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

<table>
<thead>
<tr>
<th>Category 1</th>
<th>Category 2</th>
<th>Category 3</th>
<th>Category 4</th>
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</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>
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<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>Integrated Finance &amp; Delivery System (e.g., global budgets or full/percent of premium payments)</td>
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<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>Comprehensive Population-Based Payment (e.g., global budgets or full/percent of premium payments)</td>
<td>Risk Based Payments NOT Linked to Quality</td>
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<td>Pay for Performance (e.g., bonuses for quality performance)</td>
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<td>Capitated Payments NOT Linked to Quality</td>
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State of Adoption

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

Visit our online resources page:
hcpl-lan.org/foundational-resources

Pick up your copy today!
The APM Roadmap
Welcome

Mark McClellan

LAN CEO Forum Co-Chair
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: 30.1%
- Medicare Advantage: 53.6%
- Traditional Medicare: 40.9%
- Medicaid: 23.3%

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**

25.1%

- Foundational Payments for Infrastructure & Operations
- Pay-for-Reporting
- Pay-for-Performance

**AGGREGATED DATA**

- 39.1%
- 30.7%
- 25.1%
- 5.1%

Based on 62 plans, 7 states, Traditional Medicare

**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

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

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Visit the LAN Website for our Resources

https://hcp-lan.org/

What is the Health Care Payment Learning & Action Network?

The Health Care Payment Learning & Action Network (HCPLAN, or LAN) is an active group of public and private health care leaders dedicated to providing thought leadership, strategic direction, and ongoing support to accelerate our care system’s adoption of alternative payment models (APMs). The LAN mobilizes payers, providers, purchasers, patients, product manufacturers, policymakers, and others in a shared mission to lower care costs, improve patient experiences and outcomes, reduce the barriers to APM participation, and promote shared accountability.

Since 2015, health care stakeholders have relied on the LAN to align them around core APM design components, host forums and summits to share information and inspire action, build consensus among leaders, and measure the progress of APM adoption. The LAN will continue to be a trusted partner that connects the public and private sectors, identifies and shares best practices, and guides the field in rapidly moving to value-based payment.

OUR GOAL STATEMENT

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Now available, the Roadmap for Driving High Performance in Alternative Payment Models is a landmark tool designed to help health care stakeholders navigate the inherent challenges and opportunities in APM implementation. The Roadmap contains key insights, proven practices, and the most current strategies for designing and implementing successful APMs, delivered via an interactive, intuitive web experience. Health care decision makers at all stages of APM implementation will find value in the Roadmap’s real-world perspectives and lessons learned from both payers and providers—insights that can help accelerate the shift towards a value-based payment system that improves patient care quality while reducing costs. Explore the Roadmap Tool above, and start charting your course today.
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

**Leadership & Vision**
- Executive Forums

**Measurement**
- Annual APM Measurement Survey
- Exploratory Measurement Efforts

**Engagement**
- Annual LAN Summits
- Communications & Engagement Activities

**Activation**
- Work Groups to Address Strategies and Priorities
  - Informed by Executive Forums

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**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
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