Alternative Payment Models Panel

Brandy Alston

CMS, Center for Medicare

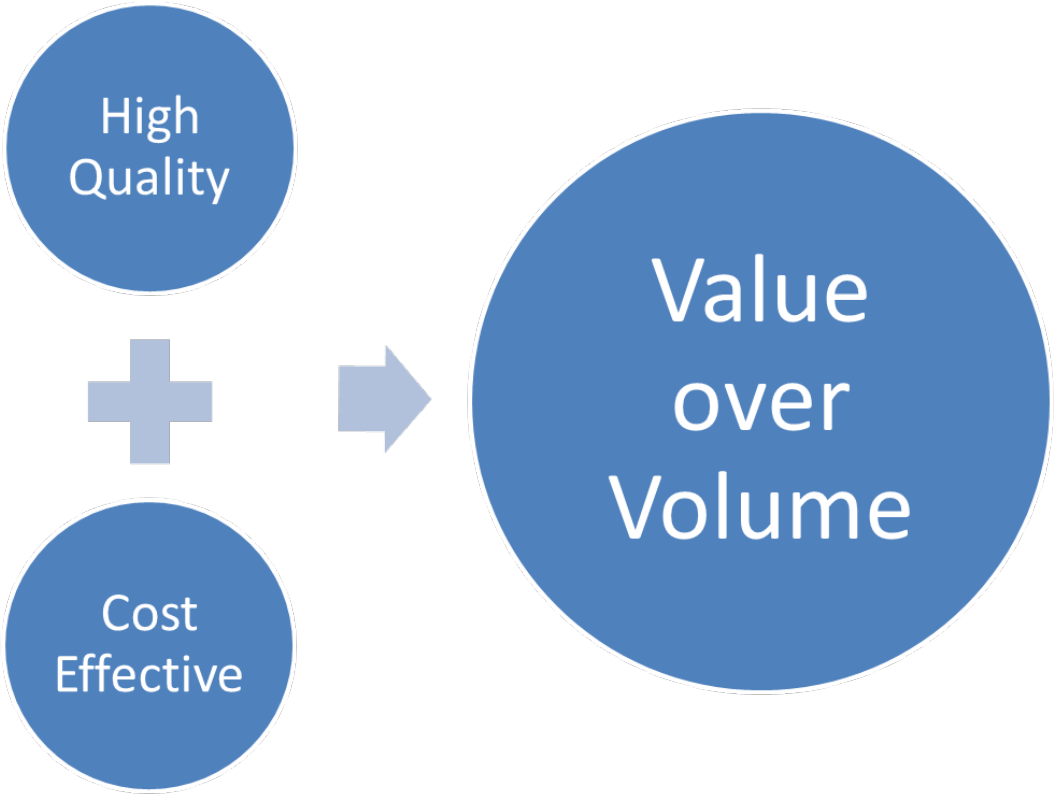
September 10, 2015

Objectives

At the end of this session, you should be able to

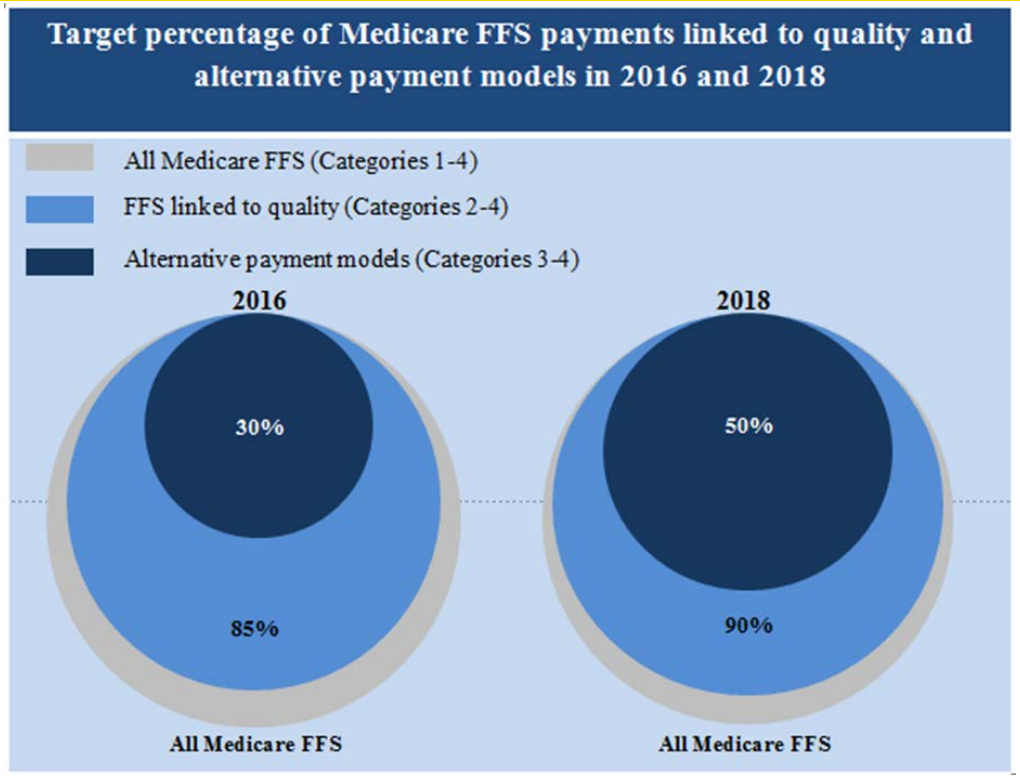
- Understand how some Medicare Advantage Organizations are collaborating with providers through alternative payment models to promote high-value care
- Understand experiences of two MAOs, including successes and challenges

Alternative Payment Models



Traditional Medicare

HHS Alternative Payment Model Goals



*http://www.cms.gov/Newsroom/MediaRelseaseDatabase/Fact-Sheets/2015-Fact-Sheets-Items/2015-01-26-3.html

Medicare Advantage

- What does this mean for Medicare Advantage?
- What is happening in Medicare Advantage?

Panelists

Julie May, *Aetna*

Ghita Worcester, *UCare*

Alternative Payment Models Panel

Julie S. May

Aetna

September 10, 2015

Building a Healthier World

Aetna's mission to build a consumer-centric health care system that promotes high quality outcomes, health and wellness

1

PARTNER TO BUILD A VALUE-BASED PAYMENT MODEL that offers consumers more value for their healthcare dollar.

2

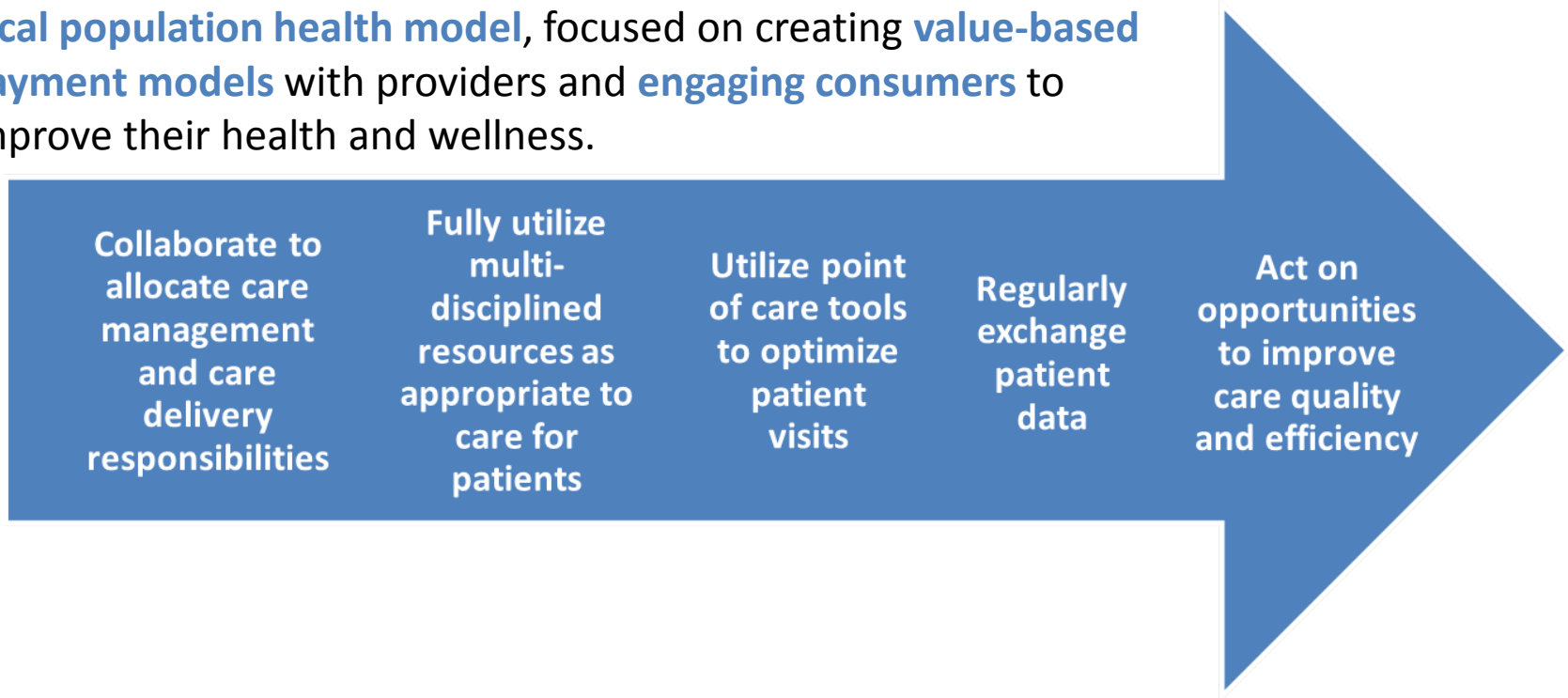
BUILD A CONSUMER-CENTRIC EXPERIENCE by making insurance products simpler and easier to use. Build a consumer-centric health and wellness model to meet individual needs via big data and creating a digital experience.

3

IMPROVE POPULATION HEALTH AT THE LOCAL LEVEL through sustainable, competitive pricing and a differentiated consumer experience. We expect to increase retention rates via high consumer engagement and improve our ability to manage member health and wellness.

Accelerating Transformation from Fee-for-Service to Value-Based Healthcare

The transaction-oriented model of the past will **transition to a local population health model**, focused on creating **value-based payment models** with providers and **engaging consumers** to improve their health and wellness.

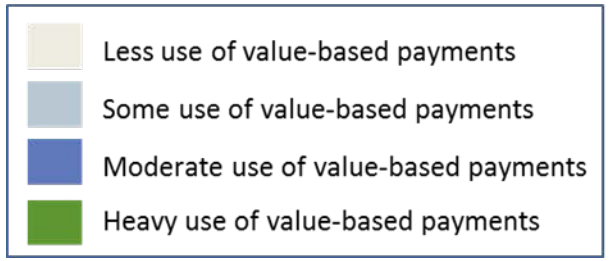


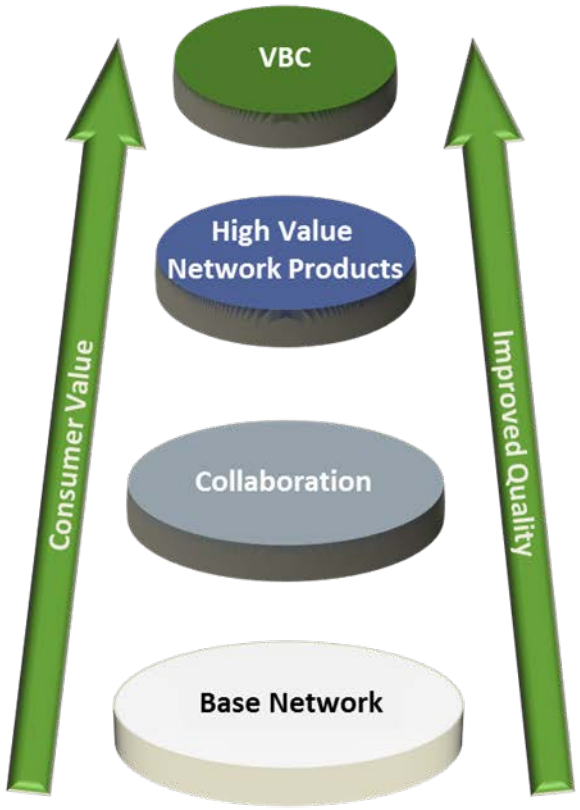
How Value-Based Contracting Transforms Care

Fee-For-Service	Value-Based Contracting
Volume-driven model with unaligned incentives between payers and providers: Providers increase volume of care to increase revenue	Aligned incentives between payers and provides through improved health outcomes and chronic condition management
Minimize Cost of Service	Better Value for Patients
Process Compliance	Quality Performance
Reduce Costs	Increase Value
Culture of Denial	Competition to be in network based on performance (cost and quality)
Acute, Singular Care Event	Center on medical conditions over the full cycle of care, episode of care payments

Balancing Access with Improved Quality and Cost

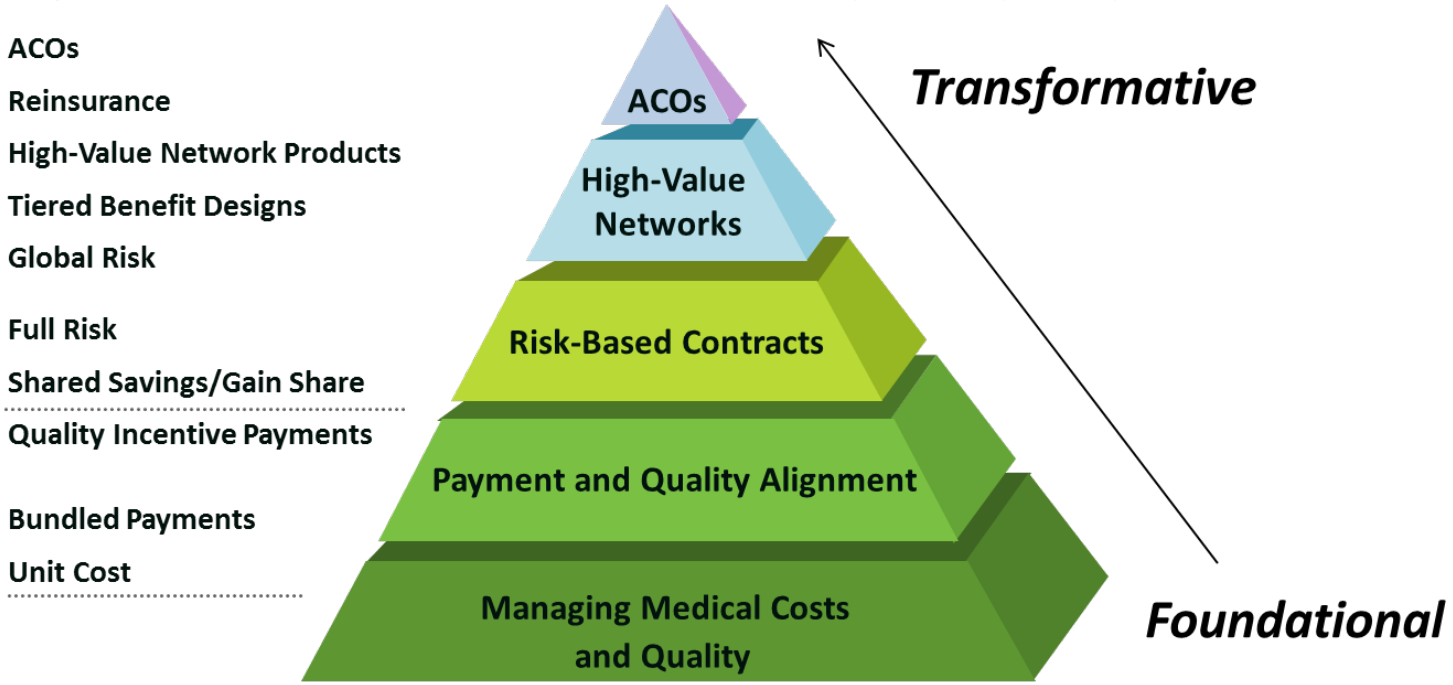
- The benefit strategies for Medicare beneficiaries are evolving
- Smaller, high-value networks with strong provider partnerships balanced against large networks with less integration





Medicare Value-Based Contracting

Increase value-based reimbursement with providers by aligning incentives and enabling them to lower medical costs and improve quality



Categories of Assessment

- Ensuring providers are ready for the VBC accountability






Geographic Opportunity | **Operational Efficiency** | **Physician Alignment** | **Care Transformation** | **Patient Engagement** | **Financial Stability**

Challenges and Successes

Challenges	Successes
• Ensuring providers are ready for certain VBC activity • Meeting accessibility standards for geographies with limited providers/systems • Implementing a new way of thinking – conversation from volume driven fee-for-service to value-driven • Integrating disparate systems and levels of practice • For some providers, fundamentally changing to align incentives differently • The time it takes to implement and see results • Engaging differently from a clinical perspective	• Provider assessments create a roadmap for movement along the contracting value chain • Providers that embrace accountability improve medical record documentation and risk score accuracy • Star quality metrics improved when compared to straight FFS contracts • Focus on improved health outcomes drives more value and cost efficiency • More opportunities are created to collaborate, integrate, and coordinate care delivery

Thank You

- Julie S. May
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UCare: Value-Based Purchasing

Ghita Worcester

UCare

September 10, 2015

Social System of Care Coordination

UCare's Value-Based Contracting

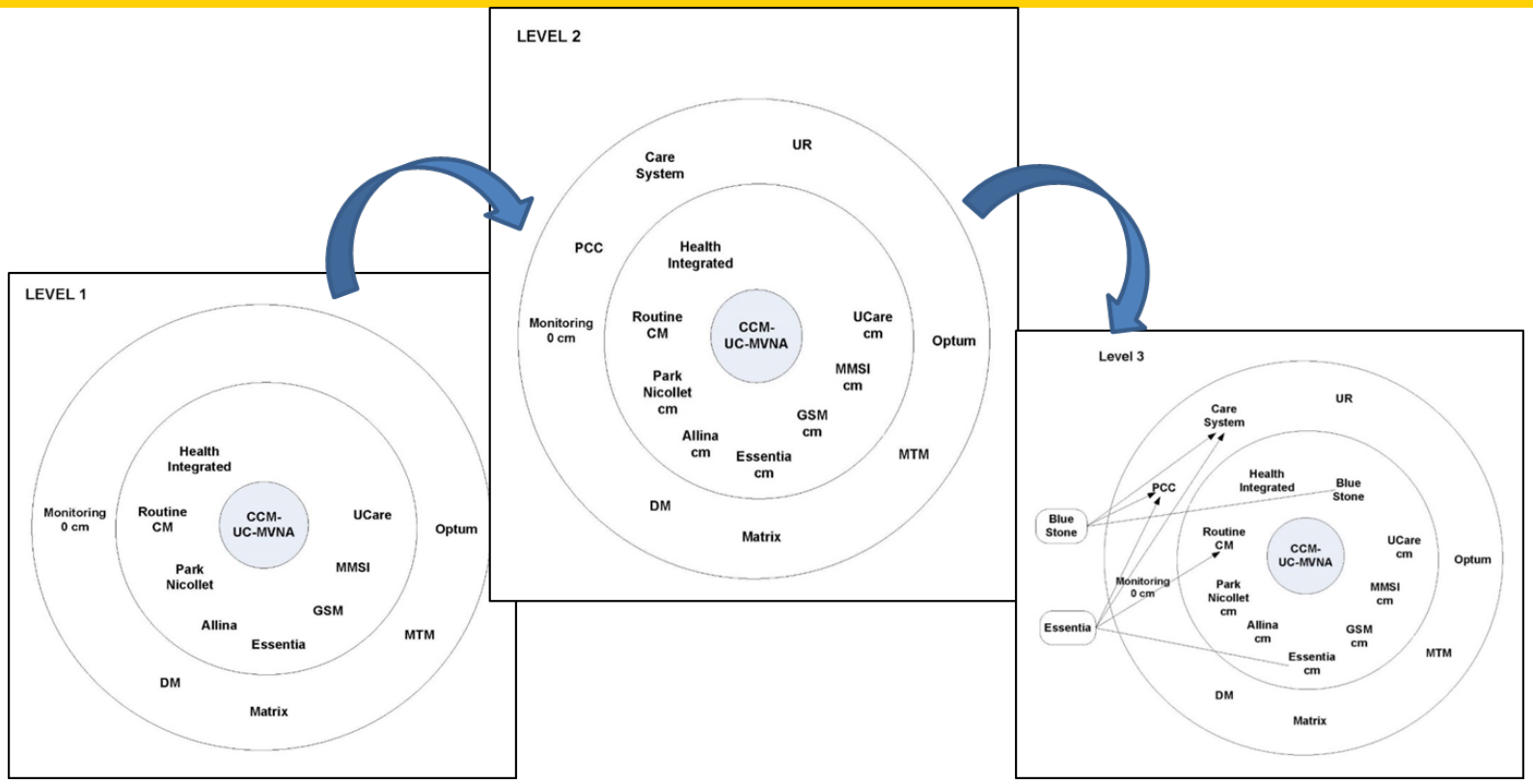
Methods

- Cost of Care contracts
- Pay for Performance
- Shared improvement
- New provider/plan model

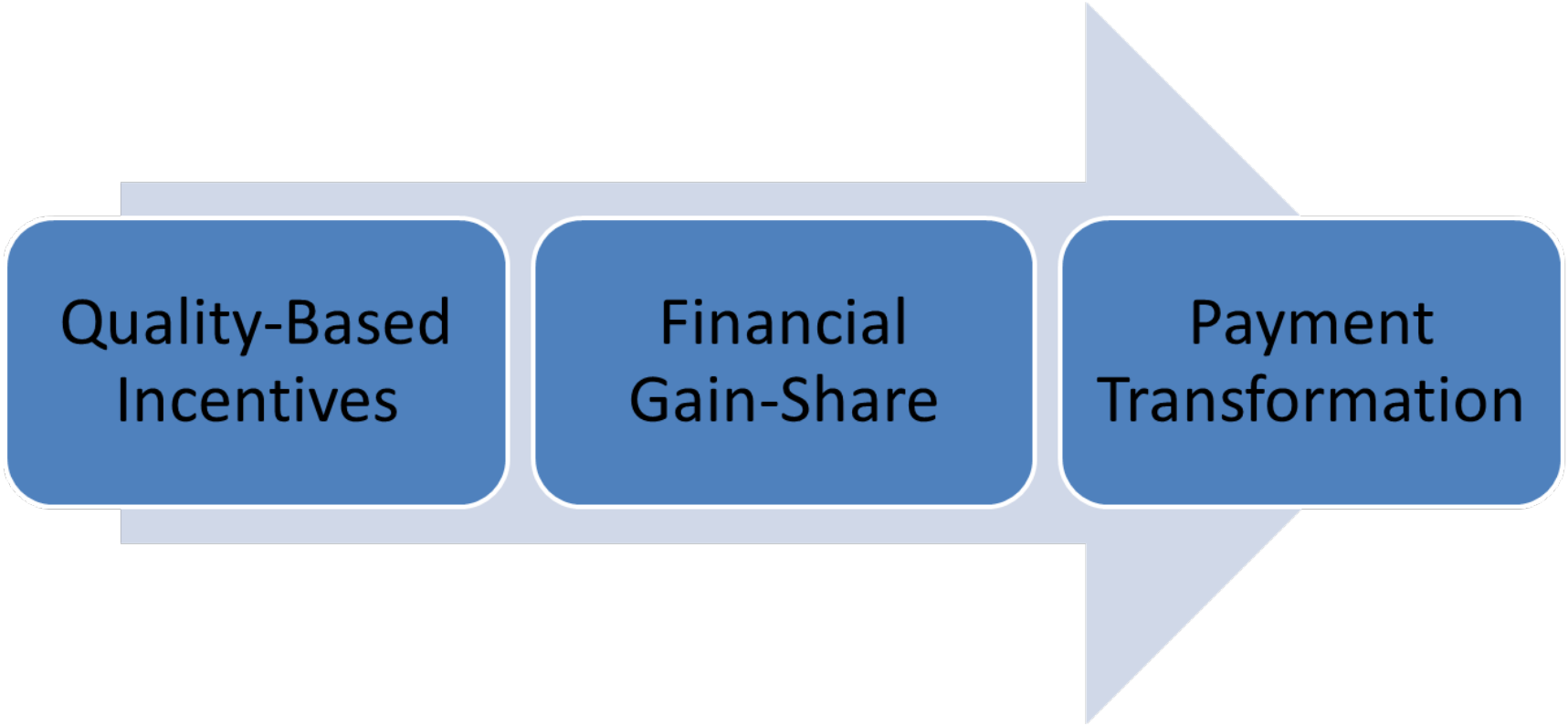
Provider selection and involvement

- Patient volume and current experiences
- Data analytics and metrics
- High-quality health care delivery

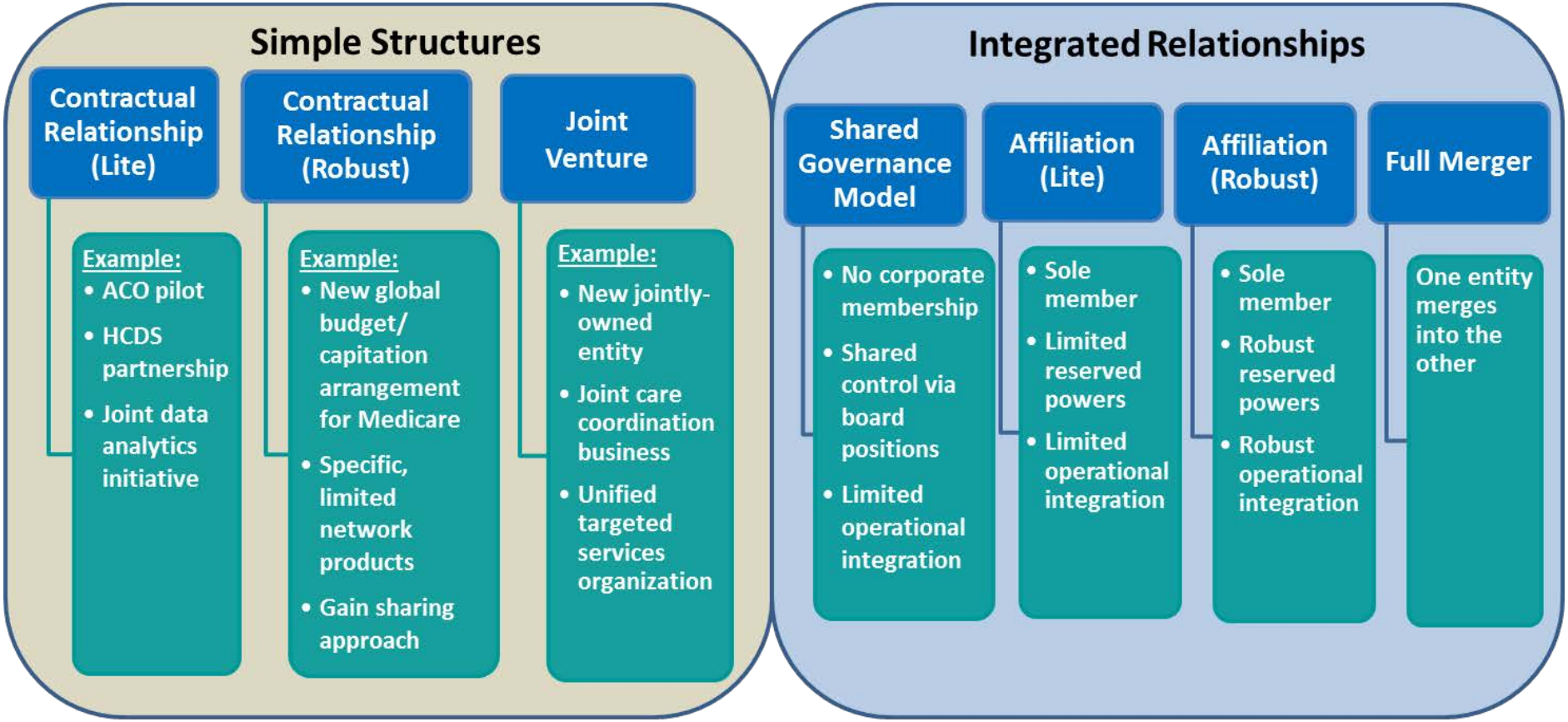
Complex Social, Economic & Medical Environment



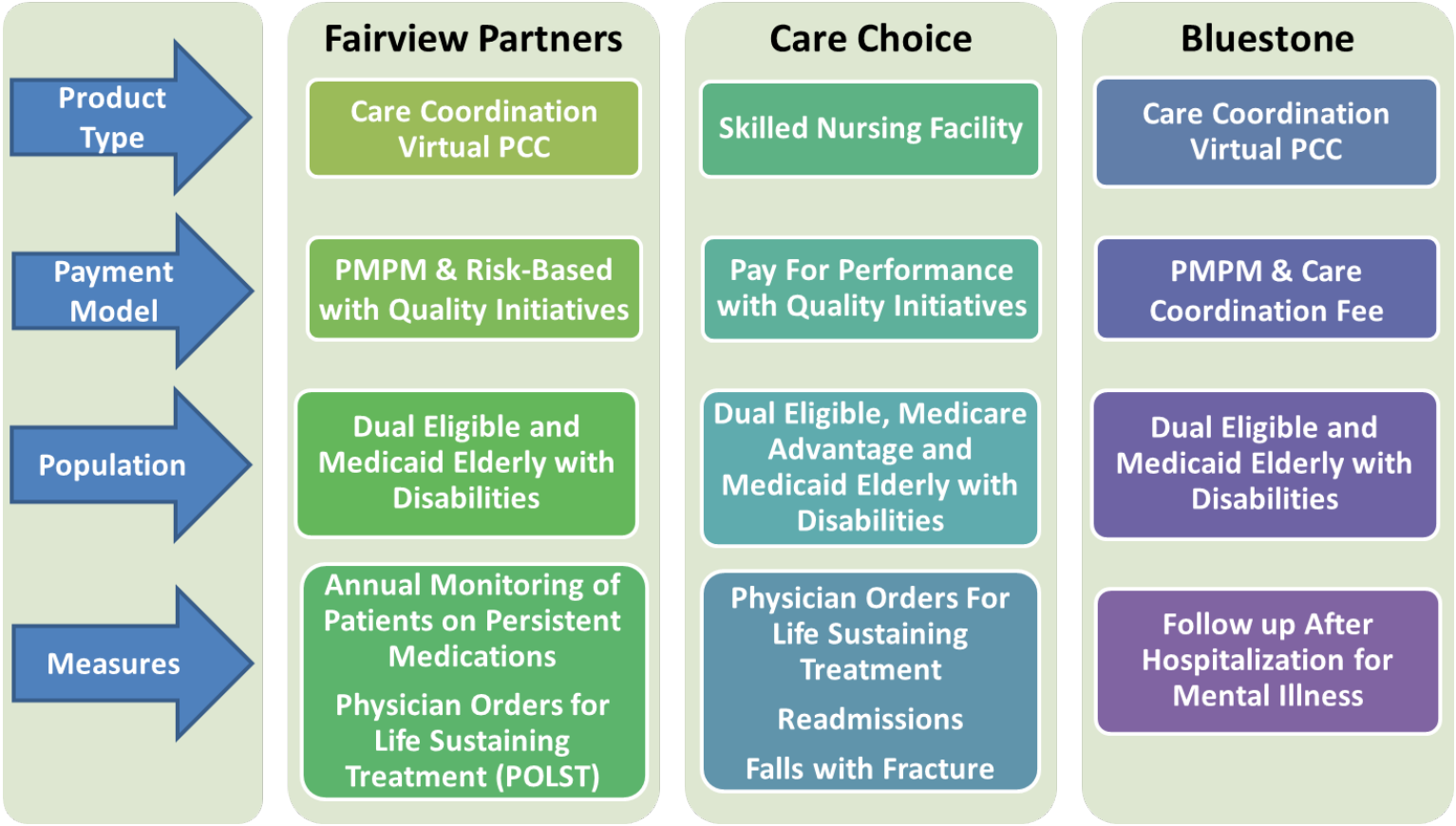
Payment Model Overview



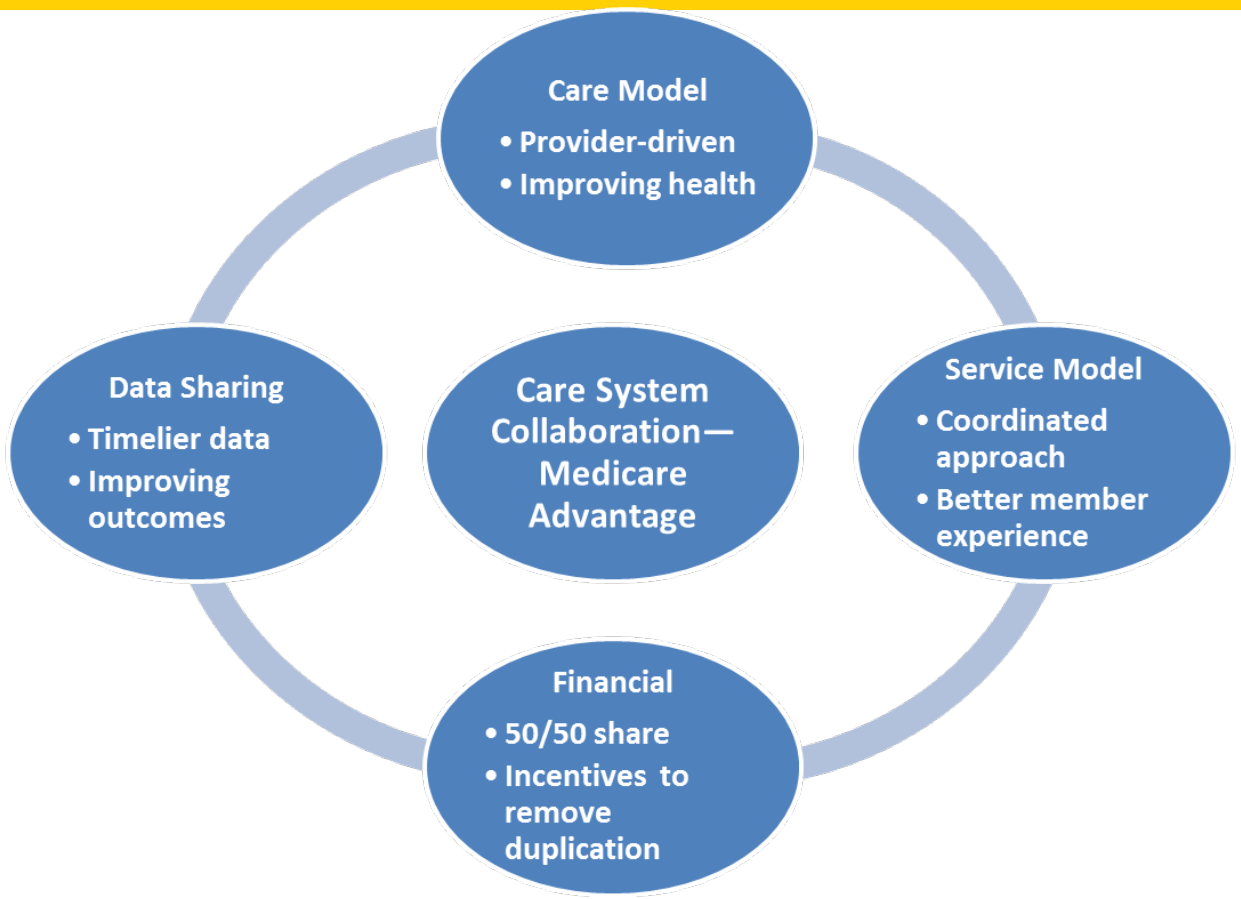
Payment Model Continuum



Innovative Care & Payment Models



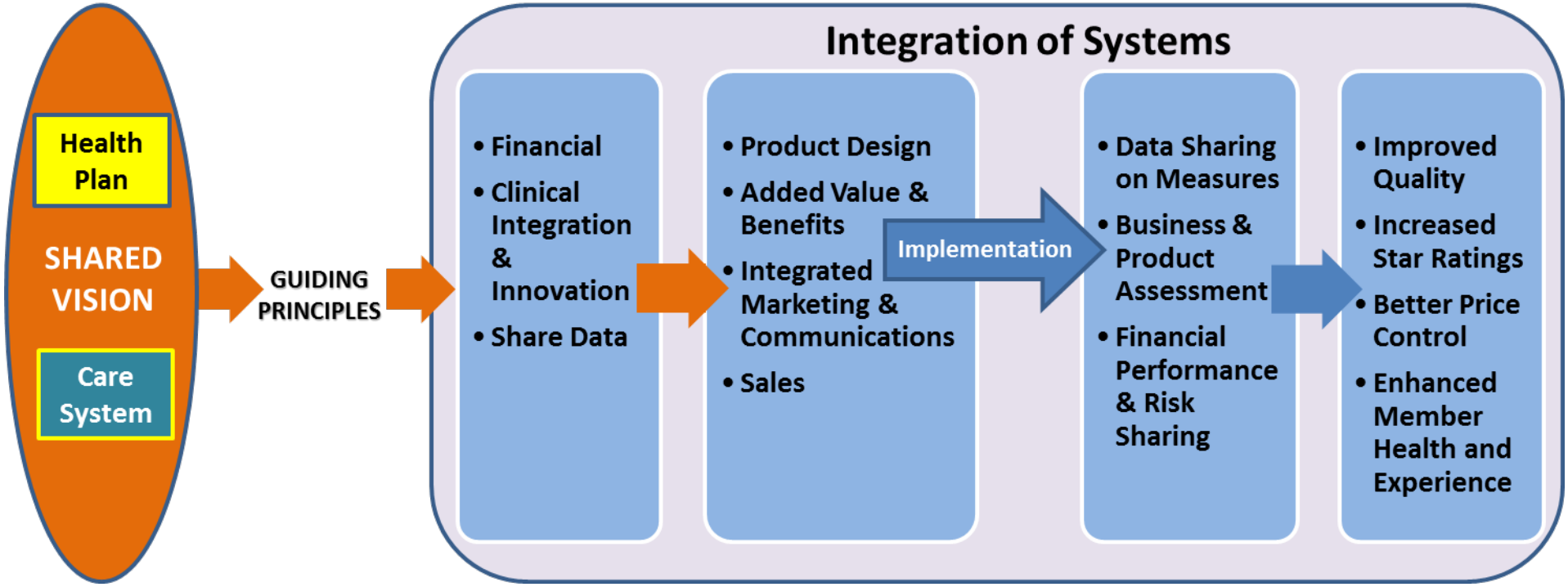
Care System Transformation



Guiding Principles

- Member experience that differentiates and drives loyalty
- Meet network adequacy requirements for service area
- Incentives for members to stay within the network
  - Requiring authorizations
  - Higher cost-sharing for going out-of-network
- Avoid duplication of administrative functions
- Leverage brand recognition of each organization
- High-performing network
- Shared risk and rewards

Collaborative Partnership Development & Transformation



Thank You!

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Thank You

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