Health Care Payment Learning & Action Network

OVERVIEW
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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 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 & 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.
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.

<table>
<thead>
<tr>
<th>Year</th>
<th>Medicaid</th>
<th>Commercial</th>
<th>Medicare Advantage</th>
<th>Traditional Medicare</th>
</tr>
</thead>
<tbody>
<tr>
<td>2020</td>
<td>15%</td>
<td>15%</td>
<td>30%</td>
<td>30%</td>
</tr>
<tr>
<td>2022</td>
<td>25%</td>
<td>25%</td>
<td>50%</td>
<td>50%</td>
</tr>
<tr>
<td>2025</td>
<td>50%</td>
<td>50%</td>
<td>100%</td>
<td>100%</td>
</tr>
</tbody>
</table>

Percentage of payments flowing through two-sided risk models

(Categories 3B & 4* in the LAN APM Framework)

<table>
<thead>
<tr>
<th>Year</th>
<th>Medicaid</th>
<th>Commercial</th>
<th>Medicare Advantage</th>
<th>Traditional Medicare</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>7.4%</td>
<td>9.9%</td>
<td>24.2%</td>
<td>13.7%</td>
</tr>
<tr>
<td>2018</td>
<td>8.3%</td>
<td>10.6%</td>
<td>24.3%</td>
<td>18.2%</td>
</tr>
</tbody>
</table>

*Category 3B: APMs with Shared Savings and Downside Risk
Category 4: Population-Based Payments
LAN Goals: Medicaid

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

- 2017: 7.4%
- 2018: 8.3%

*Category 3B: APMs with Shared Savings and Downside Risk
Category 4: Population-Based Payments
LAN Goals: Commercial

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

<table>
<thead>
<tr>
<th>Year</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>9.9%</td>
<td>10.6%</td>
</tr>
</tbody>
</table>

*Category 3B: APMs with Shared Savings and Downside Risk
Category 4: Population-Based Payments
LAN Goals: Medicare Advantage

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

<table>
<thead>
<tr>
<th>Year</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>24.2%</td>
</tr>
<tr>
<td>2018</td>
<td>24.3%</td>
</tr>
</tbody>
</table>

*Category 3B: APMs with Shared Savings and Downside Risk
Category 4: Population-Based Payments
LAN Goals: Traditional Medicare

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

2017: 13.7%
2018: 18.2%

*Category 3B: APMs with Shared Savings and Downside Risk
Category 4: Population-Based Payments
Organizations Supporting New LAN Goals

ACCOUNTABLE CARE LEARNING COLLABORATIVE AT WESTERN GOVERNORS UNIVERSITY
Aledade
AMERICA’S PHYSICIAN GROUPS
BalladHealth
BlueCross BlueShield of North Carolina
Business Group on Health
Cancer Treatment Centers of America
caravanhealth
ChenMed
Florida Blue
Humana
Intermountain Healthcare
LEAVITT PARTNERS
national partnership for women & families
NEXTGEN ACO COALITION
McDermott Consulting
NAACOS
nursing and associations of nurses
PACIFIC BUSINESS GROUP ON HEALTH
Premier
Trinity Health
UPMC Health Plan

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LAN Structure & Workflow
LAN Governance

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.

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.

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

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

CEO Forum
Influences LAN strategic direction and provides guidance on opportunities for action, alignment, and strengthening incentives and capacity to accelerate the transition to two-sided 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)

FOCUS AREAS

- 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

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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
Care Transformation Forum Participants

**CO-CHAIRS**

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Senior Vice President, Clinical Integration & Physician Services  
Trinity Health

Dr. William Shrank  
Chief Medical Officer  
Humana

Tim Gronniger  
President  
Caravan Health

Dr. Marshall Chin  
Richard Parrillo Family Professor of Healthcare Ethics in the Dept. of Medicine  
UChicago Medicine

Dr. Judy Zerzan  
Chief Medical Officer  
Washington Health Care Authority

Dr. Henry Wei  
Medical Director for Benefits  
Google

Libby Hoy  
Founder/Chief Executive Officer  
PFCC Partners

Dr. Dana Lustbader  
Chief Medical Officer/Medical Director  
ProHEALTH

Dr. Lew Sandy  
Executive Vice President, Clinical Advancement  
UnitedHealth Group

Dr. William Melms  
Chief Medical Officer  
Marshfield Clinic Health System

Dr. Griffin Myers  
Chief Medical Officer  
Oak Street Health

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Senior Vice President & Corporate Chief Medical Officer  
AmeriHealth Caritas

Dr. Joseph Kimura  
Chief Medical Officer  
Atrius Health

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Senior Vice President, Performance Measurement and Improvement  
Blue Cross Blue Shield of Massachusetts

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Executive Vice President & Chief Executive Officer  
Council of Medical Specialty Societies

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Vice President for Clinical Operations and Innovation  
Blue Cross and Blue Shield of North Carolina

Aneesh Chopra  
Chief Executive Officer  
CareJourney

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Senior Vice President & Chief Medical Officer  
Cigna

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George Washington University Medical Faculty Associates

Dr. Lee Fleisher  
Professor and Chair of Anesthesiology and Critical Care/Professor of Medicine  
University of Pennsylvania Health System

Dr. Thomas Schenk  
Senior Vice President, Chief Medical Officer  
HealthNow

Dr. Ken Cohen  
Chief Medical Officer  
New West Physicians

Thomas Buckingham  
Executive Vice President, Select Medical  President, AllevantSolutions

Dr. Michael Lipp  
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LAN Accomplishments
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.

INSPRE
STANDARDIZE
EMPOWER
MEASURE
ENGAGE

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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
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

<table>
<thead>
<tr>
<th>Year</th>
<th>Category 3 &amp; 4 Combined</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>23%</td>
</tr>
<tr>
<td>2016</td>
<td>29%</td>
</tr>
<tr>
<td>2017</td>
<td>34%</td>
</tr>
<tr>
<td>2018</td>
<td>36%</td>
</tr>
</tbody>
</table>
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%
LAN 2018 APM Measurement Results

2018 AGGREGATED DATA

- **39.1%** for Fee-for-Service - No Link to Quality & Value
- **30.7%** for Fee-for-Service - Link to Quality & Value
- **25.1%** for Population-Based Payments
- **14.5%** for Other Categories

**Category 3:** APMS Built on Fee-for-Service Architecture
- **21.3%** for Upside Rewards for Appropriate Care
- **9.4%** for Upside & Downside for Appropriate Care

**Category 4:** Population-Based Payment
- **1.8%** for Condition-Specific Population-Based Payment
- **2.9%** for Comprehensive Population-Based Payment
- **0.4%** for Integrated Finance & Delivery Systems

Based on 62 plans, 7 states, Traditional Medicare

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Comparing LAN Measurement Results Across the Years

<table>
<thead>
<tr>
<th>Area</th>
<th>2015 Data</th>
<th>2016 Data</th>
<th>2017 Data</th>
<th>2018 Data</th>
</tr>
</thead>
<tbody>
<tr>
<td>Data set</td>
<td>70 health plans</td>
<td>78 health plans</td>
<td>61 health plans</td>
<td>62 health plans</td>
</tr>
<tr>
<td></td>
<td>2 FFS Medicaid states</td>
<td>3 FFS Medicaid states</td>
<td>3 FFS Medicaid states</td>
<td>7 states</td>
</tr>
<tr>
<td></td>
<td>Medicare FFS</td>
<td>Medicare FFS</td>
<td>Traditional Medicare</td>
<td></td>
</tr>
<tr>
<td>Covered Lives</td>
<td>198.9 M</td>
<td>245.4 M</td>
<td>226.3 M</td>
<td>226.5 M</td>
</tr>
<tr>
<td>Proportion of Covered Lives</td>
<td>67%</td>
<td>84%*</td>
<td>77%</td>
<td>77%</td>
</tr>
</tbody>
</table>

* Denominator is 294,613,000, from Health Insurance Coverage in the United States: 2017
The LAN APM Roadmap

Visit [https://hcp-lan.org/apm-roadmap/](https://hcp-lan.org/apm-roadmap/) to explore the Roadmap which highlights key insights, promising practices, and the most current strategies for designing and implementing successful APMs.

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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-resource-bank/

The PAC Resource Bank provides content to support payers as they operationalize alternatives to fee-for-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
LAN Summit

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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<table>
<thead>
<tr>
<th>Year</th>
<th>Media Stories</th>
<th>Press Outlets</th>
<th>Press Release Pick-Ups</th>
<th>Twitter Impressions</th>
<th>New Followers on Social Media</th>
<th>Retweets</th>
<th>Likes</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>18</td>
<td>6</td>
<td>18 media stories</td>
<td>10,200</td>
<td>123 new followers</td>
<td>29 retweets</td>
<td>88 likes</td>
</tr>
<tr>
<td>2018</td>
<td>20</td>
<td>6</td>
<td>20 original media stories</td>
<td>125 press release pick-ups</td>
<td>125 press release pick-ups</td>
<td>123 retweets</td>
<td>88 likes</td>
</tr>
<tr>
<td>2017</td>
<td>14</td>
<td>5</td>
<td>14 original media stories</td>
<td>5 press outlets on site</td>
<td>247 press release pick-ups</td>
<td>247 press release pick-ups</td>
<td>88 likes</td>
</tr>
<tr>
<td>2016</td>
<td>25</td>
<td>5</td>
<td>25 original media stories</td>
<td>5 press outlets on site</td>
<td>More than 920,000 Twitter impressions</td>
<td>450 tweets from external sources</td>
<td></td>
</tr>
<tr>
<td>2015</td>
<td>3</td>
<td></td>
<td>3 media stories</td>
<td></td>
<td></td>
<td></td>
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</tr>
</tbody>
</table>
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- **/in/Payment-Network**
- **Search: HCPLAN**
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