LAN SUMMIT

Health Care Payment Learning & Action Network

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Presentation of the Alternative Payment Models (APM) Framework

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Health Care Payment Learning & Action Network

Proposed Alternative Payment Models Framework

October 26, 2015

Purpose of Today's Session

- **Review the LAN Work Group's work to date, including a proposed framework for categorizing Alternative Payment Models (APMs)**

- **Gain your feedback on the following:**
  - Overall White Paper and proposed framework
  - Descriptions associated with each category
  - Boundaries that differentiate one category from another

- **Understanding where your work fits into the framework**
  - Please **provide additional case studies** to illustrate and test each category in the framework

Alternative Payment Models Framework and Progress Tracking (APM FPT) Work Group Overview

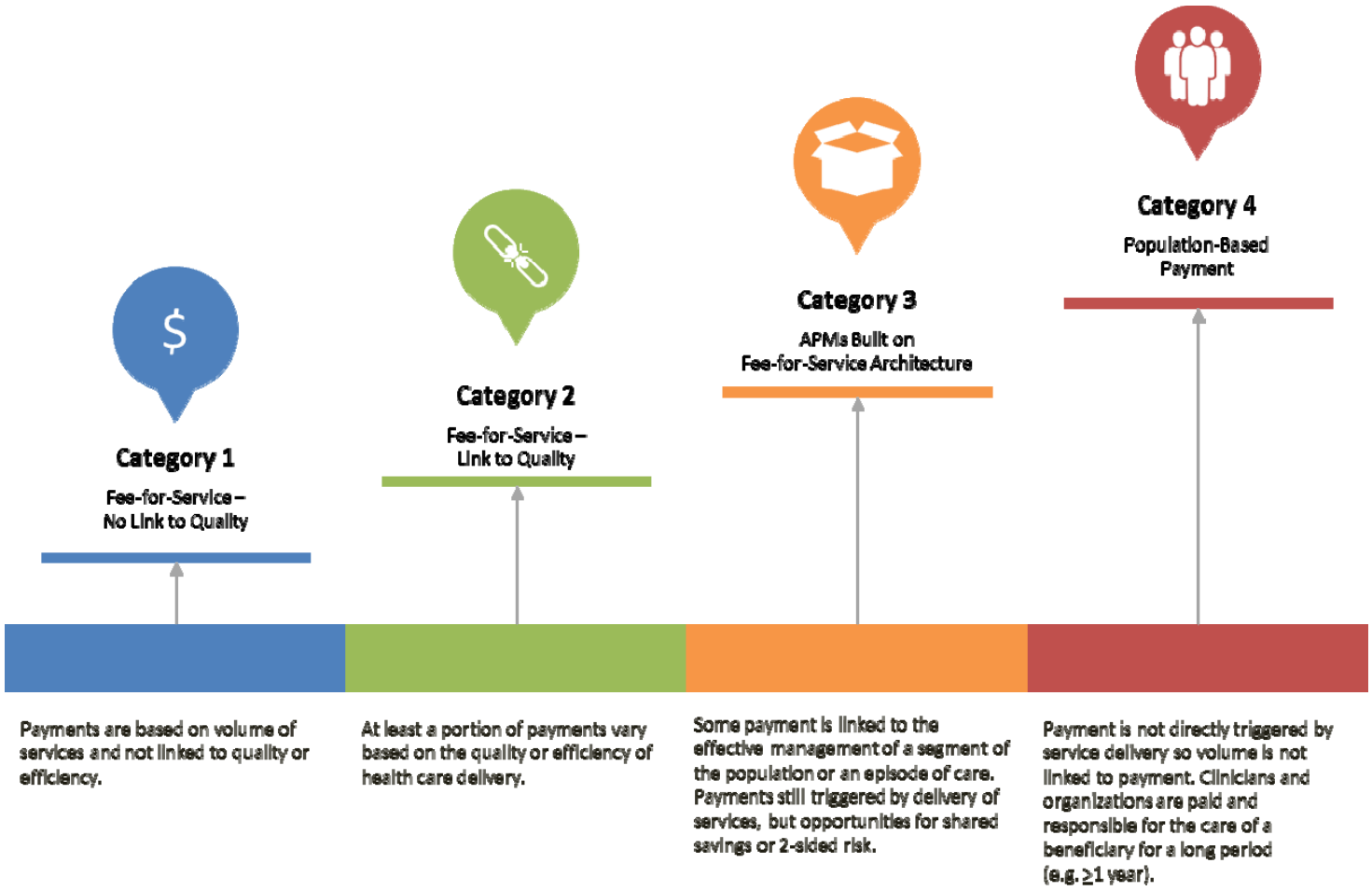
Charge of the APM FTP Work Group

The Work 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 a set of categories (Framework) that enable meaningful reporting.

APM FTP Work Group Outcomes

- ✓ Framework for Categorizing Payment Models
- ✓ Approach for Measuring Adoption of Alternative Payment Models

CMS Payment Framework



Rajkumar R, Conway PH, Tavenner M. CMS: Engaging multiple payers in payment reform. JAMA. 2014 May 21: 311(19):1967-8.

Key Principles for the Draft APM Framework
Principle One

The Work Group recognizes that changing the financial reward to providers is only one way to stimulate and sustain innovative approaches to the delivery of patient-centered care. In the future, the Work Group believes it will be important to monitor progress in initiatives that empower patients (via meaningful performance metrics, financial incentives, and other means) to seek care from high-value providers and become active participants in clinical and shared decision-making.

Key Principles for the Draft APM Framework
Principle Two

As delivery systems evolve, the goal is to drive a shift towards shared-risk and population-based payment models, in order to incentivize delivery system reforms that improve the quality and efficiency of patient-centered care.

Key Principles for the Draft APM Framework
Principle Three

To the greatest extent possible, value-based incentives should reach providers who directly deliver care.

Key Principles for the Draft APM Framework
Principle Four

Payment models that do not take quality and value into account will be classified in the appropriate category with a designation that distinguishes them as a payment model that is not value-based. They will not be considered APMs for the purposes of tracking progress towards payment reform.

Key Principles for the Draft APM Framework
Principle Five

In order to reach our goals for health care reform, the intensity of value-based incentives should be high enough to influence provider behaviors and it should increase over time. However, this intensity should not be a determining factor for classifying APMs in the Framework. Intensity will be included when reporting progress toward goals.

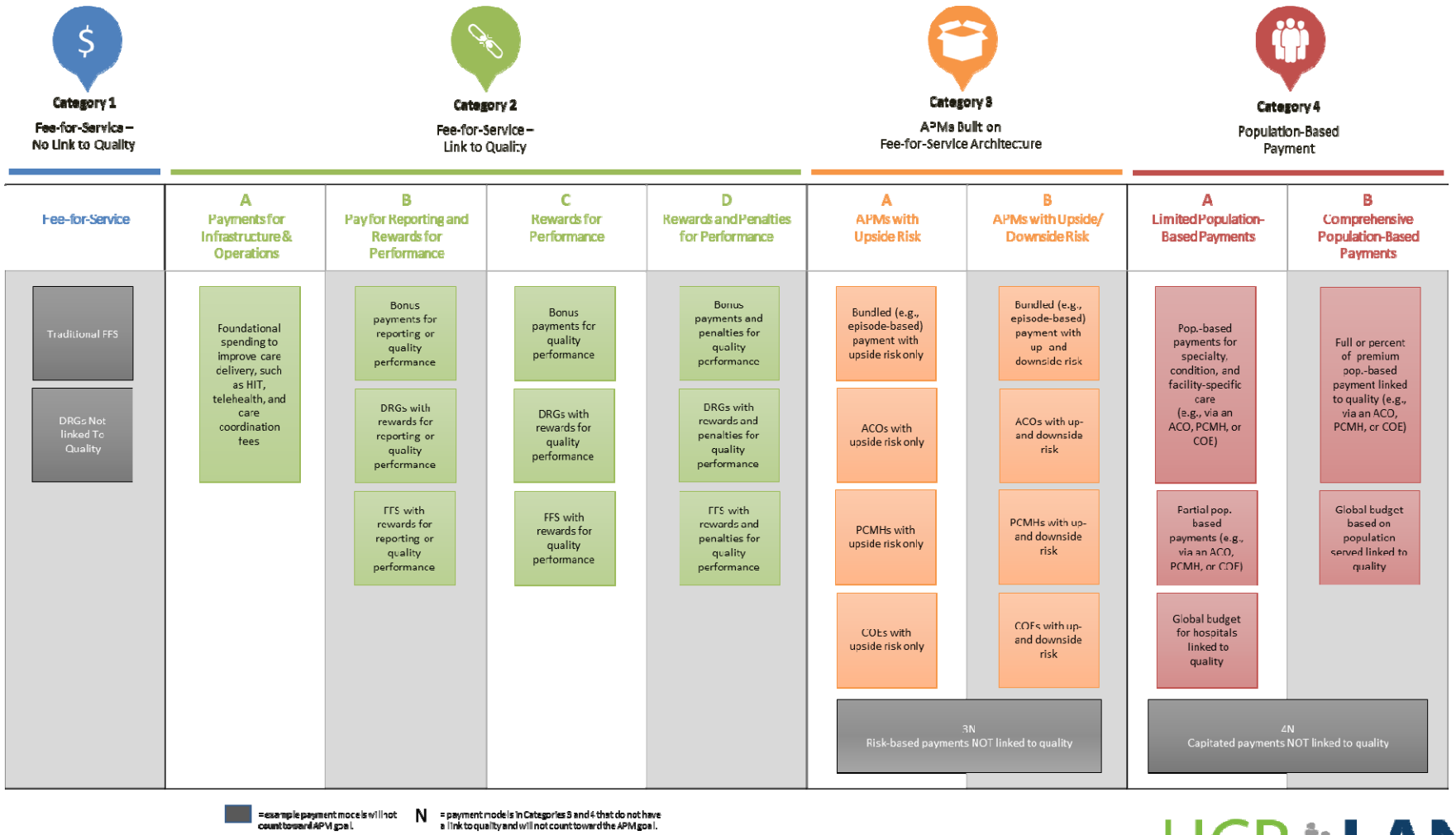
Key Principles for the Draft APM Framework
Principle Six

When health plans adopt hybrid payment reforms that incorporate multiple APMs, the payment reform as a whole will be classified according to the more dominant APM. This will avoid double counting payments through APMs.

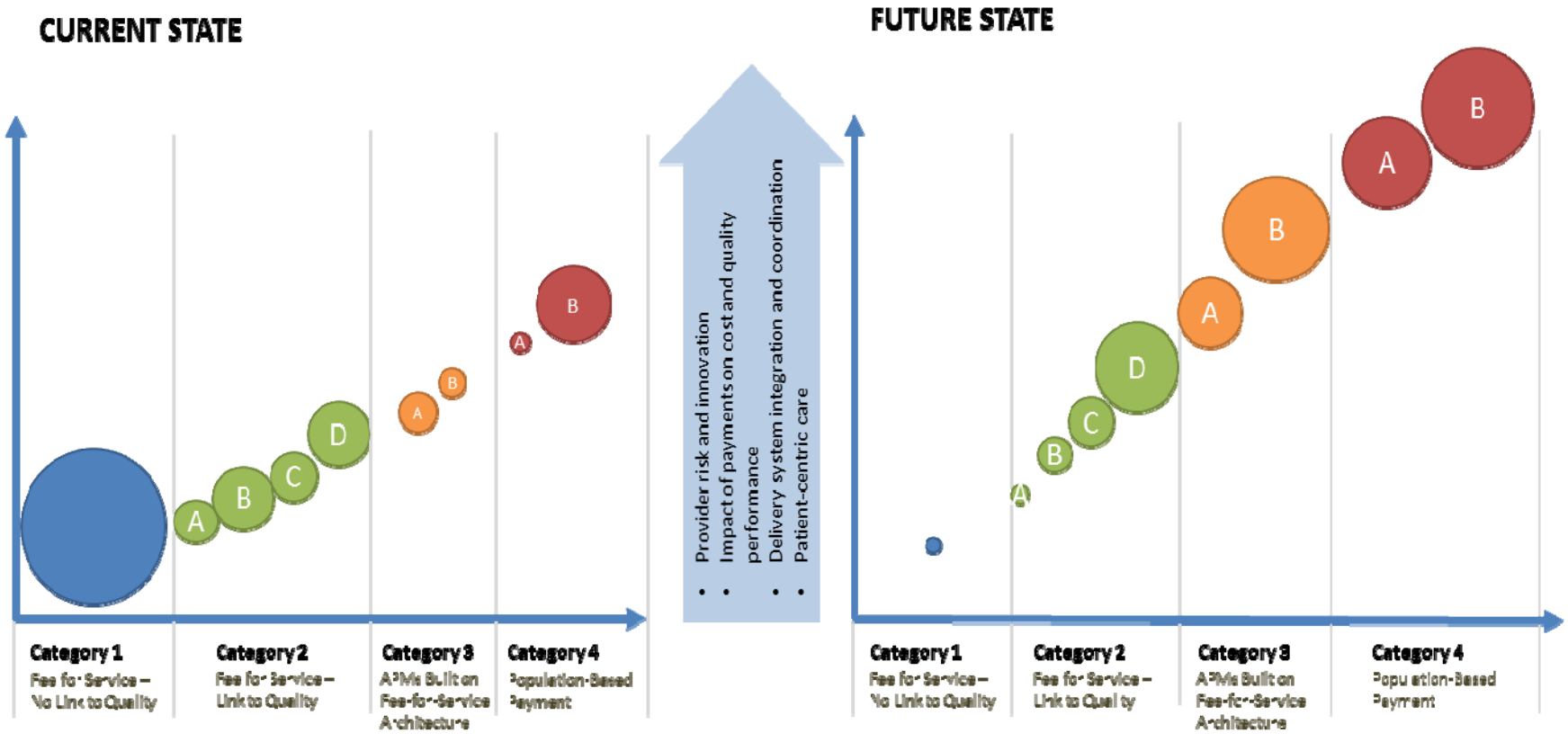
Key Principles for the Draft APM Framework
Principle Seven

Centers of Excellence, Patient-Centered Medical Homes, and Accountable Care Organizations are delivery models, not payment models. These delivery system models enable APMs and, in many instances, have achieved successes in advancing quality, but they should not be viewed as synonymous with a specific APM. Accordingly, they appear in multiple locations in the framework, depending on the underlying payment model that supports them.

Draft APM Framework



Pathway to Patient-Centered Care



Panel Discussion

Facilitator

Sam Nussbaum, MD
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Work Group Chair

Panelists

Shari M. Erickson
Vice President, Governmental and Regulatory Affairs for the American College of Physicians (ACP).

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

Jim Guest
Former President and CEO of Consumers Reports

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

Q&A

How You Can Provide Input and Feedback

- **The APM FPT Work Group will be collecting feedback through November 20**
- **Submit your comments at HCP-LAN.org**
- **Other opportunities to provide feedback include:**
  - via the LAN Learnings webinar Tuesday, November 10th
  - online through a discussion forum on Handshake
  - by email directly to PaymentNetwork@MITRE.org