

For Immediate Release

As progress continues in alternative payment model adoption, the LAN launches new initiatives and guidance to accelerate action for value-based payment reform

December 15, 2021– Today, the Health Care Payment Learning & Action Network (LAN) released the results from its 2020 and 2021 APM Measurement Efforts, measuring 2019 and 2020 data, an annual collaboration to measure nationwide progress in alternative payment model (APM) adoption.

At the 2021 Virtual LAN Summit, themed “Building Bridges to Person-Centered Care,” 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 CMS Administrator, Chiquita Brooks-La-Sure who messaged that as the nation recovers from the public health emergency, a renewed sense of opportunity is palpable – a collective hope that we can learn from COVID-19 to build a better health system that is more responsive to rising costs, inconsistent outcomes, and inadequate access.

LAN Launches New State-Based Initiative

The CMS Administrator announced the launch of a new strategic, state-based initiative for the LAN to accelerate the movement towards advanced payment models that improve health care by shifting the economic drivers away from fee-for-service to a person-centered approach to health through alignment among Medicare, Medicare Advantage, Medicaid and commercial payers and purchasers.

“CMS is excited to announce that the LAN will be embarking on a new strategic initiative, the State Transformation Collaboratives, which will bring CMS and local stakeholders to the table to support locally-driven health care transformation efforts that are prioritizing the needs of states and their communities,” said CMS Administrator Chiquita Brooks-LaSure. “The State Transformation Collaboratives will start in the following states: Arkansas, California, Colorado and North Carolina. These are states with significant opportunity to impact health equity and with substantial momentum around alternative payment models.”

2020 and 2021 APM Measurement Efforts

Dr. Mark McClellan LAN CEO, Forum Co-Chair, announced the Measurement Effort results for the past two years and noted that while we are making progress, the LAN recognizes that additional action must be taken to accelerate APM adoption, across all lines of business. He spoke to the evolution the LAN intends to make in the coming months with new initiatives whose objectives are focused on action at both the regional and national level. He also introduced new guidance from the LAN’s Health Equity Advisory Team to advance health equity through intentional APM design.

“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.”

Recognizing the impact of the COVID-19 public health emergency on the health care industry, the LAN adjusted its regular Measurement Effort cycle, giving health plans and participating states the opportunity to respond to the survey on a timeline that made sense to the participants’ business operations. The LAN reported both 2019 and 2020 APM data concurrently.

The report released today by the LAN reported on two years of data, showing that 38.2% of total U.S. health care payments in 2019 and 40.9% in 2020 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 over the past two years from 35.8% in 2018.

This progress is part of a continuing, big-picture trend in health care payment reform since the LAN was established in 2015. Six years ago, one quarter of health care payments flowed through an APM, and today it is over one third.

Like in previous years, the LAN reported payment data by line of business (commercial, Medicaid, Medicare Advantage, and Traditional Medicare). The APM Measurement Effort includes Traditional Medicare data, in addition to data from 69 health plans in calendar year 2019 and 73 health plans in 2020, and 6 FFS Medicaid States in 2019, and 5 in 2020, representing a total of 72.5% of covered lives in the United States in 2019 and 80.2% in 2020. This granular data provides more actionable insights into the state of APMs in these markets.

2020 Measurement Effort (measuring 2019 data):

- Medicare Advantage had 50.0% of health care dollars in Categories 3 and 4
- Traditional Medicare had 41.9% of health care dollars in Categories 3 and 4
- The Commercial line of business had 32.1% of health care dollars in Categories 3 and 4
- Medicaid had 35.6% of health care dollars in Categories 3 and 4

2021 Measurement Effort (measuring 2020 data):

- Medicare Advantage had 58.0% of health care dollars in Categories 3 and 4
- Traditional Medicare had 42.8% of health care dollars in Categories 3 and 4
- The Commercial line of business had 35.5% of health care dollars in Categories 3 and 4
- Medicaid had 35.4% of health care dollars in Categories 3 and 4



Additionally, among payers surveyed in the 2021 Measurement Effort, 92% of respondents believe APM adoption will result in better quality of care, and 85% believe it will result in more affordable care; the readiness and interest of health plans, government, and providers will all help facilitate adoption.

In 2021, an informational question was added to better understand if and how health plans are leveraging value-based provider arrangements to incentivize the reduction of health disparities. Among payers surveyed, 58% collect standardized sociodemographic data, 41% measure health disparities by stratifying along sociodemographic data, and 30% use these value-based arrangements to improve patient experience for targeted populations.

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

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).

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. Through the LAN's collaborative structure, almost 8,000 participants are collaborating toward APM adoption and implementation.

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