

For Immediate Release

While progress continues, the LAN launches new goals to increase reach and impact of value-based payment reform

October 24, 2019 – Washington, D.C. – Today, the Health Care Payment Learning & Action Network (LAN) released the results from its 2019 APM Measurement Effort, an annual collaboration to measure nationwide progress in alternative payment model (APM) adoption. Building on the Measurement Effort results, the LAN unveiled new goals and a new vision for the future of payment reform.

At the 2019 LAN Summit, themed “Aligning for Shared Accountability,” notable speakers from across public, private, and non-profit sectors gathered to align efforts, share best practices, and commit to action in transforming health care payment. The Summit was opened by Health and Human Services (HHS) Secretary Alex Azar, who discussed the progress of payment reform to date, opportunities and objectives for the future, and how HHS will support the LAN’s goals.

LAN Co-Chair Mark McClellan unveiled a new set of goals that focus on accelerating the transition to two-sided risk alternative payment models (APMs) including shared risk, bundled payments, and population-based payments.

LAN Goals

The continued demand for innovative, higher quality care at lower costs has driven the need for two-sided risk models in payment reform – that is, payments that move away from “fee-for-service” (FFS) to give clinicians and patients more flexibility in implementing reforms that are hard to sustain under FFS. The LAN aims to focus its efforts on supporting health care providers, patients, health plans, and purchasers to accelerate the speed of adoption of effective two-sided risk APMs.

Looking forward, the LAN’s new goals outline the percentage of health care payments that are tied to two-sided risk APMs (Categories 3B, 4A, 4B, & 4C of the LAN’s [Refreshed APM Framework](#)) by line of business:

- Medicare Advantage & Traditional Medicare
 - 30% by 2020
 - 50% by 2022
 - 100% by 2025
- Medicaid
 - 15% by 2020
 - 25% by 2022
 - 50% by 2025
- Commercial
 - 15% by 2020
 - 25% by 2022
 - 50% by 2025

Along with the new goals, Dr. McClellan announced his new co-chair, Marc Harrison, President and CEO of Intermountain Healthcare, who will help lead the efforts toward shared accountability.

“We believe that these bold goals are achievable, building on the commitment and action from reformers in this room and all across the country,” said McClellan during his opening remarks. “While the road to significant payment reform has been challenging and takes time, there is better evidence and support driving more public and private commitment than ever before – including through the LAN.”

2019 APM Measurement Effort

A report released today by the LAN showed that 35.8% of total U.S. health care payments in 2018 were tied to APMs in LAN categories 3 and 4. The report, which represents the largest and most comprehensive measurement effort of its kind, indicates the percentage of health care payments tied to APMs have increased from 34% last year.

This progress is part of a continuing, big-picture trend in health care payment reform since the LAN was established in 2015. Four years ago, one in four health care payments flowed through an APM, and today that ratio is one in three.

Like last year, the LAN reported payment data by line of business (i.e., commercial, Medicaid, Medicare Advantage, and Traditional Medicare). The APM Measurement Effort includes Traditional Medicare data, in addition to data from 62 health plans and 7 FFS Medicaid States, representing a total of 77% of covered lives in the United States. This granular data provides more actionable insights into the state of APMs in these markets.

- Medicare Advantage had 53.6% of health care dollars in Categories 3 and 4
- Traditional Medicare had 40.9% of health care dollars in Categories 3 and 4
- The Commercial line of business had 30.1% of health care dollars in Categories 3 and 4
- Medicaid had 23.3% of health care dollars in Categories 3 and 4

Additionally, among payers surveyed in the 2019 Measurement Effort, 97% of respondents believe APM adoption will result in better quality of care, and 88% believe it will result in more affordable care; the readiness and interest of health plans, government, and providers will all help facilitate adoption.

Detailed findings can be accessed via the [LAN Website](#).

“Our new goals focus on where the evidence shows that health care payment can improve quality of care and have the largest impact on cost,” said McClellan. “That’s why shared accountability is so important to the future of payment reform, and why the Federal government, states, and private-sector leaders are taking new steps to support health care providers in moving away from fee-for-service. This shift is a critical part of ensuring high quality care delivery, positive outcomes, and reduced costs.”

About the LAN

The LAN, launched in March 2015 by the U.S. Department of Health & Human Services (HHS), brings together public, private, and non-profit sectors to link health care payments to quality and value through the increased adoption of alternative payment models (APMs). Through the LAN’s collaborative structure, more than 7,100 participants are collaborating toward APM adoption and implementation, a critical step in achieving the LAN’s goals. As the LAN moves forward with a focus on two-sided risk models which benefit providers and patients alike, this shared accountability between payers and providers will be integral.

The 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 health care system’s adoption of APMs through a shared mission to lower care costs, improve patient experiences and outcomes, reduce the barriers to APM participation, and promote shared accountability.

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