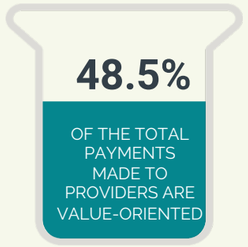
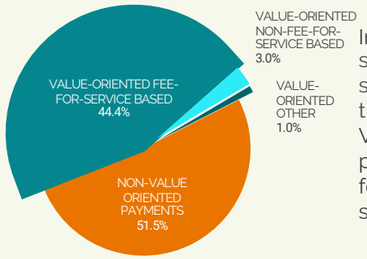
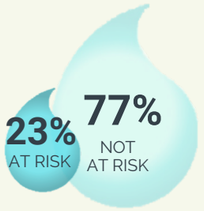


Using health plan data from calendar year 2016, the National Scorecard on Commercial Payment Reform found that 48.5% of all commercial payments were value-oriented—either tied to performance or designed to cut waste. Status-quo payments made up the remaining 51.5%.



In 2016, most value-oriented payments to providers maintained a fee for service (FFS) foundation (44.4% of total dollars flowed through fee-for-service based value-oriented methods), while only 3% of payments flowed through value-oriented methods that did not involve any FFS payment.. 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 are FFS-based.



About 77% of value-oriented payments in 2016 offered providers a financial upside only, with no downside financial risk. The remaining value-oriented payments (23%) put providers at financial risk for their performance and spending.

ACKNOWLEDGMENTS

The 2017 National Scorecard on Commercial Payment Reform 2.0 was funded by a grant from the Robert Wood Johnson Foundation. The Scorecard uses data from the National Alliance of Healthcare Purchaser Coalitions' eValue8 health plan survey. CPR thanks Foong-Khwan Siew, Director of eValue8; CPR project leads Andréa Caballero and Alejandra Vargas-Johnson; CPR staff Lea Tessitore and Emma Wager, the various business coalition members for their partnership (the Colorado Business Group on Health, HealthCare 21, the Houston Business Coalition on Health, the Lehigh Valley Business Coalition on Healthcare, the Memphis Business Group on Health, the Mid-Atlantic Business Group on Health, the Northeast Business Group on Health, the Pacific Business Group on Health, and the Washington Health Alliance), as well as the health plans that provided data for the Scorecard, for their significant contributions to this project.

Robert Wood Johnson Foundation

National Alliance of Healthcare Purchaser Coalitions
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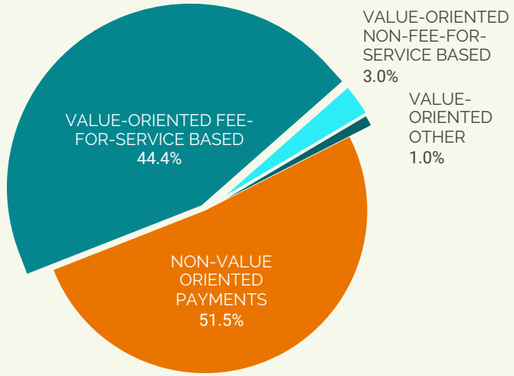
2017 NATIONAL SCORECARD ON

Commercial Payment Reform

PUBLISHED DECEMBER 2019

USE OF FEE-FOR-SERVICE IN VALUE-ORIENTED PAYMENTS



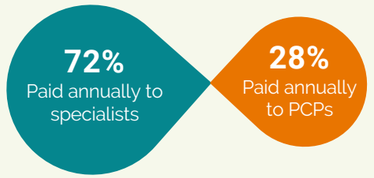
PROVIDER PARTICIPATION IN VALUE-ORIENTED PAYMENTS

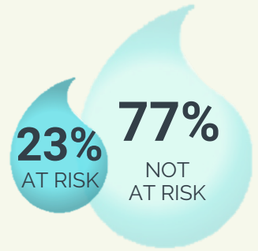
53% of all hospital payments (inpatient)

19% of all outpatient specialist payments

43% of all outpatient primary care provider payments are value-oriented

SHARE OF TOTAL DOLLARS PAID TO PRIMARY CARE PROVIDERS AND SPECIALISTS





SHARE OF VALUE-ORIENTED PAYMENTS THAT PUT PROVIDERS AT FINANCIAL RISK

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 the United States in 2016.

Economic Signals

ATTRIBUTED MEMBERS

24% of commercial plan members were attributed to **providers participating in a payment reform contract**

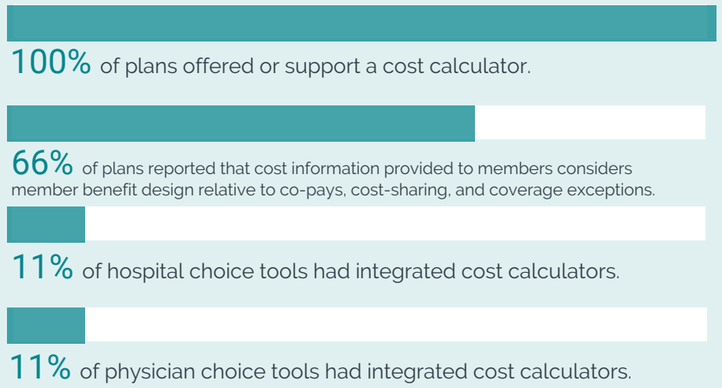
System Transformation

CESAREAN SECTIONS

26% of women with low-risk pregnancies* had C-sections

*NTSV measure.
Source: The Leapfrog Group, 2019

ONLINE MEMBER SUPPORT TOOLS



100% of plans offered or support a cost calculator.

66% of plans reported that cost information provided to members considers member benefit design relative to co-pays, cost-sharing, and coverage exceptions.

11% of hospital choice tools had integrated cost calculators.

11% of physician choice tools had integrated cost calculators.

Outcomes

HBA1C POOR CONTROL

38% of commercial plan members with diabetes had **poorly controlled** blood sugar (HbA1c >9%)

Source: NCQA

PREVENTABLE ADMISSIONS

Out of every **1,000** people with employer-sponsored insurance, there were **5.3** **preventable admissions** among adults with certain conditions

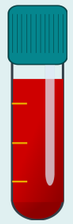
ALL-CAUSE READMISSIONS

8% of hospitalizations were followed by **another hospitalization within 30 days***

Source: NCQA. *Custom calculation. See Methodology for details.

Source: Truven Health MarketScan data, analysis by Chernew (Harvard), cited by CMWF 2019

HBA1C TESTING



90% of commercial plan members with diabetes **had a blood sugar test** (HbA1c)

Source: NCQA

HEALTH-RELATED QUALITY OF LIFE

16% of adults with commercial coverage reported **fair or poor health**

Source: BRFSS, analysis by CPR 2019

UNMET CARE DUE TO COST

of adults with commercial coverage went without care **due to cost**

Source: BRFSS, analysis by CPR 2019

CHILDHOOD IMMUNIZATIONS

71% of children ages 1.5 - 3 years old received **all recommended doses** of seven key vaccines

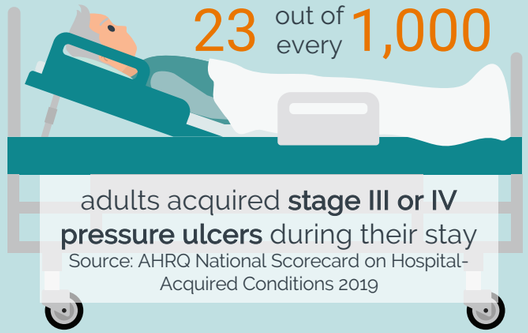
Source: NIS, cited by CMWF 2019

HOME RECOVERY INSTRUCTIONS

87% of adults reported being given **information about how to recover at home**

Source: HCAHPS, cited by CMWF 2019

HOSPITAL-ACQUIRED PRESSURE ULCERS

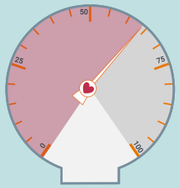


23 out of every **1,000** adults acquired **stage III or IV pressure ulcers** during their stay

Source: AHRQ National Scorecard on Hospital-Acquired Conditions 2019

CONTROLLING HIGH BLOOD PRESSURE

58% of commercial plan members with hypertension had **adequately controlled blood pressure**



Source: NCQA

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