

Sustaining the Transformation to Value-Based Payment

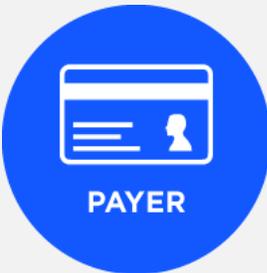
For delivery system reform to be most effective nationally, the Health Care Transformation Task strongly believes value-based payment and care delivery must be sustainable for all stakeholders. Thus, the Task Force has set “achieving sustainability” as a major theme of its 2017 Action Plan. While Task Force members support the goal of sustainability, each membership category (patients, purchasers, payers and providers) brings a unique perspective to the meaning of sustainability. Here are representative viewpoints from a few Task Force members.

	<p>Many providers and payers are participating in innovative value-based payment models, but how best to move their organizations fully into value-based care remains an uncertain path. While the pull of fee-for-service remains, patients and purchasers are demanding that the industry move forward apace. How best to achieve this common goal in a sustainable way is the greatest challenge facing this diverse set of stakeholders.</p> <p><i>Rick Gilfillan, President & CEO, Trinity Health Chair, Health Care Transformation Task Force</i></p>
	<p>We know so much about what matters most to consumers when it comes to their health care, but those things don't always get the attention they deserve in the development of new payment models. Much of the change experienced by consumers to date may simply seem like narrowed choices and new limitations or barriers to care. To gain acceptance, value-based care models will need to demonstrate to consumers that they genuinely offer a better care experience, better health outcomes, and lower out-of-pocket costs. Whether or not consumers feel that they are getting more of what they need than in the current system will be the ultimate test of whether they embrace and engage in these models. For this to happen, we will need to build these new models together, and focus on how consumers themselves define better care and better outcomes.</p> <p><i>Debra Ness, President National Partnership for Women and Families</i></p>
	<p>We want to help create a market environment which is itself sustainable and stimulates for continued innovation in cost and quality, as other sectors do. Meaningful competition should be welcomed, which allows new payment and delivery models to emerge. For that to be achieved, we believe that purchasers must be engaged, as employers are an important contributor to the demand-side costs of healthcare.</p> <p><i>David Lansky, President & CEO Pacific Business Group on Health</i></p>



From a provider perspective, **financial predictability is key to sustainability**. As we enter value-based payment agreements, we expect to have some successes and some areas for improvement because these are new programs and we are learning as we go along. The problem is that it can create huge volatility in our financial outcomes, so predictability of budgeting is getting more difficult as we adopt more alternative payment models.

*Shelley Schlenker, Vice President
Public Policy, Advocacy and Government Relations
Dignity Health*



Sustainability from the payer perspective means **maintaining our ability to contain cost growth, while improving quality and health outcomes**. If we can't do that, the consumers and purchasers will lose faith in the transition to value-based care. In addition, if hospitals begin to fail in large numbers -- because they are unable to reinvent their business model as part of a larger system -- then the disruption to the workforce will cause profound economic concerns in communities and more broadly. This would create the potential for a form of rhetoric about the perils of payment reform that could scare the public and force payers to retreat to fee-for-service.

*Dana Gelb Safran, ScD, Chief Performance Measurement & Improvement
Officer, & Senior Vice President, Enterprise Analytics
Blue Cross Blue Shield of Massachusetts*

With these distinct yet complimentary perspectives in mind, Task Force members reached consensus on the following set of sustainability principles:

ACHIEVING SUSTAINABILITY IN VALUE-BASED PAYMENT AND CARE DELIVERY

1. Sustainability requires effective intersection and collaboration between various evidence-based approaches to value-based payment and care delivery to reduce cost and achieve the highest quality care.
2. Sustainability should focus on a strong, competitive healthcare market (or “ecosystem”), not on the long-term viability of particular models.
3. Value-based care should holistically address the reasonable needs of consumers at all stages of the care continuum, including ensuring innovative approaches to behavioral health care, social services integration, and effective care coordination for vulnerable populations.

4. Consumers of healthcare should be supported – including through access to information, education and/or positive incentives – to make value-driven health care decisions.
5. Predictability is critical for success. Purchasers and consumers seek predictability in covered benefits, provider networks, and cost sharing, while payers and providers seek predictability in financial and operational structures and resource utilization.
6. Value-based care programs should be designed with a recognition that novel payment models will be implemented under a certain degree of uncertainty, and may have unintended consequences. To that end, programs should explicitly promote continuous improvement and refinement of purpose, methodology, and desired outcomes through stakeholder collaboration.
7. Consumer and patient perspectives should be integrated into all aspects of design, implementation, and evaluation of value-based care.
8. Alignment of model designs and strategies that are common to success across payer types, which does not necessarily mean replicating public sector models in commercial settings, is important in creating common targets, metrics and incentives and encouraging multi-payer participation.
9. Primary care is the bedrock of sustainable value-based care models, and systemic investments should be made to address related workforce issues to ensure primary care needs are reasonably met in proper care settings.
10. Transparent quality and cost metrics should be available in a manner that is useful and meaningful to, and actionable by consumers.
11. Investments for the benefit of communities should account for individual social determinants of health in a way that promotes timely access to appropriate care in appropriate settings.
12. Participants should expect to make sensible investments, with the opportunity for reasonable returns. Expectations about reinvestment, including adoption of new technologies, should be balanced with realization of positive operating margins.