



News from

## COMPTROLLER KEVIN LEMBO

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### STATE HEALTH PLAN FIRST IN THE NATION TO BE RECOGNIZED FOR INNOVATIVE PAYMENT MODEL

**HARTFORD, CT** -- An innovative payment model between the state health plan and several Connecticut medical providers was approved by The Centers for Medicare and Medicaid Services (CMS) this week as an Advanced Alternative Payment Model (AAPM), Comptroller Kevin Lembo and [Signify Health, Inc.](#) (NYSE: SGFY) announced.

The State of Connecticut Health Plan is the first commercial plan in the nation to earn this designation for its episode-of-care payment model. As a result, certain doctors, hospitals and provider groups that have contracted with the state will be eligible for greater reimbursement from Medicare. The designation will bolster recent efforts to shift the dynamics of how the state purchases health care.

“This approval represents a significant recognition that our efforts to drive down the cost of care in the state health plan are benefiting everyone involved,” **said Comptroller Lembo.** “By working directly with doctors and hospitals to establish comprehensive prices for many common procedures, we’ve incentivized the highest-quality care while holding costs down. I anticipate this new CMS designation will encourage even more participation and look forward to seeing more mutual benefits across the board. I hope these types of innovations will be replicated by other large health plans and help Connecticut cement its status as the health care capital of the world.”

The CMS designation will be effective January 1, 2022. The more than 220,000 employees and retirees under the state health plan have access to the value-based agreements under a program called the “Episodes of Care program.” The Episode of Care program, which is administered by Signify Health, includes a “Network of Distinction” for healthcare providers.

“The designation of the State of Connecticut’s Episodes of Care program as an AAPM represents a historic step in the advancement of value-based care nationwide,” **said Kyle Armbruster, CEO of Signify Health.** “CMS’ ongoing commitment to affordability, quality, and outcomes has been of significant benefit to patients, providers, and taxpayers alike. We are excited that best practice from federal and state value-based care

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programs will be extended to commercial health plans, and are proud to be a part of this catalyst for continued adoption of value-based care by innovative provider organizations.”

The State of Connecticut’s employee and retiree health plans, as well as the Connecticut Partnership Plan, launched the Episodes of Care program in October 2020. The initiative encourages doctors, hospitals and provider groups to deliver high-quality, coordinated care at competitive prices for the entire course of treatment — from evaluation through recovery — for a condition or illness. This method of care delivery and payment established a new industry standard by aligning clinical and financial incentives across the continuum of care for providers, patients, and health plans.

With the AAPM designation, starting in 2022, certain providers in the Episodes of Care program will earn credit towards Medicare’s Quality Payment Program (QPP), rewarding providers that accept financial and clinical responsibility for reducing costs and improving quality of care. Since its inception last year, 1,400 physicians have committed to the state’s quality and cost standards through their participation. Additional provider groups are still eligible to join.

The Episodes of Care program significantly reduces variations in costs by setting fixed, episode-of-care, prices for over 40 common health episodes that may be delivered by multiple providers across multiple sites. Healthcare services that are eligible to be included in these program episodes could span as much as 60 percent of the average health plan’s spend, and include episodes such as knee replacement, colonoscopy, cataract surgery, care related to pregnancy, and more. Also featured is a comprehensive spine episode aimed at helping members avoid unnecessary surgery.

Signify Health is supporting the State of Connecticut’s Episodes of Care program by identifying, contracting with and supporting participating providers with services, technology, and analytics, as well as securing fixed, episodes-of-care pricing with high-value network providers.

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### **About the Office of the State Comptroller**

Connecticut’s Office of the State Comptroller administers the health plan covering state and certain municipal workers, retirees, and their dependents, totaling over 220,000 lives. Comptroller Kevin Lembo has focused the efforts of the office on improving the quality of care, including access to preventive screenings, while simultaneously reducing costs. For more information, visit [osc.ct.gov](https://osc.ct.gov).

### **About Signify Health**

Signify Health is a leading healthcare platform that leverages advanced analytics, technology, and nationwide healthcare provider networks to create and power value-based payment programs. Our mission is to transform how care is paid for and delivered so that people can enjoy more healthy, happy days at home. Our solutions support value-based payment programs by aligning financial incentives around outcomes, providing tools to health plans and healthcare organizations designed to assess and manage risk and identify actionable opportunities for improved patient outcomes, coordination and cost-savings. Through our platform, we coordinate what we believe is a holistic suite of clinical, social, and behavioral services to address an individual’s healthcare needs and prevent adverse events that drive excess cost, all while shifting services

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towards the home. For more information on how we are taking health homeward, visit us at [signifyhealth.com](http://signifyhealth.com).

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