Ohio Joint Medicaid Operating Committee – Value Based Purchasing

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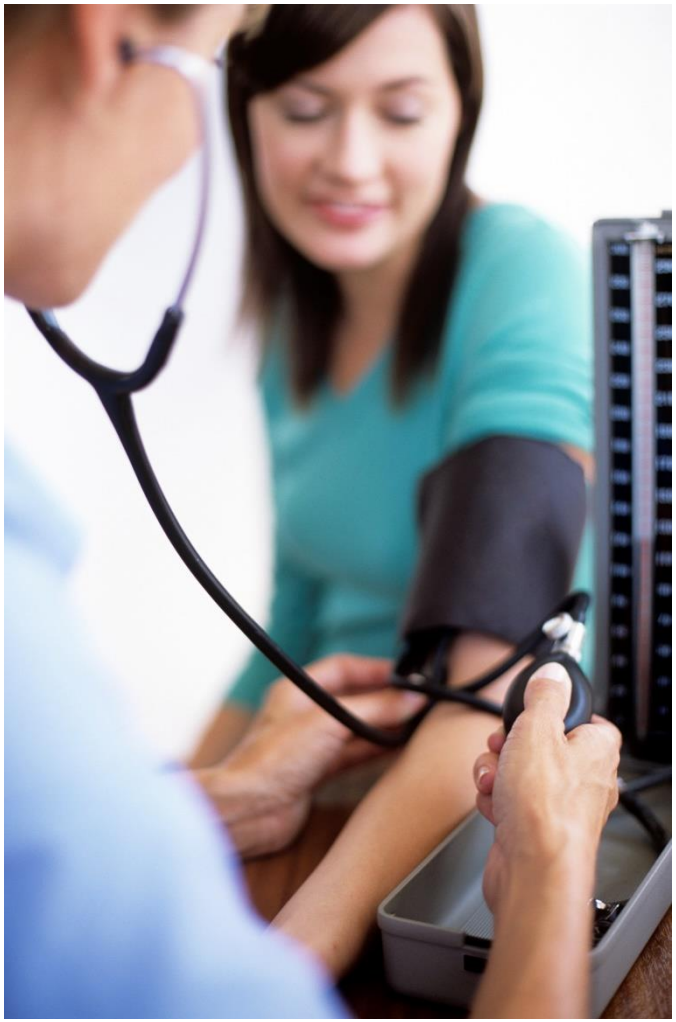
Agenda

- What is value-based care and why does it matter?
- Health Care Payment Learning Action Network – APM Model Framework
- Examples of Anthem value-based programs



What is value-based purchasing and why does it matter?

The standard approach to contracting and reimbursement based on paying fee-for-service has created notable gaps in the quality of care received and ballooning healthcare costs.

- Fee-for-service mechanism of paying physicians is a contributing driver to higher health care costs in the United States
- 86¢ of every health care dollar spent goes toward people with chronic and mental health conditions
- Insufficient care coordination results in lower quality and increased cost, especially for persons with chronic conditions

Primary Care

- ~5-10% of spend
- Whole-person care
- Lowest RVUs

Specialty Care

- ~35% of spend
- More focused expertise
- Highest RVUs

ER, Inpatient, Surgery

- ~50+% of spend
- Emergency
- Care of last resort

Value-based reimbursement is emerging as an alternative to standard, fee-for-service contracting / reimbursement. **Value-based care intertwines two core concepts – payment innovation and care transformation – and aligns rewards for providers for both efficiency and effectiveness for the quality of care provided**, transforming the delivery paradigm.

- Payment innovation holds providers accountable for cost and quality outcomes through value-based incentives
- Care transformation is providing specialized support, data, and tools to help providers succeed and members thrive

And without a major transformation, the cost of care will continue to escalate for lower quality, uncoordinated care

Health Care Payment Learning & Action Network

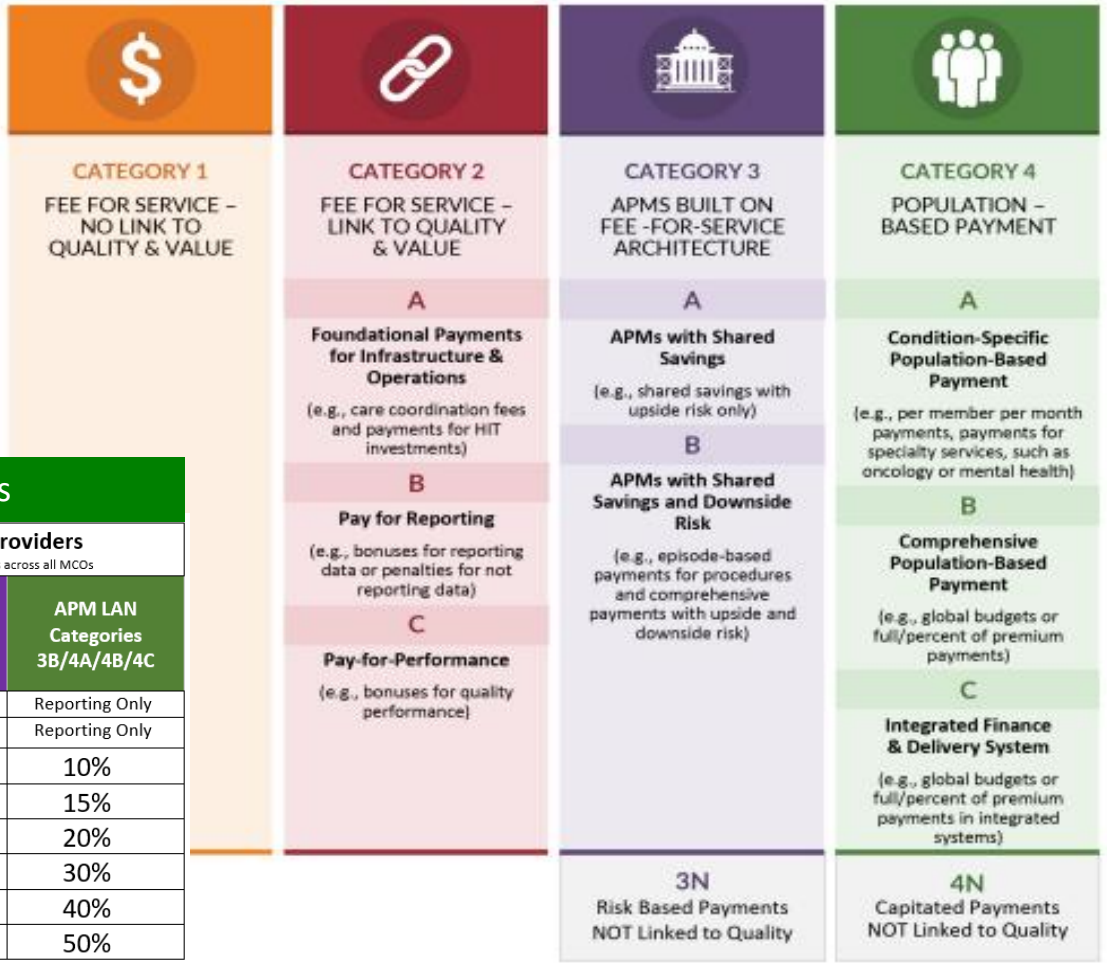
Anthem

HCP LAN Revised APM Goals

Accelerate the percentage of US health care payments tied to quality and value in each market segment through the adoption of two-sided risk alternative payment models (Categories 3B and 4 of the LAN APM Framework).

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

Increasing Provider Accountability

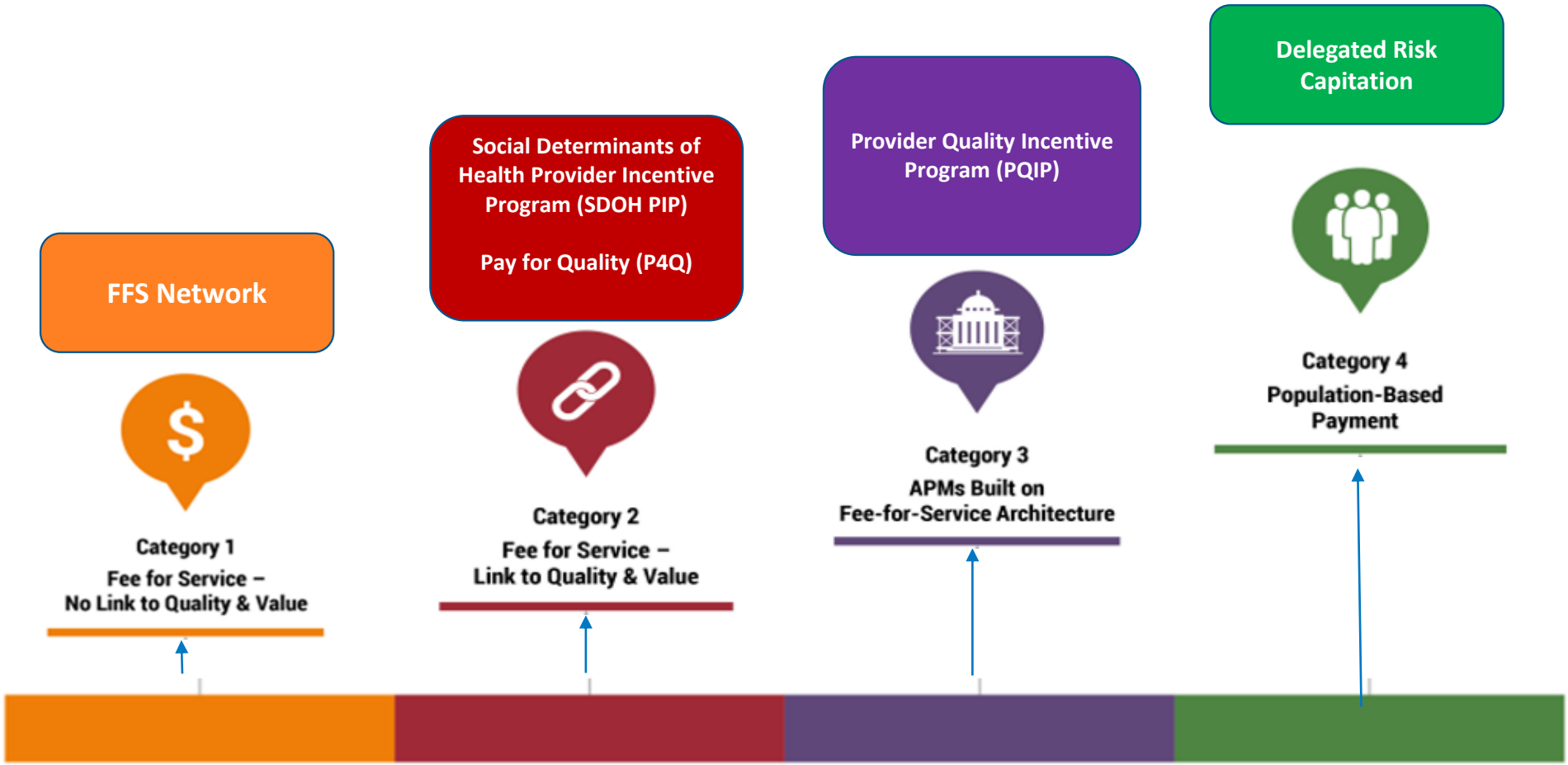


ODM Revised APM Goals

	Small Providers (6-499 members across all MCOs)		Large Providers (500+ members across all MCOs)	
	APM LAN Categories 3A/3B/4A/4B/4C	APM LAN Categories 3B/4A/4B/4C	APM LAN Categories 3A/3B/4A/4B/4C	APM LAN Categories 3B/4A/4B/4C
CY 2023	Reporting Only	Reporting Only	Reporting Only	Reporting Only
CY 2024	Reporting Only	Reporting Only	Reporting Only	Reporting Only
CY 2025	30%	0%	75%	10%
CY 2026	40%	0%	80%	15%
CY 2027	50%	0%	90%	20%
CY 2028	60%	0%	100%	30%
CY 2029	75%	0%	100%	40%
CY 2030	90%	0%	100%	50%

APM FRAMEWORK - Health Care Payment Learning & Action Network (hcp-lan.org)

Anthem Medicaid
Value Based Payment Initiatives
Overview



Source: hcp-lan.org/workproducts/apm-refresh-whitepaper-final.pdf

* Availity, LLC is an independent company providing administrative support services on behalf of Anthem Blue Cross and Blue Shield Medicaid.

https://providers.anthem.com/OH

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