Roadmap for Driving High Performance in Alternative Payment Models

Bundled Payment Summit | Washington, DC

Tuesday, June 18, 2019

11:00 – 12:30 pm ET

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Health Care Payment Learning & Action Network

Welcome and Objectives

Thomas Buckingham

Executive Vice President,
Select Medical

- ✓ Explore the *Roadmap for Driving High Performance in Alternative Payment Models* (i.e., purpose, scope, domains and key findings)

- ✓ Examine promising practices for developing and implementing Category 3 and 4 APMs

- ✓ Offer perspectives from the payer, provider and patient/consumer communities on the value of the Roadmap tool, and how it can be used to support the design and adoption of alternative payment models

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Panelist Introductions

Aparna Higgins

President and CEO, Ananya Health Innovations Inc.,

Policy Fellow, The Duke-Margolis Center for Health Policy

Lili Brillstein

Director, Episodes of Care, Horizon Healthcare Innovations, Horizon Blue Cross Blue Shield New Jersey

Katie Martin

Vice President for Health Policy and Programs National Partnership for Women & Families

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Roadmap Overview

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Guiding Committee Co-Chairs

Mark McClellan, MD, PhD

Robert Margolis Professor of Business, Medicine, and Policy Director of the Robert J. Margolis Center for Health Policy at Duke University
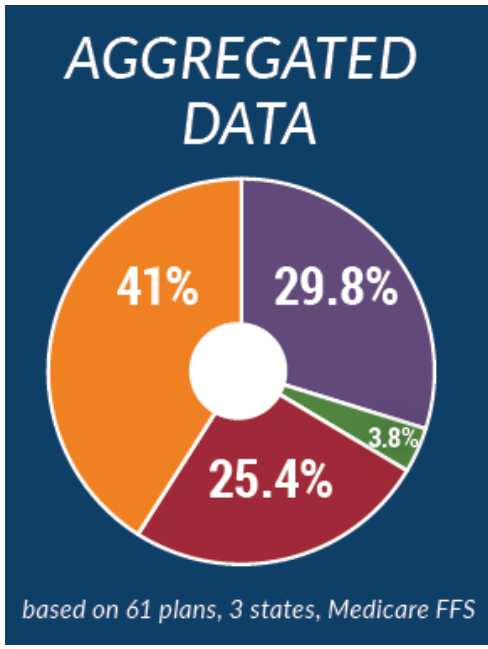
Mark Smith, MD, MBA

Visiting Professor, University of California at Berkeley and Clinical Professor of Medicine, University of California at San Francisco

The mission of the Health Care Payment Learning and Action Network (LAN) is to accelerate the health care system's transition to alternative payment models (APMs) by combining and aligning the innovation, power, and reach of the private and public sectors. LAN has been accomplishing this mission through the creation of a widely used framework for classifying APMs and measuring APM adoption, seminal recommendation on model design, and (most recently) disseminating promising practices for successfully implementing APMs.

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CATEGORY 1 FEE FOR SERVICE – NO LINK TO QUALITY & VALUE	CATEGORY 2 FEE FOR SERVICE – LINK TO QUALITY & VALUE	CATEGORY 3 APMS BUILT ON FEE-FOR-SERVICE ARCHITECTURE	CATEGORY 4 POPULATION – BASED PAYMENT
	A **Foundational Payments for Infrastructure & Operations** (e.g., care coordination fees and payments for HIT investments)	**A** **APMs with Shared Savings** (e.g., shared savings with upside risk only)	**A** **Condition-Specific Population-Based Payment** (e.g., per member per month payments, payments for specialty services, such as oncology or mental health)
	B **Pay for Reporting** (e.g., bonuses for reporting data or penalties for not reporting data)	**B** **APMs with Shared Savings and Downside Risk** (e.g., episode-based payments for procedures and comprehensive payments with upside and downside risk)	**B** **Comprehensive Population-Based Payment** (e.g., global budgets or full/percent of premium payments)
	C **Pay-for-Performance** (e.g., bonuses for quality performance)		**C** **Integrated Finance & Delivery System** (e.g., global budgets or full/percent of premium payments in integrated systems)
		3N Risk Based Payments NOT Linked to Quality	**4N** Capitated Payments NOT Linked to Quality

AGGREGATED DATA

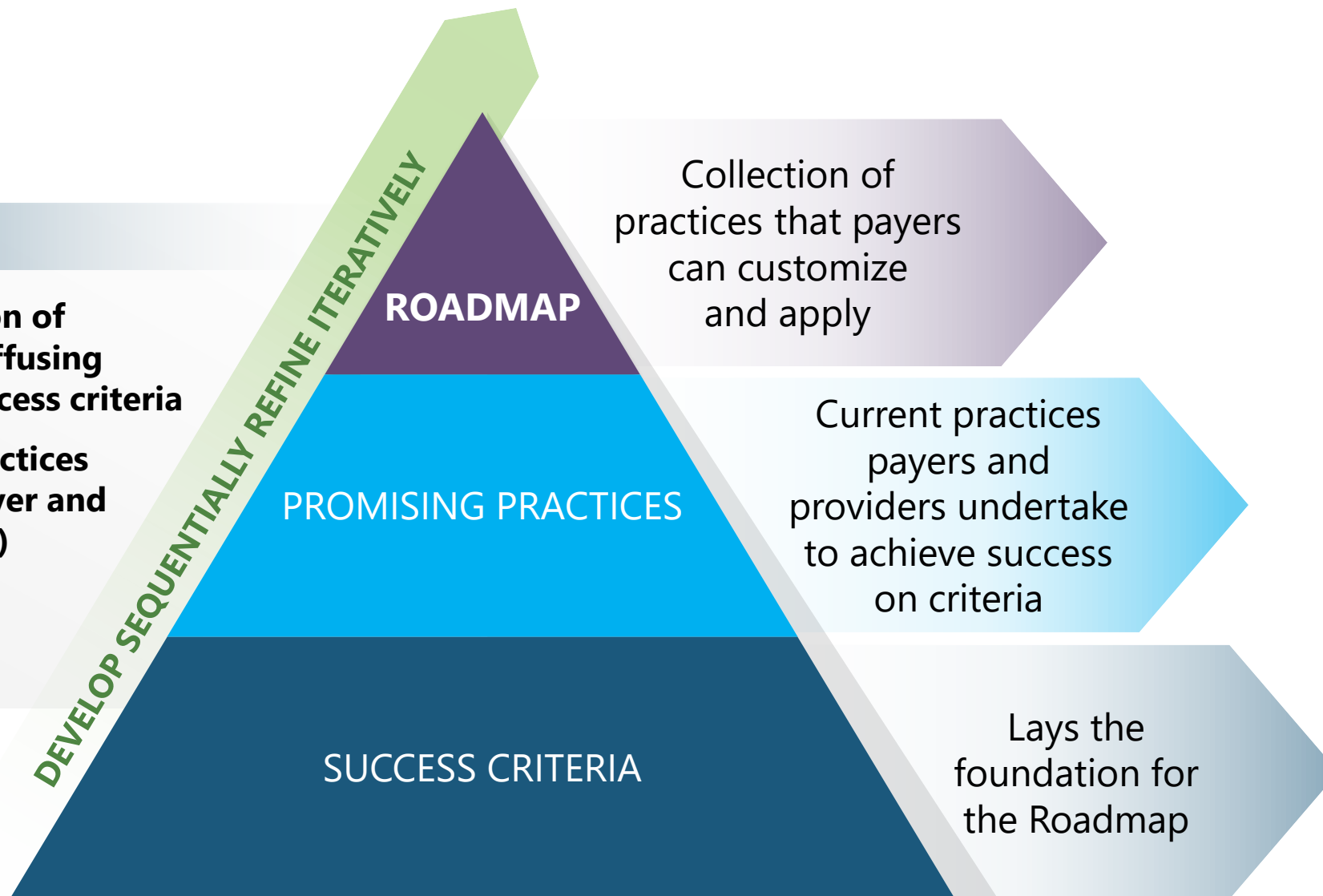41%   29.8%   3.8%   25.4%

based on 61 plans, 3 states, Medicare FFS

2018 Measurement Results

CATEGORY 1: FEE FOR SERVICE - NO LINK TO QUALITY & VALUE	CATEGORY 2: FEE FOR SERVICE – LINK TO QUALITY & VALUE			CATEGORY 3: APMS BUILT ON FEE-FOR-SERVICE ARCHITECTURE		CATEGORY 4: POPULATION-BASED PAYMENT		
	A Foundational Payments for Infrastructure & Operations	B Pay for Reporting	C Pay-for-Performance	A Upside Rewards for Appropriate Care	B Upside & Downside for Appropiate Care	A Condition-Specific Population-Based Payment	B Comprehensive Population-Based Payment	C Integrated Finance & Delivery Systems
41%		25.4%		21.1%	8.7%	1.5%	2.2%	0.1%

Approach for the APM Roadmap

GOALS

- **Accelerate the adoption of successful APMs by diffusing information about success criteria**
- **Identify promising practices (drawn from multi-payer and other successful APMs)**
- **Develop a Roadmap for implementation**

DEVELOP SEQUENTIALLY REFINE ITERATIVELY

ROADMAP

PROMISING PRACTICES

SUCCESS CRITERIA

Collection of practices that payers can customize and apply

Current practices payers and providers undertake to achieve success on criteria

Lays the foundation for the Roadmap

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Roadmap Development Process
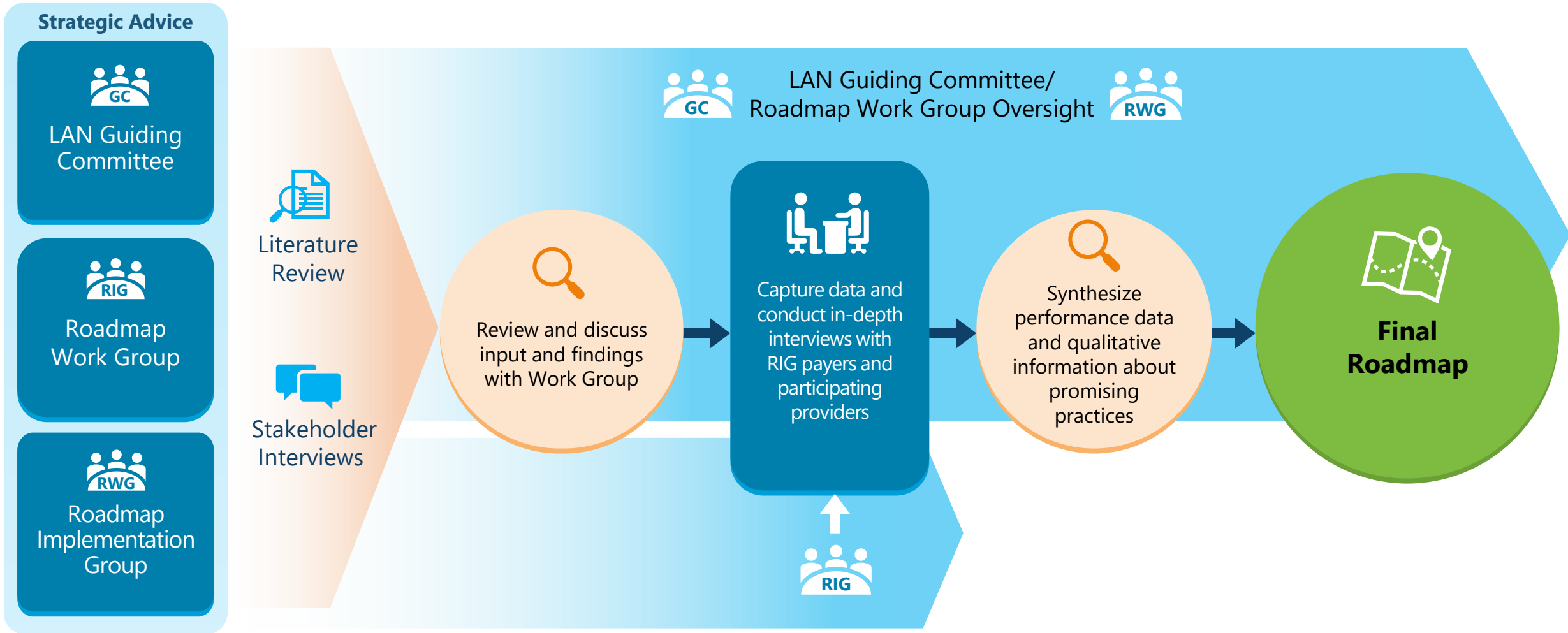
Scope
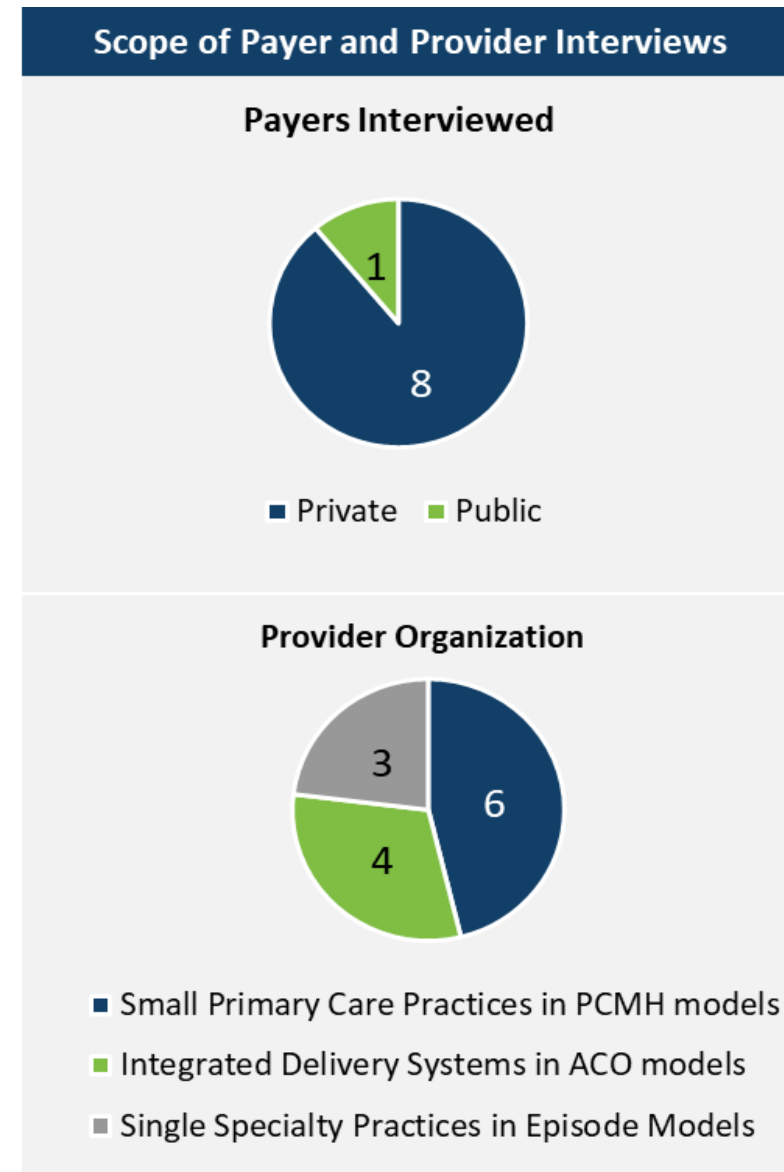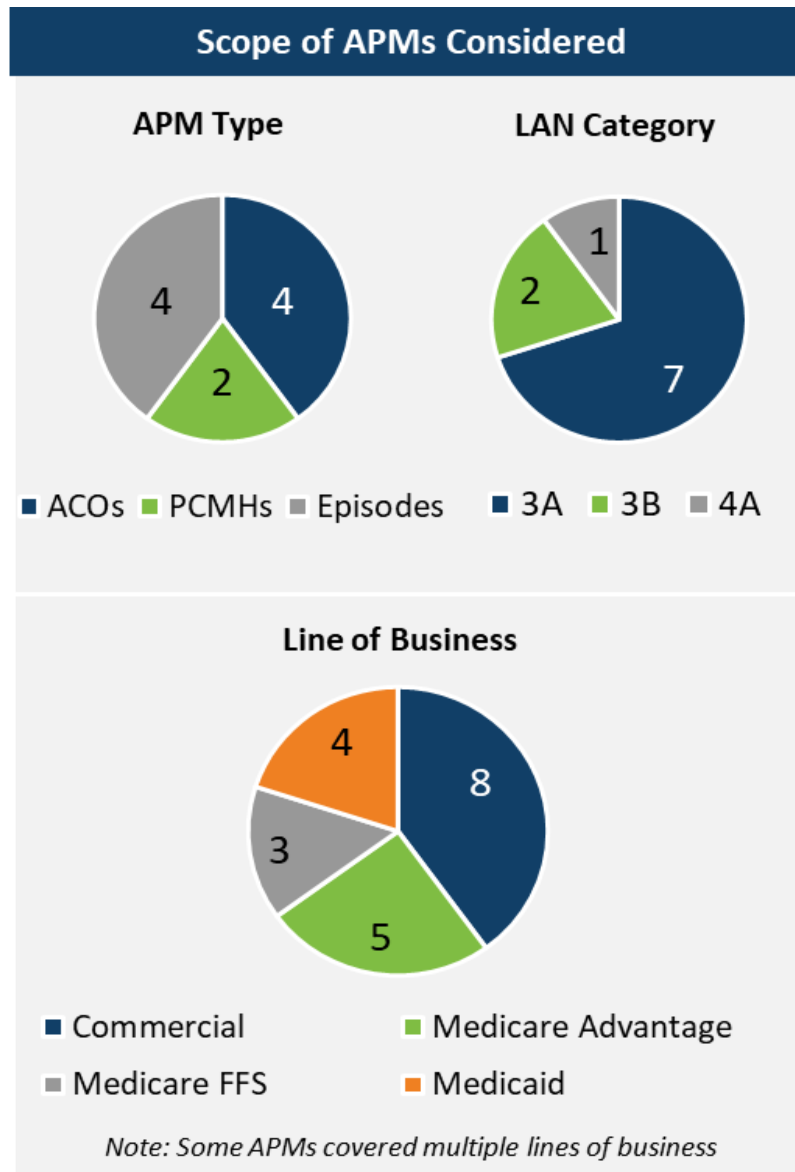
9 regional and national payers are participating in the initiative, including The Centers for Medicare and Medicaid Services

These participating payers represent approximately

135 million covered lives

Scope of APMs Considered

APM Type

- ACOs: 4
- PCMHs: 2
- Episodes: 4

■ ACOs ■ PCMHs ■ Episodes

LAN Category

- 3A: 7
- 3B: 2
- 4A: 1

■ 3A ■ 3B ■ 4A

Line of Business

- Commercial: 8
- Medicare Advantage: 5
- Medicare FFS: 3
- Medicaid: 4

■ Commercial ■ Medicare Advantage
■ Medicare FFS ■ Medicaid

Note: Some APMs covered multiple lines of business

Scope of Payer and Provider Interviews

Payers Interviewed

- Private: 8
- Public: 1

■ Private ■ Public

Provider Organization

- Small Primary Care Practices in PCMH models: 6
- Integrated Delivery Systems in ACO models: 4
- Single Specialty Practices in Episode Models: 3

■ Small Primary Care Practices in PCMH models
■ Integrated Delivery Systems in ACO models
■ Single Specialty Practices in Episode Models

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Featured Domains and Themes

APM Design	Payer-Provider Collaboration	Person-Centered Care
Payment Structure & Financial Risk	Collaboration on APM Design & Provider Engagement	Patient Engagement
Benchmarking & Utilization	Data Sharing & Analytics	Health Equity
Quality Measurement	Care Management Support	
Patient Attribution	Leadership & Organizational Culture	Benefit Design
Multi-Payer Alignment		

DESIGN | **IMPLEMENTATION**

Payer Practices: APM Design

Providers use the following practices to succeed in APMs:

Payment Structure and Financial Risk

- Align payment structure with provider capabilities
- Closely align bundled payments to clinical models
- Establish provider accountability for infrastructure investments
- Create smooth transitions to risk

Benchmarking and Utilization

- Historical benchmarks drive year-over-year improvements
- Regional benchmarks drive greater efficiencies in care delivery
- Case-mix adjustment in episode models
- Utilization indices minimize insurance risk

Patient Attribution

- Use prospective attribution to minimize uncertainty about accountability
- Use retrospective attribution to accurately assign patients
- Share regularly updated attribution lists with providers

Quality Measurement

- Widespread use of HEDIS, and need to move to outcomes orientation
- Establish core sets and episode-specific measures

Multi-Payer Alignment

- Accelerate alignment with support from state leadership and market-dominant stakeholders
- Establish effective forums for collaboration

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Provider Perspectives: APM Design

Providers use the following practices to succeed in APMs:

Downside Risk	Quality Measurement	Multi-Payer Alignment
• **Cascade financial incentives for individual clinicians** • **First demonstrate success in upside-only models** • **Ensure access to claims data and attribution lists** • **Develop long-term, sustainable business strategies**	• **Develop quality improvement strategies** • **Redesign workflows to seamlessly integrate data entry** • **Establish teams to integrate EHR and claims data from multiple payers**	• **Increase alignment (e.g., on quality measures, data sharing, and episode definitions) to reduce provider burden**

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Payer Practices: Payer-Provider Collaboration

Providers use the following practices to succeed in APMs:

Collaboration on APM Design and Provider Engagement

- Collaborate with providers on incremental approaches to design and implementation

- Develop multidisciplinary assessments of provider capabilities

- Conduct Joint Operating Committee meetings

Data Sharing and Analysis

- Weigh tradeoffs between timeliness and accuracy

- Share information on a schedule that corresponds to how it is used

- Tailor analytic support to provider capabilities

Care Management Support

- Establish care transformation teams

- Establish centralized care coordinators

Leadership and Culture

- Consider leadership a critical component of provider capabilities

- Engage executive and clinical leadership

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Provider Perspectives: Payer-Provider Collaboration

Providers use the following practices to succeed in APMs:

Preparing APMs

- Build data capabilities (e.g., monitoring quality performance, EHR capabilities)
- Change staffing models and increase staff responsibilities
- Collaborate with other providers
- Develop episode-based model strategies (e.g., utilization management, clinical guidelines)

Data Analytics

- Aggregate payer data and integrate with EHR data
- Establish processes to acting on internal and payer analyses
- Develop sophisticated data analytic capabilities for integrated delivery systems
- Work with payers to receive claims data

Care Coordination

- Contact, engage, and educate high risk patients
- Use data and analysis to identify opportunities for care coordination
- Coordinate with hospital to reduce utilization
- Integrated behavioral health and primary care

Leadership and Culture

- Establish team-based approaches to care delivery
- Establish leadership by investing in population health
- Use financial and non-financial incentives to engage clinicians in value-based care

Payer Practices: Person-Centered Care

Providers use the following practices to succeed in APMs:

Patient Engagement	Health Equity	Benefit Design
• Directly engage patients via alignment campaigns and care compacts • Support providers' patient engagement efforts with alternative payments	• Directly engage patients via centralized multidisciplinary teams • Support provider efforts to address social determinants with alternative payments	• Value-based benefit design is in early stages of implementation, due to lack of demand from purchasers • Create value-based benefit designs for ACO products

Provider Perspectives: Person-Centered Care

Providers use the following practices to succeed in APMs:

Patient Engagement	Health Equity
• Execute broad engagement strategies via patient portals, social media, and community partners • Execute targeted communication and information sharing programs • Establish patient advisory councils • Increase access and utilize telemedicine	• Assess patients' socioeconomic needs • Use case management to address social determinants • Address socioeconomic needs via targeted programs (e.g., food, transportation, housing)

Reactions

The Path Forward

The Roadmap addresses the challenges of APM adoption in the context of the following areas:

Quality Measurement	Patient Engagement	Downside Risk	Multi-Payer Alignment	Benefit Design

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? **What is the Roadmap?** →

APM Design →

Payer-Provider Collaboration →

Person-Centered Care →

The Path Forward →

Additional Resources →

Roadmap for Driving High Performance in Alternative Payment Models

The *Roadmap for Driving High Performance in Alternative Payment Models* is a pilot study that focuses on a small sample of APMs. The promising practices detailed in the *Roadmap* reflect activities payers and providers are currently performing in the field and are based solely on information captured during 22 interviews with payers and providers. These interviews focused on 10 APMs nominated by eight regional and national plans, as well as the Center for Medicare and Medicaid Innovation.

Executive Summary

Acknowledgements

▶ **Video Tutorial**

www.hcp-lan.org/apm-roadmap-tool

Spread the Word

Promote the Roadmap through your communications channels (newsletters, Twitter, Facebook, LinkedIn, conferences/meetings)

ENCOURAGE YOUR NETWORKS TO VISIT:

- **The APM Roadmap Initiative website** (https://hcp-lan.org/apm-roadmap)
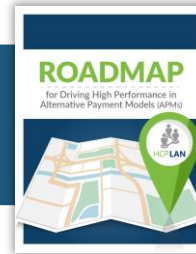
Take the tool for a test drive!

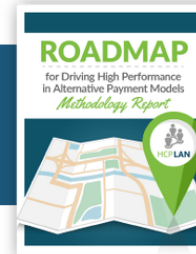**Share Resources Available on the Website**

| APM Roadmap Overview | Executive Summary | APM Roadmap | APM Roadmap Methodology Report | Data Collection Tool | Exploring Success Factors |

Send us your feedback at: apmroadmap@rippleeffect.com

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Thank You!

Send us your feedback at:
apmroadmap@rippleeffect.com

Appendix

Overview: What is the Roadmap?

The Roadmap...

...is the LAN's capstone product, which builds on LAN's seminal work on APM classification, measurement, and design recommendations

...is a unique contribution to the field of health care payment reform, developed interviews with payers and providers who are experiencing success in ten different APMs

...is an interactive implementation guide that public and private payers can use to work with providers, and other stakeholders to accelerate the creation and adoption of high-performing APMs

...details promising practices from three domains – APM Design; Payer-Provider Collaboration; and Person-Centered Care – that provide operational guidance for designing and implementing APMs

Roadmap Work Group

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