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Private Sector Health Leaders Urge Incoming Administration and Congress to Continue Drive for Value-Based Payments

Health Care Transformation Task Force: Aligned Public, Private Payment Reform Critical to Sustaining Momentum for Competitive Marketplace, Reducing Costs, Improving Outcomes

Private Sector Seeks Positive Signal from New Administration and Congress

WASHINGTON (December 6, 2016) – The <u>Health Care Transformation Task Force</u>, a consortium of patients, payers, providers and purchasers working to accelerate the pace of U.S. health care delivery system transformation, today called on the incoming Trump-Pence Administration and Congress to continue aligning public and private efforts to replace fee-for-service payments for health care services with value-based alternatives.

"The Task Force strongly urges the new Administration and Congress to affirm their support for the transition to value-based care that reduces cost, improves quality, and more sharply focuses on patient needs ... and to urge the industry to continue its important evolution to a modern payment and care delivery system that provides high value, affordable health care through a competitive marketplace," the Task Force said in a <u>letter</u> to the President and Vice President-elect, the nominees for Secretary of Health and Human Services and Administrator of the Centers for Medicare & Medicaid Services (CMS), and congressional leaders. "Given the significant industry investment and strong progress to date, we urge the new Administration and Congress to send signals of support and encouragement so this transition can be sustained.

"This is not the time for policymakers to waver or reverse course, which would send a negative message to the industry and chill ongoing transformation efforts."

The letter reflects the consensus of the Task Force's <u>43 member organizations</u> (both for-profit and not-for-profit) and individuals, which include six of the nation's top 15 health systems and four of the top 25 health insurers, as well as leading national organizations representing employers, patients and their families, and the policy community. As a leading private sector, multi-stakeholder consortium, the Task Force is committed to payment reforms that promote a competitive marketplace for value-based health care and allow health care organizations to transition from a system that rewards volume of services to one that rewards value of care. Task Force payer and provider members are committed to transitioning 75 percent of their business to value-based payment models by 2020, and by the end of 2015 had achieved 41 percent.

"The United States spends far more than any nation on health care, while our population continues to rank near the bottom in every global measure of health," said David Lansky, Task Force vice chair and president and CEO of the Pacific Business Group on Health. "Our high spending on health care is reducing the competitiveness of U.S. businesses and the wages of its workers without producing better health. Shifting payment to reward high value care will encourage innovation, coordination, and more efficient use of expensive resources, while creating accountability for improving patients' health."

Significant efforts are underway, led by the private sector in combination with ongoing efforts at CMS, to change this reality, with positive results starting to be realized. "While not fully scaled, the new payment models have made great progress in promoting transparency, reducing cost, and improving quality. Many organizations are nearing the tipping point for realizing permanent change. In recent years, the moderation of the rate of Medicare spending increases reflects that the transformation investments are producing a desirable return."

Unless the new administration sends a positive signal of support for continued changes in the delivery of health care that improve cost and quality the private sector may slow or stop the efforts to date. "The continued efforts toward models that reduce health care spending and are patient-centric is not a given," said Angelo Sinopoli, MD, VP Clinical Integration, Greenville Health System, Greenville S.C. "Major changes in information technology, healthcare work force, delivery system infrastructure, and innovative treatment models are essential for improving patient outcomes and reducing costs. Without visible support for this direction, some may decide to either stop or slow movement until it is clear the new Administration and Congress will support transformation."

The letter notes that the transition to value-based payments falls squarely within bipartisan efforts to contain health care costs, which generally exceed general inflation. "No other single policy initiative holds more promise to moderate entitlement spending and to free up needed discretionary resources for other national priorities, like infrastructure and defense," said Jeff Micklos, executive director of the Task Force.

The move to payment reform and value-based care—also referred to as delivery system reform—has been underway with bipartisan support for more than a decade in response to

market demands. With significant avoidable waste in the system, policymakers have long recognized the need to invest in a modernized health care infrastructure, through successive Republican and Democratic administrations and both Democratic- and Republican-controlled Congresses. The 2015 passage of the Medicare Access and CHIP Reauthorization Act (MACRA) with strong bipartisan support accelerated this momentum by modernizing the way Medicare will pay for physician services to focus on value over volume.

"Well-capitalized entrepreneurial startups are now partnering with providers and payers to help accelerate this transformation, creating rewarding American jobs, and this job creation is projected to continue increasing significantly," the letter states.

"The Task Force stands ready to be a resource and work with you on these important issues, including sharing the private sector progress made to date and how the sustainability of a truly value-based care delivery system is within reach. We believe these shared learnings, experiences, and initial successes are persuasive for policymakers to continue partnering with industry to help the American health care system reach this important and necessary goal."

About Health Care Transformation Task Force

Health Care Transformation Task Force is a unique collaboration of patients, payers, providers and purchasers working to lead a sweeping transformation of the health care system. By transitioning to value-based models that support the Triple Aim of better health, better care and lower costs, the Task Force is committed to accelerating the transformation to value in health care. To learn more, visit <u>www.hcttf.org</u>.

Task Force Members: Advocate Health Care • Aetna • agilon health • Aledade • American Academy of Family Physicians • Ascension • Atrius Health • Beth Israel Deaconess Care Organization • Blue Cross Blue Shield of Massachusetts • Blue Cross Blue Shield of Michigan • Blue Shield of California • Catholic Health Initiatives • Centra • CEP America • Community Catalyst • Dartmouth-Hitchcock Health • Dignity Health • Evolent Health • Fresenius Medical Care • Greenville Health System • Health Care Service Corporation • Health Connections New Mexico • HealthSouth • Heritage Provider Network • HRHCare Community Health • Mark McClellan • Montefiore • National Health Law Program • National Partnership for Women & Families • Optum • OSF HealthCare • Pacific Business Group on Health • Partners Healthcare • PatientPing • Premier • Providence Health & Services • Remedy Partners • SCL Health • SSMHealth • The Dartmouth Institute for Health Policy & Clinical Practice • Trinity Health • Tucson Medical Center • Washington State Health Care Authority