Health Care Payment Learning & Action Network

OVERVIEW
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LAN Mission, Vision, & Goals
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

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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.

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>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>

2017: 9.9%
2018: 10.6%

*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)

- 2017: 24.2%
- 2018: 24.3%

*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)

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

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
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.

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.
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**

- **Dr. Sachin Jain**
  - President/Chief Executive Officer
  - CareMore Health and Aspire Healthcare

- **Dr. William Shrank**
  - Chief Medical Officer
  - Humana
CEO Forum Participants

National Organizations

- Brad Smith
  Director
  Center for Medicare & Medicaid Innovation
- Brian Marcotte
  President/Chief Executive Officer
  National Business Group on Health
- Susan DeVore
  President/Chief Executive Officer
  Premier Inc.
- Elizabeth Mitchell
  President/Chief Executive Officer
  Pacific Business Group on Health
- Sir Andrew Witty
  Chief Executive Officer
  Optum
- Dr. Craig Samitt
  President/Chief Executive Officer
  Blue Cross and Blue Shield of Minnesota

National Organizations

- David Cordani
  President/Chief Executive Officer
  Cigna Corporation
- Frederick Iasaki
  Executive Director
  Families USA
- Dr. Jaewon Ryu
  President/Chief Executive Officer
  Geisinger
- Daniel Tsai
  Assistant Secretary
  Massachusetts Health and Human Services
- Nick Leschly
  President/Chief Executive Officer/Director
  bluebird bio
- Dr. Susan Frampton
  President
  Planetree International
- Diane Holder
  President and Chief Executive Officer
  Aledade
- Paul Tufano
  Chairman/Chief Executive Officer
  AmeriHealth Caritas
- Adam Stavisky
  Senior Vice President, U.S. Benefits
  Walmart
- Alan Levine
  President/Chief Executive Officer
  Ballad Health
- Dr. Pat Basu
  President/Chief Executive Officer
  Cancer Treatment Centers of America
- Dr. Christopher Chen
  Chief Executive Officer
  ChenMed

CO-CHAIRS

- Dr. Mark McClellan
  Director
  Duke Margolis Center for Health Policy
- Dr. Marc Harrison
  President/Chief Executive Officer
  Intermountain Healthcare

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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.
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
12 States are Using the LAN APM Framework to Set Requirements for Value-Based Payment
LAN APM Measurement Through the Years

### APM Measurement

2015: 23%
Category 3 & 4 combined

2016: 29%
Category 3 & 4 combined

2017: 34%
Category 3 & 4 combined

2018: 36%
Category 3 & 4 combined

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**APM Measurement Effort**

Public and private health plans, managed care plans, and Medicare Advantage plans are required to report on APM measurement efforts. The data collected is used to assess the use of Alternative Payment Models (APMs) and progress towards the 2017 goal of 34% of 3% & 4% health care payments.

- **2017:** 26.3 million

**APM Measurement Effort**

- **2018:** 226.5 million

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LAN 2018 APM Measurement Results

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

**CATEGORY 1: FEE-FOR-SERVICE - NO LINK TO QUALITY & VALUE**

39.1%

**CATEGORY 2: FEE-FOR-SERVICE - LINK TO QUALITY & VALUE**

25.1%

- Foundational Payments for Infrastructure & Operations
- Pay-for-Reporting
- Pay-for-Performance

**2018 AGGREGATED DATA**

- 39.1%
- 30.7%
- 5.1%
- 25.1%

**CATEGORY 3: APMS BUILT ON FEE-FOR-SERVICE ARCHITECTURE**

- 21.3% Upside Rewards for Appropriate Care
- 9.4% Upside & Downside for Appropriate Care

**CATEGORY 4: POPULATION-BASED PAYMENT**

- 1.8% Condition-Specific Population-Based Payment
- 2.9% Comprehensive Population-Based Payment
- 0.4% Integrated Finance & Delivery Systems

Based on 62 plans, 7 states, Traditional Medicare

Combination of Categories 3B, 4A, 4B, & 4C Represents Two-Sided Risk APMs.
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

2015 LAN Goal: 50%
2016 LAN Goal: 30%
2018 LAN Goal: 50%
The LAN APM Roadmap

Visit 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.
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”

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

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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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## LAN Summit Press Coverage

<table>
<thead>
<tr>
<th>Year</th>
<th>Media Stories</th>
<th>Press Outlets</th>
<th>Press Release Pick-ups</th>
<th>Potential Audience</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>18 media stories</td>
<td>6 press outlets on site</td>
<td>More than 10,200 Twitter impressions and 123 new followers on social media sites, 29 retweets, and 88 likes</td>
<td></td>
</tr>
<tr>
<td>2018</td>
<td>20 original media stories</td>
<td>6 press outlets on site</td>
<td>125 press release pick-ups for a total potential audience</td>
<td></td>
</tr>
<tr>
<td>2017</td>
<td>14 original media stories</td>
<td>5 press outlets on site</td>
<td>247 press release pick-ups for a total potential audience of 83.9 million</td>
<td></td>
</tr>
<tr>
<td>2016</td>
<td>25 original media stories</td>
<td>5 press outlets on site</td>
<td>More than 920,000 Twitter impressions and 450 tweets from external sources.</td>
<td></td>
</tr>
<tr>
<td>2015</td>
<td>3 media stories</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

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  - Ripple Effect
  - Independent: Dr. Mark McClellan; Aparna Higgins; Mary Jo Deering
Contact Us  We want to hear from you!

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