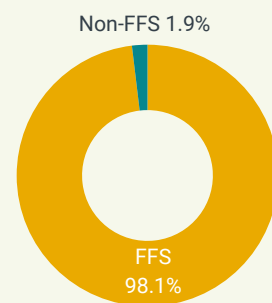




The results of the New Jersey Commercial Scorecard on Payment Reform are in, and 52% of all commercial payments are value-oriented—either tied to performance or designed to cut waste. Status-quo payments make up the remaining 48%. These data are from calendar year 2016 or the most recent 12 months.



Fee-for-Service (FFS) remains the dominant base method of payments to providers, even when the payment is value-oriented. Of all the value-oriented commercial payments health plans made in New Jersey in 2016, 98.1% are still based on FFS. Only 1.9% use a non-FFS based payment method. Value-oriented payment methods categorized as non-FFS include: bundled payment, full capitation, partial or condition-specific capitation, and payment for non-visit functions, while pay-for-performance, shared savings, and shared risk rely on FFS.



Very few value-oriented payments put providers at risk. About 95% of value-oriented payments offer providers a financial upside only, with no downside financial risk.

ACKNOWLEDGMENTS

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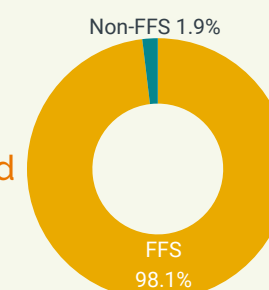
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2018 NEW JERSEY SCORECARD ON Commercial Payment Reform

Use of
Fee-For-Service
in Value-Oriented
Payments in
New Jersey



Share of Value-Oriented
Payments that Put Providers
at Financial Risk

94.5%

5.5%
AT RISK
NOT AT RISK

Provider Participation in
Value-Oriented Payments

46% of all hospital payments (in-patient)

23% of all specialist payments

82% of all primary care provider payments
are value-oriented

Share of Total Dollars Paid to
Primary Care Providers and Specialists

80%
Paid annually to
specialists

20%
Paid annually
to PCPs

0.0% OTHER

NON-VISIT
FUNCTIONS 0.0%

FULL
CAPITATION 0.0%

PARTIAL OR
CONDITION
SPECIFIC
CAPITATION 0.4%

BUNDLED
PAYMENT 0.6%

SHARED
RISK 1.9%

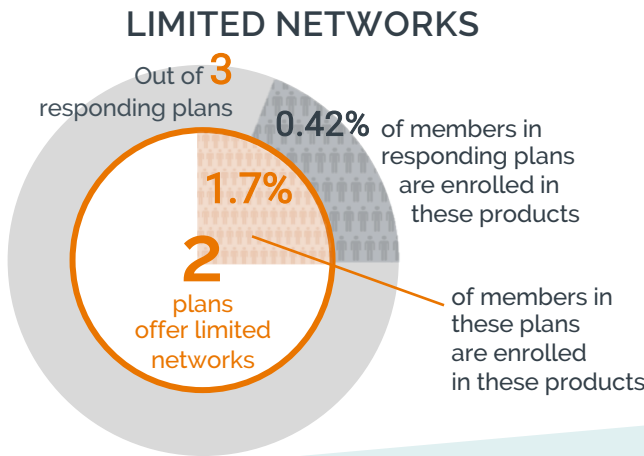
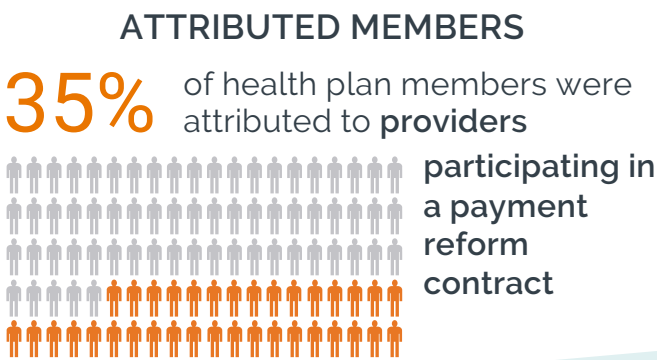
11.2%
PAY-FOR-
PERFORMANCE

37.9%
SHARED
SAVINGS

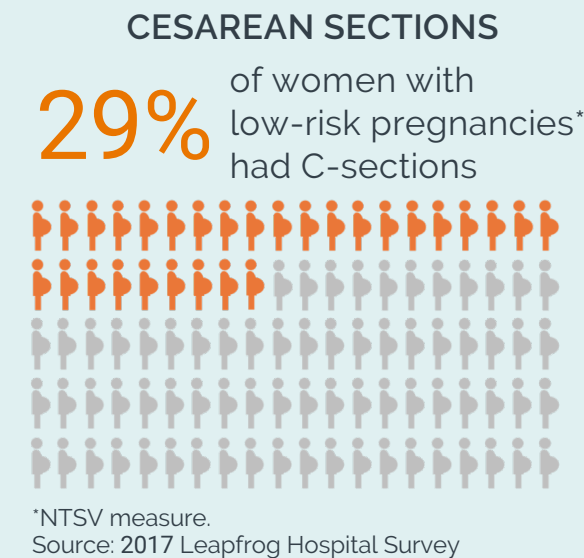
52%
of the total payments
made to providers are
value-oriented.

"AT RISK"
"NOT AT RISK"

Economic Signals



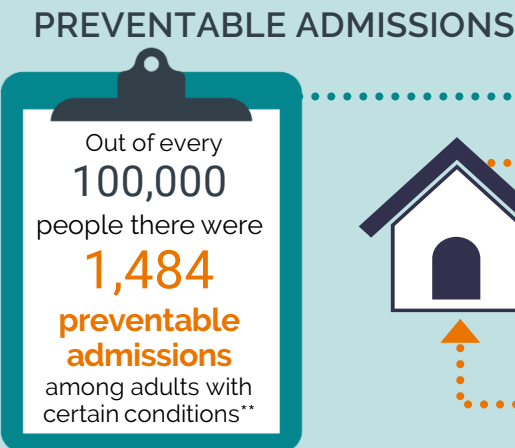
System Transformation



*NTSV measure.
Source: 2017 Leapfrog Hospital Survey



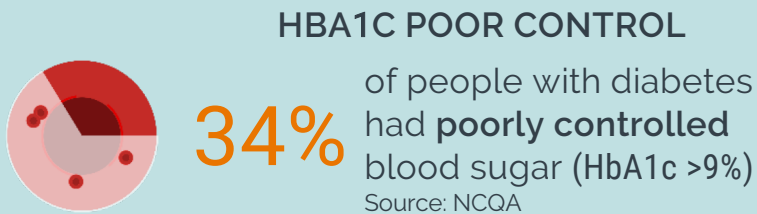
Outcomes



Source: AHRQ, cited by NJDOH 2016. ** See Methodology for metric specifications.



Source: NCQA. *Based on NJ's case mix. See Methodology for details.



Payment Reform's Impact at a Macro-Level: Leading Indicators to Watch

Together, these metrics shed light on the impact of payment reform on the health care system in New Jersey.

