



# 20 H EALTH 21 MEETING

June 14-16, 2021



# Value-Based Payment Arrangements – Past and Future

June, 15, 2021



### Moderator:

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### Presenters:

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# **SOA Antitrust Compliance Guidelines**

Active participation in the Society of Actuaries is an important aspect of membership. While the positive contributions of professional societies and associations are well-recognized and encouraged, association activities are vulnerable to close antitrust scrutiny. By their very nature, associations bring together industry competitors and other market participants. The United States antitrust laws aim to protect consumers by preserving the free economy and prohibiting anti-competitive business practices; they promote competition. There are both state and federal antitrust laws, although state antitrust laws closely follow federal law. The Sherman Act, is the primary U.S. antitrust law pertaining to association activities. The Sherman Act prohibits every contract, combination or conspiracy that places an unreasonable restraint on trade. There are, however, some activities that are illegal under all circumstances, such as price fixing, market allocation and collusive bidding.

There is no safe harbor under the antitrust law for professional association activities. Therefore, association meeting participants should refrain from discussing any activity that could potentially be construed as having an anti-competitive effect. Discussions relating to product or service pricing, market allocations, membership restrictions, product standardization or other conditions on trade could arguably be perceived as a restraint on trade and may expose the SOA and its members to antitrust enforcement procedures.

While participating in all SOA in person meetings, webinars, teleconferences or side discussions, you should avoid discussing competitively sensitive information with competitors and follow these guidelines:

- Do not discuss prices for services or products or anything else that might affect prices
- Do not discuss what you or other entities plan to do in a particular geographic or product markets or with particular customers.
- **Do not** speak on behalf of the SOA or any of its committees unless specifically authorized to do so.
- Do leave a meeting where any anticompetitive pricing or market allocation discussion occurs.
- **Do** alert SOA staff and/or legal counsel to any concerning discussions
- **Do** consult with legal counsel before raising any matter or making a statement that may involve competitively sensitive information.

Adherence to these guidelines involves not only avoidance of antitrust violations, but avoidance of behavior which might be so construed. These guidelines only provide an overview of prohibited activities. SOA legal counsel reviews meeting agenda and materials as deemed appropriate and any discussion that departs from the formal agenda should be scrutinized carefully. Antitrust compliance is everyone's responsibility; however, please seek legal counsel if you have any questions or concerns.





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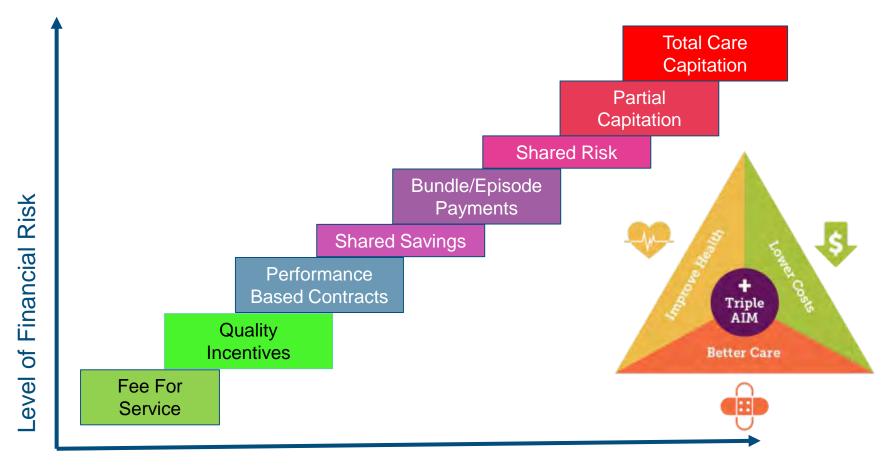


# 20 HEALTH 21 MEETING

# Overview



### Value Based Models - Overview



### Types of Models

### **Public Programs**

CMMI / CMS
 Programs

### Private Programs

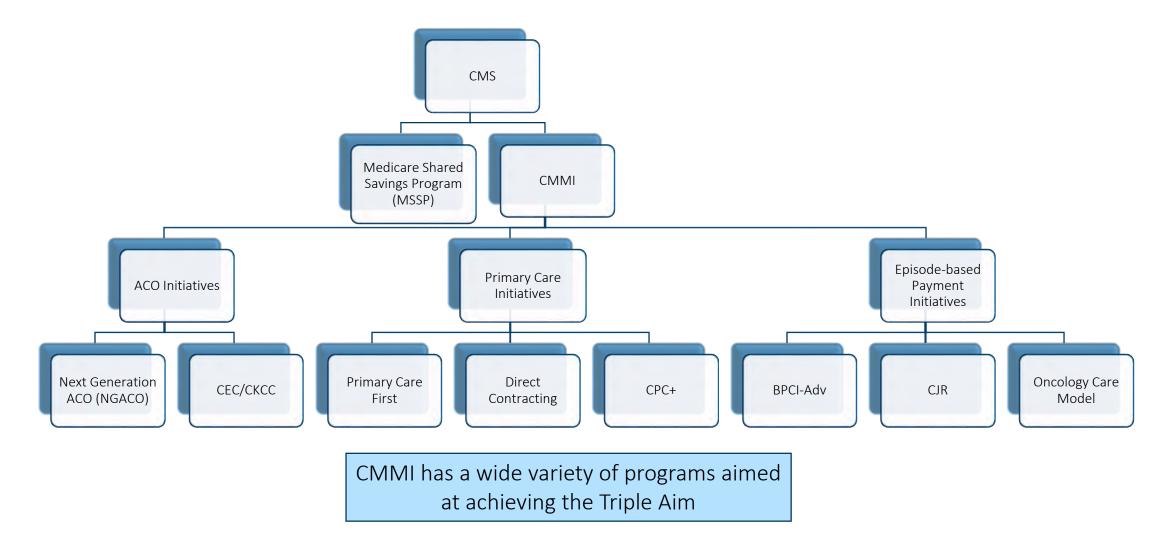
 Contracts between Payer/Providers

Degree of Provider Integration & Accountability





# Public Programs – CMMI/CMS Programs





# What Opportunities are Available Under Value-Based Arrangements

### Opportunity to Increase Provider Engagement

- Increase provider responsibility on aligned members
- Providers responsible for quality
- Include in up-side and down-side shared savings

### Opportunities for Value Based Care

- Quality Measures
- Incentive Payments
- Capitation Potential

### Increase Flexibility

- Capitation vs. FFS
- Benefit Enhancements / Incentives
- Provider -> Payer Contracting



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# BCBSMA AQC



### ALTERNATIVE QUALITY CONTRACT: THE BEGINNING (2009)

Moving hospitals and physicians away from fee-for-service

### **GLOBAL BUDGET**

Covering all medical services for a whole population, health status adjusted, based on historical trend, shared risk

### QUALITY INCENTIVES

Significant earning potential for care quality, using nationally accepted measures

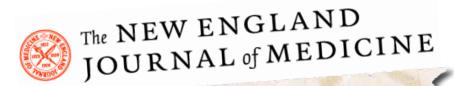
### LONG-TERM CONTRACT

5-year agreement, sustained partnership, supports ongoing investment





## INDEPENDENT EVALUATIONS CONFIRM AQC SUCCESS



SPECIAL ARTICLE

Health Care Spending and Quality in Year 1 of the Alternative Quality Contract

Zirui Song, B.A., Dana Gelb Safran, Sc.D., Bruce E. Landon, M.D., M.B.A., Yulei He, Ph.D., Randall P. Ellis, Ph.D., Robert E. Mechanic, M.B.A., Matthew P. Day, F.S.A., M.A.A.A., and Michael E. Chernew, Ph.D.

**HealthAffairs** 

HEALTH AFFAIRS > VOL. 36, NO. 1: COVERAGE EXPANSION, ACCOUNTABLE CARE & MORE

Lower- Versus Higher-Income Populations In The Alternative Quality Contract: Improved Quality And Similar Spending

Zirui Song, Sherri Rose, Michael E. Chernew, and Dana Gelb Safran AFFILIATIONS V



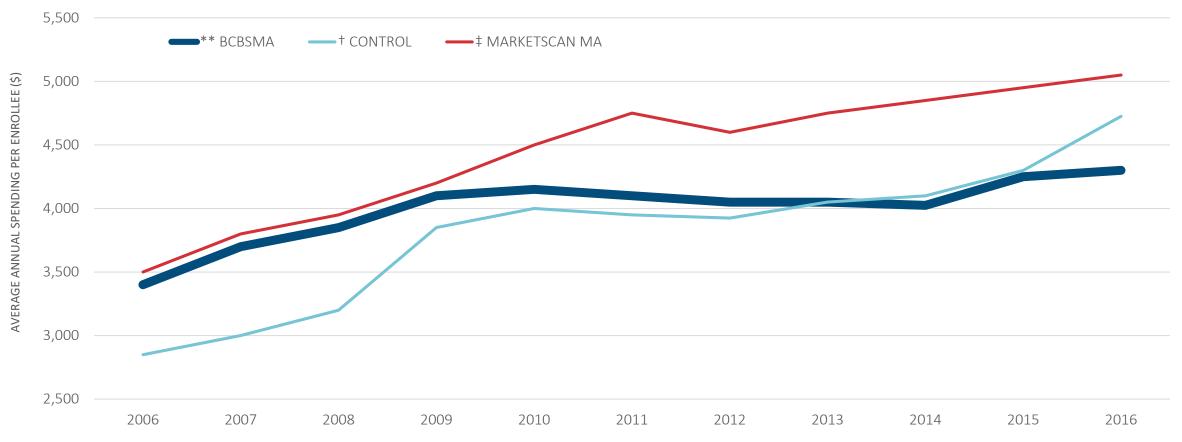






### RATE OF MEDICAL SPENDING ON CLAIMS – BCBSMA VS. CONTROL

### Results of 8 Year Study by Harvard Medical School



<sup>\*</sup>This figure shows unadjusted medical spending on claims for BCBSMA, a control group, and Marketscan, MA. \*\*B C B S M A — Blue Cross Blue Shield of Massachusetts 2009 AQC Cohort.

<sup>‡</sup> MARKETSCAN MA – enrollees in similar employer-sponsored plans in Massachusetts.



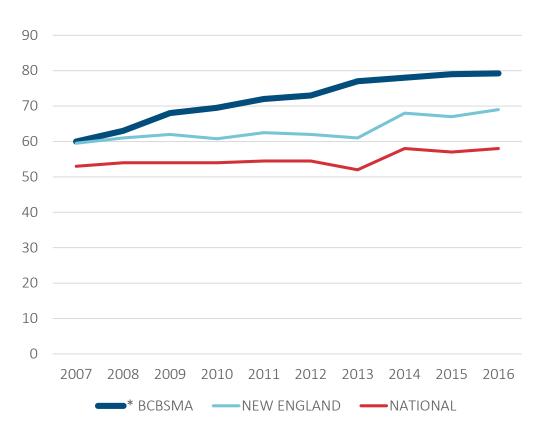
<sup>†</sup> CONTROL – enrollees in similar employer-sponsored plans across 8 Northeastern states (CT, ME, NH, NJ, NY, PA, RI, and VT).



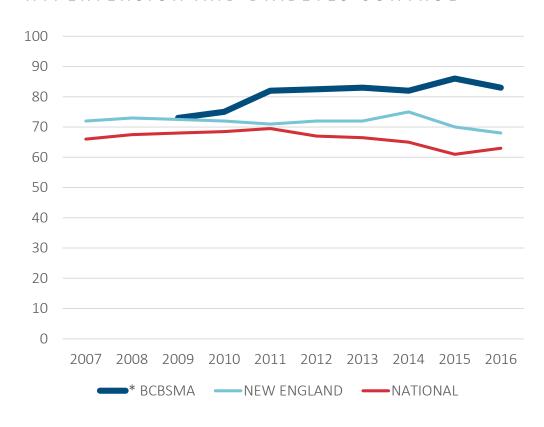
### **BCBSMA VS. CONTROL**

### Results of 8 Year Study by Harvard Medical School

### ADULT PREVENTATIVE CARE



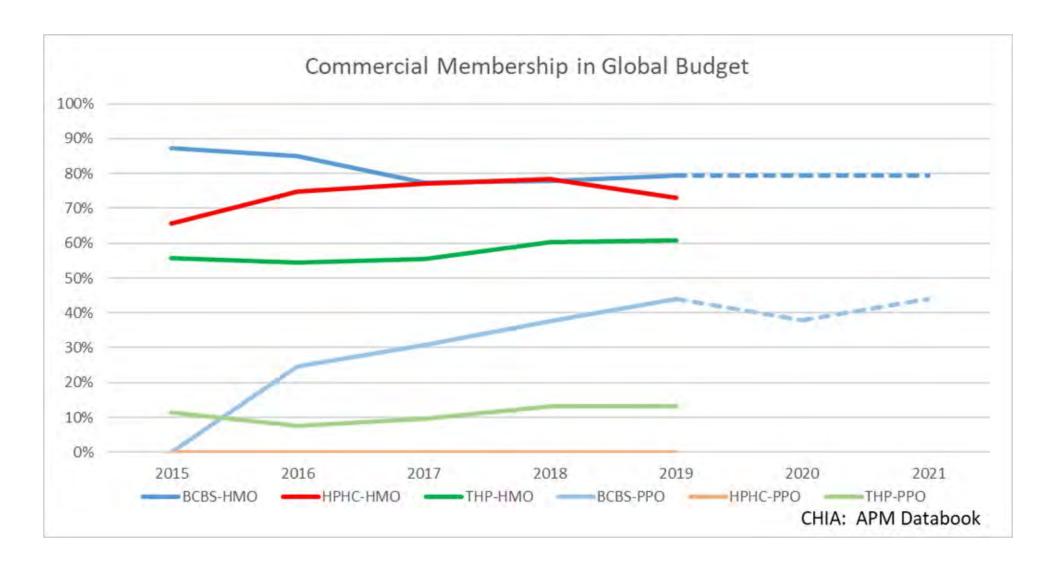
### HYPERTENSION AND DIABETES CONTROL



S O U R C E: New England Journal of Medicine



### ALTERNATIVE QUALITY CONTRACT: THE TRAJECTORY





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# eBrightHealth ACO



# **History and Performance**

- MSSP Participant since 2016
- Basic Track Level C
- 4 Health Systems, 5 private practices, 2 FQHCs
- > 1500 Primary and Specialty Care Clinicians
- ~43K Beneficiaries
- > \$18 M generated savings







# **Goals and Key Actions**





# Leading the Way to Pop Health Success





# **Next Steps**

- Basic Track Level E for PY2022
- Increasing Accountability
- Changing Cost Structure
- Revisions of Care Coordination Structure/Approach
- eCQM!





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# Panel Discussion



 What are some of the key factors that made this program successful for your organization?





• What are the unique challenges your organization has faced related to the program? How have they been addressed?





- When the program was first introduced, how did the provider community react?
- What are the key strategies to get the providers on board?
- What are the key factors to ensure ongoing engagement from the providers?





 What are some of the newest innovations related to value-based arrangements your organization is considering or you've heard in the industry?



• To our audience, if anyone is considering starting a similar program, what's your advice to them? Where should they start?





 What's your view of the future of Value-Based Arrangements? Will the industry embrace it further or step back a little bit?



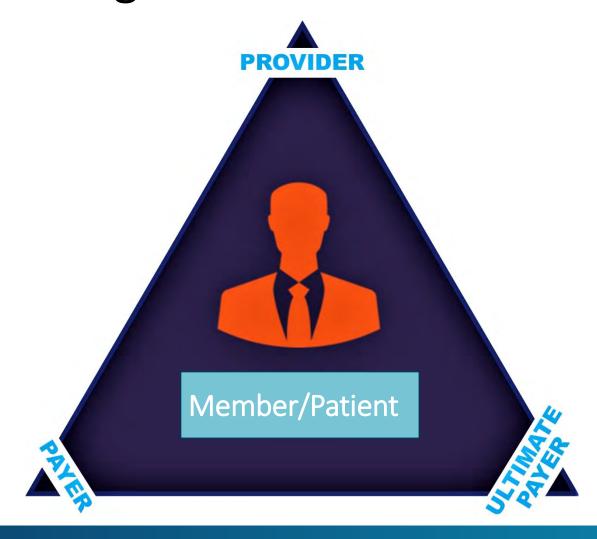


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# Takeaways



# So what does it take to be successful in Value Based Arrangements?





# True Partnership

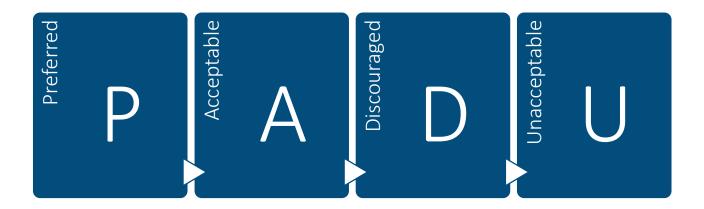
- True partners are interested in each other's success:
  - Aligning goals
  - Facilitating transparency
  - Understanding capabilities and supporting each other
  - Eliminating waste
- Best practices
  - Actionable data sharing Extremely important!
  - Efficiencies Division of Financial Responsibilities (DOFR)
  - Collaborative product designs
  - Avoid physician burnout
  - Realistic expectations MLR targets, quality metrics, appropriate measures
  - Patience...





### **Contract Parameters**

• Set parameters with specific contractual terms



• Create a glide path to full risk

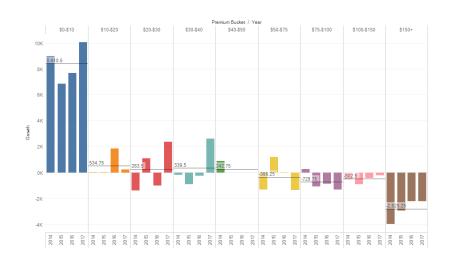


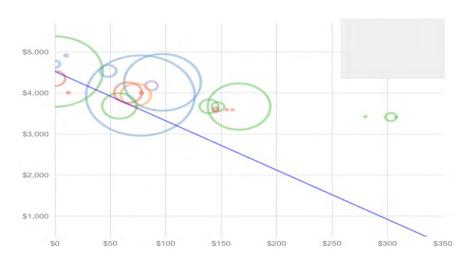
- Membership thresholds
- Physician group capabilities



# **Product Development**

- Have both payer and providers at the table to develop products
- Design and position products that will encourage profitable growth to both organizations

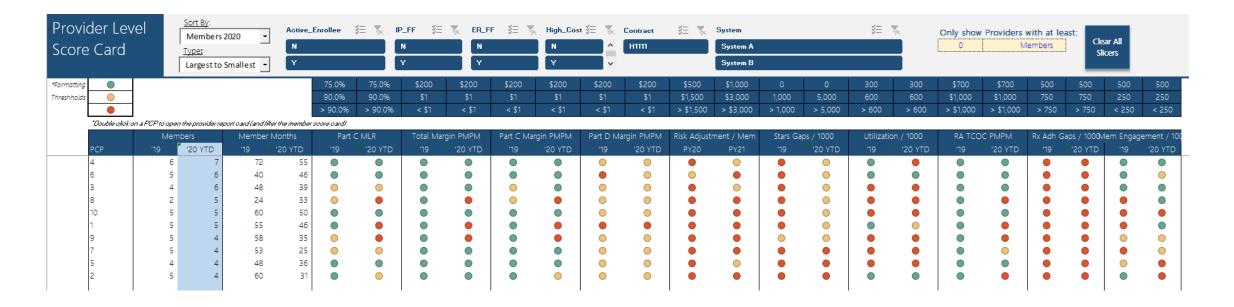






# Data Analytics

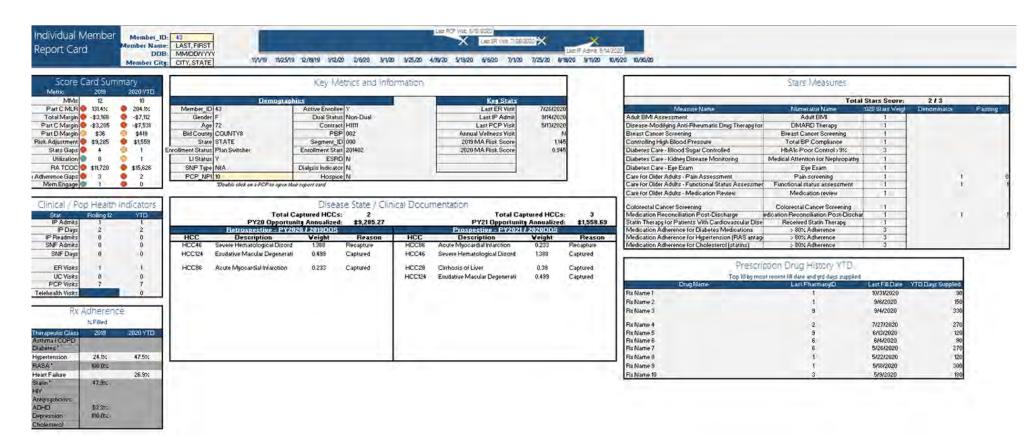
- Form joint operating committees that regularly meet to discuss emerging trends and measure performance
- Provide KPIs to PCPs at attribution level and tie back to plan financials





# Population Health

- Create member/patient level report card
- Drill down to see if members/patients are engaged with their healthcare





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