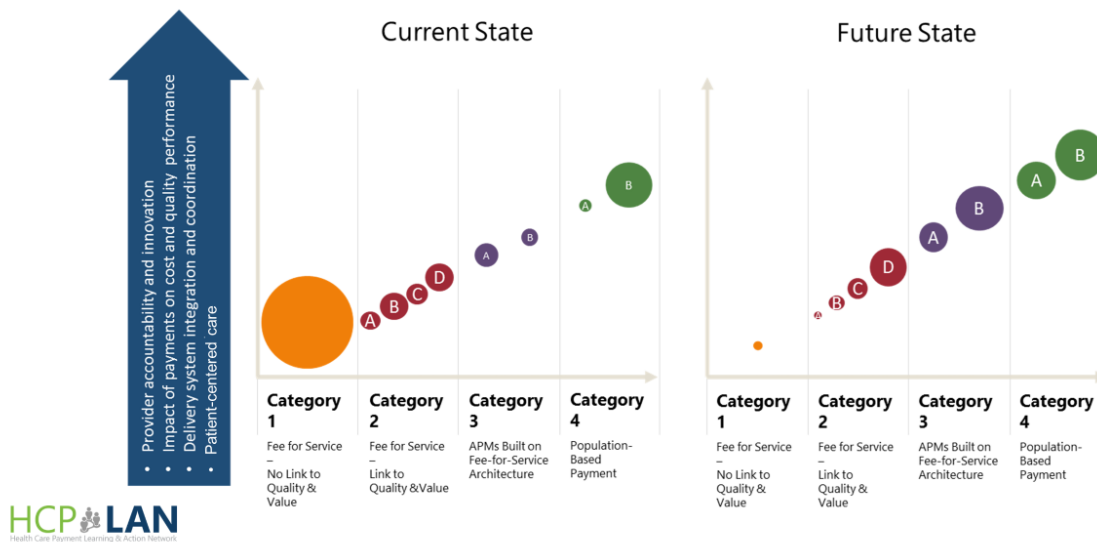**ThedaCare Center for Healthcare Value Supports Value-Based Payment Initiatives**

The move from fee-for-service (aka volume-based) reimbursement in healthcare to value-based reimbursement is no longer "if" – it's "when" and "how." The Centers for Medicare and Medicaid Services, CMS, is leading the way – with the support of many other organizations through an initiative called the Health Care Payment Learning and Action Network (HCP-LAN) – or simply, LAN. With a mission "To accelerate the health care system's transition to alternative payment models by combining the innovation, power, and reach of the private and public sectors" – this multi-stakeholder support aligns with CMS's goals to accelerate the health care system's adoption of effective alternative payment models (APMs) to reach 30 percent of all payments by 2016 and 50 percent by 2018.

APM Goals
For Payment Reform

One of the cornerstones of the work of the LAN is the APM Framework, which outlines 4 categories of alternative payment models, from fee-for-service through population-based payment.

What does this mean for providers? CMS is encouraging the adoption of APMs by incentivizing providers and provider organizations to participate. With the passage of CMS' Medicare Access & CHIP Reauthorization Act of 2015 (MACRA), to avoid financial penalties, providers have two options moving forward: join an accredited APM to receive a small financial bonus, or participate in Merit-

based Incentive Payment System (MIPS), which combines three current physician reporting requirements into one program.

The ThedaCare Center for Healthcare Value has joined this initiative as a committed partner to show our support of these initiatives and impact the industry with our work. We have committed to helping educate our Network members. We are also using a survey tool to learn from them about the challenges and successes of value-based payment initiatives, in order to further the adoption towards population-based payment.
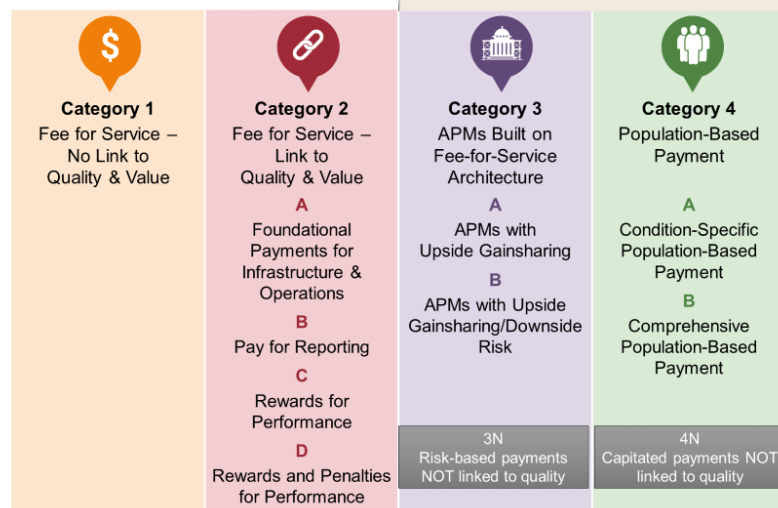
APM Framework
At-a-Glance

Population-Based Accountability 20

The *Framework* is a critical first step toward the goal of better care, smarter spending, and healthier people.

- **Serves as the foundation** for generating evidence about what works and lessons learned
- **Provides a road map** for payment reform capable of supporting the delivery of person-centered care
- **Acts as a "gauge" for measuring progress** toward adoption of alternative payment models
- **Establishes a common nomenclature and a set of conventions** that will facilitate discussions within and across stakeholder communities

HCP LAN
Health Care Payment Learning & Action Network

Category 1
Fee for Service –
No Link to
Quality & Value

Category 2
Fee for Service –
Link to
Quality & Value
A
Foundational Payments for Infrastructure & Operations
B
Pay for Reporting
C
Rewards for Performance
D
Rewards and Penalties for Performance

Category 3
APMs Built on Fee-for-Service Architecture
A
APMs with Upside Gainsharing
B
APMs with Upside Gainsharing/Downside Risk

3N
Risk-based payments NOT linked to quality

Category 4
Population-Based Payment
A
Condition-Specific Population-Based Payment
B
Comprehensive Population-Based Payment

4N
Capitated payments NOT linked to quality

The framework situates existing and potential APMs into a series of categories.

N = payment models in Categories 3 and 4 that do not have a link to quality and will not count toward the APM goal.

= example payment models will not count toward APM goal.

To learn more about the LAN, go here: https://hcp-lan.org/

To learn more about the ThedaCare Center for Healthcare Value, go here: https://createvalue.org/what-we-do/payment/