



Responding to the Evolution of Value-Based Care Models

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The term “value-based care” has become synonymous with change in healthcare in recent years. While the idea behind the model has long roots in American healthcare, the iterations we now see have complex evolutions and require adaptive responses from all levels of the healthcare industry.

Value-Based Care (VBC): A healthcare payment model where providers are reimbursed based on their patient’s health outcomes, instead of the traditional Fee-For-Service (FFS) model where providers are reimbursed based on quantity. Simply put, the goal of value-based care is to improve patient outcomes and reduce the overall cost of delivering care.

A HISTORY OF VALUE-BASED CARE

The American Academy of Pediatrics developed the Value-Based Payment Model in 1967, but prior to that, however, Healthcare Maintenance Organizations (HMOs) began as early as the 1930s. Originally intended to reduce outpatient medical expenses, these original models lost favor in the 1990s as rates rose. As a result of these growing expenses, The Department of Health and Human Services (HHS) created the Diagnosis-Related Grouping (DRG) as a value-based payment model.

In 2011, President Barack Obama signed legislation that helped create Accountable Care Organizations (ACOs) for Medicare and Medicaid. ACOs are groups of clinicians, hospitals and other healthcare providers who work to minimize the duplication of services, control spending and coordinate high-quality care. They promote higher quality with lower costs while shifting risk to providers, making ACOs one of the most popular and successful value-based strategies thus far. Finally, in 2015, Congress passed the Medicare Access and CHIP Reauthorization Act (MACRA) to accelerate the

adoption of value-based care payment models and Centers for Medicare and Medicaid Services (CMS) created the Quality Payment Program (QPP) in 2017 to provide new tools and resources.

These events helped shape the landscape for the shared risk and savings payment models today.



THE SHIFTING HEALTHCARE LANDSCAPE

The healthcare industry is undergoing systemic changes driven by an explosion of healthcare data, artificial intelligence (AI), natural language processing (NLP) and automation. Value-based care has evolved into its own landscape fueled by data and analytics. Organizations are encouraged to collect, analyze and track patient data; identify gaps in care; and find improvements in care delivery. At its core, value-based care is most effective when data shapes informed decisions.



EVOLVING VALUE-BASED CARE

In this ever-changing market, payers, providers and governments are all trying to identify new and innovative ways to deliver the highest quality care, in the appropriate care setting, at the lowest possible cost, all while successfully managing a population's health and chronic care needs. Much of this work shifts the focus from sick care to preventative and post-discharge care, closing the continuum for patients and promoting the triple aim: improving healthcare experience, focusing on population health and reducing the cost of care.

One of the most recent developments is the recently published [CMS Innovation Center's Strategy Refresh](#). The paper announced a "bold new strategy with the goal of achieving equitable outcomes through high-quality, affordable, person-centered care." Their vision and strategic objectives consist of a ten-year strategy comprised of five pillars for Medicare, Medicaid and Children's Health Insurance Program (CHIP) recipients:



Driving Accountable Care: Focus on shift to ACOs or similar models to increase the number of patients in an accountable care relationship.



Advancing Health Equity: Ensure health equity is present in all models and emphasize care for underserved populations.



Supporting Innovation: Advance care with data collaboration, technology, education and more innovative solutions.

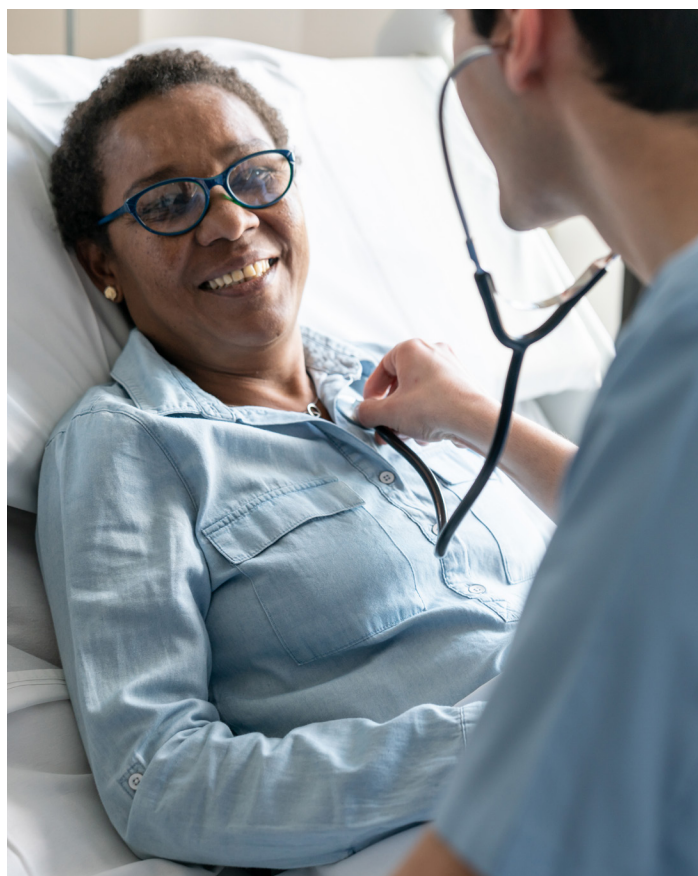


Addressing Affordability: Reduce unnecessary or duplicative care costs and address the price of healthcare today.



Partnering to Achieve System Transformation: Collaborate across all levels of the healthcare ecosystem to enact change.

Given this direction and the current state of the healthcare industry, large-scale changes in contracting strategies and risk-sharing arrangements are likely soon to emerge. These changes must consider the diversity of needs as the industry moves towards population health management. Likewise, healthcare organizations should anticipate an expansion and standardization of quality metrics to determine the value of care delivery. As these models evolve, providers may see incentives around these quality metrics that propel their application in the value-based care environment.



RESPONDING TO A NEW HEALTHCARE ENVIRONMENT

The current evolution in this space will prove a defining moment in healthcare history, and healthcare organizations must rise to the challenge. TeamHealth embraces the disruptions of traditional clinical and business models. Each day, our teams are rethinking what is possible, using the central question: How do we deliver quality care in the optimal setting, while using enabling technologies that lower the overall cost of managing a population's health and chronic care needs?



Navigating this landscape is complex. One could compare it to navigating a climb on Mount Everest. While you can certainly climb it alone, we all can agree that climbing it with someone knowledgeable about the terrain and potential obstacles will likely lead to a more enjoyable and successful journey. That is why it is so important to have a partner like TeamHealth and our value-based care team hiking alongside. Our team has the experience and knowledge to help you and your team successfully reach the summit

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To leverage the current market resources, we are exploring strategic partnerships with other healthcare organizations that share our values and systematically incorporating technological advances in digital health and data analytics into our daily practice. Our approach ensures that we are all mutually aligned to streamline clinical pathways, reduce costs, increase patient satisfaction and improve the overall quality of care.



FINDING THE RIGHT PARTNER TO EVOLVE

TeamHealth's long-standing history in hospital-based care means we have pre-built solutions and resources to evolve alongside the industry – responding to necessary growth and headwinds alike. Our teams have the partnerships and expertise to gather data and build programs that align with the needs of our partners and patients. Whether a South Florida system needs to create clinical pathways in order to close care gaps for their new value-based Chronic Heart Failure (CHF) program or a facility partner needs support around quality metric tracking, we have the clinical and operational expertise to raise standards and implement the necessary culture shift as we collectively move toward a fee-for-value environment. To learn more and connect with our team, [please reach out to us.](#)

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