303 Panel: APM Adoption in Each Market Segment
Welcome

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Panel Speakers

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Center for Medicare & Medicaid Innovation

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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

LAN EFFORT

- Trade Associations
- CMS
- Health Plans
- States
## Methodology

### Look back on 2017 data

#### Refreshed LAN APM Framework

<table>
<thead>
<tr>
<th>Category 1</th>
<th>Category 2</th>
<th>Category 3</th>
<th>Category 4</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fee for Service - No Link to Quality &amp; Value</td>
<td>Fee for Service - Link to Quality &amp; Value</td>
<td>APMs Built on Fee-for-Service Architecture</td>
<td>Population - Based Payment</td>
</tr>
<tr>
<td>A</td>
<td>A</td>
<td>A</td>
<td>A</td>
</tr>
<tr>
<td>Foundational Payments for Infrastructure &amp; Operations (e.g., care coordination fees and payments for HIT investments)</td>
<td>APMs with Shared Savings (e.g., shared savings with upside risk only)</td>
<td>Condition-Specific Population-Based Payment (e.g., per member per month payments, payments for specialty services, such as oncology or mental health)</td>
<td>Comprehensive Population-Based Payment (e.g., global budgets or full percent of premium payments)</td>
</tr>
<tr>
<td>B</td>
<td>B</td>
<td>C</td>
<td>C</td>
</tr>
<tr>
<td>Pay for Reporting (e.g., bonuses for reporting data or penalties for not reporting data)</td>
<td>APMs with Shared Savings and Downside Risk (e.g., episode-based payments for procedures and comprehensive payments with upside and downside risk)</td>
<td>Integrated Finance &amp; Delivery System (e.g., global budgets or full percent of premium payments in integrated systems)</td>
<td>Integrated Finance &amp; Delivery System</td>
</tr>
<tr>
<td>C</td>
<td>C</td>
<td>C</td>
<td>C</td>
</tr>
<tr>
<td>Pay-for-Performance (e.g., bonuses for quality performance)</td>
<td>3N Risk Based Payments NOT Linked to Quality</td>
<td>4N Capitated Payments NOT Linked to Quality</td>
<td>4N Capitated Payments NOT Linked to Quality</td>
</tr>
</tbody>
</table>
Methodology

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

Survey asked for payments made to providers in calendar year 2017

Payments categorized according to the Refreshed LAN APM Framework

LAN combined with aggregate data from AHIP, BCBSA, and Medicare FFS
Limitations

• Health plan participation was voluntary
• Potential variation in the interpretation of the metrics
• Data system challenges
Aggregate Results at a Glance

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

- 41%

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

- A: Foundational Payments for Infrastructure & Operations
  - 25.4%
- B: Pay for Reporting
  - 29.8%
- C: Pay-for-Performance
  - 3.8%

**AGGREGATED DATA**

- Based on 61 plans, 3 states, Medicare FFS

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

- A: Upside Rewards for Appropriate Care
  - 21.1%
- B: Upside & Downside for Appropriate Care
  - 8.7%

**CATEGORY 4: POPULATION-BASED PAYMENT**

- A: Condition-Specific Population-Based Payment
  - 1.5%
- B: Comprehensive Population-Based Payment
  - 2.2%
- C: Integrated Finance & Delivery Systems
  - 0.1%
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

**Category 3: APMS Built on Fee-for-Service Architecture**
- 18.4% Upside Rewards for Appropriate Care
- 8.2% Upside & Downside for Appropriate 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

*Representativeness of covered lives: Commercial - 63%*
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

**CATEGORY 3: APMS BUILT ON FEE-FOR-SERVICE ARCHITECTURE**
- 25.3% Upside Rewards for Appropriate Care
- 13.9% Upside & Downside for Appropriate 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**
- 49.5%

Representativeness of covered lives: Medicare Advantage - 70%
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%

**CATEGORY 3: APMS BUILT ON FEE-FOR-SERVICE ARCHITECTURE**
- 24.6% Upside Rewards for Appropriate Care
- 9.2% Upside & Downside for Appropriate Care

**CATEGORY 4: POPULATION-BASED PAYMENT**
- 3.4% Condition-Specific Population-Based Payment
- 1.1% Comprehensive Population-Based Payment
- 0% Integrated Finance & Delivery Systems

Representativeness of covered lives:
Medicare FFS - 100%

**MEDICARE FFS**
- 38.3%
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

**Category 3: APMS Built on Fee-for-Service Architecture**
- 17.6% Upside Rewards for Appropriate Care
- 3.2% Upside & Downside for Appropriate 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

*Representativeness of covered lives: Medicaid - 30%*

**Medicaid**
- 25%

Partnering for the Future
Health Care Payment Learning & Action Network

OCTOBER 22, 2018 | SHERATON TYSONS HOTEL | TYSONS, VA
Poll Question #1

- Consumer: 0
- Employer/Purchaser: 2
- Payer: 7
- Provider: 6
- Government: 11
- Researcher/Academic: 5
- Other: 16
Poll Question #2

- Provider interest/readiness: 17
- Health system interest/readiness: 11
- Purchaser interest/readiness: 2
- Government influence: 7
- Ability to operationalize: 27
- Willingness to take on financial risk: 31
- Potential financial impact: 8
- Market factors: 3
- Other: 3
Poll Question #3

Provider interest/readiness: 4
Health system interest/readiness: 4
Purchaser interest/readiness: 9
Government influence: 19
Ability to operationalize: 2
Willingness to tolkenson financial risk: 0
Potential financial impact: 3
Market factors: 3
Other: 1
Informational Questions

What Do Payers Think about the Future of APM Adoption?

- **Strongly Agree/Agree:** 90%
  - think APM activity will increase

- **Strongly Disagree/Disagree:** 9%
  - think APM activity will stay the same

- **Unsure:** 1%
  - not sure or didn’t answer

Categories Payers Feel Will Be Most Impacted

- **3B:** 48%
- **3A:** 25%

Will APM adoption result in...

<table>
<thead>
<tr>
<th>Category</th>
<th>Strongly Agree/Agree</th>
<th>Strongly Disagree/Disagree</th>
<th>Unsure</th>
</tr>
</thead>
<tbody>
<tr>
<td>...better quality of care?</td>
<td>99%</td>
<td>0%</td>
<td>1%</td>
</tr>
<tr>
<td>...more affordable care?</td>
<td>89%</td>
<td>2%</td>
<td>9%</td>
</tr>
<tr>
<td>...improved care coordination?</td>
<td>97%</td>
<td>1%</td>
<td>2%</td>
</tr>
<tr>
<td>...more consolidation among health care providers?</td>
<td>59%</td>
<td>18%</td>
<td>23%</td>
</tr>
<tr>
<td>...higher unit prices?</td>
<td>6%</td>
<td>73%</td>
<td>21%</td>
</tr>
</tbody>
</table>

**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!

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Thank You!