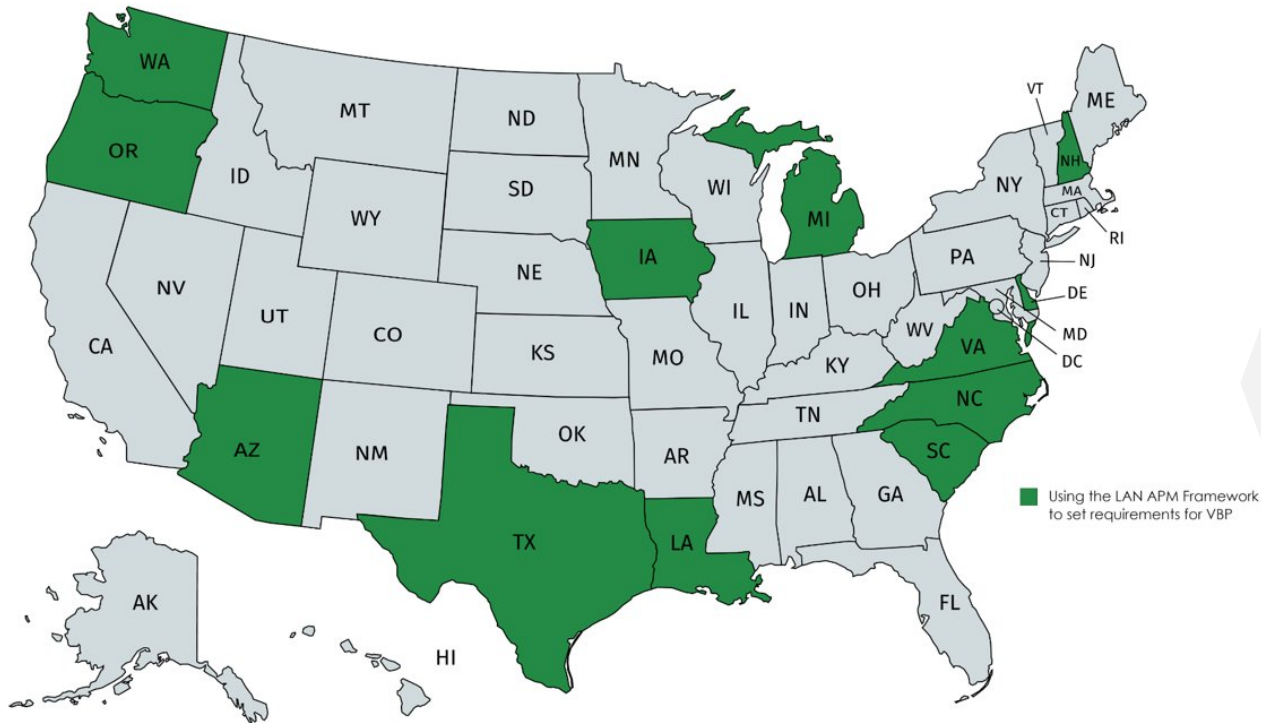
2018 Data: Coming Soon!

Framework

- Established a common vocabulary and pathway for measuring and sharing successful payment models
- 4 Categories and 8 Subcategories
- Has become the foundation for implementing APMs



State of Adoption



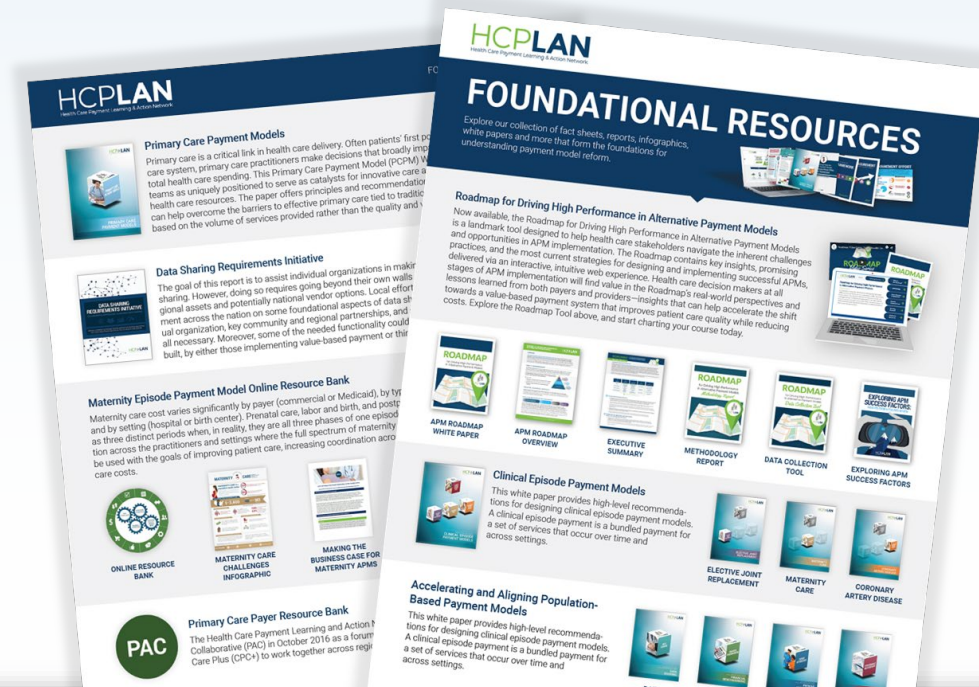
12 States are Using the LAN APM Framework to Set Requirements for Value Based Payment

Suite of LAN Resources

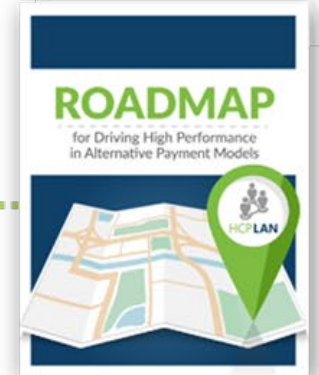
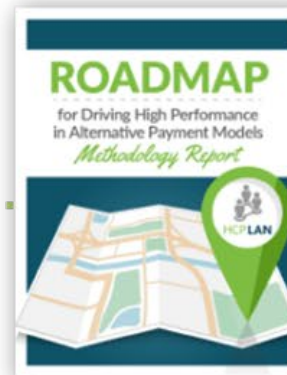
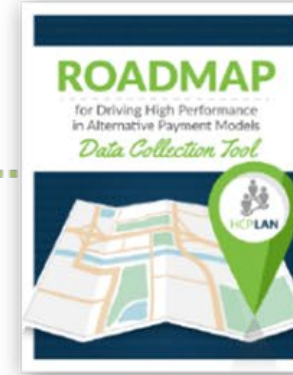
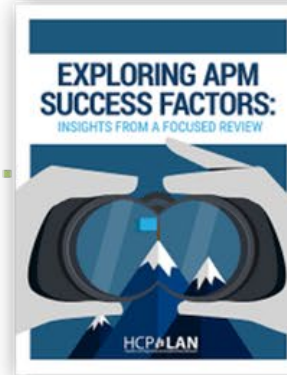


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The APM Roadmap



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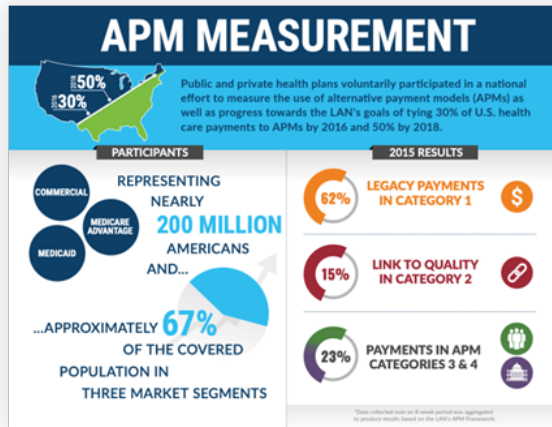
Welcome



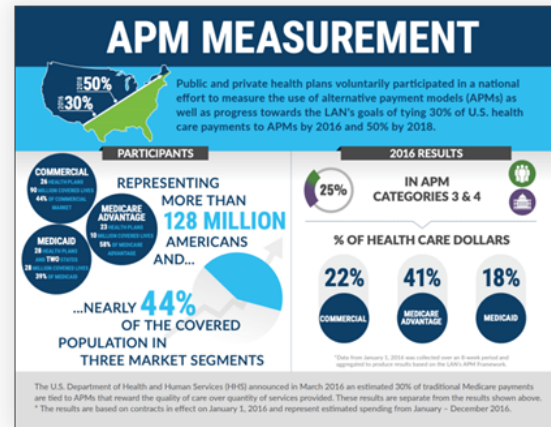
Mark McClellan

LAN CEO Forum Co-Chair

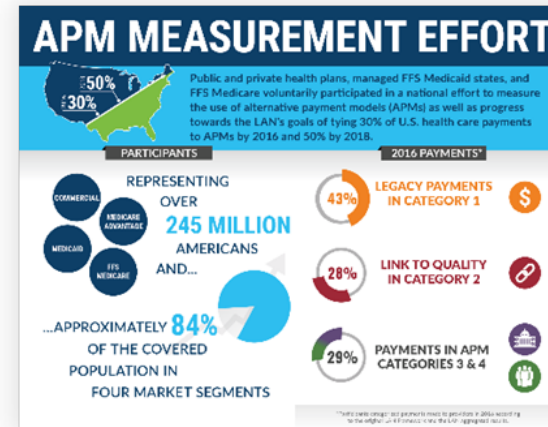
Measurement Through the Years



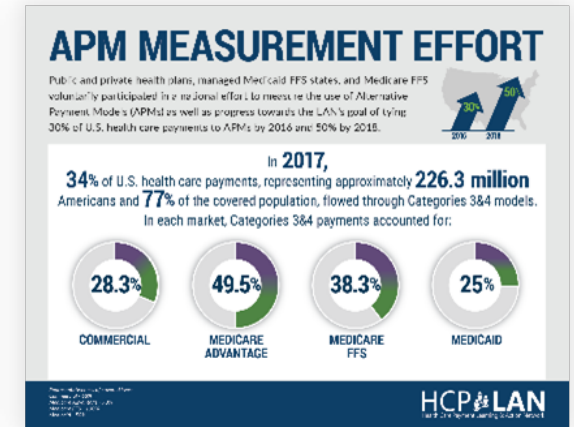
2015



2016



2017



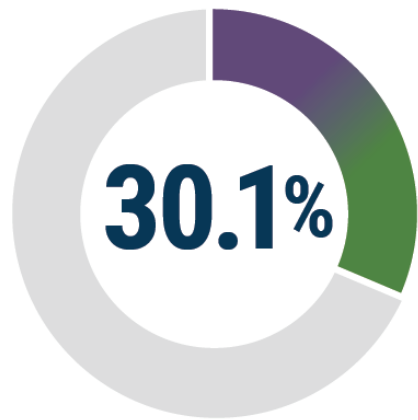
2018

APM Measurement Results at a Glance

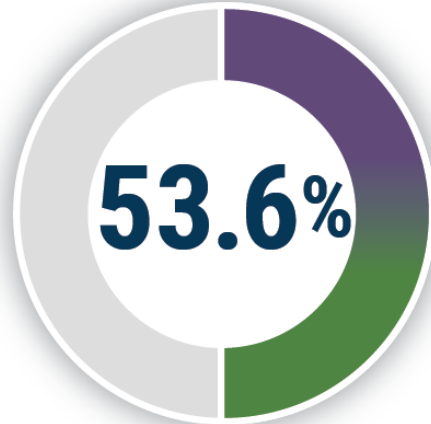
In **2018**,

35.8% of U.S. health care payments, representing approximately **226.5 million** Americans and **77%** of the covered population, flowed through Categories 3&4 models.

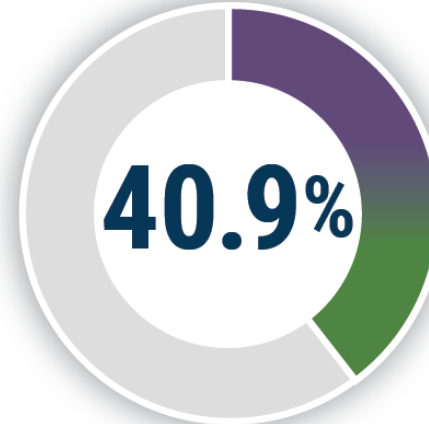
In each market, Categories 3&4 payments accounted for:



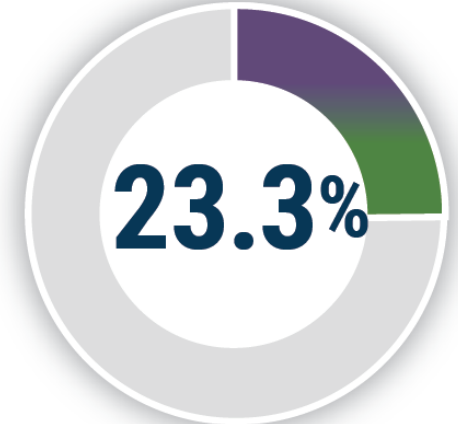
COMMERCIAL



**MEDICARE
ADVANTAGE**



**TRADITIONAL
MEDICARE**



MEDICAID

Representativeness of covered lives: Commercial - 61%; Medicare Advantage - 67%; Traditional Medicare - 100%; Medicaid - 51%

APM Measurement Results at a Glance

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

39.1%

CATEGORY 2: FEE-FOR-SERVICE - LINK TO QUALITY & VALUE

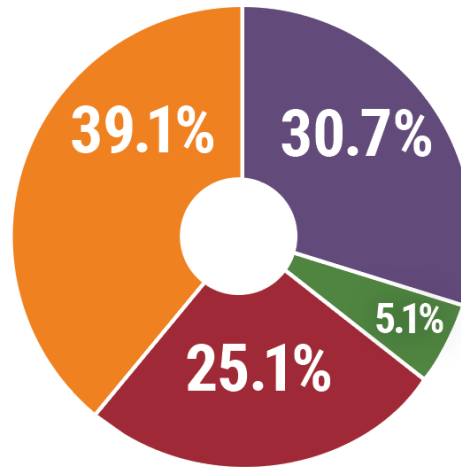
Foundational Payments for Infrastructure & Operations

25.1%

+ Pay-for-Reporting

+ Pay-for-Performance

AGGREGATED DATA



Based on 62 plans, 7 states, Traditional Medicare

14.5%

Combination of Categories 3B, 4A, 4B, & 4C Represents Shared Accountability APMs.

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

21.3% Upside Rewards for Appropriate Care

9.4% Upside & Downside for Appropriate Care

CATEGORY 4: POPULATION-BASED PAYMENT

1.8% Condition-Specific Population-Based Payment

2.9% Comprehensive Population-Based Payment

0.4% Integrated Finance & Delivery Systems

LAN Overview Homepage

OUR VISION

An American health care system that pays for value to the benefit of our patients and communities.

OUR MISSION

To accelerate the shift to value-based care in order to achieve better outcomes at lower cost.

HOW WE ACHIEVE OUR MISSION

Since 2015, the LAN has empowered the public and private sectors with a common framework for classifying APMs, published an interactive tool for designing APMs, measured the annual progress of adoption, and hosted annual summits to connect stakeholders. Together, the LAN's efforts have helped lead the movement to transform health care payment.



INSPIRE



STANDARDIZE



EMPOWER



MEASURE



ENGAGE

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% |

Visit the LAN Website for our Resources

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



APM ROADMAP LANDING PAGE



Executive Forums

CEO Forum



Dr. Mark McClellan

Director

Duke Margolis Center for
Health Policy



Dr. Marc Harrison

President/Chief Executive
Officer

Intermountain Healthcare

Care Transformation Forum



Dr. Sachin Jain

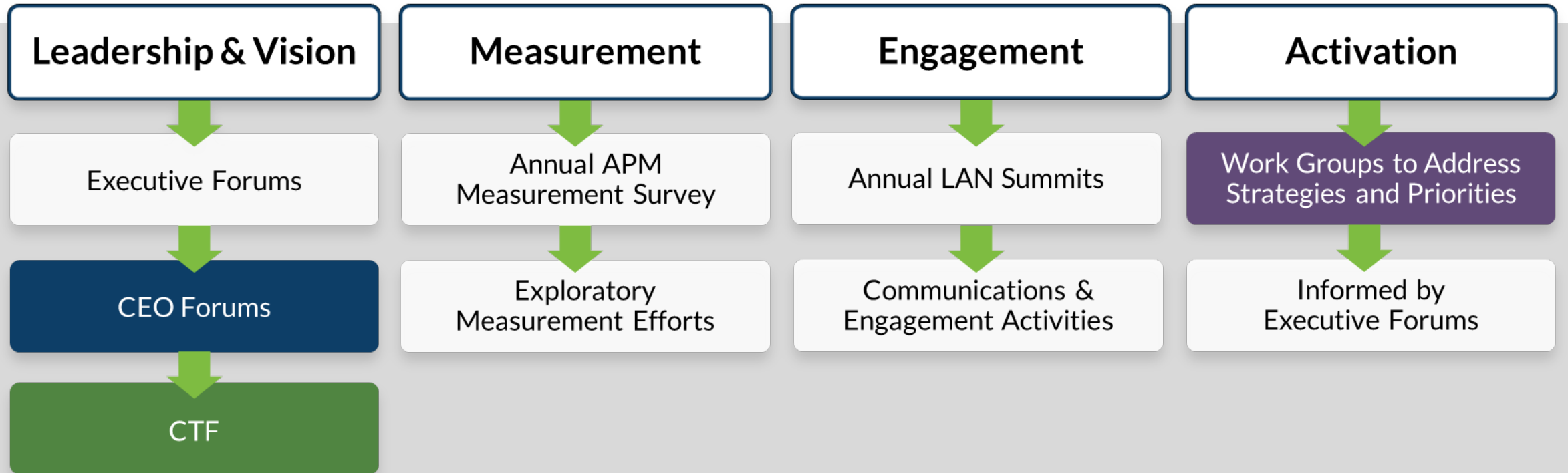
Chief Executive Officer
CareMore Health System



Dr. William Shrank

Chief Medical Officer
Humana

LAN Structure to Accelerate Progress



CEO Forum

- Chief Executives/Presidents
- Provide LAN strategic direction
- Identify opportunities for action and alignment
- Meets twice/year (Summer/Winter)

Care Transformation Forum (CTF)

- Clinical Executives (CMO/CQO/CNO/CTO)
- Identify opportunities to facilitate the shift to VBP and risk arrangements
- Meets twice/year (Fall/Spring)

The Six “Ps”: A Multi-Stakeholder Approach to Driving Value



**Dr. Mark
McClellan**

Duke Margolis
Center for
Health Policy



**Bruce
Broussard**

Humana



Susan Frampton

Planetree
International



**Christopher
Chen**

ChenMed



Adam Stavisky

Walmart



Nick Leschly

bluebird bio

New LAN Goals

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