June 12, 2017

Re: Primary Care Payment Models Draft White Paper

Dear Dr. Nussbaum and Advisory Board Members:

The Safety Net Advancement Center (SNAC) is grateful for the opportunity to comment on the Health Care Payment Learning & Action Network (LAN) Alternative Payment Model Framework Draft White Paper Refresh. SNAC is committed to promoting learning and collaboration across the safety net. The health care safety net serves patients regardless of the patient’s ability to pay and is estimated to provide care to over 106 million patients per year, many of whom are uninsured or are insured under Medicare or Medicaid. Payment models can affect the quality of care provided, and these models often differ not just for safety net organizations and non-safety net organizations, but also across the range of organization that constitutes the health care safety net.

At SNAC, we focus on six safety net sectors:
- Federally Qualified Health Centers (FQHCs),
- Community Mental Health Centers,
- Critical Access Hospitals,
- Tribal Health Centers,
- Public Hospitals, and
- Oral Health Providers.

We welcome the specific focus on and inclusion of the safety net in the refreshed APM Framework and commend the Advisory Board for this important inclusion. We wish to contribute both general and specific comments to this important Framework.

At a more general level, we believe it is important to recognize the diversity and variation across the safety net. The payment and care delivery reform challenges facing one safety net organization may look substantially different than those facing another. For example, FQHCs may often cite challenges related to limited financial reserves, poor access to capital markets, and restrictions on funds that can be used put at risk under upside/downside payment arrangements. Critical Access Hospitals, on the other hand, are often hamstrung by smaller patient populations and incomplete external partners to round out integrate care across settings. We therefore very strongly urge the Advisory Board to adopt a nuanced appreciation for the heterogeneity in payment and care delivery reform challenges and opportunities facing the entire safety net.

The refreshed Framework acknowledges that payment category 2A may be an end-state for some safety net payment organizations or patient populations. We suggest that the Advisory Board provide additional clarity as to whether this represents a ‘current state’ end point (i.e., what is feasible given the current realities of the system) or a ‘future state’ end point (i.e., what should be feasible under optimal circumstances). Safety net providers reach millions of patients per year...
and, we believe, hold special promise for helping the U.S. health care system achieve the transformations necessary to bend the cost curve and achieve the Triple Aim. It is therefore critical to not only acknowledge but also work to find solutions to the barriers that may prevent safety net organizations from engaging in category 3 and 4 payment and care delivery reforms.

The category 4C classification change involving finance and delivery systems mirrors lessons learned by more than 50 safety net organizations participating in SNAC-led learning collaboratives. One common challenge faced by these leading organizations was how to adjust finances and risk in order to align organizational goals with payer goals, especially challenging given the unique payer mix for safety net organizations (and the fact that payer mix may not actually be modifiable). The new classification change drives alignment between payers and providers within an organization and opens the door to a new possible solution for this challenge. On top of further evaluation of organizations that participate in the system, we also suggest a broader outline of the system in regards to incentives, risk, and direct relevance to safety net organizations.

Thank you again for the opportunity to comment on the LAN Payment Model Whitepaper refresh. Please feel free to contact me should you have any questions.

Sincerely,

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