May 23, 2016

VIA ELECTRONIC MAIL

Dana Gelb Safran, ScD.
Glenn Steele, Jr, MD, PhD
Co-Chairs
Population-Based Payment Work Group
Health Care Payment Learning and Action Network

Re: Population-Based Payment Work Group's Performance Measurement White Paper

Dear Chairs Safran and Steele:

The Health Care Transformation Task Force ("HCTTF" or "Task Force") commends the work of the Health Care Payment Learning and Action Network's ("LAN") Population-Based Payment Work Group ("Work Group") on its draft White Paper titled *Accelerating and Aligning Population-Based Payment Models: Performance Measurement* ("White Paper"). The Task Force appreciates the opportunity to provide comments to the Work Group, and looks forward to further collaboration with the LAN to help facilitate widespread health care delivery transformation.

The HCTTF agrees with much of what is included in the White Paper, and supports its goals to recommend ways to design and implement measurement systems in population-based payment (PBP) models.

Definitions

On the total cost of care (TCOC) definition, we seek clarification on whether or not the patient payment portion is included. The Task Force believes this is an important point and that the patient payment should be included in TCOC.

Key Principles

The Task Force agrees with and supports the four key principles in the paper. We believe that performance measures are essential to achieving success under PBP models, and that measures should address the full continuum of care to truly reflect the change to PBP from fee-for-service. We also support a shift from process-based measures to outcomes-based measures

and recognize that creating meaningful incentives for providers in order to accelerate this shift is critical.

Recommendations

The Task Force is in agreement with the majority of the recommendations put forth in the White Paper. Where there are differences in opinion, we make suggestions that we believe will more closely align the recommendation with our members' positions. The recommendations and our responses are as follows:

Recommendation #1: To support the long-term success and sustainability of population-based payment models, future-state measures must be based as much as possible on results that matter to patients (e.g., functional status) or the best available intermediate outcomes known to produce these results.

The Task Force agrees with this recommendation. As an additional point, we believe the TCOC measure conceptualized in Figure 3 on page 12 of the White Paper would benefit from more granularity within Level 3; specifically, measuring primary care providers and specialists separately. The Task Force would also include the notion that performance metrics should be measured, reported, and compared to both regional and national standards.

Recommendation #2: Because fragmentation across population-based payment models can undercut success, reliance on core measure sets is valuable. Continued innovation and refinement are needed to ensure measure sets are comprehensive, parsimonious, and outcome oriented.

We agree completely with the notion that reporting standards should be less burdensome while simultaneously offering meaningful, outcomes-based comparisons among providers. We are pleased to see that the LAN encourages ongoing innovation and improvement in the development of core measure sets.

Recommendation #3: A governance process is needed to oversee and accelerate the development, testing, and use of new, high priority measures for population-based payment models.

We are in alignment with the reasoning that measures should be consistently developed in concert with multiple stakeholders and should be continually tested and altered to meet the needs of both the public and private sectors.

Recommendation #4: In service of a future state that employs measures that are outcomes-oriented, the infrastructure nationally must be sufficient to systematically collect, use, and report clinically rich and patient-reported data.

The Task Force agrees that if the ultimate goal is to adopt meaningful, outcomes-based measures, the national reporting infrastructure is insufficient in its current state. We welcome

the ideas of both the LAN and other stakeholders regarding the acceleration of interoperability and other strategies to address this challenge and create an effective national reporting infrastructure.

Recommendation #5: Providers in population-based payment models should have meaningful incentives to deliver high-quality care, achieve favorable outcomes, and manage the total cost of care.

We support this recommendation as it is closely aligned with the Task Force's goal of having at least 75 percent of our respective businesses in value-based arrangements by 2020. We agree that incentives should be centered on achieving the Triple Aim.

Recommendation #6: Measurement systems should define performance targets in a way that motivates ongoing improvement across the performance continuum, promotes best practice sharing, avoids a forced curve that mandates winners and losers, and enables long-term planning and commitment to improvement.

> ***Recommendation #6a: Whenever possible, measure targets should be set in absolute (not relative) terms, established prior to the measurement period and fixed for a minimum of one year, although ideally for the full contract term.***
>
> ***Recommendation #6b: Measure targets should include a range of scores on each measure to enable the incentive system to reward both performance and improvement.***

The Task Force strongly believes in the principle of rewarding both performance and improvement. We commend the LAN for its proposal to create a system of continual improvement where best practices can be shared.

We urge the LAN to specifically recommend a time frame of a minimum of 12 months for implementing establishing measures prior to the desired reporting period. We also recommend that established measures be fixed for a minimum of two years. The rationale for both comments comes from the time necessary to understand new measures and a recognition of the infrastructure that must be developed to implement and maintain measure reporting.

Recommendation #7: Adherence to good measurement science and implementation (e.g., sample size requirements, demonstrated reliability and validity, national acceptability, clinical importance, and the opportunity for a provider to improve before being held accountable under the new model) is critical to achieving the desired results from performance measurements in population-based payment models.

The Task Force supports a phased approach to measure development, where stakeholders have a chance to test and improve upon measures prior to their inclusion in PBP models or for other accountability purposes. We also agree that the acceleration of the measure development

process will allow for more rapid adoption of the measures and will lead to widespread clinical transformation.

Please contact HCTTF Executive Director, Jeff Micklos, at jeff.micklos@leavittpartners.com or (202) 774-1415 with any questions about this communication.

Sincerely,

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