Health Care Payment Learning & Action Network

OVERVIEW
Table of Contents

1. LAN Mission, Vision, & Goals
2. LAN Structure & Workflow
3. LAN Executive Forums
4. LAN Accomplishments
5. LAN Contacts
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.
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**

(Category 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

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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>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>24.2%</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

<table>
<thead>
<tr>
<th>Year</th>
<th>Medicaid</th>
<th>Commercial</th>
<th>Medicare Advantage</th>
<th>Total</th>
<th>Percentage Flowing Through Two-Sided Risk Models</th>
</tr>
</thead>
<tbody>
<tr>
<td>2020</td>
<td>15%</td>
<td>15%</td>
<td>30%</td>
<td>60%</td>
<td>30%</td>
</tr>
<tr>
<td>2022</td>
<td>25%</td>
<td>25%</td>
<td>50%</td>
<td>100%</td>
<td>50%</td>
</tr>
<tr>
<td>2025</td>
<td>50%</td>
<td>50%</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
</tr>
</tbody>
</table>

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

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

- 2017: 13.7%
- 2018: 18.2%
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
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

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President and Chief Executive Officer
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Director
Duke Margolis Center for Health Policy

Dr. Marc Harrison
President/Chief Executive Officer
Intermountain Healthcare

Dr. Jose Peña
Chief Executive Officer/Chief Medical Director
Rio Grande Valley ACO

Dr. 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

Pat Geraghty
President/Chief Executive Officer
Florida Blue

Bruce Broussard
President/Chief Executive Officer
Humana

Dr. Victor Wu
Chief Medical Officer
TennCare

Nick Leschly
President/Chief Executive Officer
bluebird bio

David Cordani
President/Chief Executive Officer
Cigna Corporation

Frederick Isasi
Executive Director
Families USA

Dr. Jaewon Ryu
President/Chief Executive Officer
Geisinger

Daniel Tsai
Assistant Secretary
Massachusetts Health and Human Services

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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

<table>
<thead>
<tr>
<th>CATEGORY 1</th>
<th>CATEGORY 2</th>
<th>CATEGORY 3</th>
<th>CATEGORY 4</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>$</strong> FEE FOR SERVICE - NO LINK TO QUALITY &amp; VALUE</td>
<td><strong>$</strong> FEE FOR SERVICE - LINK TO QUALITY &amp; VALUE</td>
<td>APMS BUILT ON FEE-FOR-SERVICE ARCHITECTURE</td>
<td>POPULATION - BASED PAYMENT</td>
</tr>
<tr>
<td>A Foundational Payments for Infrastructure &amp; Operations (e.g., care coordination fees and payments for HIT investments)</td>
<td>B Pay for Reporting (e.g., bonuses for reporting data or penalties for not reporting data)</td>
<td>A APMs with Shared Savings (e.g., shared savings with upside risk only)</td>
<td>A Condition-Specific Population-Based Payment (e.g., per member per month payments, payments for specialty services, such as oncology or mental health)</td>
</tr>
<tr>
<td>B Pay-for-Performance (e.g., bonuses for quality performance)</td>
<td>C APMs with Shared Savings and Downside Risk (e.g., episode-based payments for procedures and comprehensive payments with upside and downside risk)</td>
<td>B Comprehensive Population-Based Payment (e.g., global budgets or full/percent of premium payments)</td>
<td>B Integrated Finance &amp; Delivery System (e.g., global budgets or full/percent of premium payments in integrated systems)</td>
</tr>
<tr>
<td>3N Risk Based Payments NOT Linked to Quality</td>
<td>4N Capitated Payments NOT Linked to Quality</td>
<td></td>
<td></td>
</tr>
</tbody>
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State of LAN APM Framework Adoption

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

**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*

**2018 AGGREGATED DATA**
- 39.1%
- 30.7%
- 5.1%
- 25.1%

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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>Medicare FFS</td>
<td>Traditional Medicare</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>


2018 LAN Goal: 50%
2016 LAN Goal: 30%
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!
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
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.
## LAN Summit Press Coverage

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

## CMS gives providers more ways to enroll in alternative payment models

By Sharon Wolakowski | October 19, 2016

The Obama administration is taking continued progress in achieving its goal of tying half of all Medicare spending to alternative payment models by the end of 2016. HHS Secretary Sylvia Mathews Burwell also said the CMS would give providers more opportunities to become involved in Medicare’s alternative models. “It’s incredible progress. It’s historic,” she said. “But it’s just a start. We have a long road ahead.” Burwell said the CMS will open the door to the Health Care Payment Learning and Action Network (HCP-LAN).
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  • Ripple Effect
  • Independent: Dr. Mark McClellan; Aparna Higgins; Mary Jo Deering

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Contact Us

We want to hear from you!

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