# Health Care Payment Learning & Action Network

## OVERVIEW



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## LAN Mission, Vision, & Goals



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## Formation & Purpose of the LAN



Launched by the U.S. Department of Health and Human Services (HHS) in 2015, the LAN was created to bring together partners in the private, public, and non-profit sectors to transform the nation's health care system to emphasize high quality, efficient, and affordable care via alternative payment models (APMs).

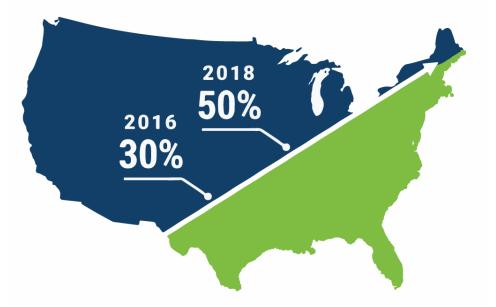
Since its inception, decision makers from these stakeholder groups have worked together through the LAN to align efforts, capture best practices, disseminate information, and apply lessons learned.



# **History of the LAN**

#### **Original Mission & Goals**

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 feefor-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 & 4\* of the APM Framework.

> **RESULTS** 2015 Data: 23% 2016 Data: 29% 2017 Data: 34% 2018 Data: 36%

\*Category 3: APMs Built on Fee-for-Service Architecture Category 4: Population-Based Payments



# **LAN Mission & Vision**

## MISSION

To accelerate the shift to value-based care in order to achieve better outcomes at lower cost.

## VISION

An American health care system that pays for value to the benefit of our patients and communities.



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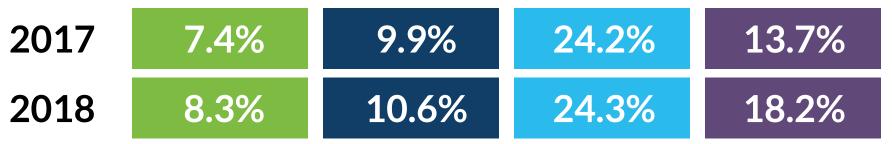
# LAN Goals

## **GOAL STATEMENT**

Accelerate the percentage of U.S. health care payments tied to quality and value in each market segment through the adoption of two-sided risk models.

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

Percentage of payments flowing through **two-sided risk models** (**Categories 3B & 4\*** in the LAN APM Framework)





## LAN Goals: Medicaid

#### Medicaid **Traditional** Medicare 15% Commercial Advantage Medicare 2020 30% 30% 15% 25% 25% 50% 50% 2022 100% 50% 100% 50% 2025

Percentage of payments flowing through two-sided risk models (Categories 3B & 4\* in the LAN APM Framework)

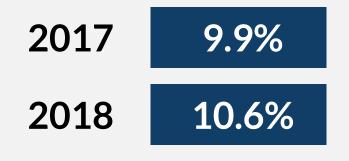




# LAN Goals: Commercial

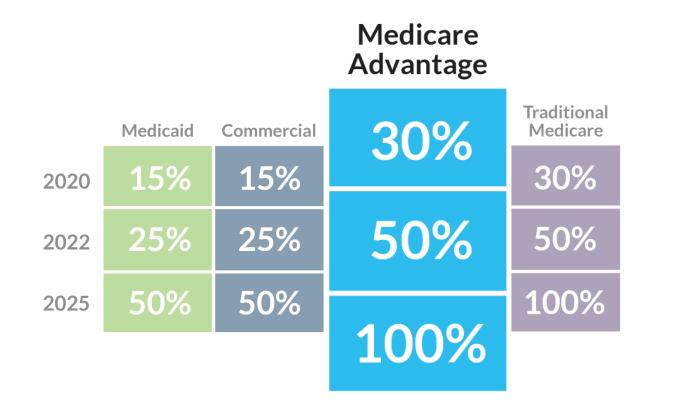
#### Commercial **Traditional** Medicare 15% Advantage Medicaid Medicare 30% 15% 30% 2020 25% 50% 50% 25% 2022 100% 100% 50% 2025 50%

Percentage of payments flowing through two-sided risk models (Categories 3B & 4\* in the LAN APM Framework)





# LAN Goals: Medicare Advantage

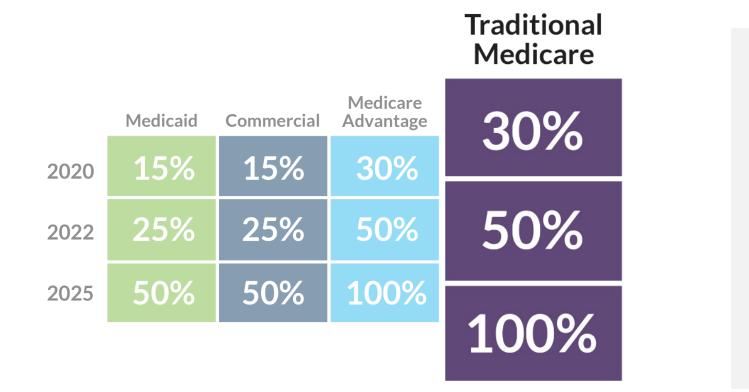


Percentage of payments flowing through two-sided risk models (Categories 3B & 4\* in the LAN APM Framework)

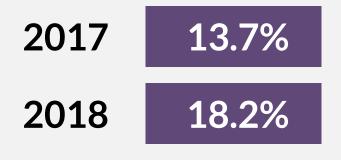




# LAN Goals: Traditional Medicare



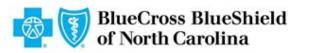
Percentage of payments flowing through two-sided risk models (Categories 3B & 4\* in the LAN APM Framework)





# **Organizations Supporting New LAN Goals**













Business Group on Health

FloridaBlue 💩 🗑



NEXTGEN ACO COALITION







Humana

McDermott + consulting









# LAN Structure & Workflow



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## **LAN Governance**

# MITRE



- As a not-for-profit organization chartered to work in the public interest, MITRE operates federally funded research and development centers (FFRDCs) for the federal government and serves as an objective, independent advisor to CMS and other HHS operating divisions.
- The MITRE-operated FFRDC dedicated to health and well being is the CMS Alliance to Modernize Healthcare (Health FFRDC).
- The Health FFRDC serves as the independent convener of the LAN.

#### **EXECUTIVE FORUMS**

- Set strategy for the LAN within scope of LAN goals
- Serve as the primary collaborative bodies of the network
- Provide critical guidance and input into LAN initiatives and LAN work groups



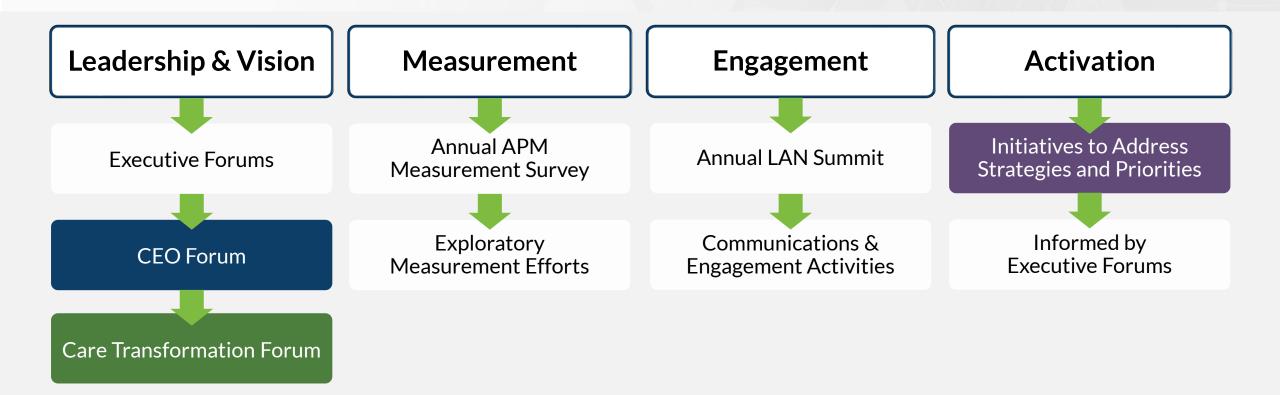
- CMS funds the Health FFRDC to independently operate the LAN public-private partnership for a specific period of time.
- CMS is represented on the LAN Executive Forums as an equal partner with an equal voice in deliberations.

The LAN Executive Forums do not make policy recommendations directly to CMS or any other government entity.



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# LAN Structure to Accelerate Progress



The LAN's Executive Forums—the CEO Forum and the Care Transformation Forum—convene health care leaders committed to shaping the strategic direction for value-based payment in the U.S.



# LAN Executive Forums



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## **Executive Forums**

## **FOCUS AREAS**

#### **CEO Forum**

Influences LAN strategic direction and provides guidance on opportunities for action, alignment, and strengthening incentives and capacity to accelerate the transition to twosided risk payment models across markets

- Chief Executives/Presidents
- Meets twice/year (Summer/Winter)

#### Care Transformation Forum (CTF)

Influences and shapes care delivery transformation by identifying the tools and strategies to prepare providers and clinicians for success in improving patient outcomes and reducing costs in two-sided risk payment models

- Clinical Executives (CMO/CQO/CNO/CTO)
- Meets twice/year (Fall/Spring)



**Addressing Social Determinants of** Health (SDOH)



Reducing Ineffective **Care and Inappropriate** Utilization of Services



**Increasing Data Transparency and** Interoperability



**Ensuring Timely Data and Analytics Capabilities** 



Facilitating Market-Based Solutions



**Promoting Population-Specific Approaches** 



## **Executive Forum Chairs**

## **CEO Forum**



#### Dr. Mark McClellan

Director

Duke Margolis Center for Health Policy



#### **Dr. Marc Harrison**

President/Chief Executive Officer

Intermountain Healthcare

### **Care Transformation Forum**



#### **Ms. Emily Brower**

Senior Vice President of Clinical Integration and Physician Services

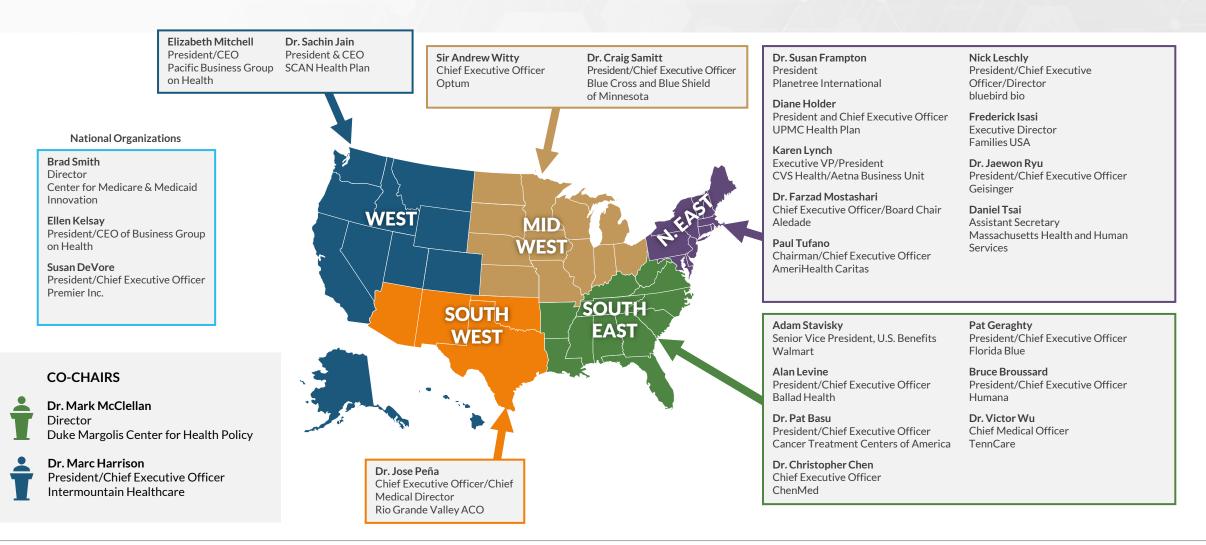
**Trinity Health** 



Dr. William Shrank Chief Medical Officer Humana

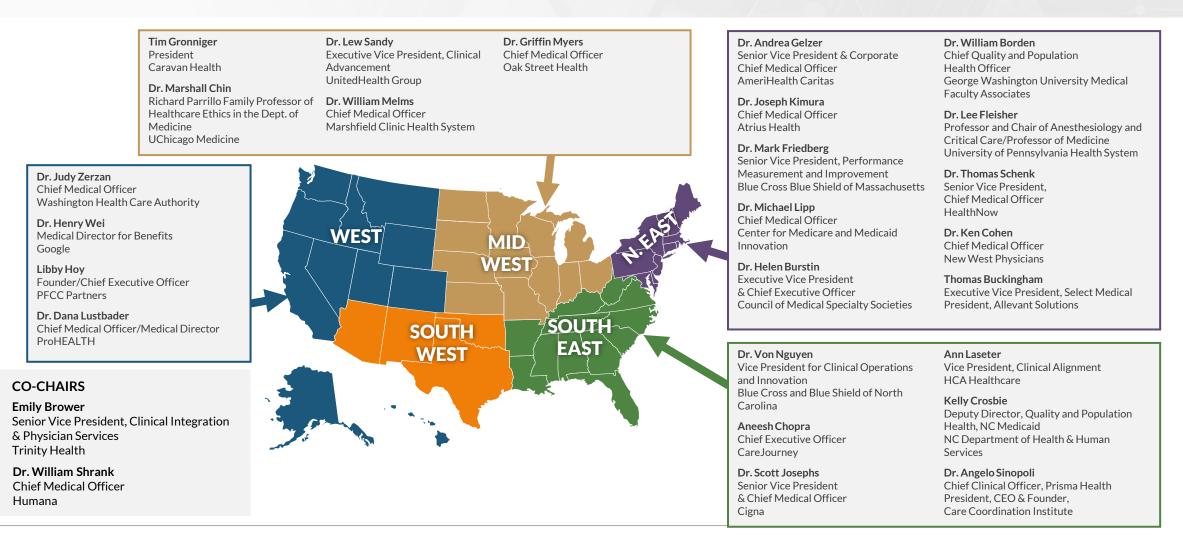


## **CEO Forum Participants**





## **Care Transformation Forum Participants**



# LAN Accomplishments



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## **LAN Overview**

#### VISION

An American health care system that pays for value to the benefit of our patients and communities.

#### 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. Please explore the modules below to learn more about how we have led the movement to transform health care payment.





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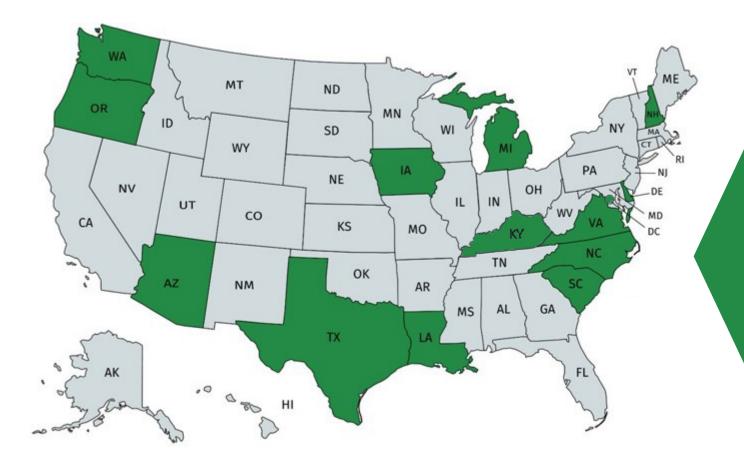
# LAN APM Framework

- First published in 2016 and then refreshed in 2017, the APM Framework established a common vocabulary and pathway for measuring and sharing successful payment models
- 4 Categories & 8 Subcategories
- Has become the foundation for 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	A APMs with Shared Savings (e.g., shared savings with	A Condition-Specific Population-Based Payment
	(e.g., care coordination fees and payments for HIT investments) B	upside risk only) B APMs with Shared	(e.g., per member per month payments, payments for specialty services, such as oncology or mental health)
	Pay for Reporting (e.g., bonuses for reporting data or penalties for not reporting data)	Savings and Downside Risk (e.g., episode-based payments for procedures and comprehensive payments with upside and downside risk)	B Comprehensive Population-Based Payment
	C Pay-for-Performance (e.g., bonuses for quality		(e.g., global budgets or full/percent of premium payments)
	(e.g., bonuses for quality performance)		Integrated Finance & Delivery System
			(e.g., global budgets or full/percent of premium payments in integrated systems)
		<b>3N</b> Risk Based Payments NOT Linked to Quality	4N Capitated Payments NOT Linked to Quality



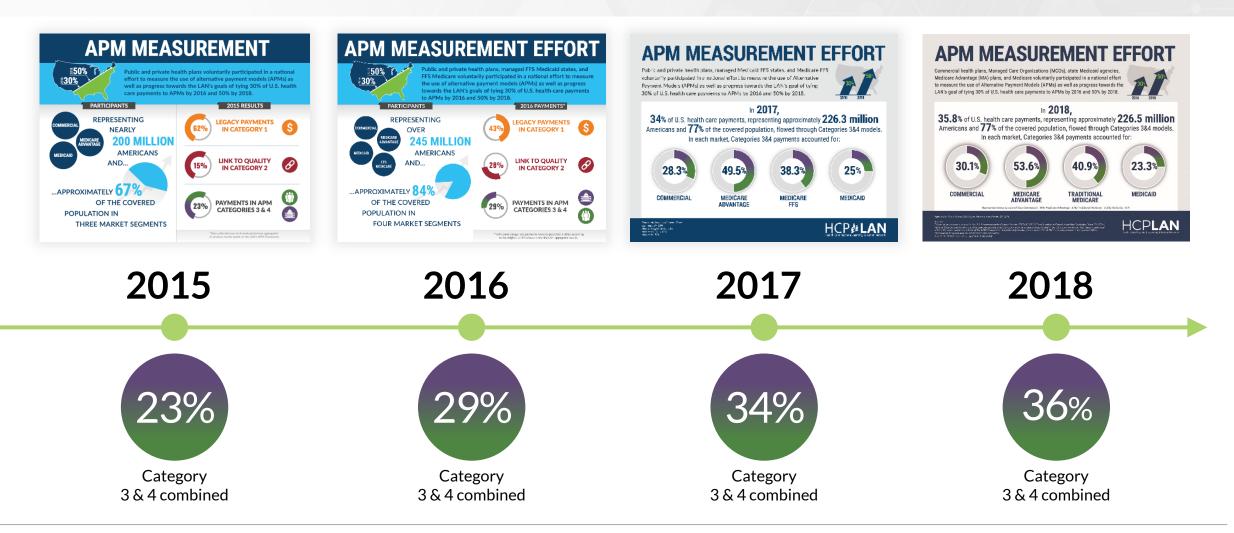
## **State of LAN APM Framework Adoption**



13 States and the District of Columbia are Using the LAN APM Framework to Set Requirements for Value-Based Payment.



## LAN APM Measurement Through the Years



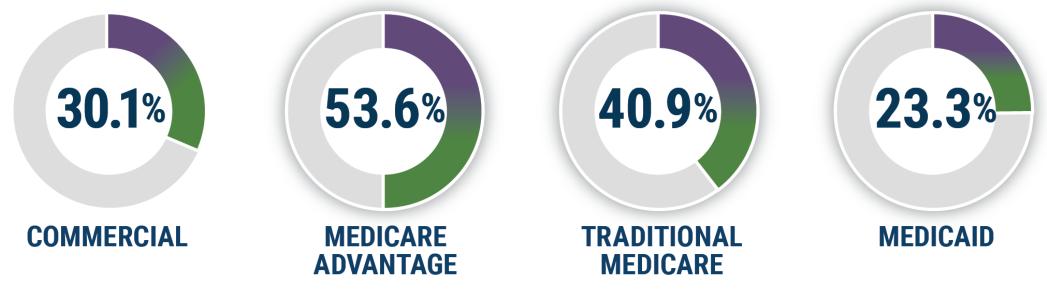


# LAN 2018 APM Measurement Results

Read the APM Measurement Report

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:



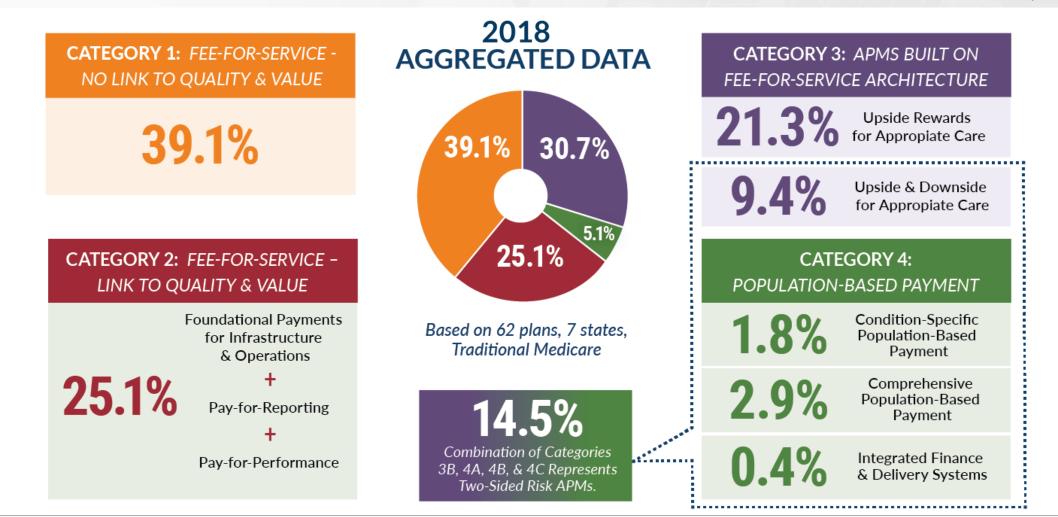
Representativeness of covered lives: Commercial - 61%; Medicare Advantage - 67%; Traditional Medicare - 100%; Medicaid - 51%



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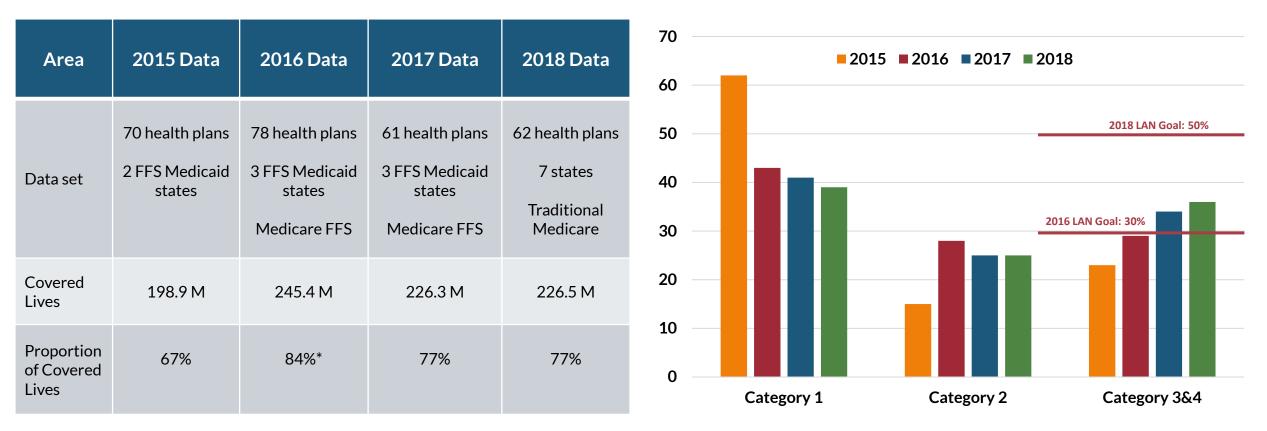
# LAN 2018 APM Measurement Results

Read the APM Measurement Report





## **Comparing LAN Measurement Results Across the Years**



\* Denominator is 294,613,000, from *Health Insurance Coverage in the United States: 2017* https://www.census.gov/content/dam/Census/library/publications/2018/demo/p60-264.pdf



## The LAN APM Roadmap





# **Suite of LAN Resources**



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

- White Papers
- Fact Sheets
- Infographics
- Toolkits
- Reports
- Videos



#### Download your copy of Foundational Resources from our website!



# **Online Resource Banks**

Maternity Episode Payment & Primary Care Payer Action Collaboratives

#### Maternity Episode Payment Online Resource Bank is a "one-stop shop" for the LAN's efforts related to Maternity APMs, including:

- The LAN Clinical Episode Payment white paper maternity recommendations
- Slides, e-books, and summaries from the nine virtual meetings of the Maternity Multi-Stakeholder Action Collaborative (MAC), which the LAN operated from December 2016 to September 2017
- Report "Establishing Maternity Episode Payment Models: Experiences from Ohio and Tennessee"

https://hcp-lan.org/maternity-resourcebank/



The PAC Resource Bank provides content to support payers as they operationalize alternatives to feefor-service payment specifically in "CPC+ Track 2," including:

- Slide presentations and meeting highlights from the PAC virtual collaborative sessions
- Additional CMS resources

https://hcp-lan.org/pac-portal/



## Visit the New LAN Website

## https://hcp-lan.org

#### **HCPLAN** INSPIRE ~ STANDARDIZE ~ EMPOWER ~ MEASURE ~ ENGAGE ~ RESOURCES ~ Q Our Vision What is the Health Care Payment Learning & Action Network? An American health care system that pays The Health Care Payment Learning & Action Network (HCPLAN, or LAN) is an active group of public and private health for value to the benefit of our patients care leaders dedicated to providing thought leadership, strategic direction, and ongoing support to accelerate our care and communities. 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 Our Mission 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 To accelerate the shift to value-based forums and summits to share information and inspire action, build consensus among leaders, and measure the care in order to achieve better outcomes progress of APM adoption. The LAN will continue to be a trusted partner that connects the public and private sectors, at lower cost. identifies and shares best practices, and guides the field in rapidly moving to value-based payment. Medicare Traditional Medicaid Commercial Advantage Medicare **Our Goal Statement** 15% 15% 30% 30% 2020 Accelerate the percentage of US health care payments tied to quality and value in each market segment through the adoption of two-sided risk 25% 50% 25% 50% 2022 alternative payment models DOWNLOAD OUR GOAL 50% 100% 100% 50% 2025



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## **LAN Summit**

Alex M. Azar II, HHS Secretary Amy Bassano, Acting Director & Deputy Director, CMMI Bruce Broussard, CEO, Humana Christopher Chen, CEO, ChenMed Susan Frampton, President, Planetree International Adam Stavisky, Senior Vice President, U.S. Benefits of Walmart Nick Leschly, CEO, bluebird bio

Alex M. Azar II, HHS Secretary (virtual) Seema Verma, CMS Administrator (virtual) Adam Boehler, Senior Advisor to the Secretary, Deputy Administrator; Director, CMMI Patrick Conway, President & CEO. BCBS of North Carolina; Former Director, CMMI

Seema Verma, CMS Administrator Tom Daschle, Founder & CEO, The Daschle Group; Former U.S. Senator, South Dakota Senator Bill Cassidy, Louisiana

Sylvia Matthews Burwell, HHS Secretary

*Governor Mike Leavitt,* Founder & Chairman, Leavitt Partners; Former HHS Secretary

Sylvia Matthews Burwell, HHS Secretary

Andy Slavitt, CMS Administrator

## Platform for Learning & Collaboration

Each year, nearly 650 attendees participate in the LAN Summit. Industry leaders discuss an array of innovations in payment reform, touching on implementation methods and lessons learned.

Federal and state health care purchasers describe how they are addressing the challenges of current and future health care delivery via new payment models that put the patient first.

In October 2019, LAN Summit attendees collaborated in facilitated sessions designed for specific stakeholder groups which focused on vital areas of interest — and challenges — surrounding the design and implementation of APMs.

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2017

2018

2019

**2016** (Fall)

2016

(Spring)

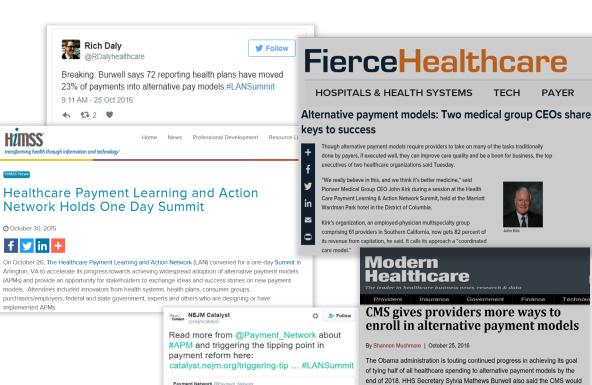
2015

# **LAN Summit Press Coverage**

2019	<ul> <li>18 media stories</li> <li>6 press outlets on site</li> <li>More than 10,200 Twitter impressions and 123 new followers on social media sites, 29 retweets, and 88 likes</li> </ul>
2018	<ul> <li>20 original media stories</li> <li>6 press outlets on site</li> <li>125 press release pick-ups for a total potential audience</li> </ul>
2017	<ul> <li>14 original media stories</li> <li>5 press outlets on site</li> <li>247 press release pick-ups for a total potential audience of 83.9 million</li> </ul>
2016	<ul> <li>25 original media stories</li> <li>5 press outlets on site</li> <li>More than 920,000 Twitter impressions and 450 tweets from external sources.</li> </ul>
2015	• <b>3</b> media stories

...

. .



Just announced: Results from #APM measurement study highlight progress of

#paymentreform. ow.ly/4gDe305uQao #LANSummit #healthcare

P 🗃 🚨 👗

give providers more opportunities to become involved in Medicare's alternative

models."That's incredible progress. It's historic," she said. "But it's just a start. We have a long road ahead."Burwell said the CMS will re-open the Next

PAYER

Techno





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# LAN Staff & Advisors

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- Executive Forums: Lauren Murray, Immurray@mitre.org
- Strategic Initiatives/Work Groups & APM Measurement Effort: Joe Reategui, jreategui@mitre.org
- APM Framework & Subject Matter Expert: Grischa Metlay, gmetlay@mitre.org
- Strategic Communications & Stakeholder Engagement: Cathy Buck, <u>cbuck@mitre.org</u>
- Subject Matter Expert: Rhonda Taller, rtaller@mitre.org
- Individual Contributor: Tara Wolfson, <a href="mailto:twolfson@mitre.org">twolfson@mitre.org</a>
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- Portfolio Managers: David Cusano, dcusano@mitre.org and Cheryl Austin Casnoff, causteincasnoff@mitre.org
- Current Advisors:
  - Catalyst for Payment Reform
  - Ripple Effect
  - Independent: Dr. Mark McClellan; Aparna Higgins; Mary Jo Deering





## We want to hear from you!







@Payment\_Network



/in/Payment-Network





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