Acclivity HEALTH

Issue Brief

Value-Based Care

How Your Practice Can Ensure Financial Success with Value-Based Care

The United States spends significantly more on healthcare, on average, than any other developed country. Yet, according to a recent study by the Organisation for Economic Co-operation and Development (OECD), healthcare outcomes in the U.S. are not better than in other countries. In fact, they are worse than average in several categories, including life expectancy, obesity, and avoidable mortality.

Realizing the need to improve the overall efficiency and quality of our healthcare system, CMS began testing different value-based reimbursement models several years ago. Unlike Fee-for-Service, Value-Based Care (VBC) ties reimbursement to value — the level of care quality, as measured by outcomes and patient experience.

As promising as VBC is in concept, primary care providers have been slow to embrace it. The 2020 Deloitte Survey of US Physicians indicated that 96% of physicians still rely on fee-for-service and/or salary for the majority of their income. Just 36% collect value-based payments and only 23% receive performance bonuses. However, this study was done before the Covid-19 pandemic took a financial toll on practices that relied on fee-for-service revenue. During the past two years, medical practices with VBC have benefitted from guaranteed payments for care management of their covered population. If your practice is considering how you'll meet both your clinical and financial performance goals for the coming years, 2022 may be the year for your practice to make the transition to value-based care. The first step is to understand what your options are.

INCENTIVES FOR INNOVATION

CMS continuously tests new payment models for care delivery in multi-year trials to determine which have the greatest opportunity of delivering "high-quality, affordable, person-centered care." These models, if successful, may become universal Medicare programs and/or serve as templates for commercial sector programs, so it's important to be aware of their progress. CMS Innovation Models include:

- **Primary Care First (PCF):** CMS assigns chronically ill, poorly managed patients to primary care practices and pays them a set fee to coordinate their care and keep them home when possible.
- **Value Based Insurance Design (VBID):** Medicare Advantage plans are encouraged to coordinate care delivery to Medicare beneficiaries and reduce the cost of that care and can cover in-home palliative care services and transportation to and from doctors' offices.
- **Independence at Home:** Practices deliver primary care services at home to seriously ill patients, taking more time with each patient, coordinating their care, and delivering a higher quality of care with the goal of reducing hospitalizations and utilization of other outside healthcare services.
- **Home Health Value-Based Purchasing Model:** Practices gain financial incentives to promote higher quality delivery of home healthcare with greater cost efficiencies.

Currently, commercial payers offer a full continuum of their own value-based models — from simple shared savings agreements to risk-based programs that increase revenue potential. Not all models will be lucrative for every type or size of practice. Your practice should do a careful assessment of your options before making any commitments.

1301 Riverplace Blvd. | Ste 800
Jacksonville, FL 32207

T 904 562 1368
acclivityhealth.com

CONTRACT NEGOTIATIONS

Before signing a value-based care contract, PCPs should consider whether the terms will be lucrative for the practice as well as aligned with your clinical and financial performance goals and values. Payments should be tied to benchmarks that are achievable. Additionally, your practice should determine what additional resources you need to comply with the contract and what return you can expect on that investment before signing anything.

It will help to do a full analysis of your practice's historical performance before you sit down with your payer's representative. Most independent practices don't have the resources to do this kind of analysis in-house. Hiring a company, such as Acclivity Health, can be money well spent, since expert analysts can help you assess your opportunities to maximize your revenue and/or avoid unfavorable terms that cost you in the long term.

CARE MANAGEMENT RESOURCES

While our healthcare system has spent the last decade deploying electronic health records and building interoperability between technologies, few of these capabilities are focused on outcomes for your most complex patients. You may have a wealth of data, but no way to analyze it and develop insights around patient risk, utilization, and quality care. Without the right data analytics, workflows, and reporting software, you won't be able to track the quality of your care and identify areas for improvement.

Before entering into new contracts, you should assess whether you have the capability to monitor and manage the success criteria for your specific contracts and address gaps in care for your highest risk, highest utilization patient population. Your system should help you:

- **Maintain Compliance With Payer Metrics**
- **Optimize Care Management Resources**
- **Receive Daily Reports**
- **Keep Your HCCs Current And Maximize Your Reimbursements**

When it comes to value-based care, the ultimate question is not if you'll get involved, but when. As the new year starts, this is the perfect time to start asking questions, consider your options, and learn what types of plans are best aligned with your practice's goals. Acclivity Health provides tools, analytics, and workflows to monitor your patients, identify specific issues that may result in gaps in care, and help you achieve financial success with value-based care.

To learn more about how we can help you succeed with Value-Based Care, or to schedule a Demo, please contact us at info@acclivityhealth.com or call 904 562 1368.

1301 Riverplace Blvd. | Ste 800
Jacksonville, FL 32207

T 904 562 1368
acclivityhealth.com