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Health Care Payment Learning & Action Network

May 1, 2017

For Implementers

Are you participating in an alternative payment model (APM) – in whole or in part – and if so for how long?

- 3+ Years
- 1 to 2 Years
- Less than 1 Year
- Would like to participate but not ready at this time
- Not participating

For participants who are not implementers:

What is your role in advancing APMs?

- Advocacy
- Consulting
- Education/Resources
- Expertise
- Convener
- Other



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Viewpoint: Patient Perspective



Nancy Michaels

Inspirational Speaker, Healthcare Speaker,
Business Consultant



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What are your obstacles to instituting value-based payments or APMs?

(check all that apply)

- ☐ Leadership Support
- ☐ Organizational Culture
- ☐ Technology Infrastructure
- ☐ Legislation
- ☐ Financing
- ☐ Access to Implementation Tools
- ☐ Other
- ☐ None – already implementing



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Oncology Care Model

Brian R. Bourbeau
Director of Practice Operations
Oncology Hematology Care
The US Oncology Network

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13 locations 30,000 patients

OHC

SPECIALISTS IN CANCER
AND BLOOD DISORDERS



**23 Medical
Oncologists**



**18 Advanced
Practice
Providers**



**10 Radiation
Oncologists**



**20 Nurse
Navigators**



**2 Gynecologic
Oncologists**



**11 Financial
Navigators**



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Payment Reform

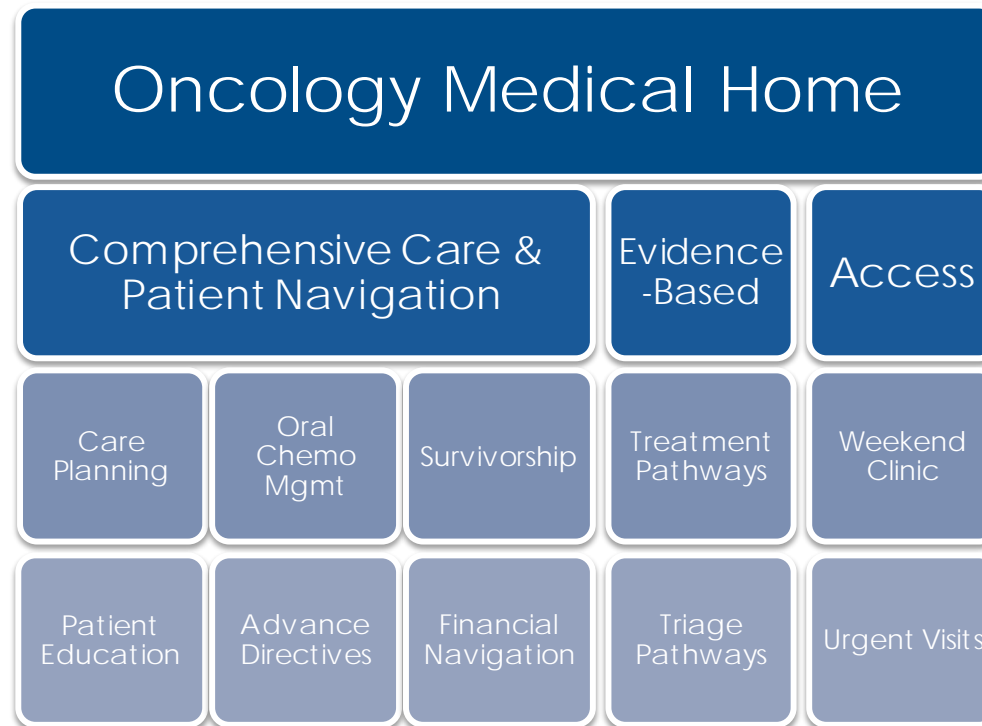
OHC Clinical Care Model

Accreditation



Humana®

aetna®



Laboratory Services

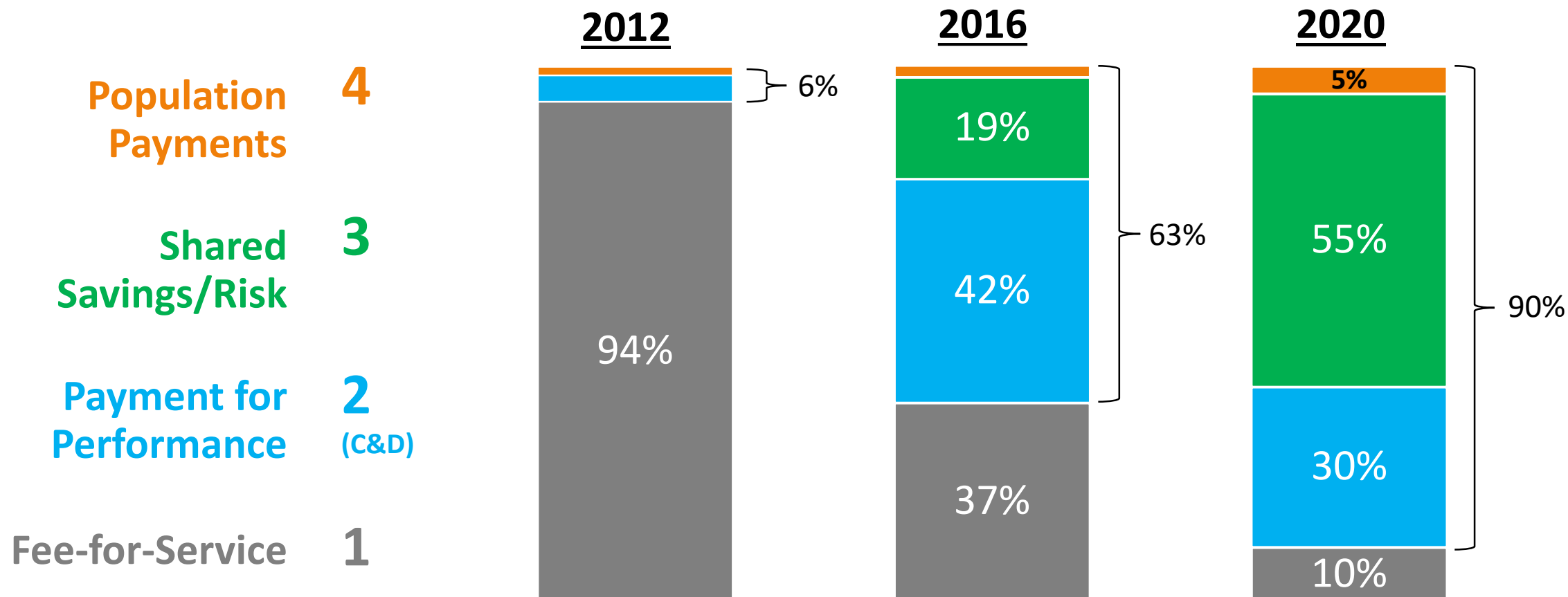


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Goals for Quality & Value



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Oncology Care Model

- 5-year CMMI project – July '16 - June '21
- 190 practices
- Practice redesign activities & quality measurement
- Enhanced oncology services payments
- Total cost-of-care & shared savings / risk



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Care Model Redesign

Past 12
Months

Evidence Based Medicine

- Clear Value Plus Treatment Pathways
- Triage Pathways
- Data Mining

Navigation & Care Planning

- Team-based Care Planning Sessions
- Depression Screening & Follow-up
- Advance Care Planning

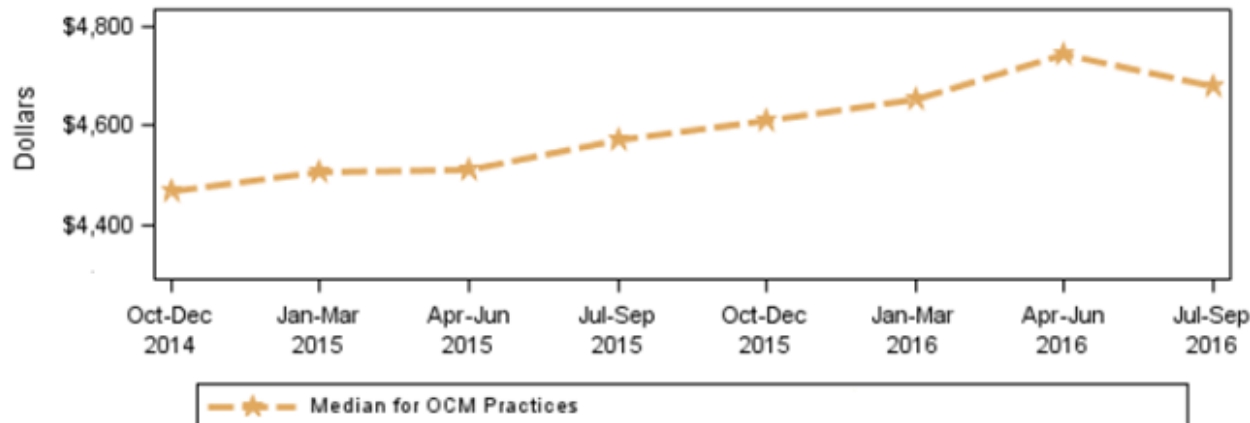
ED Avoidance

- 5 RN Phone Triage Unit
- Triage Pathways
- Urgent Care Visits



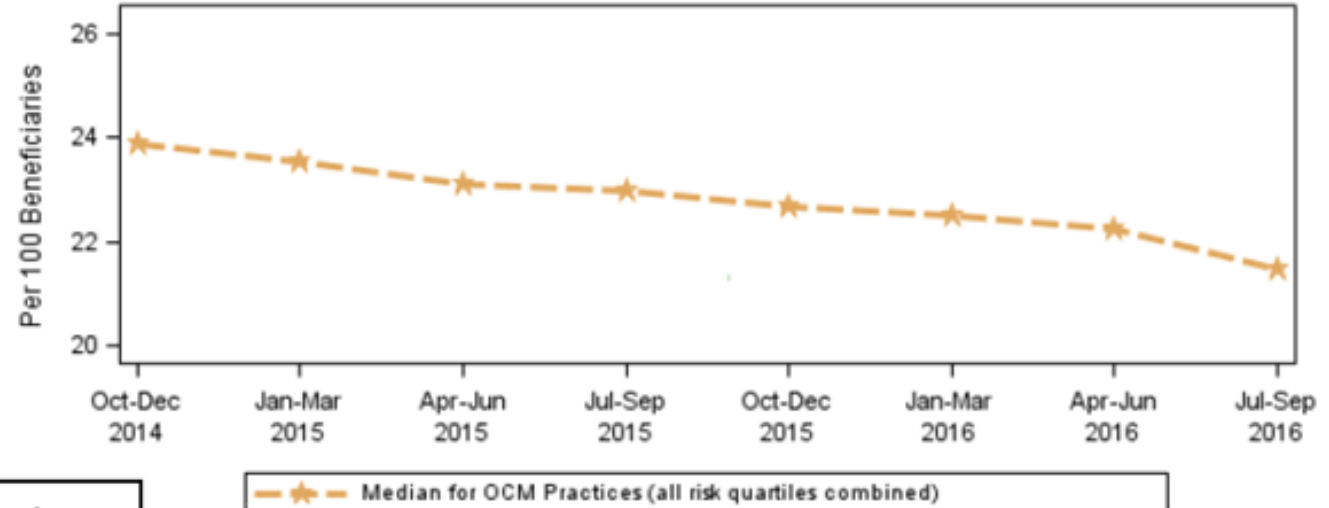
Early Results

Figure 1: Trends in Total Medicare Expenditures per Beneficiary per Month (risk-adjusted 4-quarter averages)



Expenditure amounts are adjusted for inflation

Figure 2: Trends in Inpatient Admissions to Short-term Acute Care Hospitals and CAHs, All Cause Per 100 Beneficiaries (Not Risk Adjusted; 4-quarter Averages)



Practices are provided baseline reports, feedback reports with early results, and claims files for data mining.



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Medical Home Program

Karen S. Johnson,
Vice-President, Healthcare Insights and Partnerships,
Blue Cross and Blue Shield of Kansas City

The Story of CPC+ in Kansas City...



1 region
5 counties
2 states
825 clinicians
110 locations
1 payer

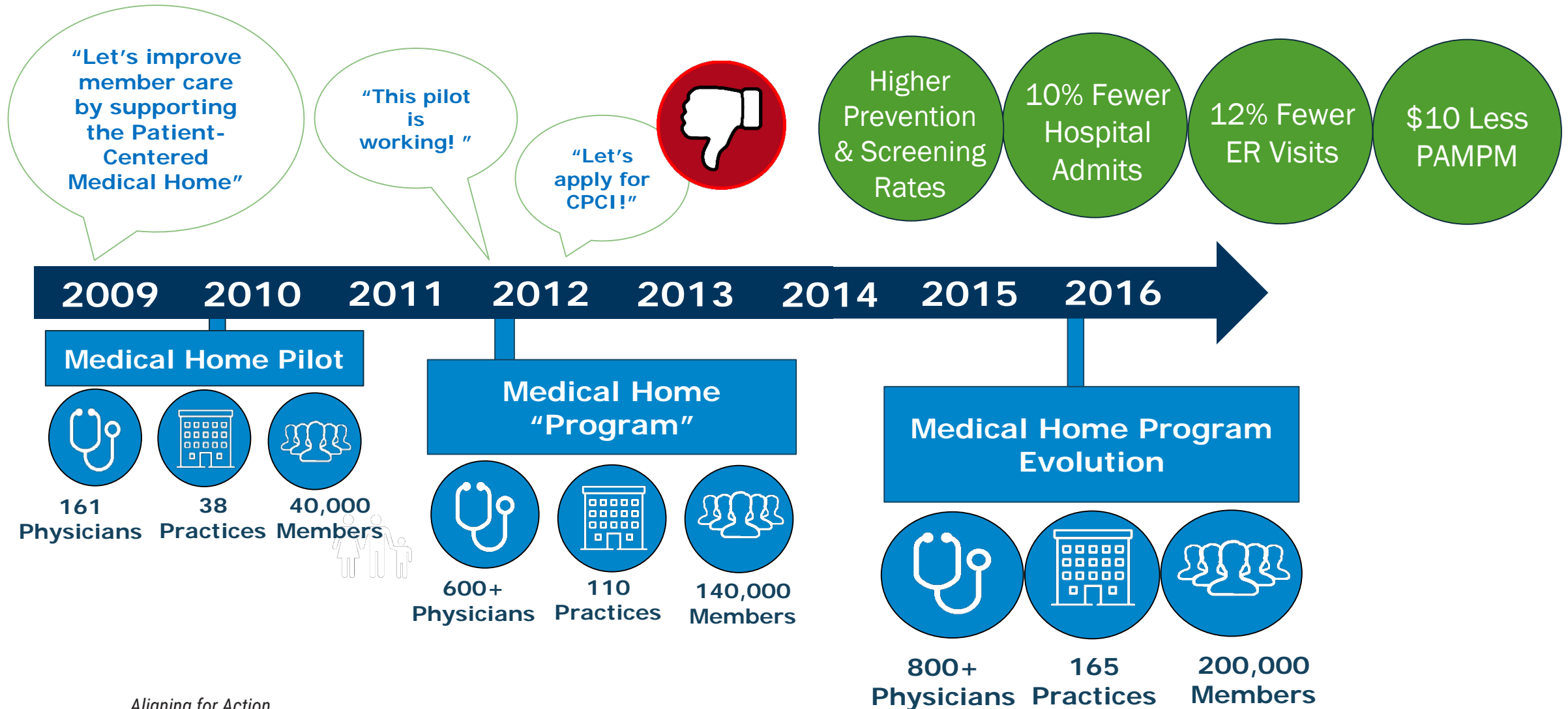


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It all started in 2009 when....



Challenges...

- Redefining the health plan role in member health
- Talking to employers about “new” provider payments
- Engaging providers as partners is different than “contracting”

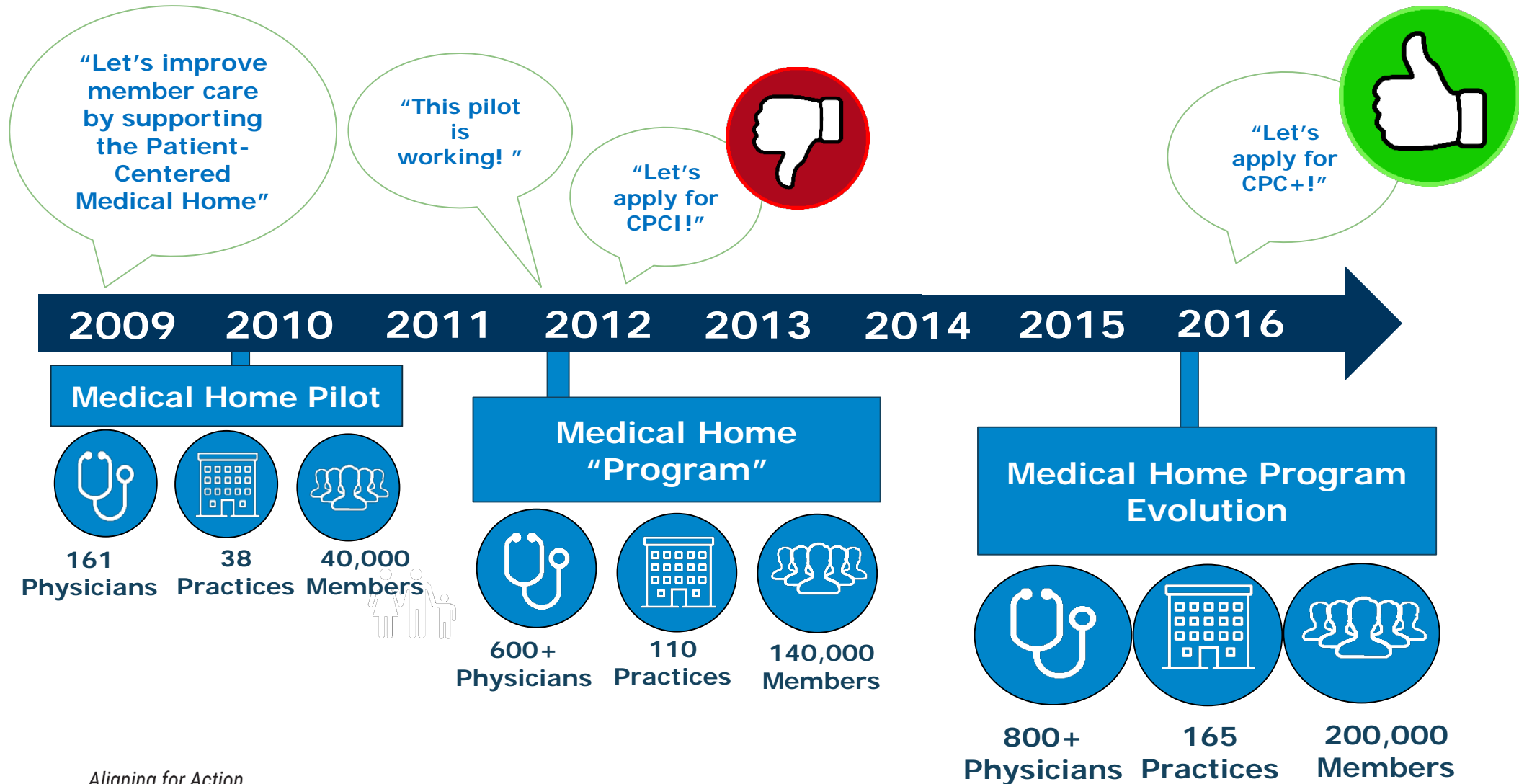
Lead to successes...

- Improving member health means supporting providers differently
- Employers are on the journey with us
- Understanding the provider experience

better care | smarter spending | healthier people



Back to the story...





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Atrius Health

Emily DuHamel Brower
Vice President of Population Health
Atrius Health

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Atrius Health

An innovative healthcare leader delivering a system of high-quality, patient-centered, connected care.



Dedham Medical Associates
Granite Medical Group
Harvard Vanguard Medical Associates
VNA Care

Providing care for ~ 675,000 adult and pediatric patients with 750 physicians across more than 35 specialties

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Inspiring Each Other...

“We always put the patient first and don’t let our organizational baggage get in the way.”

- Joseph R. Cunningham, MD
Blue Cross and Blue Shield of Oklahoma CMO
February 28 LANPAC Webinar



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Atrius Health Core Competencies

Patient-Centered Medical Home foundation, achieving level 3 NCQA status across all primary care practices

Long history with and majority of revenue under **risk-based contracts** across commercial and public payers

Corporate Data Warehouse integrating single platform, electronic health record data with multi-payer claims data

Widespread Extensive **Population Health Management** including disease-based and risk-based roster reviews

Sophisticated development and reporting of **Quality and Performance Measures** leading to high achievement

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4

 Atrius Health

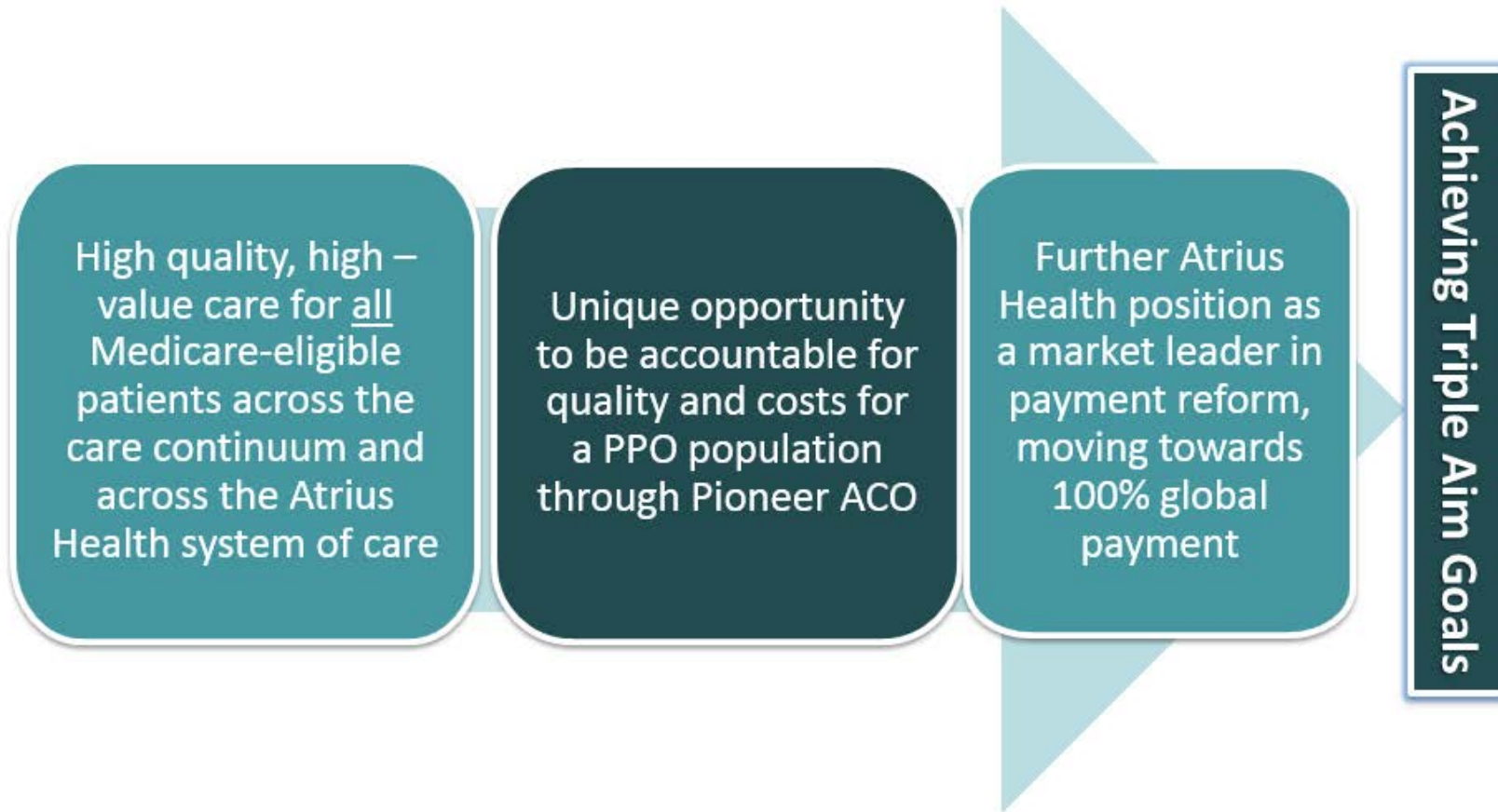


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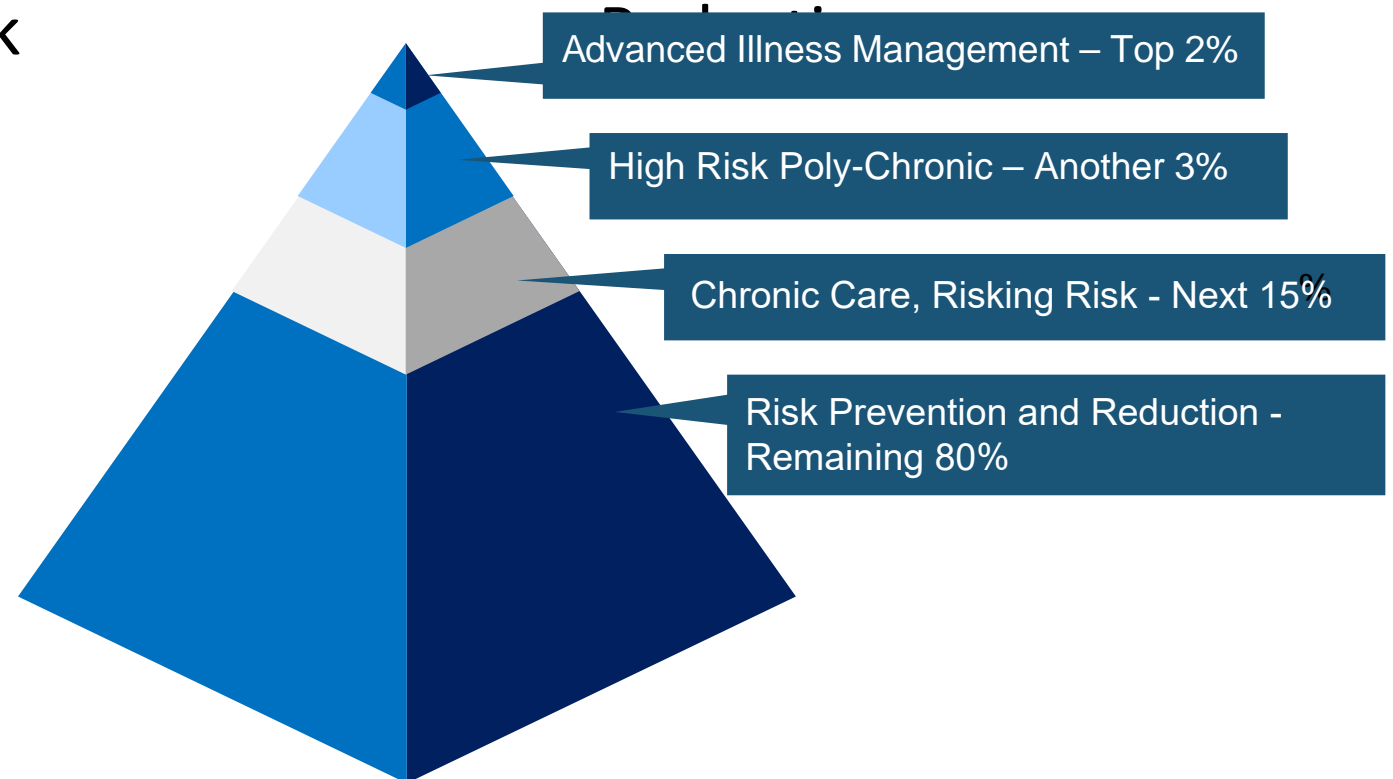
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Medicare Population Health Strategy: Pioneer ACO Participation Reason for Action (2017)

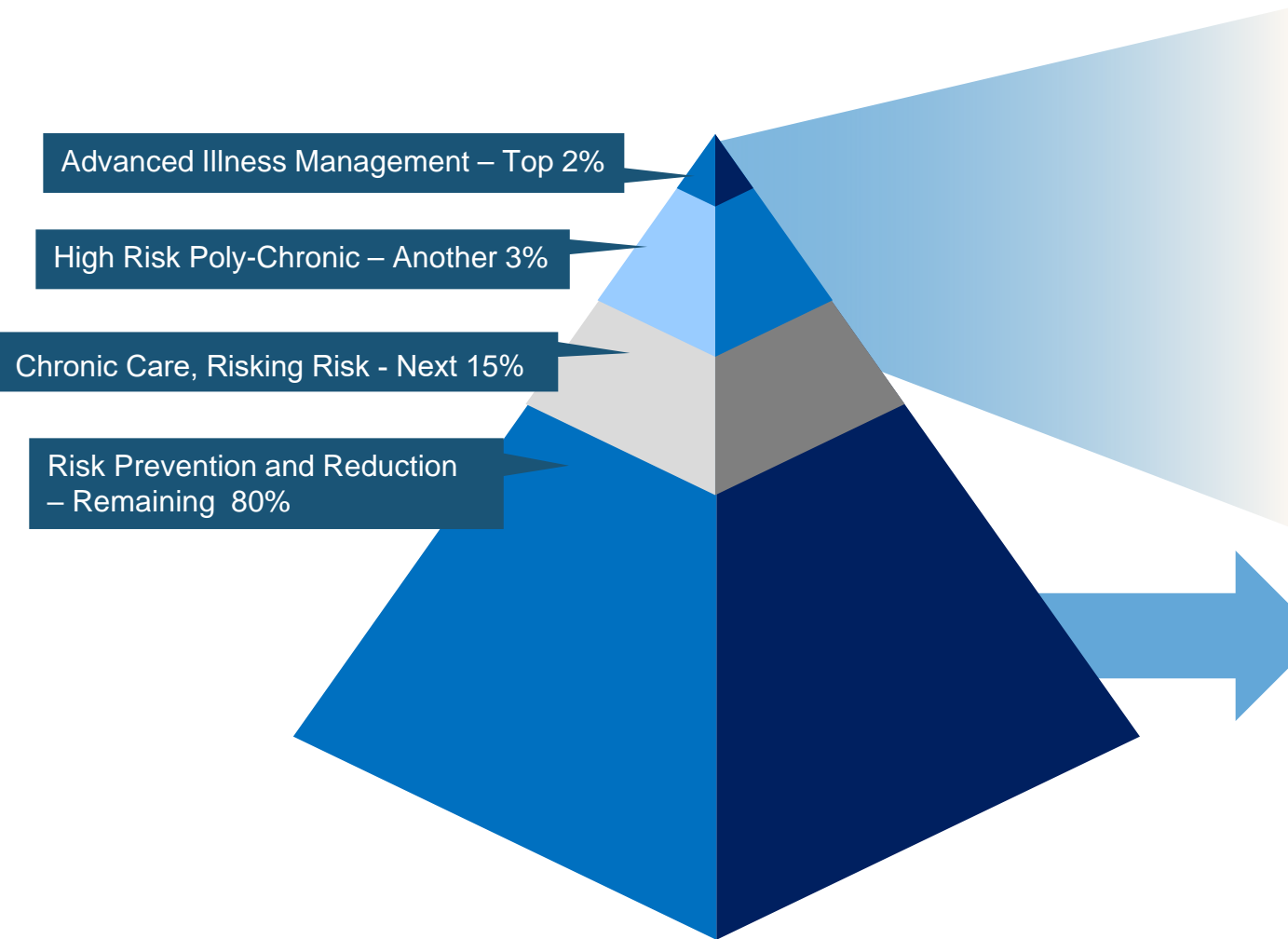


Medicare Population Health Approach

- Close medical management at end of life
- Tight coordination of 5% highest risk
- Management of chronic conditions
- Preventive care and Risk



Medicare Population Health Initiatives



Management of High Risk Patients, High Cost Events

- Patient Stratification
- Care Team Roster Reviews
- Post Acute Episode Mgmt
- Advance Care Planning
- Integrated Community Supports

Risk Identification and Prevention

- Falls Risk/Fractures
- Depression Screening
- Med Reconciliation

Pioneer ACO Performance

Low Cost* with Year over Year Improvement

Year	Percent Savings/Loss	Gross Savings	Quality Score
2012 (PY1)	1% loss in the noise	\$0	Reporting Only
2013 (PY2)	1% savings in the noise	\$3.1M	92.49
2014 (PY3)	1.4% savings	\$4.4M	91.40
2015 (PY4)	2.6% savings	\$6.8M	95.38

*Atrius Health 2014 Baseline PBPY = \$9191; All Pioneer Average = \$10,399; Other Massachusetts Average \$11,134.

Source: Pioneer ACO Public Use File: <https://www.cms.gov/Research-Statistics-Data-and-Systems/Downloadable-Public-Use-Files/Pioneer/index.html>
(2015 public use file not yet published)



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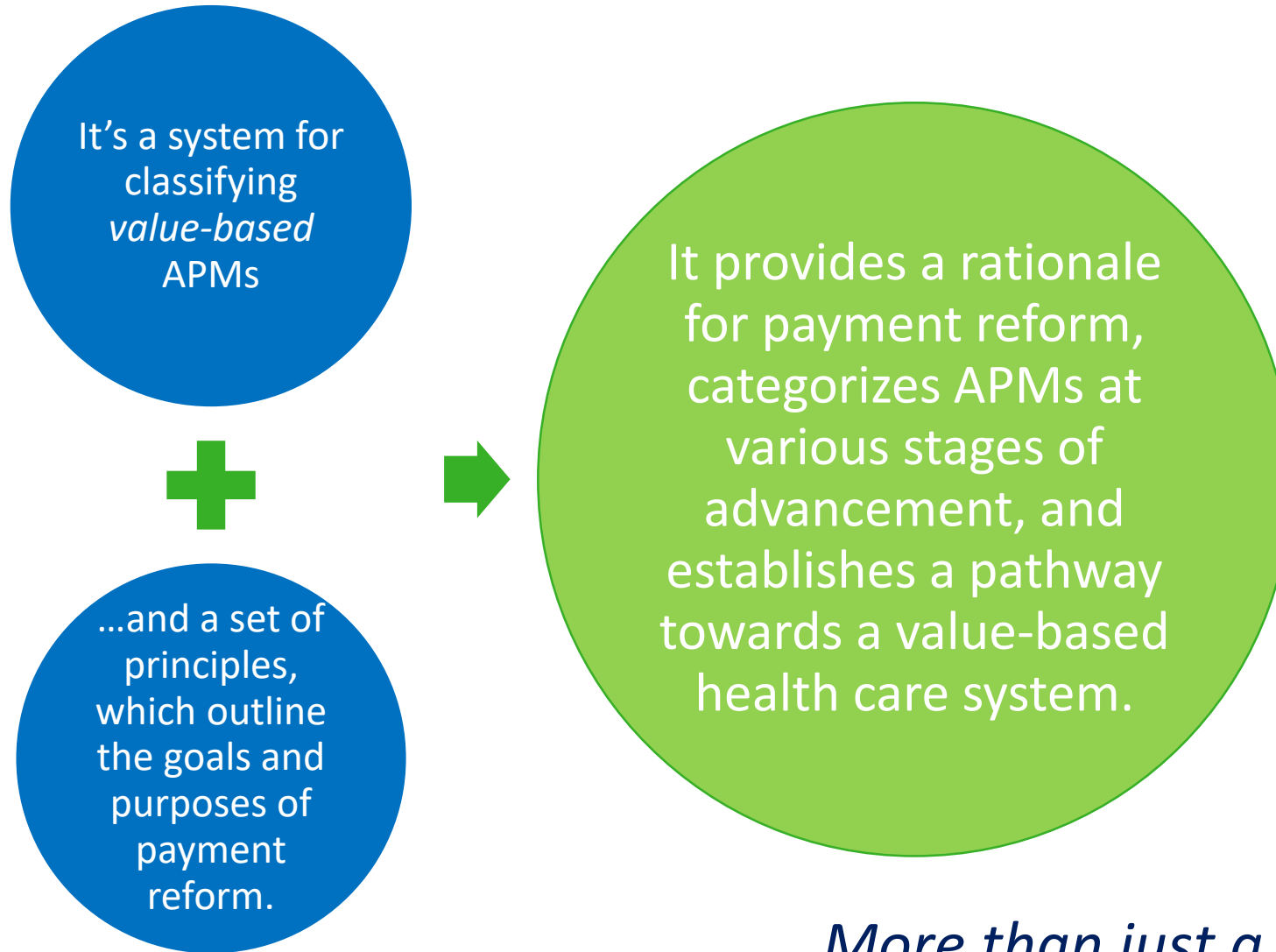
APM Framework Refresh

Sam R. Nussbaum

Chair, LAN Alternative Payment Model Framework Refresh Advisory Group

Senior Fellow, Schaeffer Center for Health Policy and Economics, University of Southern California

What is the APM Framework?



More than just a set of categories...

Original APM Framework



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

Fee-for-Service	A Foundational Payments for Infrastructure & Operations	B Pay for Reporting	C Rewards for Performance	D Rewards and Penalties for Performance	A APMs with Upside Gainsharing	B APMs with Upside Gainsharing/ Downside Risk	A Condition-Specific Population-Based Payment	B Comprehensive Population-Based Payment
Traditional FFS	Foundational payments to improve care delivery, such as care coordination fees, and payments for investments in HIT	Bonus payments for quality reporting	Bonus payments for quality performance	Bonus payments and penalties for quality performance	Bundled payment with upside risk only	Bundled payment with up- and downside risk	Population-based payments for specialty, condition, and facility-specific care (e.g., via an ACO, PCMH, or COE)	Full or percent of premium population-based payment (e.g., via an ACO, PCMH, or COE)
DRGs Not linked To Quality		DRGs with rewards for quality reporting	DRGs with rewards for quality performance	DRGs with rewards and penalties for quality performance	Episode-based payments for procedure-based clinical episodes with shared savings only	Episode-based payments for procedure-based clinical episodes with shared savings and losses		
		FFS with rewards for quality reporting	FFS with rewards for quality performance	FFS with rewards and penalties for quality performance	Primary care PCMHs with shared savings only	Primary care PCMHs with shared savings and losses	Partial population-based payments for primary care	Integrated, comprehensive payment and delivery system
					Oncology COEs with shared savings only	Oncology COEs with shared savings and losses	Episode-based, population payments for clinical conditions, such as diabetes	Population-based payment for comprehensive pediatric or geriatric care
					3N Risk-based payments NOT linked to quality		4N Capitated payments NOT linked to quality	



= example payment models will not count toward APM goal.

N

= payment models in Categories 3 and 4 that do not have a link to quality and will not count toward the APM goal.



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Why refresh the APM Framework?

It's a system for classifying value-based APMs

- The foundation for implementing and evaluating progress toward health care payment reform

To remain relevant, it must reflect:

- The passage of new legislation and the issuance of new regulations
- Lessons learned and best practices in the field



Which topics does the APM Refresh Address?

- Are the principles enduring, or have they changed?
- Clarify relationships between Advanced APMs under MACRA and categories in the LAN APM Framework
- Identify where small, rural and safety net providers can participate through APM adoption
- With the growth of integrated financing and delivery systems, consider a new Category
- Identify opportunities to modify the framework in ways that expedite and simplify the progress tracking effort, while reducing burden for payers

APM Framework Refresh Advisory Group



Sam Nussbaum - Chair
USC Schaeffer Center for Health Policy and Economics



Reid Blackwelder
East Tennessee State University



Timothy Ferris
Partners Healthcare



Aparna Higgins
AHIP



Alexander Billoux
CMS



Keith Lind
AARP Public Policy Institute



Dorothy Teeter
Washington State Health Care Authority



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Original Foundational Principles

- ✓ Identified payment as one of many drivers of person-centered care
- ✓ Established goals for APM adoption
- ✓ Identified distinguishing characteristics of value-based APMs and conventions for classification and measurement
- ✓ Provided recommendations on how to structure and distribute value-based incentives

These principles remain largely unchanged, with some notable exceptions



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Changes to foundational statements

1. Payment reform is a vehicle for financing delivery systems that improve the value of care, as opposed to a goal in its own right.
2. More clearly acknowledge that for some providers, Category 2 may be the vehicle for delivering person-centered care
3. The purpose of financial incentives and financial risk is to improve the value of care, and they should be balanced to support behavior change while avoiding unintended consequences



Classification Changes

New Category 4C for Integrated Finance and Delivery Systems

Integrated finance and delivery systems employ or align payers and providers within the same organization:

- *Health plans that own provider organizations*
- *Provider organizations that sell insurance products*

Integrated finance and delivery systems:

- Integrated finance and delivery systems provide unique opportunities for transforming care delivery
- Integrated financial and delivery systems should be classified separately because they offer unique opportunities for investment and delivery system transformation.
- Further evaluation will determine whether these organizations are more effective for increasing the value of care through delivery system improvement

Classification Changes

Expanded Definition of Category 3

- Originally, cost performance against a financial benchmark was the key characteristic of Category 3 APMs
- However, in certain circumstances (such as primary care in the Medicare population) “fee-at-risk” arrangements can serve as an effective proxy for generating cost efficiencies

Key considerations with this type of model:

- Reducing hospitalizations may not be fully reflective of improved care, and may in fact indicate reductions in necessary care.
- Health plans generally have quality and performance requirements, and historically have not rewarded providers solely for reducing utilization.
- It is critical to actively take steps (e.g., contractually and through monitoring) to avoid unintended consequences of rewarding reduced utilization.



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Classification Changes





Additional Requirement for Categories 3 and 4

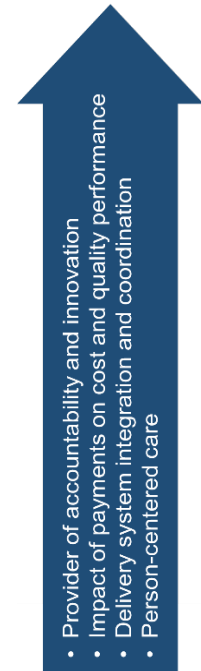
- Categories 3 and 4 entail the greatest incentives to reduce costs, but this can be accomplished by reducing necessary as well as unnecessary care.
- Therefore, Category 3 and 4 APMs must strongly encourage reductions in wasteful care by evaluating providers on the basis of “appropriate care” measures, and we have added those to go beyond quality alone.

Appropriate care measures can include:

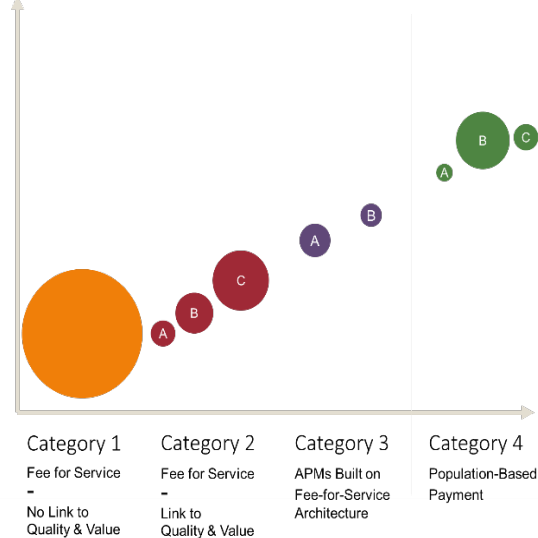
- Preventable hospital admissions
- Unnecessary imaging
- Documentation of shared-decision-making
- Appropriate use of medications
- Rates of “never events”
- Adherence to clinical guidelines for pre-term labor and delivery and end of life care

Updated Graphics

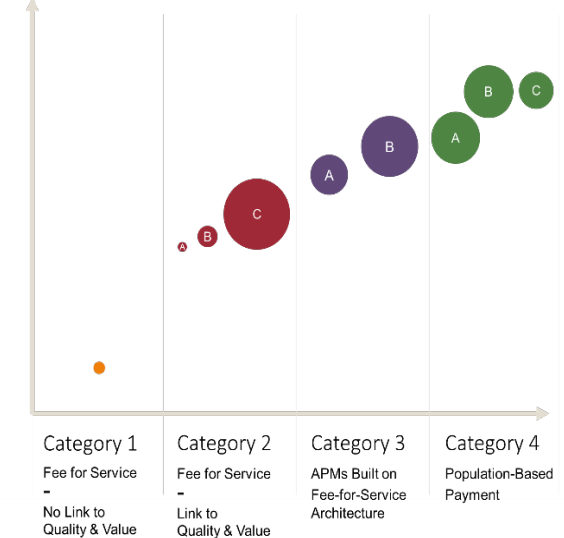
			
CATEGORY 1 FEE FOR SERVICE – NO LINK TO QUALITY VALUE	CATEGORY 2 FEE FOR SERVICE – LINK TO QUALITY & VALUE	CATEGORY 3 APMS BUILT ON FEE - FOR-SERVICE ARCHITECTURE	CATEGORY 4 POPULATION – BASED PAYMENT
	A Foundational Payments for Infrastructure & Operations	A Upside Rewards for Cost of Utilization <small>(e.g. Lorem ipsum dolor sit amet, consectetur)</small>	A Condition-Specific Population-Based Payment
	B Pay for Reporting	B Upside & Downside Risk for Cost or Utilization <small>(e.g. Lorem ipsum dolor sit amet, consectetur)</small>	B Comprehensive Population-Based Payment
	C Pay-for-Performance		C Integrated Finance & Delivery System



Current State



Future State



Next Steps

- We believe these framework and other changes make the document more compelling and address the changes occurring in the health care ecosystem
- We welcome your comments during the public comment period, which will be announced shortly



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Thank you for participating!