An Update to LAN's Approach to Achieving Accountable Care

This document summarizes the LAN's approach to supporting the healthcare industry in the adoption of alternative payment models (APMs) and the advancement and achievement of accountable care. The LAN understands the tremendous impact the Public Health Emergency (PHE) has had on the industry and the necessity for organizations to prioritize their resources and efforts towards managing and responding to the challenges it has created. Given this, the LAN has decided to revise its APM goals to better suit the reality of the healthcare industry. Further, the LAN wants to express its commitment to accountable care and recognize the other significant core components of accountable care, beyond payment reform, that are critical to providing the best achievable health outcomes for patients.

Setting 2030 APM Goals

In the LAN's effort to set **logical, yet aspirational APM goals through 2030 for Categories 3B and 4** across the four lines of business (LOBs), the LAN:

- Referenced the most recent APM adoption survey results, including the 2021 results
- Conducted APM adoption projection analysis
- Held feedback sessions with stakeholder organizations across all four lines of business to discuss drivers and barriers to APM adoption and gather input on goals

During the feedback sessions with stakeholder organizations, the LAN heard several recurring themes across the LOBs, including the significant impact of the PHE and related workforce challenges, the lack of standardization in performance and quality measures leading to additional administrative burden for providers, and the importance of government policy in supporting standardization efforts and prioritization of APM adoption. The LAN also heard specific contributors, unique to each LOB that are further outlined below.

	Medicaid	Commercial	Medicare Advantage (MA)	Traditional Medicare
Drivers	• **Influence from relevant CMMI models** that may facilitate APMs and payer alignment in the Medicaid market • Ability of states to influence APM adoption through **regulatory facilitation** and granting flexibility through **innovative waivers** to help states address complexities and challenges in delivering system reform	• Increased **uptake of telehealth and digital platforms** enabling access and triage • Potential for **increased revenue stability** for providers through APM adoption	• **Potential influence from federal administrators** on the MA program reimbursement requirements • **Funding of MA plans is aligned** with total cost of care (TCOC) and downside risk • **Homogeneity and stability** of MA plan populations	• Various **CMMI models that may enable long-term APM adoption** in the Medicare market • Strong commitment from CMMI on **integration of specialty care** and **multi-payer alignment** • Potential for CMS to provide **regulatory flexibilities/facilitation**

	Medicaid	Commercial	Medicare Advantage (MA)	Traditional Medicare
Barriers	• Provider concerns around **costs associated with the level of transformation** needed for taking on downside risk when payment parity and level of reimbursement are ongoing issues • **Less consistent/more complex beneficiary population**, creating challenges and disincentives for population-based models	• Increase in **provider aggregation and consolidation** • **Geographic variations** including unique **challenges for rural providers** (such as admin/financial constraints) and state definitions of medical loss ratio (MLR) • **Limited ability of smaller private payers/ individual employer groups to influence APM adoption** among their networks due to limited market influence and provider negotiation power	• **Limited ability of private payers to influence APM adoption** among their networks • **Administrative and financial constraints** among small and rural providers	• Stagnant enrollment in the Medicare Shared Savings Program (MSSP) despite "Pathways to Success" restructure

*Category 3B:** APMs built on fee-for-service architecture with shared savings and downside risk (e.g., episode-based payments for procedures and comprehensive payments with upside and downside risk).

Category 4: APMs involve prospective, population-based payments, structured in a manner that encourages providers to deliver well-coordinated, high-quality, person-centered care within either a defined scope of practice (4A), a comprehensive collection of care (4B), or a highly integrated finance and delivery system (4C).

Table 1. Key Considerations for APM Goals for Categories 3B and 4** by LOB*

Following research and stakeholder conversations, the LAN took into consideration the factors that affect the industry across the LOBs and has proposed the following APM goals through 2030. To provide near-term benchmarks in support of acceleration and achievement of these goals by 2030, the LAN has determined interim APM goals for years 2024 and 2025 in, alignment with the accountable care goals recently announced by CMS.

The goals presented here are ambitious, and the barriers noted above are challenging to overcome, but the LAN has selected these goals to recognize the efforts in the industry to adopt APMs. For example, the LAN is working directly with several states, CMS, and industry experts to reduce barriers related to the lack of standardization by developing a blueprint for multipayer alignment. This intervention and others like it are part of the LAN's mission to support the increased use of alternative payment models and, equally as important, the movement toward accountable care.

	Medicaid	Commercial	Medicare Advantage	Traditional Medicare
2024	25%	25%	55%	50%
2025	30%	30%	65%	60%
2030	50%	50%	100%	100%

Note: The LAN will be seeking public comment on these goals.

Table 2. Categories 3B and 4 APM Goals by LOB

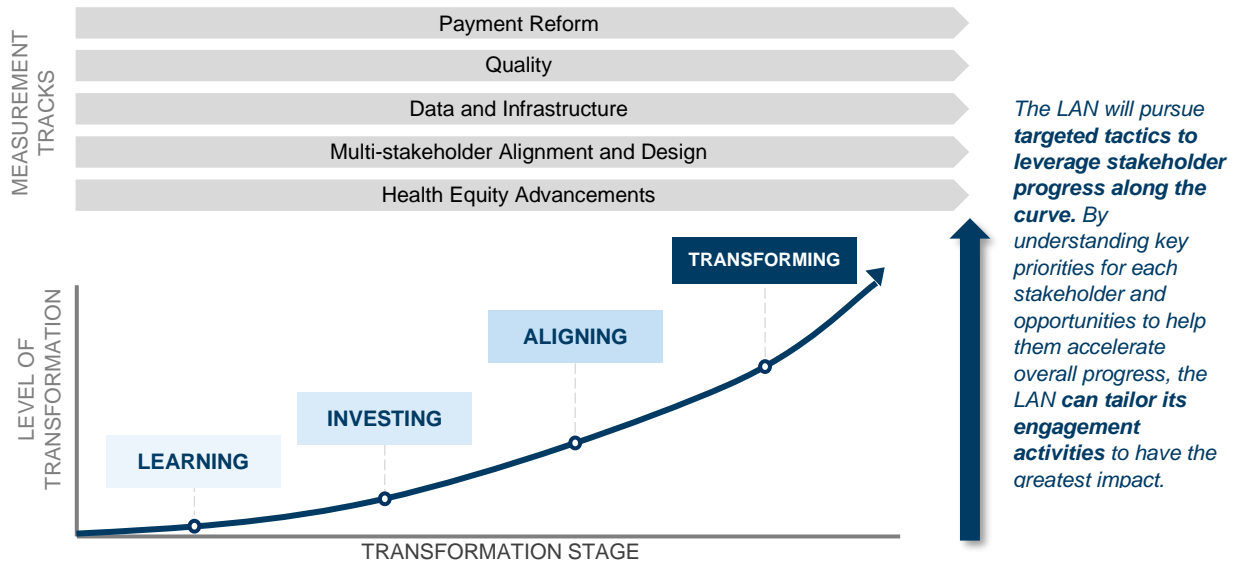## The Road to 2030 and a Focus on Accountable Care

The LAN historically has facilitated the mobilization of payers, providers, purchasers, patients, and policymakers to advance multi-stakeholder payment reforms to enable coordinated health care that achieves better health care, equity, value, and affordability. Last year CMS set an ambitious goal to have all Medicare beneficiaries and the vast majority of Medicaid beneficiaries in an accountable relationship by 2030. The LAN understands "vast majority" to be roughly 75% of Medicaid beneficiaries in accountable care arrangements, and thus considers an APM goal of 50%, excluding 3A, to be appropriate, given the barriers to APM adoption in Medicaid described in Table 1 above. The LAN will continue to reinforce its commitment to the industry's adoption of two-sided risk alternative payment models (Categories 3B and 4). However, **the LAN also recognizes that accountable care is multi-dimensional and that payment is only one important enabler of accountable care.** Therefore, in addition to the annual LAN APM measurement process, **the LAN is developing a framework and data collection methodology that captures the multi-faceted enablers of accountable care.**

In 2022, the LAN prioritized the development of a uniform accountable care definition for the industry and formed the Accountable Care Workgroup from the LAN Executive Forum to lead this effort. Following several iterations of the definition over the last several months through Workgroup discussions, the LAN Town Hall, as well as written public feedback, the LAN has finalized the accountable care definition as follows:

Accountable Care Definition

"Accountable Care" centers on the patient and aligns their care team to support shared decision-making and help realize the best achievable health outcomes for all through equitable, comprehensive, high quality, affordable, longitudinal care.

To further support the achievement of accountable care, **the LAN has continued to refine the Accountable Care Curve to provide a framework for an organization's transformation. The framework includes five measurement tracks, (1) Payment Reform, (2) Quality, (3) Health Equity, (4) Data and Infrastructure, and (5) Multi-Stakeholder Alignment and Design, that inform a tailored approach to enhance capabilities to drive accountable care.** Within each of these tracks, the LAN has provided examples of key capabilities to support organizations' alignment with and progress along the curve, as outlined below in Figure 1. These examples are only a starting point; additional capabilities, aligned with each measurement track will be released in the coming months. The second, detailed view of the Accountable Care Curve (Figure 2) provides descriptions of each track at each stage of transformation to provide organizations with operational expectations including changes to affordability.

MEASUREMENT TRACKS

Payment Reform

Quality

Data and Infrastructure

Multi-stakeholder Alignment and Design

Health Equity Advancements

LEVEL OF TRANSFORMATION

TRANSFORMING

ALIGNING

INVESTING

LEARNING

TRANSFORMATION STAGE

*The LAN will pursue **targeted tactics to leverage stakeholder progress along the curve.** By understanding key priorities for each stakeholder and opportunities to help them accelerate overall progress, the LAN **can tailor its engagement activities** to have the greatest impact.*

MEASUREMENT TRACKS	TRANSFORMATION CAPABILITY EXAMPLES			
Quality	✓ HEDIS Measure Performance ✓ Quality Improvement Assessments Supports understanding of standard quality metrics and current state of quality performance	✓ Quality Outcomes Reporting ✓ Enterprise Data Management & Warehouse Supports establishing evidence-based quality goals with ongoing data collection for measuring improvement and progress towards goals	✓ KPI Management ✓ Complex Case Mgmt & Transition Mgmt Supports benchmarking quality performance results and executing improved outcomes towards person-centered care	✓ Population Risk Stratification ✓ Enhanced Utilization, Financial Quality & Outcomes Reporting Supports using standardized system-wide processes to predict rising risk populations to improve patient experience and drive high-quality care for all.
Multi-Stakeholder Alignment & Design	✓ Physician Education & Coaching ✓ Inclusion in Strategic Planning Supports educating multi-stakeholders on alignment purpose	✓ Provider Performance Management ✓ Network Development Supports identifying best practices and multi-stakeholder performance to maintain movement toward accountable care	✓ Physician Incentive Alignment Supports multi-stakeholder participation in advancing accountable care models & arrangements with measurable progress	✓ Network Performance Reporting & Management ✓ HIE Interoperability Supports transparent multi-stakeholder alignment and forward-thinking infrastructure that advances accountable care models & arrangements.

Note: *These examples are for illustrative purposes only and should not be considered a comprehensive list of activities that organizations must undertake in their accountable care journey.*

Figure 1. Accountable Care Curve

MEASUREMENT TRACKS	LEARNING	INVESTING	ALIGNING	TRANSFORMING
Payment Reform	• Engages with LAN: - Signed up for the LAN listserv - Attended LAN Summit or other LAN event(s)	• Participates in, administers, or covers shared savings arrangements (Category 3A)	• Grows participation in downside risk arrangements that support accountable care with links to quality, and well-coordinated specialized care (CMMI model, Category 3B). Begin to see shifts in affordability	• Population-based payment or shared savings options that support accountable care with downside risk arrangements (Category 3B or 4), to strengthen primary care, well-coordinated specialized care, and more affordable care for both patients and purchasers
Quality		• Establishes quality goals and supports necessary data collection to measure progress toward goals	• Uses evidence-based care and shared-decision making to achieve better outcomes and person-centered care	• Uses standardized system-wide processes to improve patient experience and drive high-quality, predictable outcomes for all
Data and Infrastructure		• Invests in improved data/infrastructure (e.g., interoperability, advanced EMRs, modernized systems, participation in APM Measurement Effort)	• Significantly invests in data sharing that enables measurable progress on payment reform, quality, affordability, and equity (e.g., participation in HIE) • Relevant members of the care team have access to data for purpose of care coordination	• Implements advanced data sharing infrastructure, activities (interoperable data collection, use, and sharing) to measure progress on payment reform, quality, affordability, and equity
Multi-stakeholder Alignment and Design		• Uses industry best practices and lessons learned to support movement toward accountable care	• Participates in multi-stakeholder efforts to advance accountable care or multi- stakeholder models/arrangements for measurable progress in system-wide regional, state, or national goals	• Initiates, sets priorities, provides the infrastructure for multi-stakeholder efforts to advance accountable care or multi-stakeholder models/arrangements for measurable progress in system-wide regional, state, or national goals
Health Equity Advancements	• Commits to improving equity (e.g., publicly announcing equity goals or commitment, commitment to HEAT guidance)	• Commits to improving equity (e.g., publicly announcing equity goals or commitment, commitment to HEAT guidance) • Develops a plan for health equity	• Significantly invests in equity (e.g., measures or targets initiatives to improve equity, industry equity accreditation or similar, implementation of HEAT recommendations) • Measures and reports outcomes disparities and affordability	• Embeds accountability for improving equity in organizational mission, through governance/op model (e.g., payments to support equity) and sustained investments • Measurable reduction in disparities, increased affordability, and improved outcomes across populations

Figure 2. Accountable Care Curve Measurement Track Descriptions

The LAN will continue to pursue targeted tactics to leverage progress along the curve and tailor its activities to have the greatest impact on accountable care.

What to Expect from the LAN

Alongside the LAN's announcement of ambitious 2030 APM Goals, coupled with the finalization of the accountable care definition and release of the Accountable Care Curve, the LAN is launching the Accountable Care Action Collaborative (ACAC). The ACAC will convene a collective of key industry leaders representing organizations with similarly aligned goals to the LAN, to advance accountable care at their respective organizations and among their large and far-reaching stakeholder networks. Moreover, the ACAC will act as a catalyst to influence the entire accountable care landscape and further increase collaboration and alignment across key stakeholder groups. **ACAC participants will publicly set goals and promote best practices to support their networks as they move and transform along the Accountable Care Curve.**