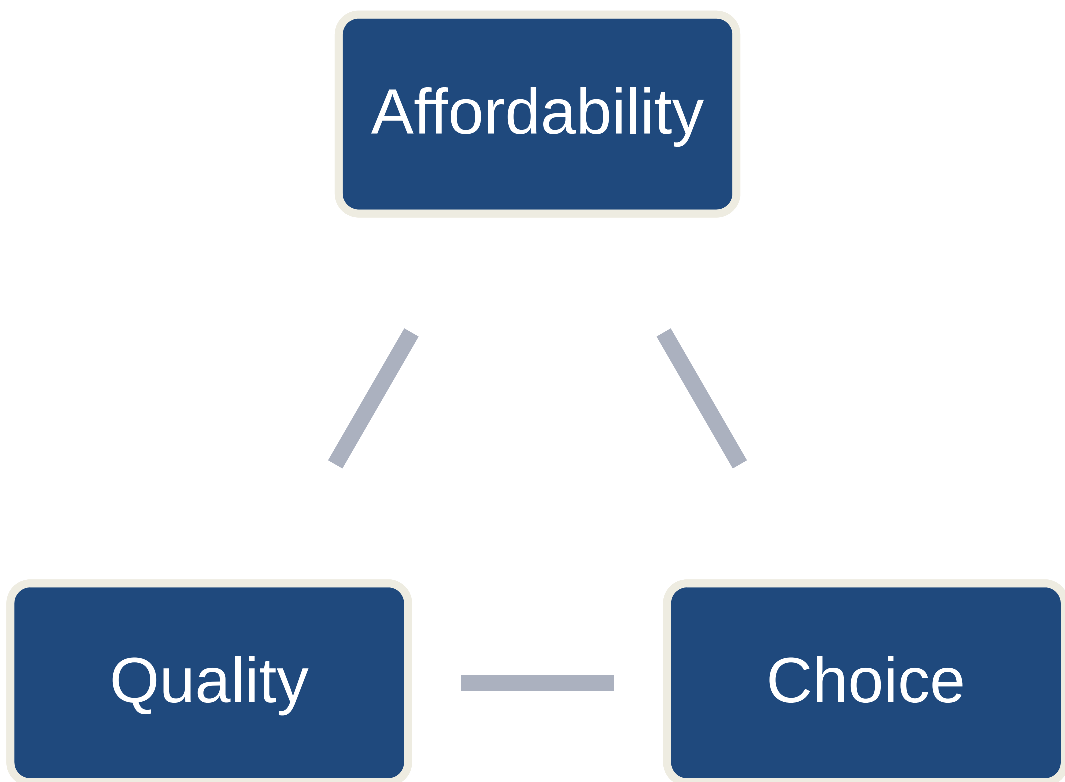
Alliance for Health Reform
November 14, 2014

Agenda

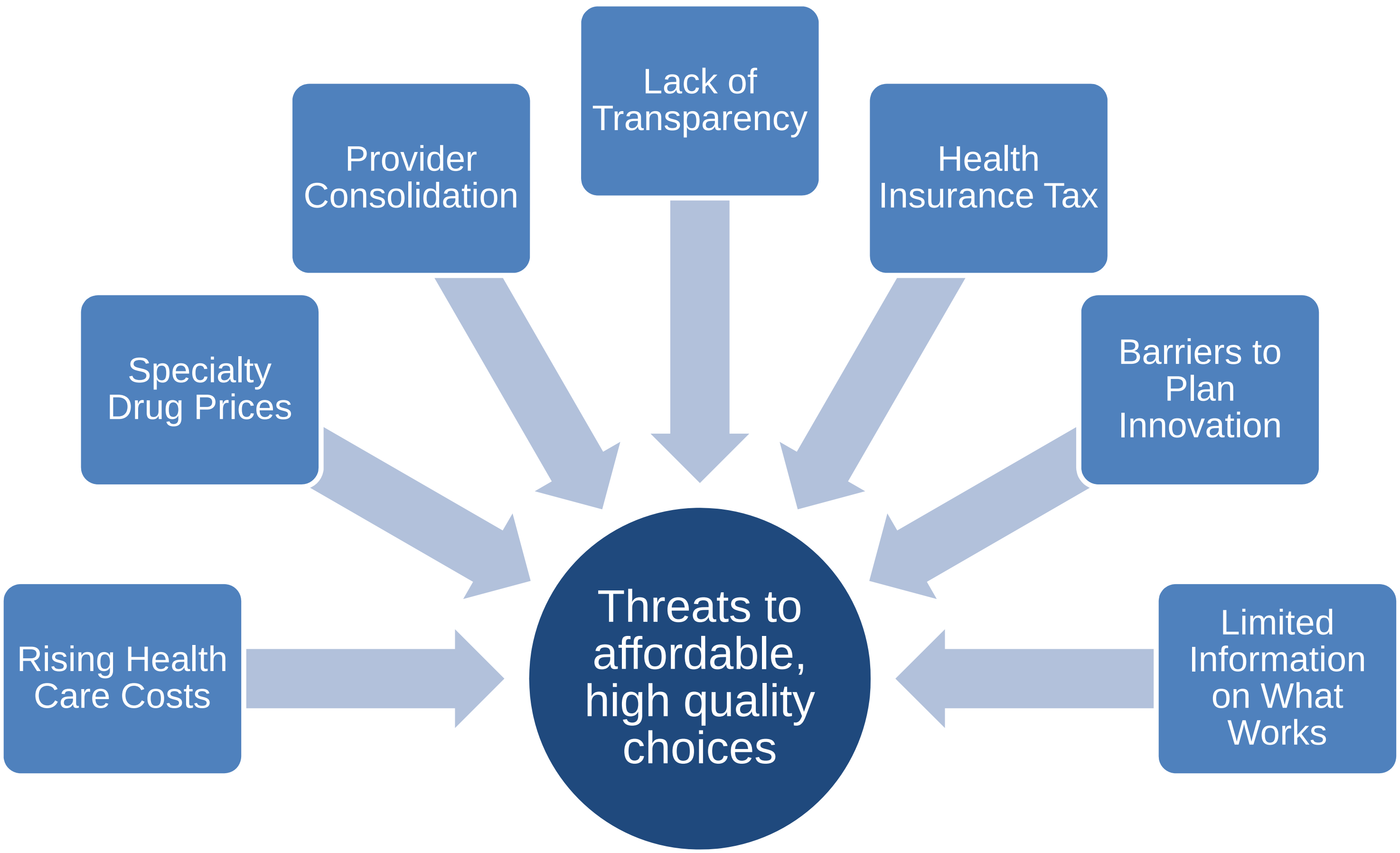
- Consumer Priorities
- The Challenges
- Plans Driving Value
- Ongoing Efforts

The Starting Point

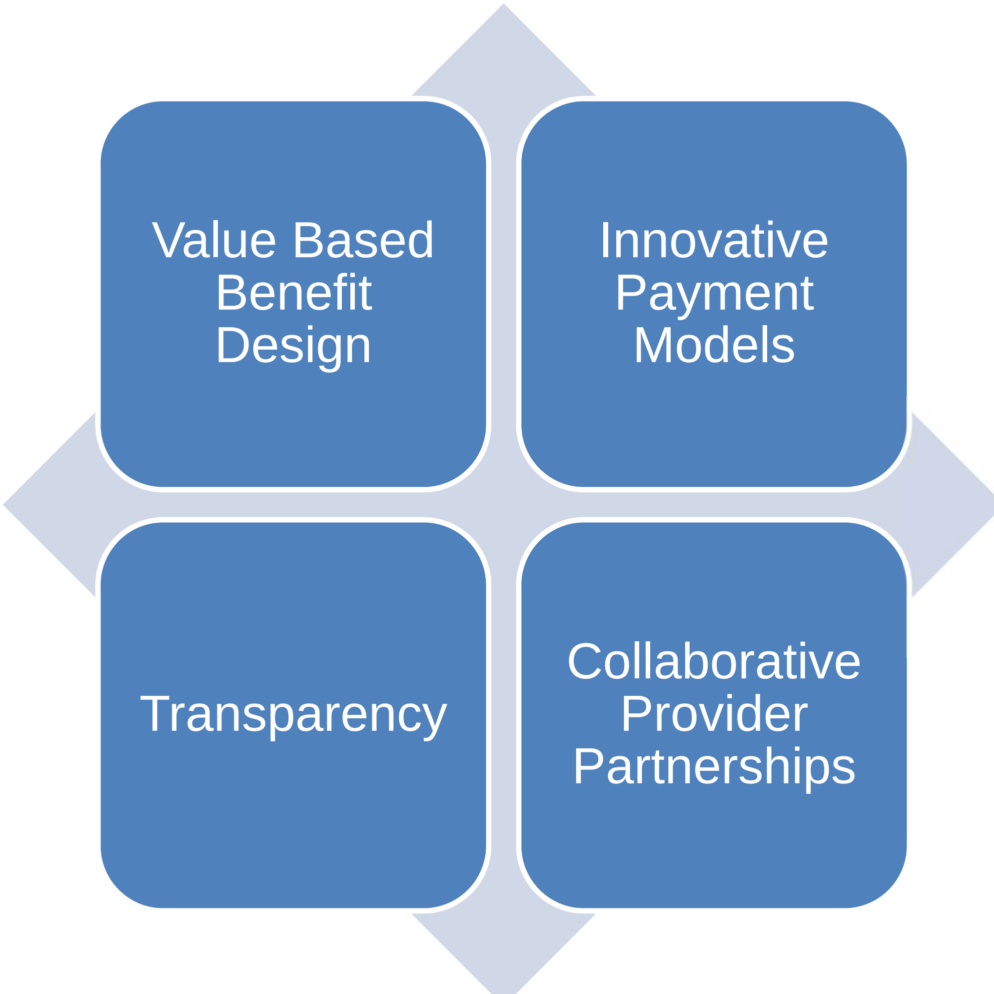
Consumer Priorities:



The Challenges



Plans Driving a Move Toward Value

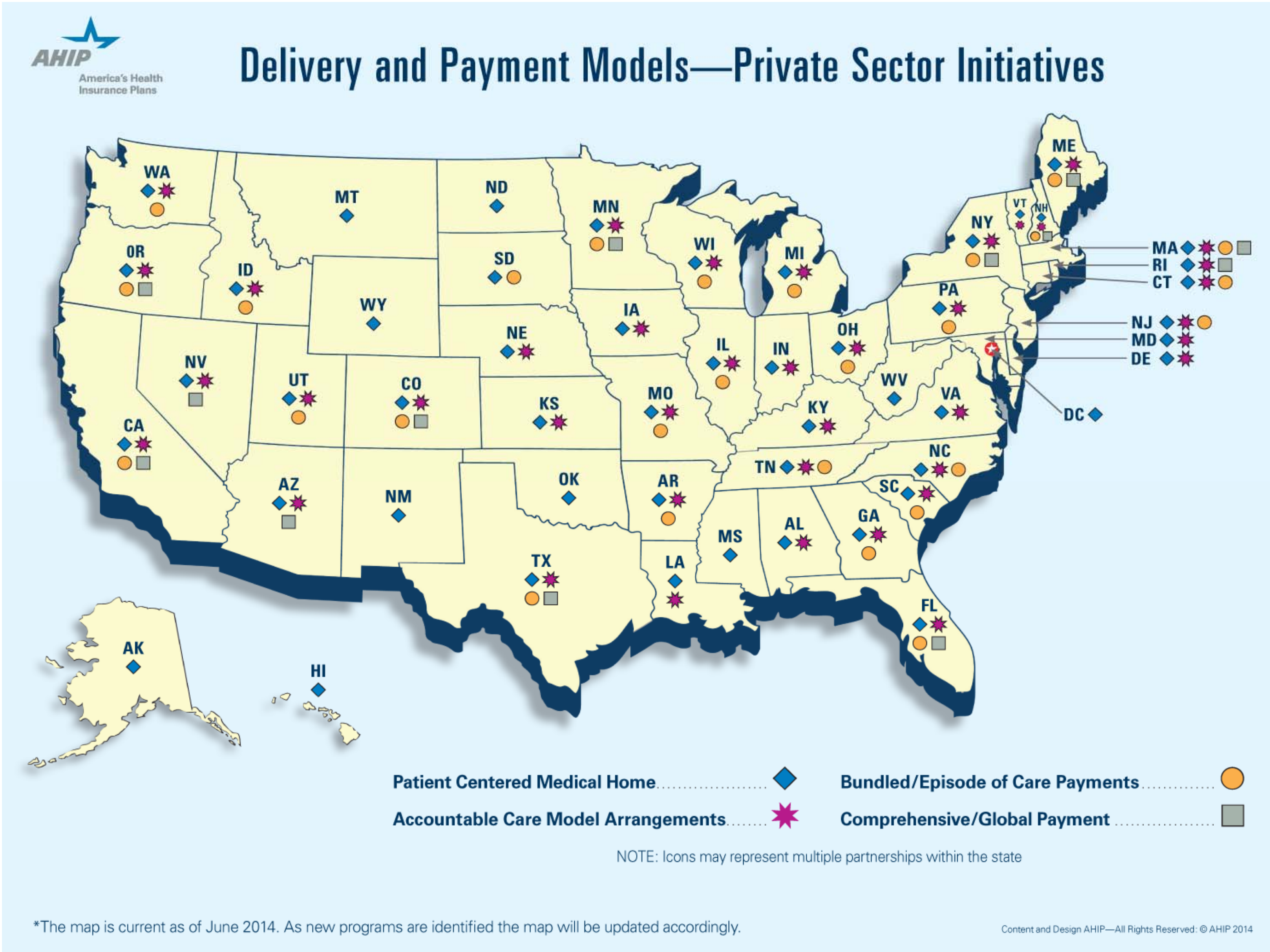


40%

of health plan payments are now value-oriented, compared to 11% in 2013

*Source: Catalyst for Payment Reform 2014 Scorecard

The Reach is Broad



The Results

AHIP

Patient Centered Medical Home

- ***Anthem/WellPoint Multi-state PCMH Pilots:***
  - 18 percent reduction in acute inpatient admissions and
  - 15 percent reduction in ER visits
  - 20 percent cost reduction in 2015
- ***CareFirst has shown similar results:***
  - 6.4 percent fewer hospital admissions overall
  - $267 million cost savings vs. projection

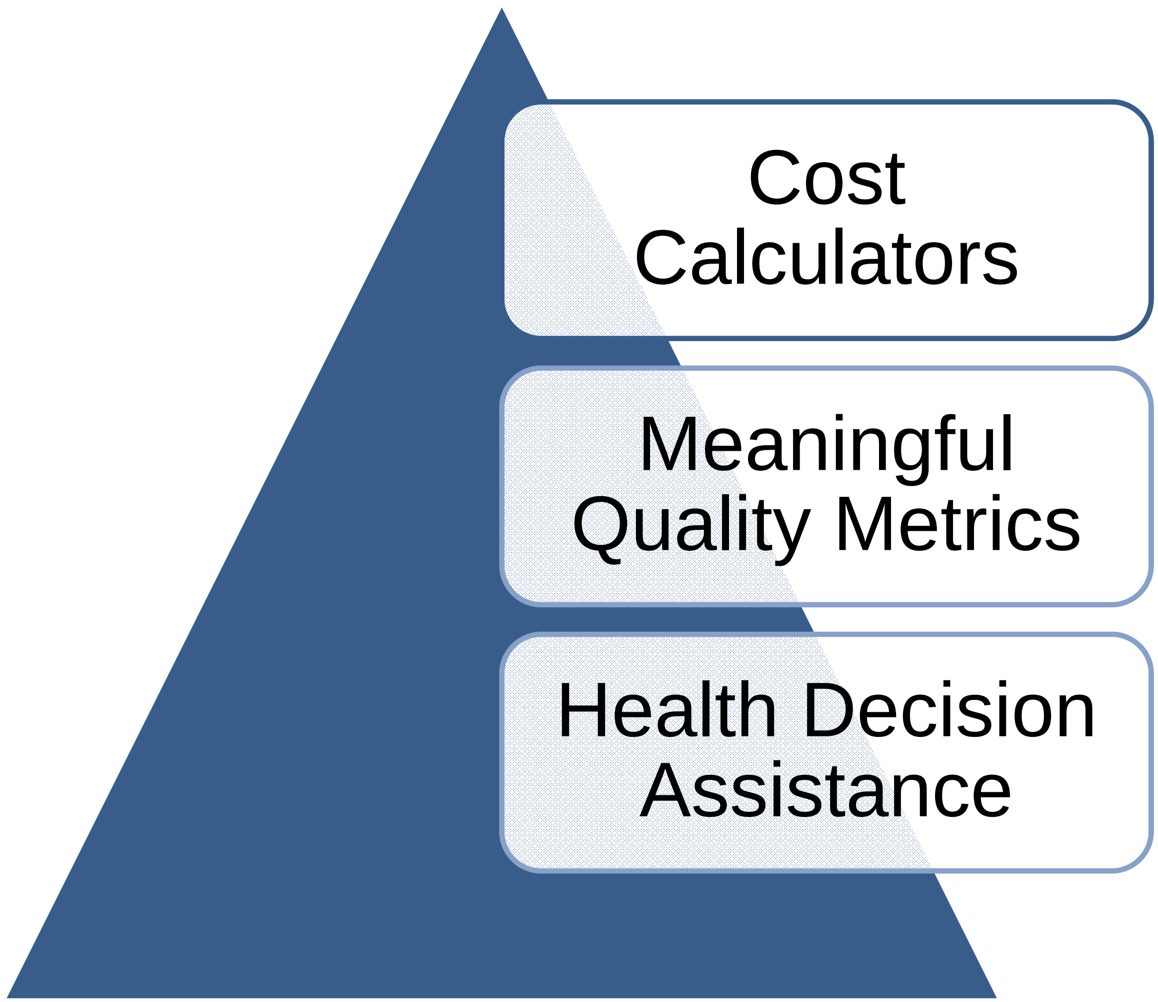
ACOs

- ***Aetna Medicare Advantage ACO:***
  - 45 percent reduction in hospital admissions
  - 56 percent reduction in readmissions
- ***CIGNA has 58 provider collaborations in 24 states:***
  - 4-5 percent lower costs
  - 50 percent reduction in ER visits

Oncology Specific Payment Models

- ***United Health bundled payment:***
  - Saved more than $33 million without affecting quality of care
- ***FloridaBlue launched 2 ACOs dedicated to cancer patients:***
  - 2% cost savings in first year along with improved treatment adherence and decreasing ER visits

Changing the Dynamic of Patient Engagement



Key Exchange Findings

Affordability

Premiums for narrower network plans are 5-20% lower compared to broader network plans**

73%

Satisfaction Rate with New Coverage in the Exchange***

Quality

Choice

"…no meaningful performance difference between broad and narrowed exchange networks based on key CMS hospital metrics."*

92% of individuals have access to narrow networks; 90% have access to broad networks*

*McKinsey Report on Networks on the Exchanges (June)

**Milliman, High-Value Healthcare Provider Networks

***Commonwealth Fund, Tracking Trends in Health system performance, July 2014

Next Steps

Interoperability

Performance Measure Alignment

Transparency

Removing Barriers to Delivering Quality Care

Improving the Evidence-Base to Drive Value

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