


## About CPR


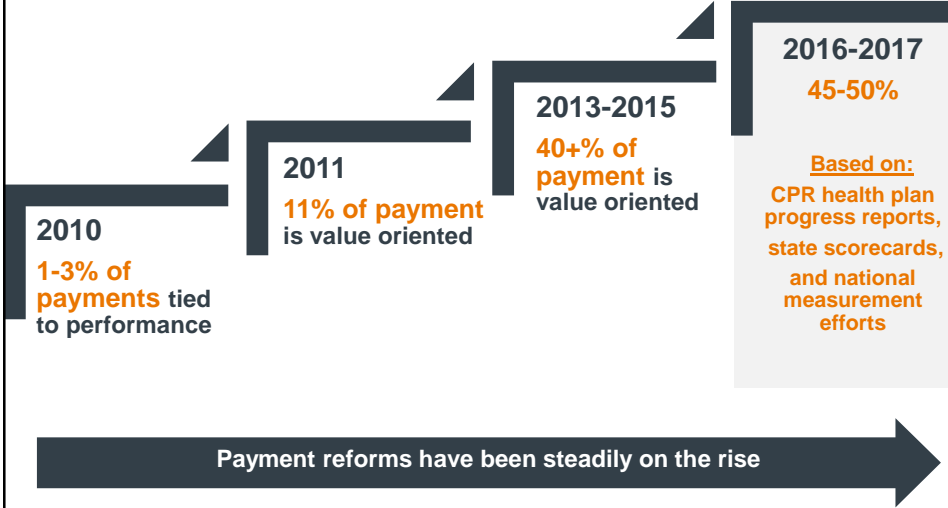


An independent non-profit corporation **working to catalyze employers, public purchasers and others** to implement strategies that produce higher-value health care and improve the functioning of the health care marketplace.

- 3M
- Aircraft Gear Corp.
- Aon Hewitt
- Arizona Health Care Cost Containment System (Medicaid)
- AT&T
- The Boeing Company
- CalPERS
- City and County of San Francisco
- Comcast
- Covered California
- Dow Chemical Company
- Equity Healthcare
- FedEx Corporation
- GE
- General Motors Company
- Google, Inc.
- Group Insurance Commission, MA
- The Home Depot
- Mercer
- Ohio Medicaid
- Ohio PERS
- Pennsylvania Employees Benefit Trust Fund
- Pitney Bowes
- Qualcomm Incorporated
- South Carolina Health & Human Services (Medicaid)
- TennCare (Medicaid)
- Wal-Mart Stores, Inc.
- The Walt Disney Company
- Wells Fargo & Company
- Willis Towers Watson

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## How much payment reform is there?

**2010**  
1-3% of payments tied to performance

**2011**  
11% of payment is value oriented

**2013-2015**  
40+% of payment is value oriented


**2016-2017**  
45-50%

Based on:  
CPR health plan progress reports, state scorecards, and national measurement efforts

Payment reforms have been steadily on the rise

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**Momentum will continue**




Commercial payers are going to **continue down the payment reform path** regardless of what direction the Federal government pursues.

**WHY?**

- They believe it is where the market is inevitably headed.
- Finding ways to improve the value of their spending is core to their business.
- Their self-insured employer customers asking for it.

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**Where do employers and other health care purchasers fit in?**



Rising costs are **eating into company bottom lines**. It's not sustainable.

Commonly, employers turn to **benefit design strategies** to curb growth in health care spending (e.g., consumer-directed health care).

**Very few purchasers** are engaged yet in payment reform.


CPR works with 30+ of the **most influential, progressive purchasers** who do push for payment reform either by:

1. Direct contracting with providers – *rare*
2. Pushing their health plans – *more common*

We need more **purchasers who understand their role in reforming provider payment** and who work together to align their asks of the marketplace to send a stronger signal.


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## Is payment reform working?




**Important realities of payment reform today:**

1. The bulk of payment reform still sits on top of FFS
2. There is no-one-size-fits-all solution
3. We don't really know what's working yet!  
We need more evaluation of commercial programs

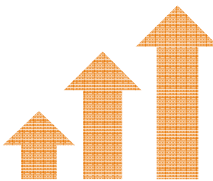


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## What we do know




Sharp increase in the number of **Accountable Care Organizations (ACOs)**...  
.....but almost **no data on commercial ACO performance** and mixed results from Medicare programs.



Excitement about **bundled payments** given positive results to date...

...but **still only ~2% of provider payment** in large part due to continued operational barriers.



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## The bottom lines



We need **more purchasers pushing for payment reform together** as they are key to advancement.

We need more **objective evaluation of existing models** before we try to determine what will work and for whom.

We still have a lot to learn about **aligning provider payment, provider network design, and consumer benefit design**