

Four approaches to adoption, implications for model design

State-led/ statewide

- Strong policy impetus; Medicaid as lead
- Significant multi-payor involvement (multiple MCOs, Commercial)
- Typical: mandatory model, fixed thresholds for performance rewards



Payor-led, voluntary for providers

- Payor-developed program/ framework
- Providers choose whether to participate
- Incentives typically based on shared savings based on performance improvement



Provider-led

- Providers initiate
- May establish rewards with payors or relationships with providers/ ACOs
- Service lines with attractive economics (e.g., orthopedics, cardiac)
- Sometimes prospective payment



Employer-led, consumer-powered

- Employers initiate episode performance framework
- Sometimes involve strong network incentives ("centers of excellence")
- Sometimes prospective payment
- May be linked to reference pricing



Summary observations from Track II: Statewide Initiatives

Charging ahead

- Socializing the concept (this time with results)
 - Standardization with localization
 - Flexibility for strategic budgeting/target-setting
 - Integration with ACO and medical home models
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Open questions

- Adoption path: local market scale-ups or “killer apps”?
- Is prospective payment the destination or a distraction?
- Integrated operations or distributed analytics?