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UnitedHealthcare is participating and supporting Senator Gloor and Senator Wightman's "Participation Agreement to recognize and reform payment structures to support Patient Centered Medical Home" through Value Based Contracting strategies and initiatives for many years.

UHC contracting models currently in place in Nebraska include multiple methods that meet the definitions provided in the Participation Agreement by promoting a health care delivery system that focuses on the patient and physician relationship to improve healthier outcomes utilizing clinical measures, evidence-based guidelines and cost efficiency standards. We currently have models in place with 19 clinics that are NCQA PCMH certified. In addition, we have more than 1500 physicians and 13 hospitals participating in one of our models described below that meet the definition of PCMH in the Agreement.

Following are examples of programs offered. Although they are all unique, there are some common elements across the programs. Providers in our value-based programs receive fee-for-service payments and can earn incentives or shared savings bonuses for meeting predefined metrics.

Performance Based Contracts are where cost efficiency and quality metrics are established and agreed upon in order for the provider to receive fee schedule incentives that are tied to these patient centered goals. This type of agreement is utilized by facility providers as well as specialist and primary care physician providers and has been in place in Nebraska for the last couple of years.

Primary Care Physician Incentives are programs that incent primary care physicians to support evidence-based medicine as well as cost effectiveness. Providers earn Incentives by meeting quality metrics and performance metrics.

Shared Savings Contracts - Providers who are ready for population health management share in savings with the Payor on an agreed-upon budget after meeting quality and experience thresholds.

We recently have added another **Shared Savings** program called the **Accountable Care Community Partnership** where community clinical teams actively measure, monitor and manage access to care, evidence based care and hospital utilization while taking action to drive continuous improvement in patient outcomes. Nebraska launched this model in 2014 and we anticipate expanded provider participation as we continue to share information with the providers and develop this product.

Basic Quality Model is another example of UHC's patient centered medical care contracting initiative currently in effect with Primary Care Providers in Nebraska. The provider and UHC review and come to consensus on multiple quality measures aimed at lowering inpatient admissions and emergency room visits by promoting preventive visits, prenatal care, and high risk disease care management and monitoring.

Successes realized:

- Providers are engaged and collaboration is occurring which has led to successful outcomes for the members and has resulted in additional payments to the providers.
- In Nebraska, we currently have more than \$200 million dollars of spend tied to one of our Value Based Contract's, across all Lines of Business that covers more than 50,000 members.
- **Nationally**, which includes Nebraska data, we have seen:
 1. 1.5%-3.5% reduction in medical cost
 2. 17% reduction in inpatient days per 1,000
 3. 16% reduction in emergency room visits per 1,000
 4. 13% reduction in inpatient admissions per 1,000

Challenges faced:

- We continue to be faced with finding models that work for practices that have limited membership with very little opportunity.
- Providers want to participate in these programs but do not have the infrastructure or resources to be able to support these programs for successful outcomes.
- Getting the support of the self-administered employers for these types of programs.