

POPULATION-BASED PAYMENT MODELS PERFORMANCE MEASUREMENT

OVERVIEW

The [Health Care Payment Learning & Action Network \(LAN\)](#) white paper, [Accelerating and Aligning Population-Based Payment Models: Performance Measurement](#), provides a springboard to speed the adoption of alternative payment models (APMs) in the health care community. APMs are a key strategy in health care payment reform, helping to shift focus from quantity to quality in health care.

WHAT IS PERFORMANCE MEASUREMENT?

Performance measurement uses data and algorithms to evaluate one or more important indicators of health care. This typically includes assessments of clinical processes (e.g. was evidence-based care followed), patient health outcomes, patient care experiences and cost-of-care. A wide range of stakeholders, including providers, payers, purchasers, and patients will be able to use these results for various purposes, including performance monitoring and improvement, payment, and choice of provider.

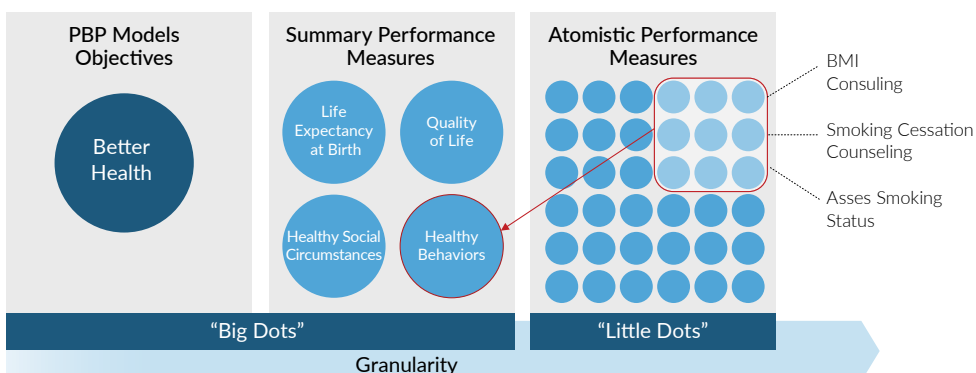
IMPORTANCE

Performance measurement is a foundational component of population-based payment (PBP) models, which are based on a simple concept: providers accepting accountability for managing the cost, quality, and outcomes of care for a patient population across the full continuum of care. Providers receive a global population-based budget or payment, together with incentives on a broad set of quality and outcome measures. They accept accountability for all aspects of care in all settings for their patient population, from preventive care to end-of-life care and everything in between. The goal of PBP models is to achieve better quality and outcomes at a lower total cost for the patient population involved.

Performance measurement can improve the delivery of health care by putting key measurements in place to motivate and reward the delivery of high-quality care. Effective performance measurements include a methodology for calculating overall performance scores and adjusting payments to reflect those scores, while ensuring proper implementation that allows for PBP models to be successful.

THE WHITE PAPER

The white paper addresses the principles that should guide performance measurement in PBP models, and offers specific recommendations about important advances in performance measurement needed for the long-term success of PBP models. The paper also highlights that core measure sets available today stem from payment models that have been largely fee-for-service based, and therefore, are comprised of measures focused almost exclusively on individual care processes in a particular care setting or clinical specialty. The paper underscores the importance of moving toward measure sets comprised largely of outcomes, rather than the processes used to produce them across multiple settings of care.



For providers to carry accountability in PBP models, performance measures must focus on health outcomes—the “big dots”—rather than the processes—the “little dots”—that can lead to those outcomes. The transition to big dots will require fewer measures overall, even though some process measures would continue to be useful for providers engaged in quality improvement activities.

RECOMMENDATIONS

- ✓ Create performance measures reflecting what matters most to patients in support of long-term success in their health care.
- ✓ Avoid fragmentation and inconsistencies in PBP models by using core measure sets and recognizing that current core sets will need to be refined to ensure they are comprehensive, affordable, and outcomes-oriented.
- ✓ Establish a governance process to oversee and accelerate the development, testing, and use of new, high-priority measures for PBP models.
- ✓ Enhance national infrastructure to systematically collect, use, and report clinically rich and patient-reported data.
- ✓ Create meaningful incentives for providers to deliver high-quality care, achieve favorable outcomes, improve patient care experiences, and manage the total cost of care.
- ✓ Define performance targets in a way that motivates ongoing improvement, promotes best practice sharing, avoids a forced curve of winners and losers, and enables long-term planning and commitment to improvement.
- ✓ Adhere to good measurement science and implementation in order to achieve the desired performance measurements results in PBP models.

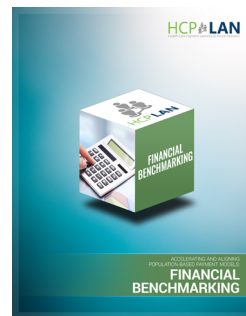
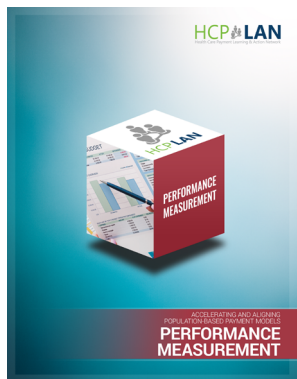
For a full list of recommendations and additional resources go to:

<https://hcp-lan.org/groups/pbp/pm-final-whitepaper>

MOVING FORWARD

The LAN white paper reflects the latest thinking from leading experts in the field of health care payment and offers recommendations for developing a methodology for performance measurement. The paper serves as an important resource for providers, payers, employers, patients, consumer groups, health experts, and state and federal government agencies taking action on APMs nationwide. These recommendations encourage greater alignment in the field to increase adoption toward the goals of tying 30% of U.S. health care payments to APMs by the end of 2016 and 50% by 2018.

REVIEW OUR SUITE OF OTHER PBP WHITE PAPERS



ABOUT THE LAN

PURPOSE

The Health Care Payment Learning & Action Network (LAN) aims for:



BETTER CARE



SMARTER SPENDING



HEALTHIER PEOPLE

MISSION

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.

OUR GOAL
Adoption of Alternative Payment Models
2016 **30%** → 2018 **50%**

