WHAT IS HEALTH CARE VALUE?

How Do Stakeholders View Value Transformation?

In 2020, the advancing journey toward health care delivery system transformation – moving from reimbursement for volume to paying for value – came head-to-head with a global pandemic. In the face of COVID-19, the field witnessed value-based payment's effects in real-time, as health care organizations already operating under value-based care delivery and payment models experienced a more resilient foundation due to better aligned incentives between payers and providers.

In January 2022, leading health care organizations, including the Health Care Transformation Task Force and Premier Inc., partnered to host Health Care Value Week. This event featured stakeholders engaging in meaningful dialogue with health care executives and federal policymakers through virtual events and social media.

Health Care Value week was the impetus for this series, developed in collaboration with Premier Inc. It reflects key quotes from the Value Week conversations that help answer the question: what does health care value represent? These important perspectives reflect how value-based transformation is creating positive change for individuals and communities; they also address challenges that remain to achieving the broad-based national reform that all of us, and our system as a whole, deserve. The series will be updated periodically to share perspectives on the health care transformation journey.

Quotes are organized according to the following topic areas:

- Successes in Value-Based Care
- Incentives to Adopt to Value
- AAPM Bonus, Sustainability, and Consistency
- Importance of Primary Care
- Care Coordination
- Health Equity
- Payer Alignment and Data Transparency
- Areas for Advancement

Created by the Health Care Transformation Task Force in collaboration with Premier Inc.

PREMIER

WHAT IS HEALTH CARE VALUE?

Successes in Value-Based Care

Without the constraints of fee-for-service reimbursement, stakeholders have the opportunity to be innovative and meet patients where they are. This can take the form of multi-disciplinary care teams, group health education, enhanced primary care, and coordination between primary and specialty care providers, all with the patient at the center.

> You see a number of providers developing...clinic-based models with multi-disciplinary teams, doing things like transporting members to visits, changing the way they deliver primary care for example, and using those advanced payment models as a way to deliver better performance because of it.
>
> **-Eric Fennel (Aetna, a CVS Health Company)**

> One participant [from a health education class offered by the ACO] said 'I was impressed all these professionals came together to help us with our needs. It was well worth it. Thank you. My blood pressure is down along with my weight and A1C level.'
>
> **-Jean Haynes (Bon Secours Mercy Health)**

> There is clear value for the senior patient and community. Look at our organizations and look at the satisfaction levels the patients have. Net promotor scores in the 80 percent range, that's world class anywhere, but in health care, that's fantastic.
>
> **-Steve Sell (agilon)**

> Alternative payment models send a message that the focus is on outcomes and on patients' health, and if you [as a provider] achieve improved health outcomes, you can share in the potential savings you are generating. That sends a powerful message and allows for community engagement to occur.
>
> **-Frederick Isasi (Families USA)**

> [Value-based care has] allowed us to invest in multi-specialty, team-based care, where we focus on whole person health. When we think of team-based care, we put the person in the middle and surround them with that care team, starting with primary care at the first level, and then the specialists, and then we move to extended care team members like social workers or care coordinators or pharmacists, and then onto system and community resources
>
> **-Christopher Elfner (Bellin Health Partners)**

Created by the Health Care Transformation Task Force in collaboration with Premier Inc.

PREMIER

WHAT IS HEALTH CARE VALUE?

Incentives to Adopt Value

Unlike fee-for-service, which incentivizes providers to offer a higher volume of services regardless of their effect on outcomes, value-based payment incentivizes patient-centered, coordinated care with the goal of achieving positive outcomes. The following quotes reflect how value-based payment incentives created an environment in which providers could sustain their practices even in the face of a global pandemic.

> We need not look further than COVID-19 if we want to find a use case for why the transition is needed. Those [providers] who were in largely FFS struggled to cope with disruptions to their practice and revenue stream, whereas those prospectively paid had greater agility to quickly make changes necessary to care for their patients.
> **-Stephanie Quinn (AAFP)**

> What we hear from patients is that they prefer MA plans because of the supplemental benefits that they receive. Many patients come to us and ask, how can they get some of these benefits in fee-for-service and we say, you can't, you have to join MA.
> **-Rich Lipeles (Heritage Provider Network,)**

> If there's one thing we've learned from the pandemic, it's that organizations that are able to track their patients longitudinally and have strong advanced accountable systems for identifying people who are at risk and helping them, have done better. They had fewer fee-for-service contracts, so they didn't see the bottoms fall out of their revenues starting in 2020 and over the last couple of years.
> **-Mark McClellan (Robert J Margolis Center, Duke University)**

> MSSP has grown in both net and gross savings every year since it started...we have experienced four straight years of shared savings from CMS.
> **-David Pittman (NAACOS)**

> APM Models that incentivize quality help support this work. The ability to use the right resource for the right treatment is critical. APM models foster innovation in care delivery that is just not possible in fee-for-service environment.
> **-Rakesh Patel (Neighborhood Healthcare)**

> To the extent that physicians switched rapidly to doing telehealth with their patients and were able to do that without a loss of revenue or income was helpful because if you're in a traditional FFS environment and the visits and the number of services being provided drops, so does a physician's income...
> **-John Picket (Anthem)**

Created by the Health Care Transformation Task Force in collaboration with Premier Inc.

PREMIER

WHAT IS HEALTH CARE VALUE?

AAPM Bonus, Sustainability and Consistency

The Medicare Access and CHIP Reauthorization Act of 2015 (MACRA) is designed to encourage providers to move into value-based care arrangements that prioritize high-quality, patient-centered care. However, 2022 represents the final performance year for providers to be eligible for a financial incentive for moving to value-based care. Now more than ever, it is imperative that this incentive be extended to 2023 and beyond.

Read the Task Force's brief on the AAPM bonus extension here.

"What we are really seeing is the transition to value-based care is not easy. It requires a lot of upfront investment in data analytics and technology to be able to really identify and understand patient needs, to better define the risk for poor outcomes, to do better outreach, and coordinate care and transitions. It requires significant practice transformation and change management in terms of clinical workflows that reflect the data and technology. That investment has to be continued and be consistent and there has to be less uncertainty.

-Susan Huang (Aledade)

"We have used the dollars to invest and incent upstream care. Fee-for-service really doesn't pay for [infrastructure]; we've used these resources to invest in processes and remove hurdles to ensure that people are getting upstream and appropriate care.

-Christopher Elfner (Bellin Health Partners)

"We use these funds to start new programs or as upfront investments to help us to innovate. We need these [funds] to be consistent and dependable so that we can continue to innovate and try new programs.

-Mary Jane Pennington (Granger Medical Clinic)

"Incentives drive behavior. Moving physicians to risk-based contracting changes behavior. And until we have physicians taking both clinical and financial responsibility for patients' care and for an entire population, we won't see changes. These programs must continue. They must expand. And we've got to get more and more physicians into risk-based contracting.

-J. William Wulf (Central Ohio Primary Care)

Created by the Health Care Transformation Task Force in collaboration with Premier Inc.

PREMIER

WHAT IS HEALTH CARE VALUE?

Importance of Primary Care

Primary care is the backbone of our health care system. Population health models and other models that align incentives for primary and specialty care are the key to addressing health and health care.

> We need to double down on primary care. If we don't change the payment model, primary care cannot do the job it is meant to do. With the current fee-for-service payment system and because of politics, primary care ends up as 4 or 5% of total health care spending. We've made all bets that that should be 10% or 12% or maybe 15% and that leads to better outcomes and lower costs.
>
> **-Rushika Fernandopulle (Iora Health)**

> The value-based care model really enables our primary care practice to think about how to invest long-term, lay the groundwork for their population health management work, care coordination, and managing the patient's health outcomes across this total care continuum.
>
> **-Susan Huang (Aledade)**

> Primary care physicians are the most precious asset that every community has in transforming care overall. Traditional fee-for-services puts them at the bottom. Value-based care moves them to the top.
>
> **-Steve Sell (agilon)**

> We don't need a thousand new models. There are models available now that we know work and that give primary care global accountability for total cost of care.
>
> **-Farzard Mostashari (Aledade)**

> Primary care is our best lever to work against the other counter incentives in the ecosystem of health care. We can align through relationships. We care about people's long-term health and outcomes...I think any path that we take has to help primary care practices and care teams go in that direction.
>
> **-Vivek Garg (Humana)**

Created by the Health Care Transformation Task Force in collaboration with Premier Inc.

PREMIER

WHAT IS HEALTH CARE VALUE?

Care Coordination

Care coordination is a key element of person-centered, value-based care, and is linked to both improving outcomes and reducing costs. Coordination requires significant time and resources, however, and has traditionally not been reimbursable in fee-for-service models. Value-based payment offers flexibility and resources to allow stakeholders to create infrastructure and reimagine workflows, making care coordination a core pillar of care delivery.

> Medicare Advantage has allowed us to establish rural clinics that are staffed with physicians and nurses as well as other ancillary personnel who go out into communities and meet people who have previously not had access to care. These providers coordinate with our hospitals to reduce the potential for unncessary hospitalizations wherever possible.
>
> **-Rich Lipeles (Heritage Provider Network)**

> Through the use of care coordinators, we have touch points outside of the face-to-face visits to ensure patients understand their care plans, are following their treatment plans, and are ultimately achieving their health goals. Medicine is becoming increasingly complex...making sure these patients are linking to care teams is vital...
>
> **-Rakesh Patel (Neighborhood Healthcare)**

> ...care management has lots of different pieces. From disease management to pharmacy intervention, patient education, care transitions, predictive analysis, post-discharge follow-up...Across three MSSPs we have really reduced admissions 7.5-10%, ER visits roughly 8-9%, and SNF admissions 9-35%.
>
> **-Don Calcagno (Aurora Health)**

> Care coordination is more than just care management. It's about helping the provider engage with members proactively and helping make sure that we're really understanding the needs of the population.
>
> **-Eric Fennel (Aetna, a CVS Health Company)**

Created by the Health Care Transformation Task Force in collaboration with Premier Inc.

PREMIER

WHAT IS HEALTH CARE VALUE?

Health Equity

Rethinking the way health care is paid for is integral to addressing health equity. Stakeholders across the system acknowledge that the fee-for-service model is not designed to support the kinds of services, interventions, and policies that deliver both coordinated health care and provide individuals with access to non-clinical services.

> ...health is the place where all the social forces converge to express themselves with the greatest clarity and the most importance. The medical elements are important, but what is equally if not more important, is what happens upstream...to the community and to social determinants of health and the physical environment...the context in which this happens has to be larger, to include the government, philanthropy, private corporations, it requires lots of people.
>
> **-Reed Tuckson (Tuckson Health Connections)**

> To advance value-based payment arrangements that are fully supportive of the community-based model for perinatal care, states can address the shortage of midwife care led by the BIPOC population, increase the number of freestanding birth centers, and address inequities around reimbursement and licensure policies.
>
> **-Jennifer Moore (Institute for Medicaid Innovation)**

> We recently surveyed members on whether they feel like they have a plan in place to address health equity and are they collecting social determinant of health information. The response was overwhelmingly yes, but in terms of what they do with that information and how they maximize it, some are far along in that journey and others are just starting.
>
> **-Aisha Pittman (Premier Inc.)**

> Alternative payment models really do reorient the system toward health. They allow providers to address a lot of ancillary issues that really drive health outcomes and social determinants.
>
> **Frederick Isasi (Families USA)**

Created by the Health Care Transformation Task Force in collaboration with Premier Inc.

PREMIER

WHAT IS HEALTH CARE VALUE?

Payer Alignment and Data Transparency

As we look toward the next phase of value transformation, it is important to keep in mind the lessons learned from the previous decade, particularly regarding the challenges imposed by having to comply with multiple, sometimes conflicting, program requirements, and inconsistencies in data from various payers.

> One of the biggest challenges we've seen is around data...Most of our commercial partners are not willing to provide data at the level that lets us identify specific challenges related to cost. CMS by contrast provides extensive data which we have used to identify high spend areas. With data from CMS, we were able to drill down and figure out why our retina specialists tended to use the most expensive medicine to treat diabetic retinopathy.
>
> **-Mary Jane Pennington (Granger Medical Clinic)**

> One of the biggest complexities facing us is that different payer programs and value-based agreements all have different requirements. That just dilutes the focus and reduces the ability to invest in the highest impact practices necessary for achieving quality outcomes.
>
> **-Susan Huang (Aledade)**

> We need all the payers to align by and large with risk-based payment models to allow us to take care of the whole population.
>
> **-Rushika Fernandopulle (Iora Health)**

> Policies that support and encourage the development of all claims databases that pool all the results from all the different payers, including CMS, will give us a much better sense about how we are performing both on cost and quality metrics across the whole panel of patients. All claims data would also help with implementing programs globally across all of our patients.
>
> **-Mary Jane Pennington (Granger Medical Clinic)**

Created by the Health Care Transformation Task Force in collaboration with Premier Inc.

PREMIER

WHAT IS HEALTH CARE VALUE?

Areas for Advancement

The transformation is nowhere near over, however we are at a stage in this process where stakeholders can clearly identify specific policies and practices that will support advancement in achieving the goals of lower cost, improved care, improved patient outcomes, and overall health equity.

> Inconsistency in ACO programs makes it difficult and frankly expensive to manage. It takes resources to manage a contract rather than managing the population
>
> **-Christopher Elfner (Bellin Health Partners)**

> The uncertainty regarding continuation of these federal programs [is a challenge]. We are investing heavily in long-term changes that lead to good preventive care and good chronic disease management...We need Congress to make a commitment. The benefits of chronic disease management take years to see and we just can't stop and start these programs the way we have been.
>
> **-J. William Wulf (Central Ohio Primary Care)**

> Today's APM environment does not include all types of providers. You don't see safety net or rural providers in existing APMs to a large extent. It's because we are asking those providers who are already struggling to change their practices in a way that creates additional savings on top of their existing historical budget.
>
> **-Aisha Pittman (Premier Inc.)**

> There is enormous opportunity for improvement, and employers are leading many of these efforts. Many employers are moving to contract directly with primary care providers and ACOs and experiencing improved outcomes. One specific effort is in thinking about how prospective payment can be used to develop care teams and improve primary care.
>
> **-Elizabeth Mitchell (Purchaser Business Group on Health)**

> I practice clinically at an FQHC in DC. The thought of having our FQHC engage in an APM scenario, even with the roadmap CMS provided, makes me anxious... [We] need to invest in the community to complete this equity journey.
>
> **-Jennifer Moore (Institute for Medicaid Innovation)**

Created by the Health Care Transformation Task Force in collaboration with Premier Inc.

PREMIER

WHAT IS HEALTH CARE VALUE?

HCTTF Impact Briefs Offer More Background

With the passage of the Affordable Care Act in 2010, the Medicare program embarked on a significant journey toward a value-based payment and care delivery system. The goal was to achieve a transformed system focused on the value of the care received by patients over the volume of services furnished by providers. In 2020, the Task Force developed a series of payment model impact briefs to explain and amplify how value-based payment is changing our nation's delivery system for the better.

Read our Model Impact Briefs here.

For questions about any of our Task Force briefs or this series, please contact Charlotte Burnett at Charlotte.burnett@hcttf.org

Established in 2014, the Health Care Transformation Task Force brings together patients, payers, providers, and purchaser representatives to act as a private sector driver, coordinator, and facilitator of delivery system transformation. In addition to serving as a resource and shared learnings convener for members, the Task Force is also a leading public voice on value-based payment and care delivery transformation.

Looking Forward

The Health Care Transformation Task Force envisions a sustainable, cost-effective, and wellness focused health care system that: (1) delivers accessible, affordable, equitable, coordinated, and high-quality care for all, (2) is person-centered; recognizing the worth, dignity, and goals of all individuals and communities, and (3) aligns incentives across providers, patients, and payers and equips them with the tools, information, and flexibility to deliver and receive the right care at the right place and at the right time.

To reach this goal, the Task Force believes that the health care system must transition away from fee-for-service payment models that reward the volume of care delivered, to value-based payment models which reward high-quality outcomes and positive patient experiences at reduced cost.

Created by the Health Care Transformation Task Force in collaboration with Premier Inc.