catalyst
FOR PAYMENT REFORM

National Scorecard on Commercial Payment Reform 2.0

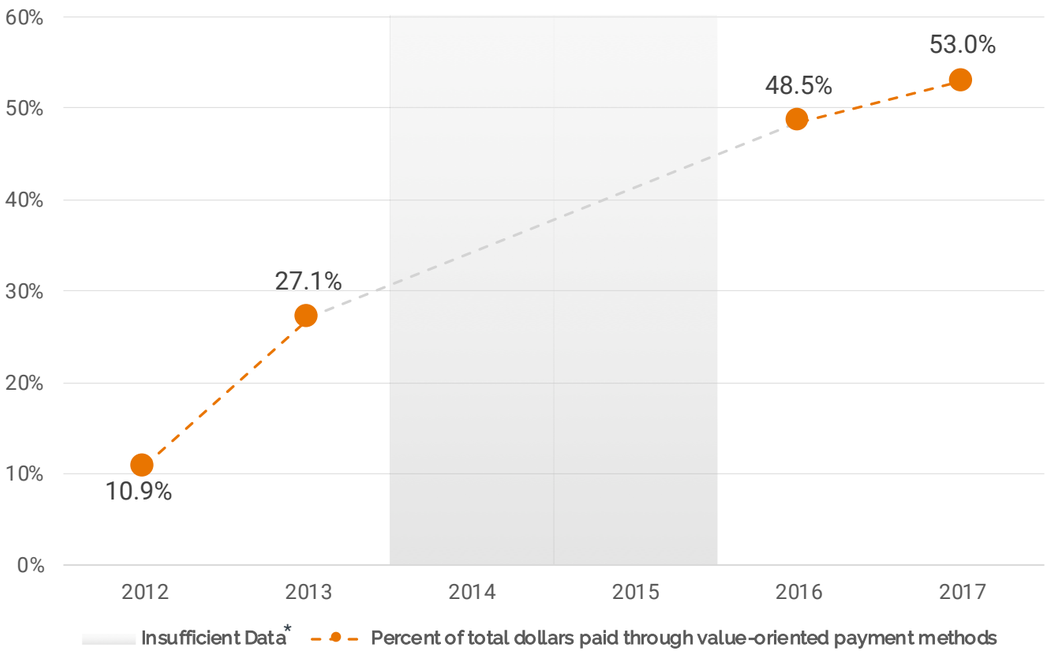
LOOKBACK EDITION

Data from 2012, 2013, 2016, & 2017

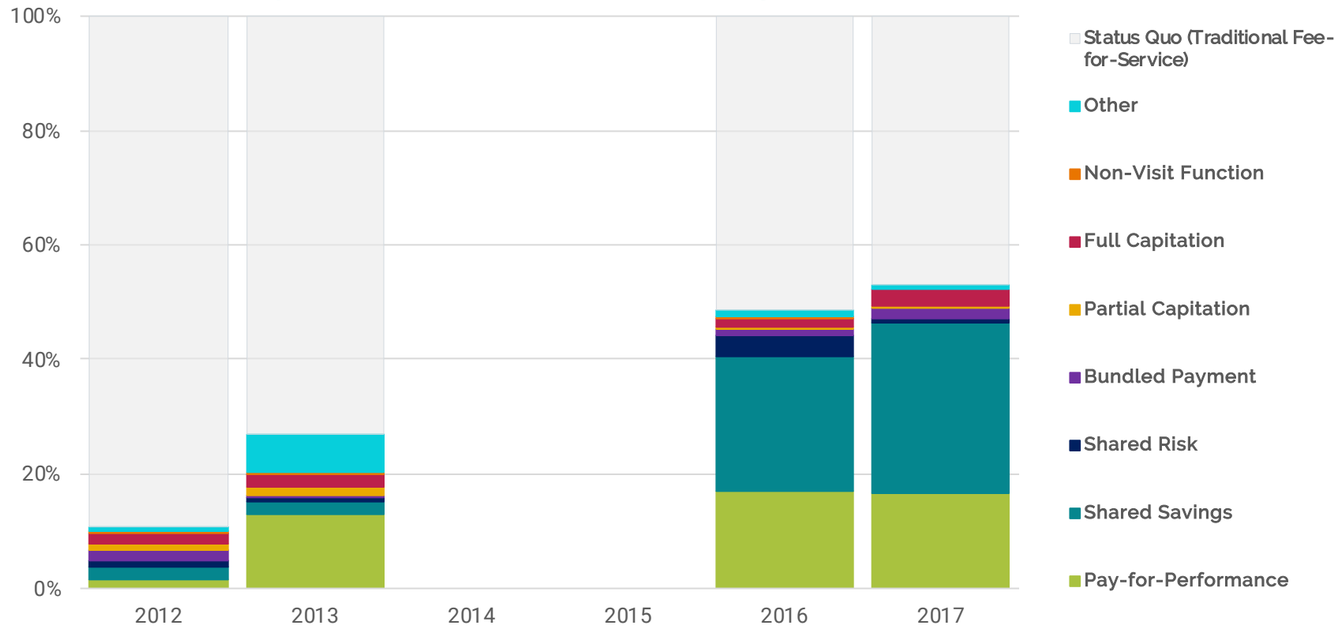
Employers and other health care purchasers have pushed health plans in the commercial market to change their approach to provider payment to improve the quality and affordability of health care.

Scorecard on Payment Reform 2.0 tracks not only how many dollars flow through each method of payment, but also examines the health care system's performance on quality and affordability. While this study finds that the percent of dollars flowing through value-oriented methods has increased significantly, there has been little to no change in the quality and affordability indicators during the same time period.

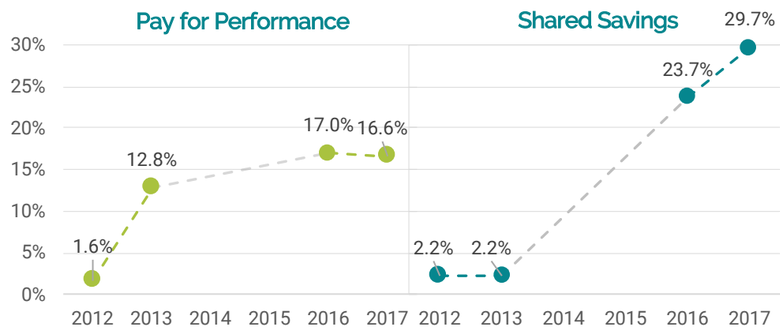
Implementation of Value-Oriented Payments



Implementation of Value-Oriented Payment Methods

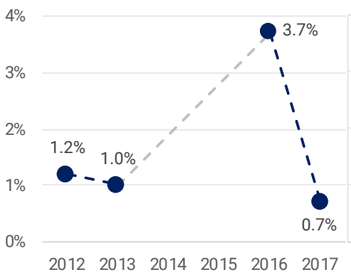


Pay for Performance

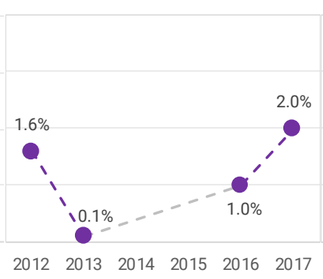


Shared Savings

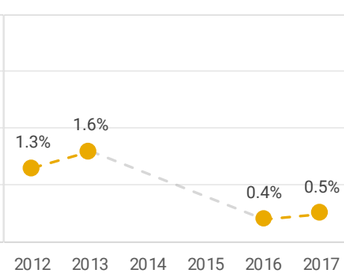
Shared Risk



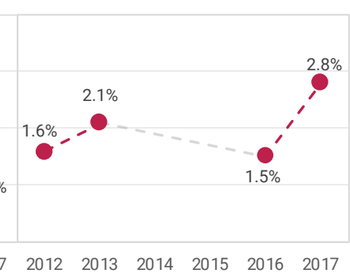
Bundled Payment



Partial Capitation



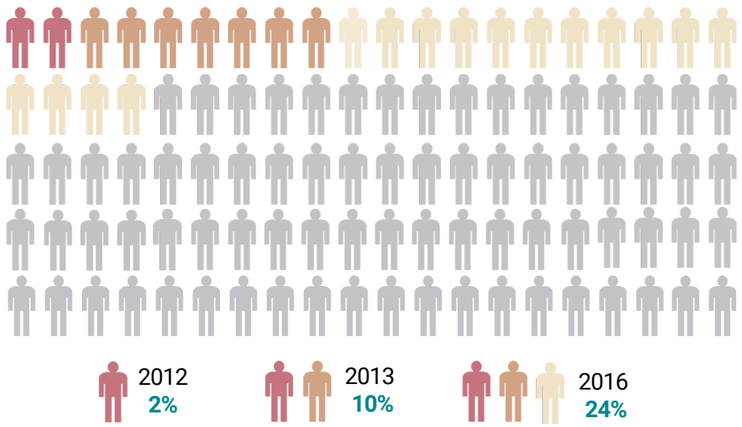
Full Capitation



*Note: Catalyst for Payment Reform (CPR) did not include data from 2014 and 2015 in this analysis because the data for those years did not represent at least 50% of United States' population with commercial health coverage (those with either employer-based coverage or individual coverage).
All data come from health plan responses to the National Alliance for Healthcare Purchaser Coalitions' eValue8 survey or an identical survey fielded by CPR. The value-oriented payment data represents the total dollars paid through payment reform programs, not just the incentive portion paid when quality and efficiency measures are met. For more information, please see the accompanying methodology report.

Attributed Members

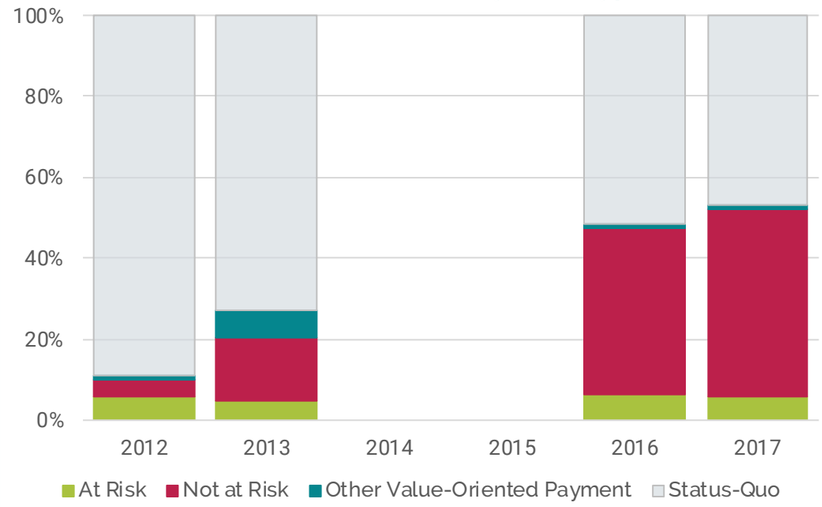
Percent of commercial plan members attributed to **providers participating in a payment reform contract**



Note: Insufficient/no data for 2014, 2015 and 2017.

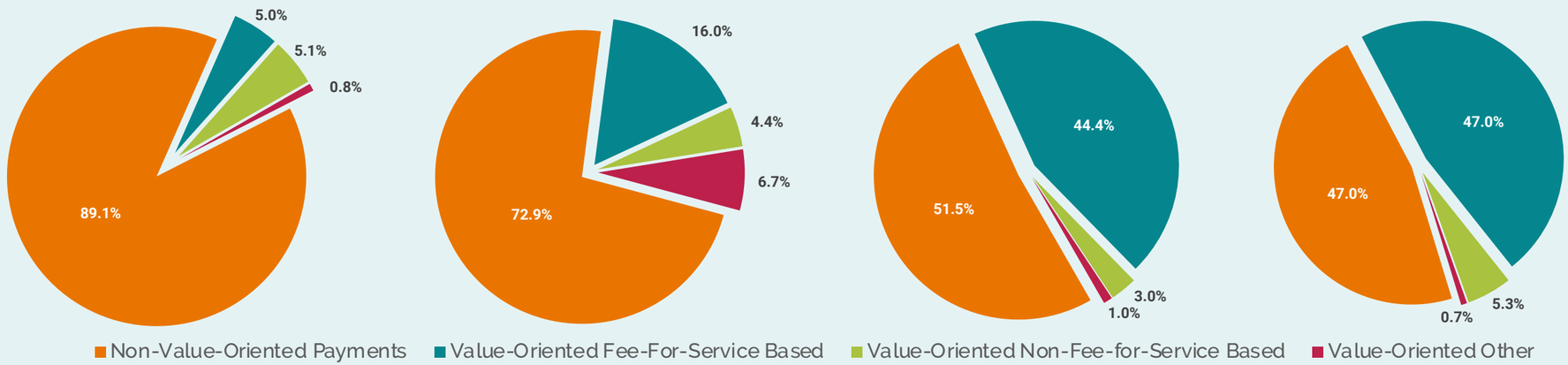
The Attributed Member metric tracks the percent of plan enrollees touched by payment reform. Health plans typically use an attribution methodology to calculate provider performance against cost and quality targets, including for Accountable Care Organizations in shared savings or shared risk arrangements.

Percent of Payments That Are Value-Oriented By Risk Type



Some value-oriented payments hold providers at risk financially for their cost and quality performance, while others are "upside only." Providers may be more likely to respond to the incentives in at risk value-oriented payments.

Percent of Payments that are Value-Oriented by Use of Fee-For-Service



Despite the notion that payment reform moves the health care system away from fee-for-service, most dollars flowing through value-oriented payment methods are built on a fee-for-service foundation.

*Note: CPR did not include data from 2014 and 2015 in this analysis because the data for those years did not represent at least 50% of United States' population with commercial health coverage.
The following payment reform methods are *at risk*: bundled payment, partial or condition specific capitation, full capitation, or shared risk programs.
The following payment methods are *not at risk*: shared savings, pay-for-performance, and non-visit functions.
The following payment methods are *not fee-for-service based*: bundled payment, full capitation, partial or condition-specific capitation, and payment for non-visit functions.
The following payment methods are *fee-for-service based*: shared risk, shared savings, and pay-for-performance.
Attribution refers to a statistical or administrative methodology that attributes a patient population to a provider for the purpose of calculating health care costs/savings or quality of care scores for that population. "*Attributed*" patients can include those who choose to enroll in, or do not opt out of, an accountable care organization (ACO), patient centered medical home (PCMH), or other delivery models in which patients are attributed to a provider with a payment reform contract.
All data come from health plan responses to the National Alliance for Healthcare Purchasers' eValue8 survey or an identical survey fielded by CPR. The value-oriented payment information represents the *total* dollars paid through payment reform programs, not just the incentive portion paid when quality and efficiency measures are met. For more information, please see the methodology document.

Leading Indicators to Watch to Explore Payment Reform Impact at Macro-Level*	2012	2013	2016	2017
All Cause Readmissions (PCR) measure *(NCQA, HEDIS® Custom analysis)* *Lower rates are considered better*	**8.2%**	**8.3%**	**8.2%**	**8.2%**
Adequately Controlled High Blood Pressure* (*NCQA, HEDIS®*) *Higher rates are considered better*	**61%**	**62%**	**58%**	**58%**
Diabetes - HbA1c Not Adequately Controlled (*NCQA, HEDIS®*) *Lower rates are considered better*	**31.4%**	**33.6%**	**37.7%**	**36.4%**
Diabetes - Received Annual HbA1c Test (*NCQA, HEDIS®*) *Higher rates are considered better*	**88.7%**	**88.7%**	**89.9%**	**90.5%**
Cesarean Births (NTSV rate) (*The Leapfrog Group*) *Lower rates are considered better*	*No data*	*No data*	**25.8%**	**26.3%**
Hospital-Acquired Pressure Ulcers per 1,000 Discharges (*AHRQ National Scorecard on Hospital-Acquired Conditions 2019*) *Lower rates are considered better*	*No data*	**21.7** *(2014)*	**22.7**	**23.0**
Preventable Admissions per 1,000 Adults with Employer-Sponsored Insurance (*Commonwealth Fund, Truven MarketScan data, analysis by Chernew et. al*) *Lower rates are considered better*	*No data*	*No data*	**5.3**	*No data*
Childhood Immunization Rate (*NIS, Cited by Commonwealth Fund or America's Health Rankings*) *Higher rates are considered better*	**68.4%**	**70.0%**	**71.0%**	**70.4%**
Received Instructions About Recovery at Home (*HCAHPS®, Cited by Commonwealth Fund*) *Higher rates are considered better*	**85%**	**86%**	**87%**	**87%**
Individuals with Commercial Coverage Reporting Fair or Poor Health *(CPR analysis, BRFSS)* *Lower rates are considered better*	*No data*	**11.1%**	**16.2%**	**16.1%**
Individuals with Commercial Coverage Reporting Unmet Medical Care Needs Due to Cost (*CPR analysis, BRFSS*) *Lower rates are considered better*	*No data*	**7.5%**	**9.5%**	**9.6%**

* CPR does not draw a causal relationship between the payment methods in use and the results on the metrics assessing health care quality and affordability.
**Data cannot be used to infer trends due to year-to-year differences in calculation methodology or measurement definition.

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ACKNOWLEDGMENTS

The National Scorecard on Commercial Payment Reform 2.0 Lookback Edition 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 business coalitions who support eValue8 (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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