Value-based Contracting

Delaware
A move to value-based models

Payers, employers and providers will continue to move toward value-based models.

75% of payments are expected to be value-based by 2020. Aetna is committed to helping providers achieve this goal.

Payers, Employers, and Delivery Systems’ Goals Align:
Desire for payment reform, higher quality care, and more transparency.

1 Modern Health care 2 https://www.advisory.com/daily-briefing/2015/01/29/20-health-systems-insurers-agree 3 FierceHealth Payer
A multi-year plan

A multi-year plan to convert our entire network to value-based payment with a glide path to ensure no providers are left out.
Comparison of value-based care models

### Reimbursement Models

<table>
<thead>
<tr>
<th>Pay-for-Performance (P4P)</th>
<th>Patient Centered Medical Home (PCMH)</th>
<th>Bundled Payment</th>
<th>Accountable Care Organization (ACO) Attribution</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Primary care model:</strong></td>
<td>1. Coordinate care for patients, using team-based care and the EHR</td>
<td>2. Enhance care with Aetna care management programs</td>
<td>Population health model manages all care for attributed members: 1. Team-based care 2. The EHR 3. Enhanced collaboration with Aetna care management programs</td>
</tr>
<tr>
<td><strong>Specialty care model:</strong></td>
<td>1. Coordinate care 2. Eliminate waste 3. Align to evidence-based best practices across practitioners and sites, and over a period of time</td>
<td><strong>Financial Opportunity</strong></td>
<td>Shift portion of reimbursement from FFS to ACP payments and incentives for quality and efficiency improvements</td>
</tr>
<tr>
<td><strong>Applicability</strong></td>
<td></td>
<td>Reduce episode costs, share savings and risk for reducing complications and waste, and improve quality</td>
<td>Shift portion of reimbursement from FFS to ACP payments and incentives for quality and total cost of care improvements, with risk for poor performance</td>
</tr>
</tbody>
</table>

### Reimbursement with Health Plan Products

<table>
<thead>
<tr>
<th>ACO Product</th>
<th>Joint Venture</th>
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<tbody>
<tr>
<td>Population health model with participation in a health plan: 1. Shared savings and risk for managing medical costs, quality 2. Opportunity to attract new patients</td>
<td>Payer-provider partnership to launch a health insurance company: 1. Share in earnings and risk 2. Employ increased capabilities and expertise</td>
</tr>
</tbody>
</table>

### Financial Opportunity

- Shift portion of payment from Fee-for-Service (FFS) to incentives for improvement 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
- **Primary care medical home practices**
- 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

### Support Levels

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Aetna Provider & Member Value-based Penetration in Delaware

**PCMH Recognition**

- Members – 18,183
- Providers – 342

**Physician (P4P)**

- Members – 7,901
- Providers – 431

**Hospital (P4P)**

- Members – 19,048
- Providers – 1003

**Specialist (P4P)**

- Members – 319
- Providers – 476

**Membership**

- 45,451 Aetna Members Included in VBC arrangements representing 46% of total Delaware membership

**Providers**

- 2,222 Providers participating in Aetna VBC arrangements representing 44% 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 will increase member engagement and improve population health.
- Aetna’s AIM HMO includes provider based financial risk directly associated with reducing costs, while improving quality and overall member health.
<table>
<thead>
<tr>
<th>Institutes of Excellence™</th>
<th>Institutes of Quality®</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Covered conditions</strong></td>
<td></td>
</tr>
<tr>
<td>• Transplants</td>
<td>• Orthopedic: spine, total joint replacement</td>
</tr>
<tr>
<td></td>
<td>• Cardiac: cardiac medical intervention, cardiac rhythm disorders, cardiac surgery</td>
</tr>
<tr>
<td></td>
<td>• Bariatric surgery</td>
</tr>
<tr>
<td><strong>Network size</strong></td>
<td></td>
</tr>
<tr>
<td>• Large, national</td>
<td>• Large, regional</td>
</tr>
<tr>
<td><strong>Designation process</strong></td>
<td></td>
</tr>
<tr>
<td>• Extensive quality and cost-effectiveness criteria</td>
<td>• Measures of volume, clinical performance, access and efficiency</td>
</tr>
<tr>
<td><strong>Other support</strong></td>
<td></td>
</tr>
<tr>
<td>• Dedicated contracting, medical management and claims/member service teams</td>
<td>• National Medical Excellence Program® for travel and lodging approval</td>
</tr>
<tr>
<td>• National coordination of care</td>
<td>• Regional coordination of care</td>
</tr>
<tr>
<td></td>
<td>• Dedicated, national Institutes of Quality team</td>
</tr>
</tbody>
</table>

Benefit differential applies to Institutes of Excellence and Institutes of Quality to encourage members to access care through these providers.
Institutes of Quality – Orthopedic Facilities
(Closest proximity for your members)

Institutes of Quality – Orthopedic

- Christiana Care Health Services – Delaware
- Franklin Square Hospital Center, Inc – Maryland
- Frederick Memorial Hospital – Maryland
- Greater Baltimore Medical Center – Maryland
- John Hopkins Bayview Medical Center – Maryland
- Mercy Medical Center – Maryland
- Montgomery General Hospital, Inc – Maryland
- Peninsula Regional Medical Center – Maryland
- Saint Agnes Hospital – Maryland
- Suburban Hospital – Maryland
- The Union Memorial Hospital – Maryland
- University of Maryland Upper Chesapeake Medical Center - Maryland

- Advanced Surgical Hospital – Pennsylvania
- Allegheny General Hospital – Pennsylvania
- Brandywine Hospital – Pennsylvania
- Chester County Hospital – Pennsylvania
- Heritage Valley Beaver – Pennsylvania
- Heritage Valley Sewickley – Pennsylvania
- Holy Redeemer Hospital – Pennsylvania
- Lancaster Regional Medical Center – Pennsylvania
- Lankenau Medical Center – Pennsylvania
- Lehigh Valley Hospital – Pennsylvania
- Riddle Hospital – Pennsylvania
- Thomas Jefferson University - Pennsylvania
Institutes of Quality – Cardiac Facilities

(Closest proximity for your members)

Institutes of Quality – Cardiac

- Franklin Square Hospital Center, Inc – Maryland
- John Hopkins Bayview Medical Center – Maryland
- John Hopkins Hospital - Maryland
- Peninsula Regional Medical Center – Maryland
- Saint Agnes Hospital – Maryland
- University of Maryland Medical Center – Maryland
- Holy Spirit – Pennsylvania
- Pinnacle Health at Harrisburg Hospital – Pennsylvania
- St. Joseph Medical Center – Pennsylvania
- St. Luke’s University Hospital – Pennsylvania
- The Milton S. Hershey Medical Center – Pennsylvania
Institutes of Quality – Bariatric Facilities
(Closest proximity for your members)

Institutes of Quality – Bariatric

- Christiana Care Health Services – Delaware
- St. Francis Hospital - Delaware
- Anne Arundel Medical Center – Maryland
- Greater Baltimore Medical Center – Maryland
- Meritus Medical Center – Maryland
- Peninsula Regional Medical Center – Maryland
- Saint Agnes Hospital – Maryland
- Sinai Hospital of Baltimore, Inc
- University of Maryland Medical Center – Maryland
- Abington Hospital – Pennsylvania
- Albert Einstein Medical Center - Pennsylvania
- Bryn Mawr Hospital (Elkins Park) - Pennsylvania
- Crozer Chester Medical Hospital - Pennsylvania
- Einstein Medical Center - Pennsylvania
- Mercy Fitzgerald - Pennsylvania

Institutes of Quality – Bariatric

- Pennsylvania Hospital – Pennsylvania
- Sacred Heart Hospital – Pennsylvania
- Saint Luke – Allentown Campus – Pennsylvania
- Temple University Hospital – Pennsylvania
- The Hospital of the University of Pennsylvania – Pennsylvania
- Thomas Jefferson University Hospital – Pennsylvania
Institutes of Excellence – Transplant Facilities
(Closest proximity for your members)

Institutes of Excellence – Transplant

- DuPont Hospital for Children - Delaware
- John Hopkins Hospital - Maryland
- University of Maryland Medical System - Maryland
- Albert Einstein Medical Center – Pennsylvania
- Allegheny General Hospital – Pennsylvania
- Children’s Hospital of Philadelphia (CHOP) – Pennsylvania
- Children’s Hospital of Pittsburgh – Pennsylvania
- Hahnemann University – Pennsylvania
- Hospital of University of Pennsylvania (HUP)
- Lankenau Medical Center – Pennsylvania
- Lehigh Valley Hospital – Pennsylvania
- Milton Hershey Medical Center – Pennsylvania
- Pinnacle Health System at Harrisburg Hospital – Pennsylvania
- Temple University Hospital – Pennsylvania
- Thomas Jefferson University Hospital – Pennsylvania
Thank you