Basics of Value Based Care and Payment

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Rural Health Value
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Vision: To build a knowledge base through research, practice, and collaboration that helps create high performance rural health systems

- HRSA FORHP Cooperative agreement
- Partners
  - RUPRI Center for Rural Health Policy Analysis and Stratis Health
- Activity
  - Resource development and compilation, technical assistance, research

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Today's Session

- The shift to value-based care and payment began more than a decade ago
  - But has been more slowly adopted in rural health care delivery and payment
- Today's session is a brief orientation to where we are today in value-based care and payment through the rural health lens
- Objectives include:
  - Provide core knowledge and shared language to be conversant in value-based care and payment
  - Help your team identify and consider opportunities and actions that support the journey toward value

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What is "Value"?

Terminology has been evolving – and depends on your point of view!

Description	Source/Timeline
Value= (Quality + Experience)/Cost	Seminal article: The Triple Aim: Care, health, and cost, Institute for Healthcare Improvement, 2008
Improved Community Health, Better Patient Care, Smarter Spending	Improving our Health Care Delivery System, Fact Sheet, Center for Medicare and Medicare Services, January 2015
A Health System that Achieves Equitable Outcomes through High Quality, Affordable, Person-Centered Care	Driving Health System Transformation – A Strategy for the CMS Innovation Center's Second Decade, Center for Medicare and Medicaid Innovation, October 2021

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What is value-based payment?

Value Based Payment (VBP) is a method by which ***purchasers*** of health care (including government, employers, and consumers) and payers (public and private) ***hold the health care delivery system*** (physicians and other providers, clinics, hospitals) ***accountable*** for both ***quality and cost*** of care.

- VBP rewards health care providers for keeping people healthy - and for providing the right care, at the right time, in the right place.

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What is value-based care?

To be successful in value-based payment models, you need to deliver value-based care:

- Emphasize prevention and wellness, in addition to treatment
- Focus on improving outcomes
- Help patients navigate the healthcare system
- Integrate and coordinate care
- Help patients address health-related social needs

The "value" in value-based care is derived from measuring quality and patient experience against the cost of delivering the health outcomes.

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Focus on value is accelerating…

The Health Care Payment Learning & Action Network (HCP LAN) is a public and private partnership dedicated to providing thought leadership, strategic direction, and ongoing support to accelerate adoption of alternative payment models (APMs).

HCP LAN Goal Statement:
Accelerate the percentage of US health care payments tied to quality and value in each market segment through the adoption of two-sided risk alternative payment models

	Medicaid	Commercial	Medicare Advantage	Traditional Medicare
2024	25%	25%	55%	50%
2025	30%	30%	65%	60%
2030	50%	50%	100%	100%

https://hcp-lan.org/

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Form Follows Finance

- How care is delivered care depends on how we are paid for care
- Transition to value is changing both payment and delivery
- Fundamentally, reform involves transfer of financial risk from payers to providers

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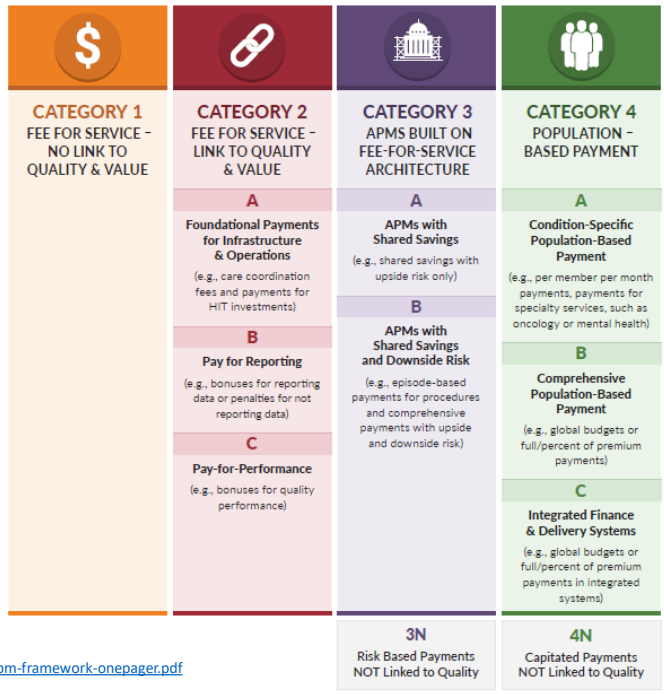
Health Care Payment Learning and Action Network (HCP LAN)

Alternative Payment Model Framework



Source: http://hcp-lan.org/workproducts/apm-framework-onepager.pdf

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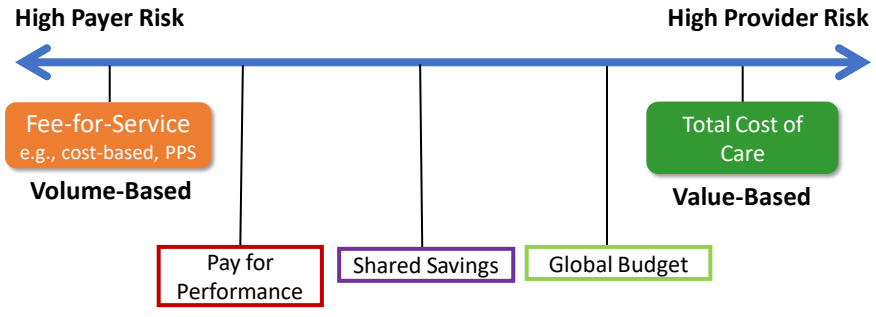
Health Care Payment Continuum



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A Road Trip Analogy…

Let's look at:

- The road to value-based payment
- The components of a 'car' that supports the drive to value-based care
- The key factors in mapping a route to value

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The Road: Payment Models

- **Starting line:** Fee-for-service (FFS)
- **Slow lane:** Incremental modifications with incentives (ex. quality scores)
- **Moderate lane:** Elements of restructuring health finance but leaves in place current FFS infrastructure (ex. ACO)
- **Fast lane:** Blows past current structure to a total redesign of payment, aligned with quality measures (ex. global budget)

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Track 1: The Starting Line (Fee For Service)

- In 2021, only 15% of Medicare FFS payments, and 40% of all types of payments have **no** link to quality or value.*
- Still at the Medicare FFS starting line:
  - Critical Access Hospitals
  - Rural Health Clinics
  - Federally Qualified Health Centers

*Source: 2022 APM Measurement Infographic - Health Care Payment Learning & Action Network (hcp-lan.org)

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Track 2: The Slow Lane

- Incentives affecting small percentage of payment
- Retaining the FFS payment design
- Examples include:
  - Pay-for-Reporting/Pay-for-Performance related to quality measures
  - Care Coordination Fees

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Track 3: A Moderate Pace with Potential for More Rapid Pace

- Fee-for-service chassis remains in place:
  - Incentive (or risk) is tied to total expenditures
  - Linked to quality measurement
- Examples include Accountable Care Organizations (ACOs) or Shared Savings Programs.

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Track Four: The Fast Lane

- Total redesign of payment, typically aligned with quality measures or transformation requirements
- Examples include:
  - Global budgets
  - Capitation/Population-based payments

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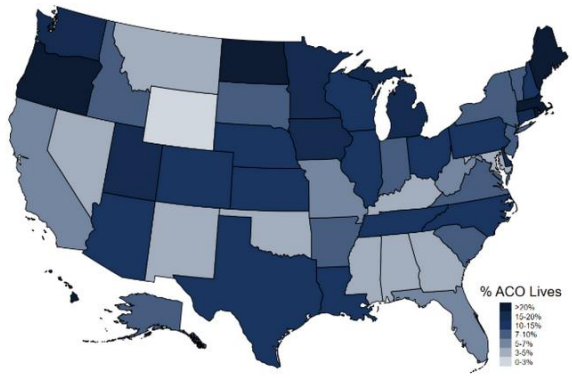
Accountable Care Organizations (ACOs)

- ACOs are also known as **shared savings** organizations.
- Groups of providers (generally physicians and/or hospitals) that receive financial rewards for improving the quality of care for a group of patients while reducing the cost of care for those patients.



Source: "All-Payer Spread Of ACOs And Value-Based Payment Models In 2021: The Crossroads And Future Of Value-Based Care", Health Affairs Blog, June 17, 2021.

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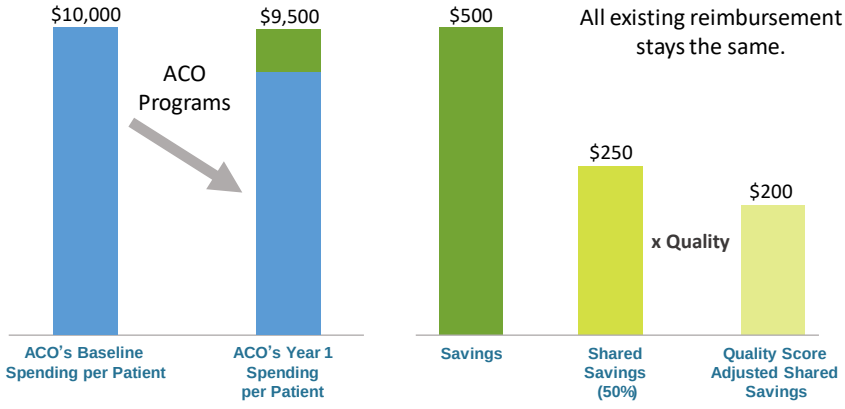
ACO "Shared Savings" Financing



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Why Travel Down ACO Lane?

Medicare Shared Savings Program (SSP) ACOs have been a low-risk opportunity for rural organizations to try out value-based strategies (training wheels)

- Network/Aggregate across communities for scale and support (minimum of 5000 beneficiaries)
- In 2023, 467 CAHs and 2,240 RHCs are participating in SSP*
- New regulatory changes to support increased engagement of rural health care organizations: Rural Health Value Policy Brief: SSP 2023 Regulatory Changes and Rural Implications
- Opportunity for strategic investments using advance payment or other commitments
- Build process and infrastructure for prevention, chronic care management, care coordination, and integration of behavioral health
- Understand and utilize claims data to help manage care
- Build delivery systems that can negotiate contracts with other payers

*2023 Shared Savings Program Fast Facts (cms.gov)

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Road Conditions: Market Factors

- Growth in Medicare Advantage
  - Rural enrollment in Medicare Advantage plans has grown steadily to more than 3.7 million (34.6%) nationally in 2021*
- State Medicaid Program Redesign
  - Managed Care
  - ACO and other value-type payment structures
- Commercial/Private Insurance
  - Variety of VBP incentives
  - Increasing costs/patient risk-sharing
  - Narrow networks

*Medicare Advantage Enrollment Update 2021 RUPRI Center for Health Policy Analysis. State maps (county level) and data tables are available.

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Finding Your Pace

- CMS has indicated they want 100% of Traditional Medicare to be in "accountable care relationships" by 2030…
- The shift to the fast lane is underway, but **road conditions matter:** different paces in different places and from different payers
- If you are currently sitting at the starting line… Consider ways to start building momentum

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How do you build your value-based care "car"?

- **Driver: Leadership**
  - Facilitate and/or support community planning, coalitions, and connections
  - Identify resources and invest strategically
  - Engage staff, clinicians, patients, and caregivers
- **Engine: Finance**
  - It may take multiple types of 'fuel' to get you going
  - It can take time to build up speed - look for opportunities to pilot and test
  - Watch your gauges, a balanced set of indicators is important

- **Body: Strategies to Improve Health and Value**
  - Consider ways to address pressure points: inappropriate ED visits, increasing preventive services, care management, behavioral health
  - Develop reinforcements and safety features such as data analytics, Health Information Exchange (HIE), appropriate coding and billing
- **Wheels: Community Partnerships**
  - It is hard to move past the starting line without good tires
  - Maintaining tire pressure: spreading resources to meet needs through the appropriate agencies or partners

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How can you map a route to value?

- Assess your capacity to deliver value-based care
  - Resource: Value-Based Care Assessment Tool | RuralHealthValue.org
- Work together in networks to maximize efficiency, shared volume and needed resources
- Consider strategy alignment with value-based care incentives:
  - Potentially avoidable utilization
  - Annual wellness visits and preventive services
  - Improve on quality metrics
    - Aligning Quality Measures across CMS — The Universal Foundation | NEJM
  - Care coordination and care management

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Getting from Volume to Value

- New organizational skills and resources
- Investment in value-based care capacity
- *Discriminating* approaches
  - Environmental insights
  - Attentive partnerships
  - Thoughtful experiments
  - Learning continuously
- ***Balance*** optimizing operations and testing new ideas

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Rural Can Do This Well!

- While the road isn't always smooth, rural communities and health care organizations can and are delivering value-based care and succeeding in value-based payment programs.
- Rural Innovation Profiles:
  - Experience in the Pennsylvania Rural Health Model: Barnes-Kasson County Hospital
  - Vermont's All-Payer Accountable Care Organization Model Mt. Ascutney Hospital and Health Center's Experience
  - Accountable Health Communities Model – Two Rural Participants' Experiences

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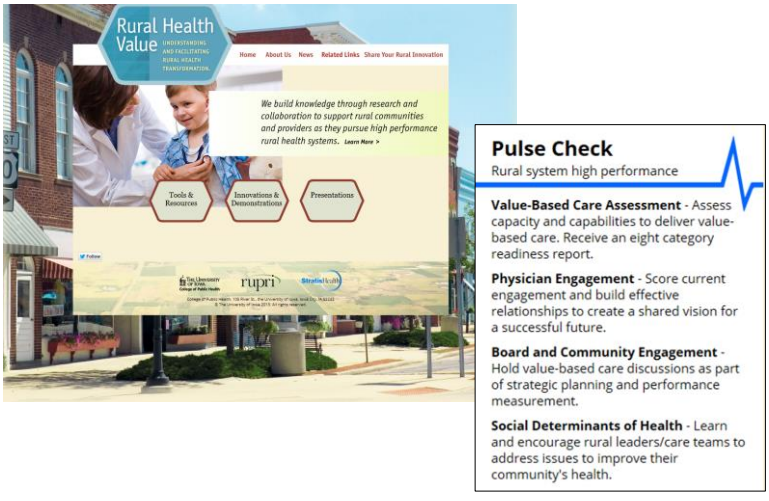
www.ruralhealthvalue.org



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We're here to help!

- Virtual consultations with the Rural Health Value team are available!
  - Review local 'road conditions'
  - Discuss how your grant project aligns (or could align) with VBP
  - Identify strategies to build your car, or map your route
- If you are interested in scheduling a meeting… There is no wrong door:
  - Karla Weng, kweng@stratishealth.org
  - Contact your GHPC TA provider or your FORHP PO

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Thank you for your work to improve the lives of rural people and communities!

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For more information:

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