Aetna Value-Based Continuum

Value Continuum Overview
### A leader in value-based care (VBC)

<table>
<thead>
<tr>
<th><strong>160+</strong></th>
<th><strong>1,641</strong></th>
<th><strong>7.16M</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Years of health plans and risk management experience</td>
<td>Value-based care contracts in place</td>
<td>Members tied to VBC providers</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>39K</strong></th>
<th><strong>60.2%</strong></th>
<th><strong>75%</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Plan sponsors tied to VBC arrangements</td>
<td>Of our medical spend is run through VBC contracts</td>
<td>Of spending committed to VBC models by 2020</td>
</tr>
</tbody>
</table>
Our approach to value-based reimbursement

We meet providers where they are in their journey to build sustainable collaborations.

<table>
<thead>
<tr>
<th>Identify</th>
<th>Implement</th>
<th>Execute</th>
<th>Progress</th>
</tr>
</thead>
<tbody>
<tr>
<td>best fit, based on triple aim performance and practice composition (mix of primary care, specialty and facilities)</td>
<td>shifting portions of reimbursement from fee-for-service to fee-for-value, with a focus on improving the quality, experience and cost of care for patients</td>
<td>collaboration that combines Aetna population health expertise, data and reporting, with provider’s care delivery assets and patient relationships</td>
<td>to more sophisticated value-based contract models that reward providers for delivering efficient, effective care – including participation in narrow network products for high performers</td>
</tr>
</tbody>
</table>
**A continuum of options:**
Each level introduces broader focus; higher risk/reward

---

**Pay For Performance (P4P)**
- Multispecialty & hospital; Behavioral health
- Quality & Efficiency

**Patient Centered Medical Home (PCMH)**
- Primary care and oncology team-based care
- Quality & Efficiency

**Episode-based bundles**
- Specialty care
  - Episodic Cost

**ACO attribution**
- All care; Population health
- Total Cost of Care

**ACO product**
- All care; Population health
- Product performance; Adds benefit design and new patient growth

**Joint ventures**
- All care; Payer & provider launch a new company Share overall business results

**Reimbursement programs tied to health plan products**

---

*Medicare Access and CHIP Reauthorization Act.: In 2019, MACRA replaces Medicare's fee-for-service reimbursement with value-based physician reimbursement, motivating providers to seek out VBC arrangements that meet certain criteria required for higher payment to physicians.*
## Comparison of value-based models

<table>
<thead>
<tr>
<th>Reimbursement models</th>
<th>Reimbursement with health plan products</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pay-For-Performance (P4P)</td>
<td>ACO product</td>
</tr>
<tr>
<td>Patient Centered Medical home (PCMH)</td>
<td>Specialty care model:</td>
</tr>
<tr>
<td>Bundled payment</td>
<td>• Coordinate care</td>
</tr>
<tr>
<td>Accountable Care Organization (ACO) attribution</td>
<td>• Eliminate waste</td>
</tr>
<tr>
<td></td>
<td>• Align to evidence-based best practices across practitioners and sites, and over a period of time</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### A first step into value-based contracting:
- Payment shifted from Fee-For-Service (FFS) to incentives for meeting quality goals

### Financial opportunity
- **Primary care**
  - Shift portion of payment from FFS to incentives for **quality** measures
  - ACP payments and incentives for **quality and efficiency** improvements
  - Reduce **episode costs**, share savings and risk for reducing complications and waste, and improve **quality**

### Applicability
- **Primary care**, cardiology, orthopedics, ob-gyn, multispecialty practices and hospitals
- Orthopedics, cardiology, maternity, multispecialty practices, post-acute providers, and hospital systems
- Health systems/ integrated delivery systems (IDS), clinically integrated networks (CINs) and large primary care systems
- Health systems/IDS, CINs

### Support levels

©2019 Aetna Inc.
Aetna Provider & Member Value-based Penetration in Delaware

70.2% Total VBC Market Spend

24.8% Change from Prior Year

Membership
83,810 Aetna Members (2,191 plan sponsors)
Included in VBC arrangements representing 53.2% of total Delaware membership

Providers
2,898 Providers participating in Aetna VBC arrangements representing 71% of the total Aetna Network of Providers in Delaware

AIM HMO
Custom HMO model designed exclusively for State of Delaware GHIP Aetna HMO members. This innovative HMO model is supported by Carelink CareNow. Carelink supports all member engagement and population health activities to improve the health of the members they serve.

Aetna’s AIM HMO includes financial risk directly associated with reducing costs, while improving quality and overall member health.

Physician (P4P)
Members – 28,155
Providers – 1,025

Hospital (P4P)
Members – 10,959
Providers – 1,076

PCMH Direct
Members – 6,023
Providers – 89

PCMH Recognition
Members – 8,020
Providers – 65

Medicare Collaboration
Members – 6,461
Providers – 643
Provider information and support

- **Raw data files posted to secure site – monthly and 24-month history, if applicable**
  - Medical claims, pharmacy claims, enrollment, laboratory test results

- **Care management reporting**
  - Daily census – inpatient, ER, CM/DM, etc.
  - Member level detail on quality metrics

- **Monthly reporting package**
  - Refreshed monthly and cumulative throughout the measurement period.
  - Efficiency metrics: performance against targets, tracking of each metric by month, detailed views on all metrics
  - Financial tracking: pmpm’s by type of service (medical cost category), by month and by system (spend within and outside of ACO)
  - Member details: ER frequent fliers, Inpatient outlier cases, high cost members, high risk members
  - Support to review materials, provide drilldowns and additional views and to help identify actionable medical cost opportunities

- **Interim reconciliations** – quarterly view of financial performance

- **Joint operating committees** – review, assess, plan improvements
Collaborating for success: Pennsylvania & Delaware value-based contracts

- Delaware Valley ACO
- PMA Medical Specialists
- Clinical Care Associates of the University of Pennsylvania Health System
- Advanced Comprehensive Care Organization
- PinnacleHealth ACO
- Gateway Medical Associates
- Community Care Collaborative
- Temple University (Temple Physicians Inc. and Temple University Physicians)
- Grand View Healthcare Partnership
- St. Luke’s Health Network
- Quality Health Alliance
- Lehigh Valley ACO
- CHOP
- Mercy Accountable Care
- Aledade Accountable Care Delaware
- Christiana Care Health System
- Nemours Alfred I. duPont Hospital for Children
- Bayhealth Medical Center
- Beebe Physician Network

Reaching members where and how they live

Improving healthcare quality and affordability
Thank you