

Opportunities and Challenges in Overlaps of Payment Programs

October 20, 2017

Hoangmai Pham, MD, MPH

VP, Provider Alignment Solutions

Brent Higgins, MHA

Director, Value-Based Payment Models

Agenda

Discussion of Issues and Challenges

- Payer
- Provider

Discussion of Progress and Solutions

Conclusions

Discussion



Multi-Payer Overlap



Variation that drives conflict and inefficiency

Measures

Methodology

Reporting

Communication

Capability



Consequences of Overlap – Intentional and Unintended

Intentional

Critical mass

Incentive alignment

Collaboration

Unintended

Depleted comparison groups for evaluation

Administrative Burden

Mixed financial signals

Dilution of individual programs if layered

Free riders

Population Differences

- Multi-payer efforts driven by CMS don't reflect commercial membership characteristics
- Measures don't recognize or emphasize the unique opportunities of payers and providers

Variation in payer capabilities

- Payers have different capabilities around payment innovation administration
- Payment models are not consistent

Free Riders

Contracting cycles don't align

Differences in Reimbursement and Network structure

- Commercial fee schedules, networks and benefits
- Payment/Reimbursement policies

Additional Program Expense

- Data aggregation
- Convener

Proliferation of Program Requirements

- Multiple programs with similar goals are difficult to navigate
- Multiple scorecards, measure set and incentive alignments

Payment Model

- Slightly different focus across programs can dilute incentives
- Additional administrative burden when models don't align

Population Differences

- Different product/network structures used across member groups can make pop health management more difficult
- Population nuances impact service needs, bundle definitions/inclusions, etc.

Data variation across payers

- Makes hard to interpret reporting

Administrative headaches

- Communication overload from a variety of stakeholders
- Compliance requirements and infrastructure

Payer-Centric Solutions

Problem Category	Activities / Potency	Examples
Consistent measure set	★	RI/VT – population health measure set
Consistent reimbursement rates	★★	MD - Rate setting allows payers to compete on service and experience vs discounts
Payment model consistency	0	
Reimbursement policies	★	SC – Blue and Medicaid stopped paying early elective deliveries
Free riders	0	
Capability variation	★★	OH - Data Aggregator, joint stakeholder meetings
Anti-trust, collaboration optics	★	Conveners
Population differences	0	Payers try to align with bundle definitions when feasible
Efficacy and evaluation	★	Thoughts?

Scale ★ - ★★ ★★★ ★★★★★

Problem Category	Activities / Potency	Examples
Administrative burden <ul style="list-style-type: none"> • Multiple measure sets • Contracting • Communication 	★	RI, VT working towards aligning measure sets
Program and incentive dilution*	0	*Multi-payer collaboration captures greater share of provider's book of business
Payer capability variation	★	OH – data aggregation / reporting
Payment model consistency	★	High level alignment of incentives

Scale ★ - ★★ ★★★ ★★★★★

Conclusions

Multi-payer transformation efforts have induced a myriad of intended and unintended consequences across all participants.

Most efforts have focused on financial and administrative burden. No one has addressed all issues.

Contamination from overlap will make it difficult to detect modest impact.

Much more work is needed to promote and adjust for contamination.

- Victims of own success; will be difficult to make data-driven decisions
- Magnitude of impact will be underwhelming

Need to acknowledge tradeoff between building and sustaining market momentum vs. making sound long-term decisions of what payment innovations work.

- Multi-payer collaborative and interventions require investment mentality to spur change
- Models will need to demonstrate a sustainable business case for continued engagement

A group of diverse business professionals are seated around a round wooden table in a modern office setting. A man in a white shirt is seen from the back, addressing the group. Several people are gesturing with their hands, indicating an active discussion. A laptop is open on the table in front of him. The scene is brightly lit, suggesting a collaborative and professional environment.

Discussion