

# 4<sup>th</sup> Virtual Value-Based Payment Summit 2025

## NAACOS Presents:



## **Paradigm Shifts in Payer-Provider Partnerships to Advance Value-Based Care**

Thursday, February 27, 2025

# Speaker Introductions



Melanie Matthews is the **CEO at Physicians of Southwest Washington (PSW) and President at MultiCare Connected Care**. She brings well over 25 years of experience in health care with a focus on population health across all payer segments and representing independent physicians, vertically integrated health systems, and rural providers. She has led PSW and MCC through significant growth, scaling to a platform supporting over 350,000 patient lives. Ms. Matthews has led the expansion of PSW Management Service Organization (MSO) business lines, including network management, care management, compliance, and the implementation of CMS innovation models such as the Next Generation ACO Model. Among her other accomplishments, Ms. Matthews serves as the Board Chair for NAACOS and as a Board Member for Accountable for Health, Americas Physician Groups, and the Health Care Transformation Task Force. She has also been selected by the American Health Care Association as a “National Political Ambassador” and was named a national “Future Leader.” Ms. Matthews holds a master’s degree in social gerontology from Central Missouri State University and her passion for public policy has propelled her as the “voice” of physician health policies.

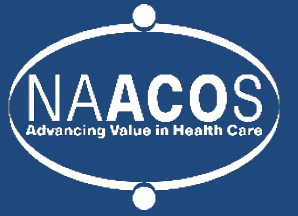


Jill Archer is currently the **Vice President of Network and Provider Partnerships at Capital Blue Cross**. In her role, she oversees provider relations, innovation, contracting, and value-based programs, as well as network operations, analytics, population health, and informatics. Prior to her current role, Jill spent most of her career in the Minnesota market working in leadership positions at Allina Health, Medica Health Plans, Optum, and PreferredOne. Jill is a highly collaborative leader with more than 25 years of experience in the health care industry, leveraging extensive experiences from both the provider and payer spaces to bring people together to improve health outcomes and remove unnecessary waste. She holds a Bachelor of Science in Business Administration with emphasis on business law and mathematics from Metropolitan State University.



Dr. Brandon Danz is the **Vice President, Population Health at WellSpan Health**, providing leadership for development and management of population health and value-based care strategies, serving over 200,000 patients in South Central Pennsylvania. These include a large Enhanced Track Medicare ACO (achieved \$59 million in savings), partnerships with multiple payors in Medicare Advantage, Commercial, and Medicaid sectors, and a strong collaboration with Capital Blue Cross in jointly managing five WellSpan-branded Medicare Advantage plans in South Central Pennsylvania. Dr. Danz previously led work within the Pennsylvania Department of Human Services to develop innovative care models for high-utilizing Medicaid patients designed to improve outcomes and reduce costs for vulnerable patient populations.

# About NAACOS



**500**

ACO MEMBERS

**9.5M**

BENEFICIARY LIVES IN  
MEMBER ACOS

**76%**

OF ACOS ARE NAACOS  
MEMBERS

**160**

PARTNER  
ORGANIZATIONS



## THOUGHT LEADERSHIP

NAACOS works to advance and promote coordinated, patient-centered, value-based care through research, publications, and other forms of thought leadership.



## EDUCATION

NAACOS offers a variety of educational webinars, conferences, and other events to help value-based care entities stay up-to-date on the latest developments in the field and learn from experts and peers.



## ADVOCACY

NAACOS advocates through various means, such as engaging with policymakers, participating in rulemaking, collaborating with other organizations, and communicating with the public.

*Founded in 2012, the National Association of ACOs (NAACOS) is a member-led and member-owned nonprofit helping Value-Based Care providers and entities succeed in efforts to coordinate and improve the quality of care for their patient populations.*

# Payor partnerships grow VBC engagement to a critical mass.

CMS will align 100% of Medicare beneficiaries to physicians accountable for costs and quality by 2030.

**As of January 2025, 53.4% of people with traditional Medicare are in an accountable care relationship with a provider.**

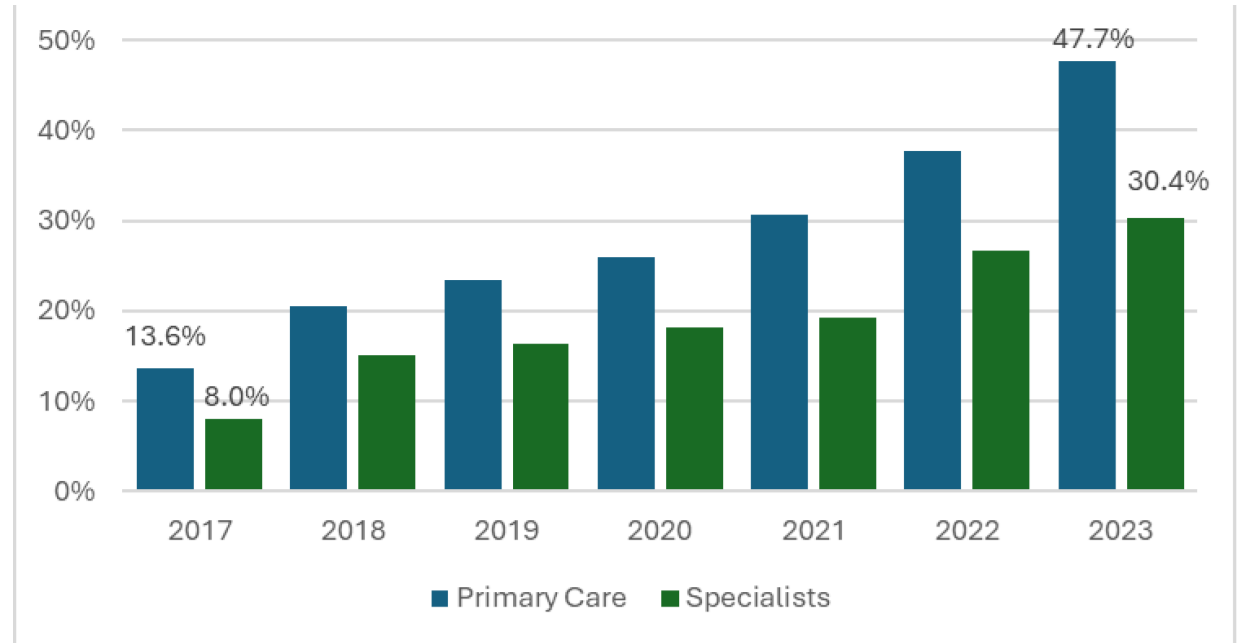
**Payor partnerships become more attractive as systems reach a critical mass of VBC contracting.**

**Medicare costs increase at the rate of \$250,000,000 per day between now and 2031.**



*Health Affairs 12/2024:*

Percent of primary care and specialist physicians who have accountability for quality and total cost of care over time



*Sources:*

*CMS Office of the Actuary*

*Health Affairs. Assessing Provider Adoption Of Medicare Advanced Alternative Payment Models. By David Muhlestein.*

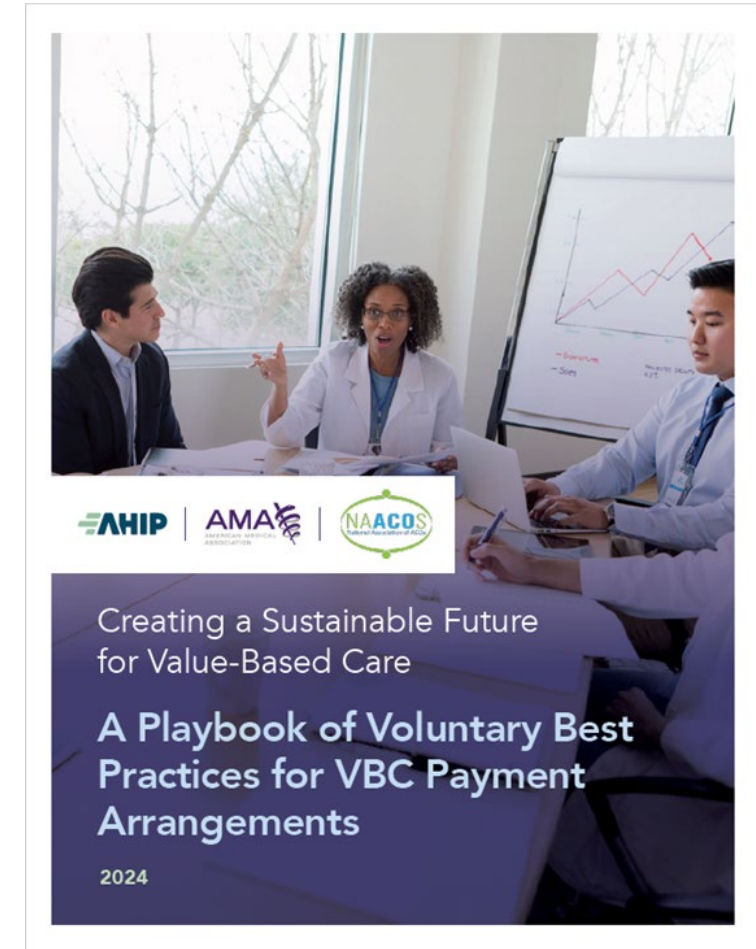
*December 16, 2024 10.1377/forefront.20241212.507239*

<https://www.cms.gov/newsroom/fact-sheets/cms-moves-closer-accountable-care-goals-2025-aco-initiatives>

# VBC Playbook Series

AHIP, AMA, and NAACOS established a collaboration to identify principles and voluntary best practices to foster sustainable success in value-based care (VBC). The [playbook series](#) is intended to advance the adoption of VBC.

- [Playbook of Voluntary Best Practices to Advance Data Sharing](#)—Focused on data sharing, as a fundamental building block of VBC
- [Playbook of Voluntary Best Practices for VBC Payment Arrangements](#)—Focused on underlying payment arrangements that seek to align payment with performance on quality, cost, and patient experiences
  - [Webinar recording](#)
  - [Presentation slides](#)





- Serves a 21- county region in Central Pennsylvania and Lehigh Valley
- \$2.5 billion revenue; \$3.4 billion in equivalent premiums
- 2,200 team members
- 818,000 core members; 1.5 million members in total
  - 68% ASO / 32% Fully Insured
- Fully Insured Group, ASO, Medicare, Individual, CHIP, Federal Employee Plan, Third Party Administer, and Shared Services products and services available to customers
- Two Subsidiaries: Dominion National and Avalon
- Five Health and Wellness Centers
- Independent licensee of the Blue Cross Blue Shield Association



- Central Pennsylvania clinically integrated health system
- \$4.2 billion revenue
- 23,000 team members
- 3,250 employed and value-aligned providers
- MSSP ACO Enhanced Track with 51,000 attributed beneficiaries and \$42 million in programmatic savings.
- Advanced Population Health operations with market-ready care management, data analytics, and financial management capabilities
- 250+ patient care locations
- Regional behavioral health organization
- Regional home health organization
- Top 20% credit rating



## As VBC matures, CMS is increasing its stewardship.

### Recent sweeping CMS regulatory changes:

Overpayment policies and clawbacks

Denials scrutiny

Stemming misleading marketing practices

Increasing network transparency

New HCC model

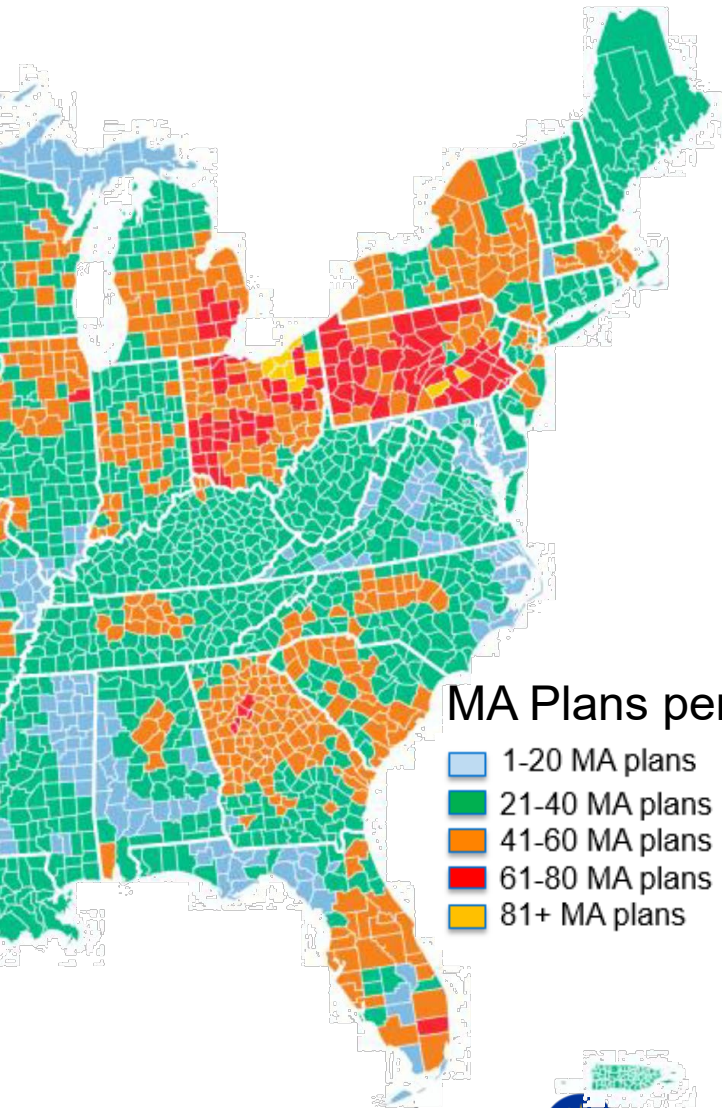
Tweaking STAR ratings and bonus payments

New supplemental benefits

New health equity requirements

**These reforms can be partially mitigated through better payor-provider partnerships.**

# Partnership Summary



- Saturated, hypercompetitive market with 90+ individual plans competing on cost & benefits package
- Joint operating agreement legal structure
- Partnership signed 2021. Plans launched 2022.
- Five jointly-branded PPO and HMO plans spanning 7 counties
- Joint management of plans. Shared risk.

## Plan Medicare Enrollment Stats

388,889	Medicare eligibles in our 7-county service area
42.2%	Currently enrolled in Medicare Advantage plans
132	Total group and individual plans offered in 7 county region
10,546	Total plan enrollees



Your health. Our mission.

Call 888.532.5324 (TTY:771) to discuss your options

Care management provided by WellSpan Health  
Capital Blue Cross is an Independent Licensee of the Blue Cross Blue Shield Association Y0016\_WSHMRKBRO22\_M





# Options for Partnership Structure

	JOINT VENTURE	JOINT OPERATING AGREEMENT	HYBRID
<b>Description</b>	New legal entity controlled by both parties to support all functions.	Orgs share financial risk and jointly manage plans using legacy CMS contracts.	Orgs operate as JOA but opt to JV components (like care mgmt or data analytics, etc.)
<b>Speed to market</b>	2+ years	1+ year	1+ year
<b>Start up costs</b>	\$\$\$\$	\$\$	\$\$\$
<b>Governance &amp; operations considerations</b>	<ul style="list-style-type: none"> <li>• New CMS contracts needed</li> <li>• Build name ID against regional / market competitive headwinds</li> <li>• Renegotiate vendor and network contracts</li> <li>• Navigate shared governance</li> <li>• Significant infrastructure costs</li> </ul>	<ul style="list-style-type: none"> <li>• Leverage existing CMS contracts and name recognition</li> <li>• Benefit from existing STARS ratings</li> <li>• Easier operational glidepath</li> <li>• Limits marketing possibilities</li> <li>• Limits shared governance</li> </ul>	<ul style="list-style-type: none"> <li>• Design and stand-up new capabilities and operational components on your own terms and timeline.</li> <li>• Still constrained by limitations of JOA structure</li> <li>• Lack of external force might slow pace of innovation.</li> </ul>
<b>Membership growth pathway</b>	Aggressive marketing from both orgs to grow name ID and draw new members.	Payor markets, provider educates.	Best of both worlds.

# Paradigm shift: a unique partnership structure

---

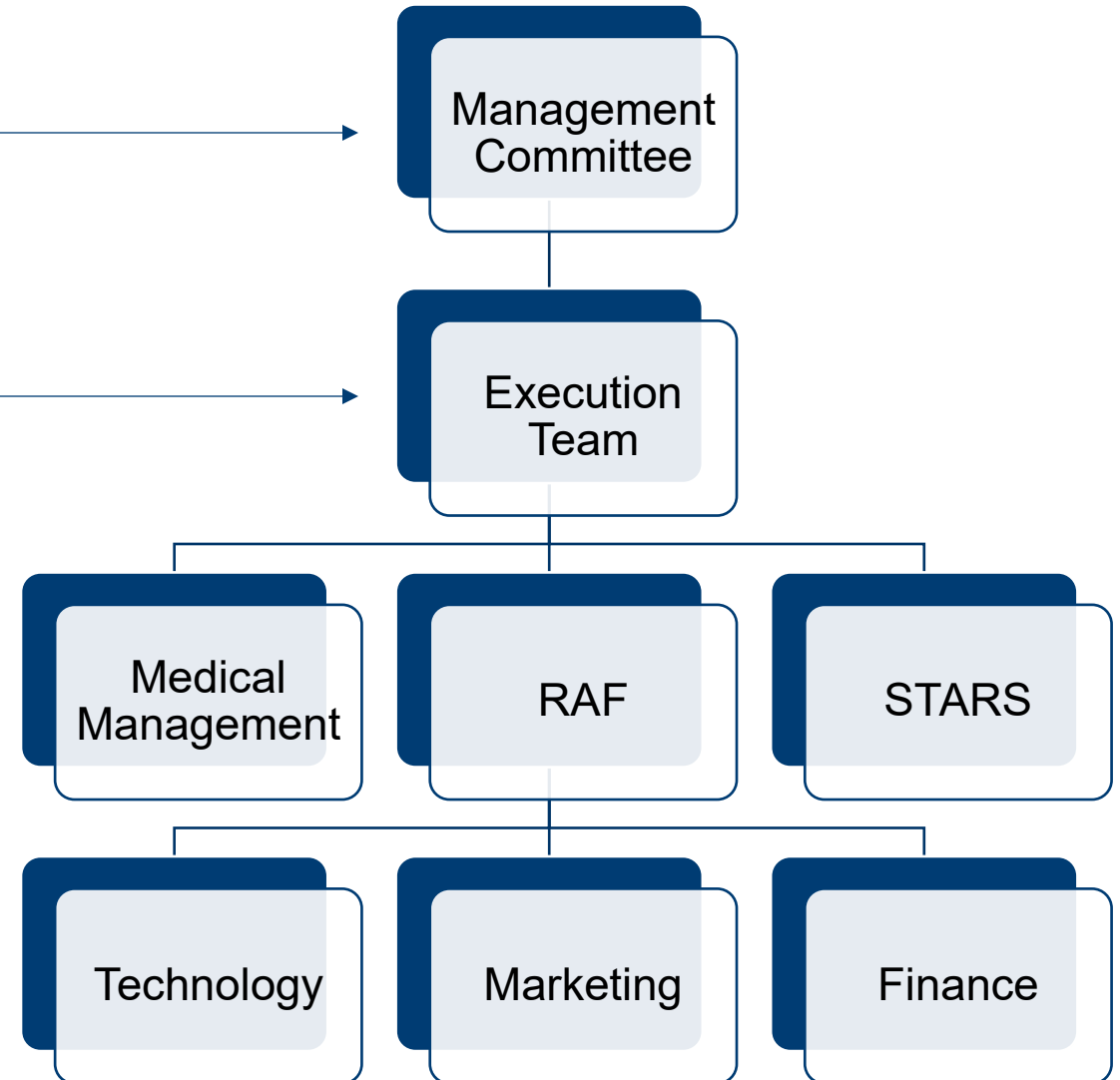
Equal representation from both organizations  
Set strategic direction  
Operational prioritization

---

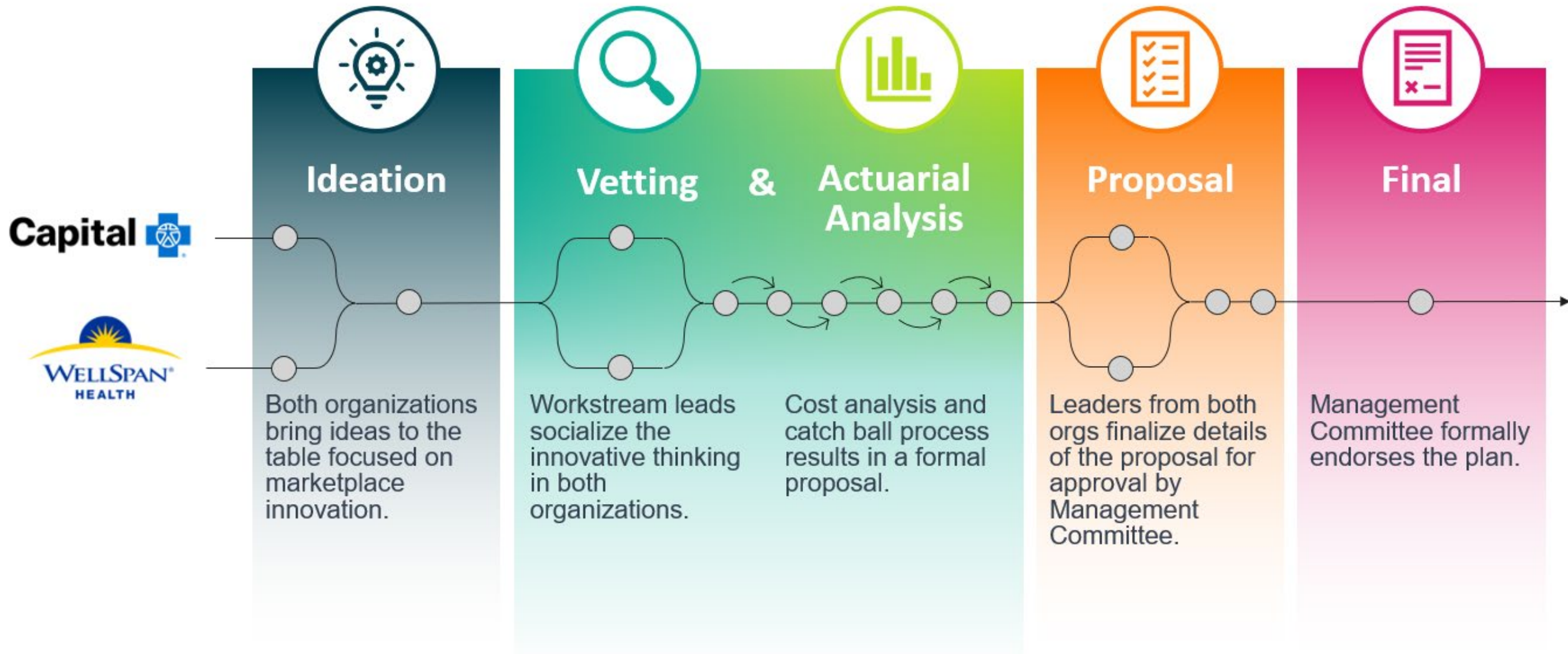
Manage enterprise partnership  
Advise management committee  
Provide direction and oversight to workstreams

---

**Workstreams:**  
Co-led by both organizations  
Manage Key Performance Indicators  
Monitor dashboard and trends  
Develop and execute tactics  
Escalate problems and barriers



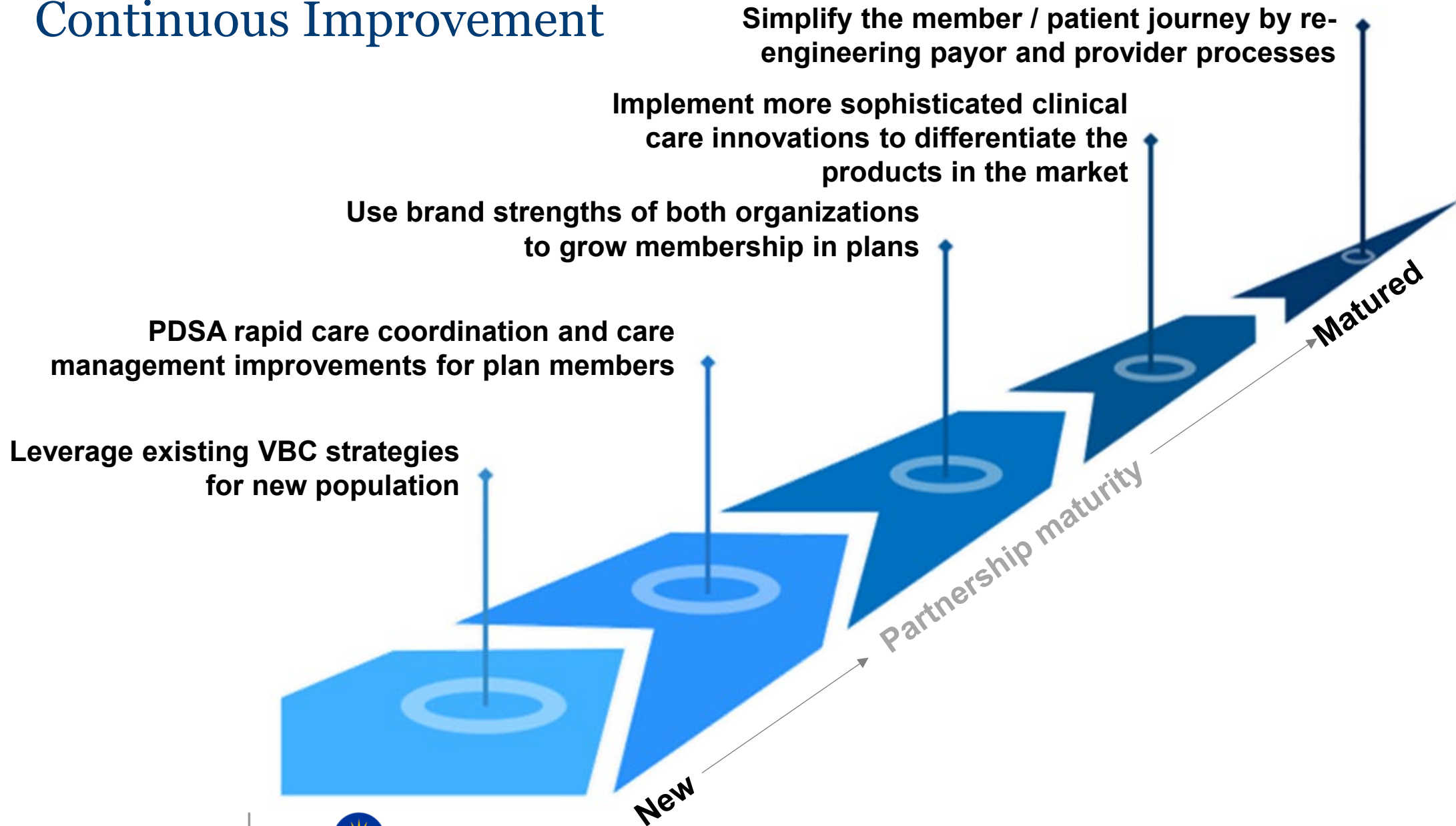
# Paradigm shift: collaborative innovation process



# Fundamental prerequisites to a paradigm-changing partnership

- 1 Know that you don't have it all figured out... and that's OK.
- 2 Capabilities assessment of both organizations
- 3 Have data sharing and reporting in place on Day 0
- 4 Figure out your care management delegation strategy
- 5 Fine tune and test your attribution methodology
- 6 Clear communications & marketing plan
- 7 Have a robust Day 1 RAF capture and STARS strategy

# Continuous Improvement

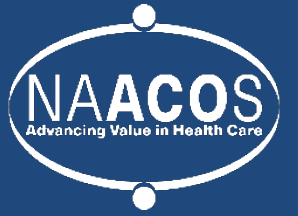






# NAACOS Value Across Payers

.....



- Playbook Webinars
- Value Across Payers Resources
- NAACOS Advocacy Letters
- Continuing **payer-provider theme at Spring Pre-Conference**

Driving Innovation in Value-Based Relationships  
through Specialty Care Engagement

Tuesday, April 22 from 1:00 – 5:00 pm ET

NAACOS Spring Conference: April 22-24, 2025

Hilton Baltimore Inner Harbor

Registration now open

# Thank You

