

Welcome to Value-Based Care and Payment



NATIONAL
RURAL HEALTH
RESOURCE CENTER

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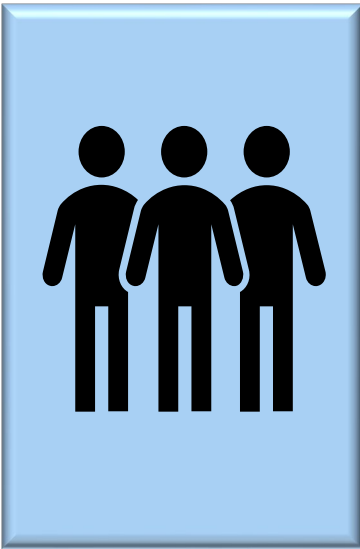
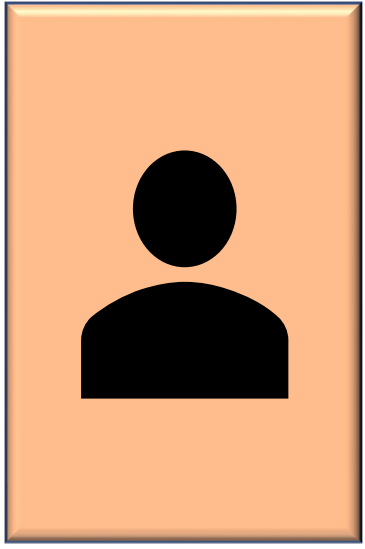
Rural Health Value (RHV)

- To facilitate rural provider and community transitions from volume-based to value-based health care and payment.
- **Rural Health Value's** charge
 - Develop tools and resources
 - Interpret health policy
 - Disseminate best practices
 - Provide direct technical assistance
 - Share rural stakeholder experiences
- www.ruralhealthvalue.org



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Triple Aim and Why It's Important



Better Care

Improved Health

Smarter Spending

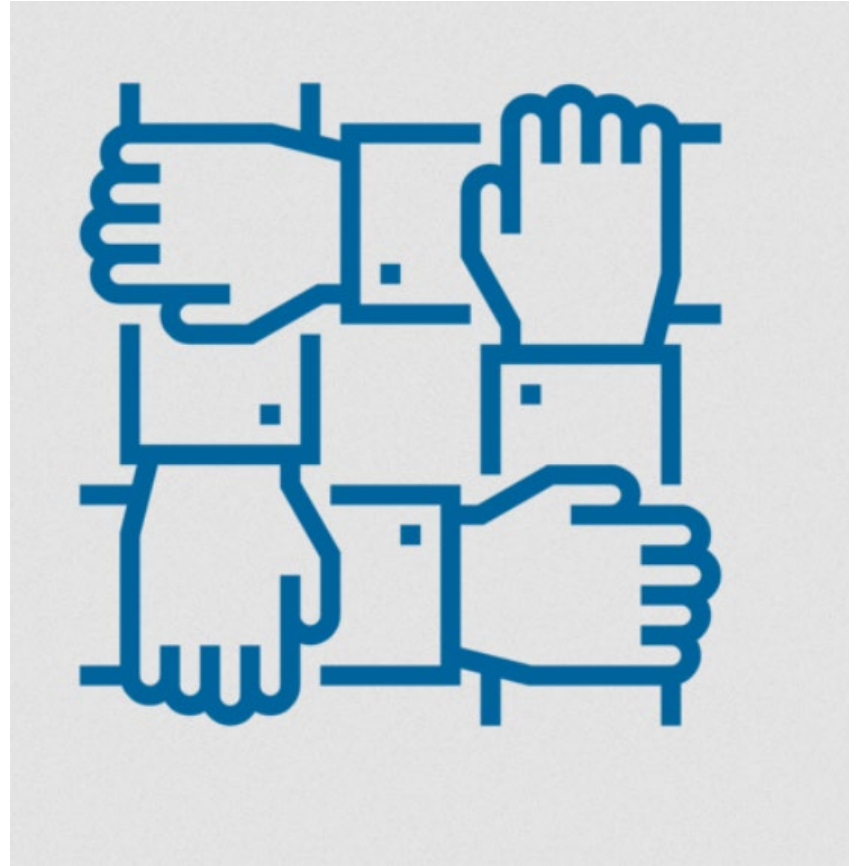
- What most people expect of the health care system!
- Shouldn't we be paid for what our patients and communities deserve?
- Let's also consider the *Quadruple Aim*.

Triple Aim Leads to *Value*

$$\text{Value} = \frac{\text{Quality} + \text{Experience}}{\text{Cost}}$$

From Now Until When

- **Today:** fee-for-service predominates
 - Pays for each unit of service
 - Rewards industriousness and efficiency
 - Contributes to high-cost health care
 - Worsens professional satisfaction
- **Future:** **value-based care**
 - Requires team-based care
 - Rewards better care and efficiency
 - Increases health care quality
 - Reduces health care costs (?)
 - Improves professional satisfaction



Value-Based *Care*

- Value-based care prioritizes high-quality, person-centered, and efficient care.
- Value-based care does NOT prioritize the volume of services provided.
- **Robust primary care** practices are an essential ingredient (as in person-centered health homes).
- But we have a problem...



The Value Conundrum

You can always count on Americans to do the right thing – after they've tried everything else.

- Fee-for-service
- Full capitation
- Market-based
- Single payer
- What about paying for **health care value**?



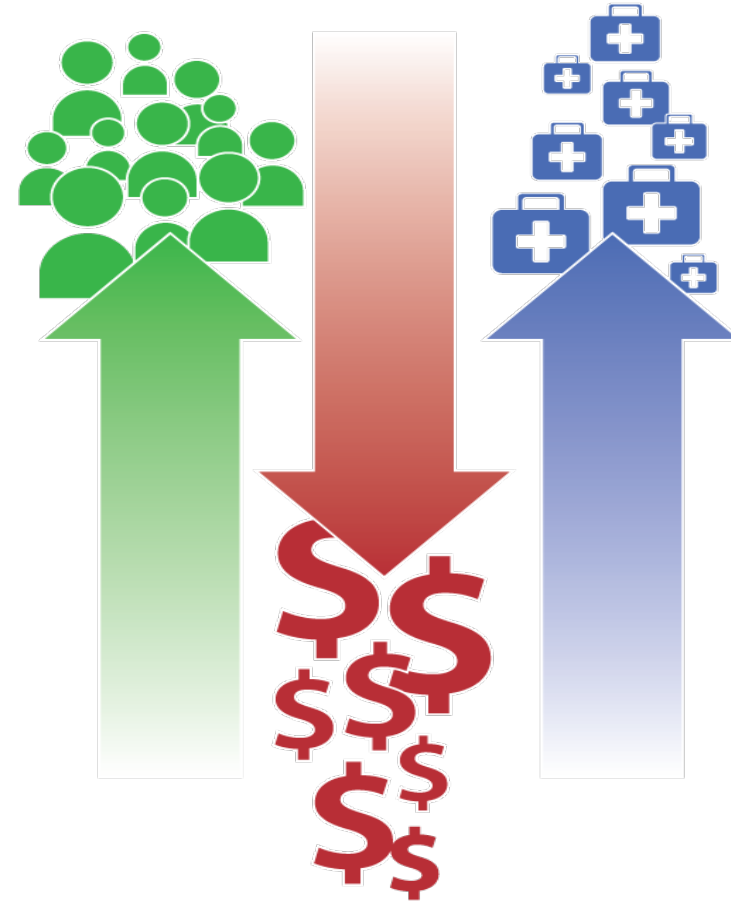
Form Follows Finance

- How we *deliver* care depends on how we are *paid* for care.
- Health care reform is changing both payment and delivery.
- Payment supplies fuel for the Volume → **Value** transition.



Value-Based *Payment*

- **Payment** for one or more parts of the Triple Aim
 - Better patient care
 - Improved community health
 - Smarter spending
- Not payment for a “service,” that is, NOT fee-for-service
- To *receive* value-based payment, we must *deliver* value-based care

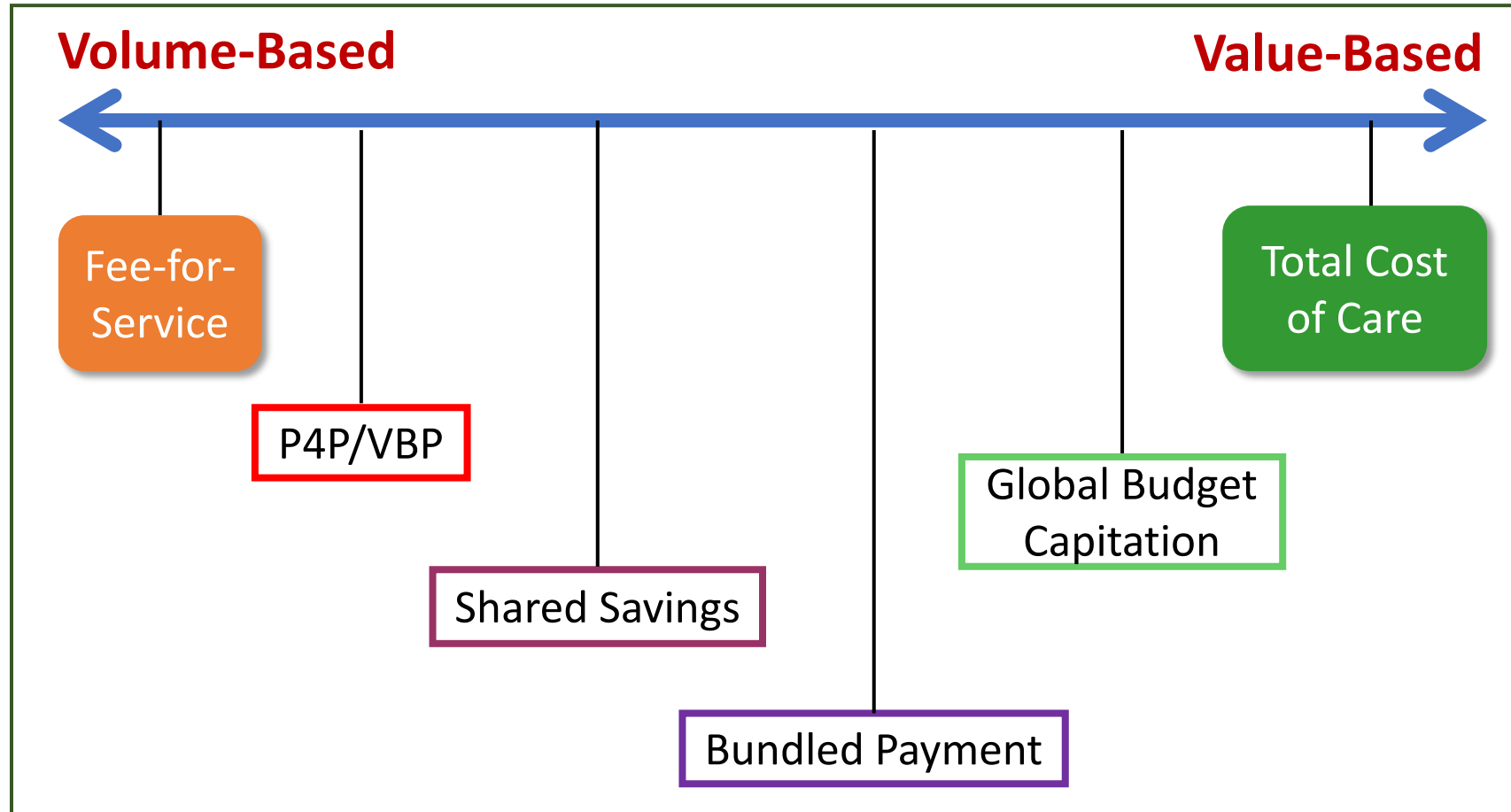


Why discussing payment, not care?

- Career as a rural family doc, yet...
- Money is a medium of exchange.
- Incentives drive behavior.
- Not all incentives are financial, but finance remains important.
- Let's incentivize the Triple Aim.
- Make it easy to do the *right* thing.



Payment Continuum



Value-Based Payment Examples

- Shared savings/ losses
 - Medicare Shared Savings Program (ACO)
- Global hospital budget
 - Pennsylvania Rural Health Model
- Partial capitation
 - Primary Care First Model
- Total cost of care
 - Maryland TCOC Model



Value-Based Payment by the Numbers

- 938 ACOs, 10% of the population
- 438 Medicare ACOs, > 11 million persons
- Multiple Capability Maturity Model Integration (CMMI) models including
 - Rural hospital global budgets
 - Primary care – partial capitation
- Many Medicaid and commercial insurer value-based plans (e.g., Blue Alliance)
- CMS says all providers should be “accountable” by 2030

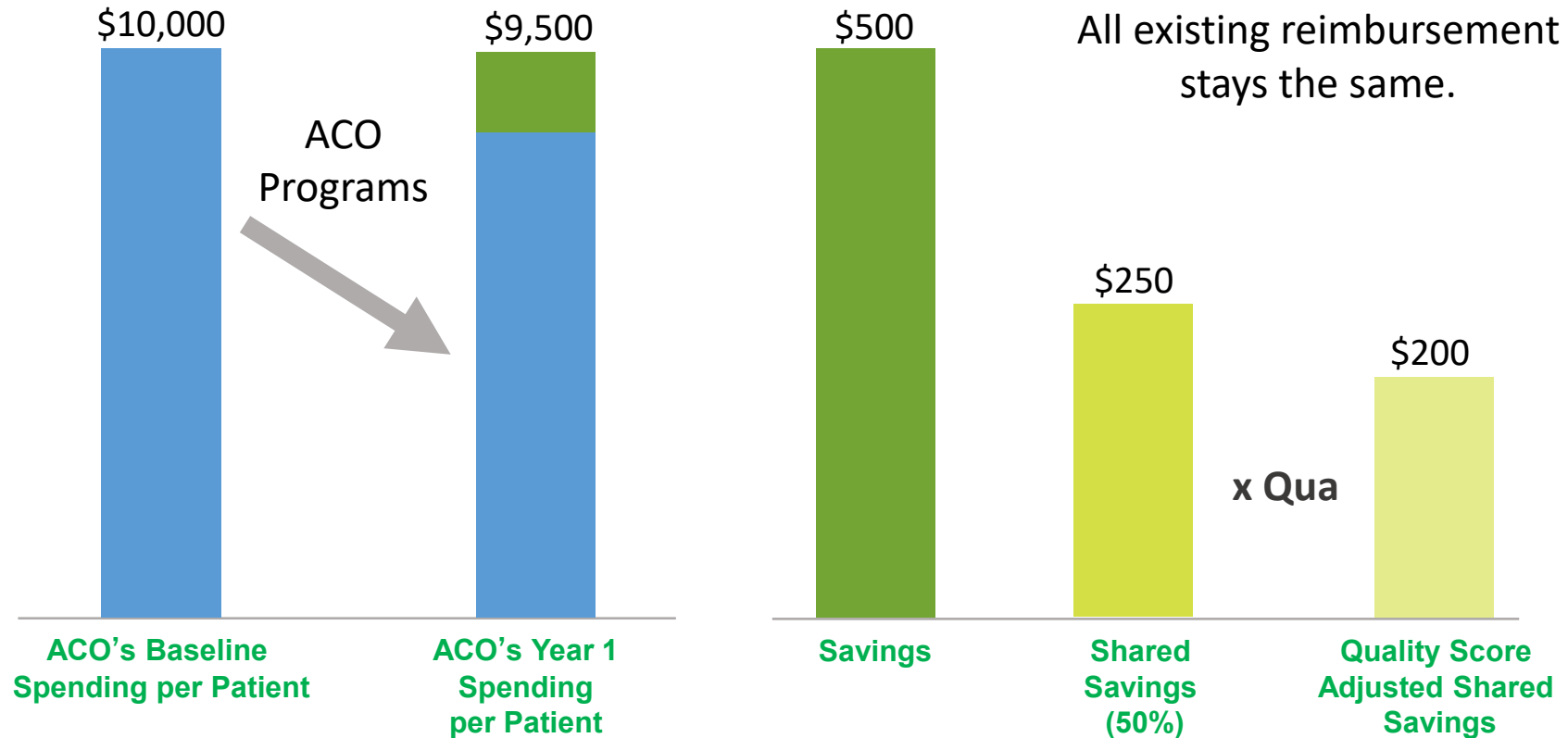


Accountable Care Organizations (ACOs)

- 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.

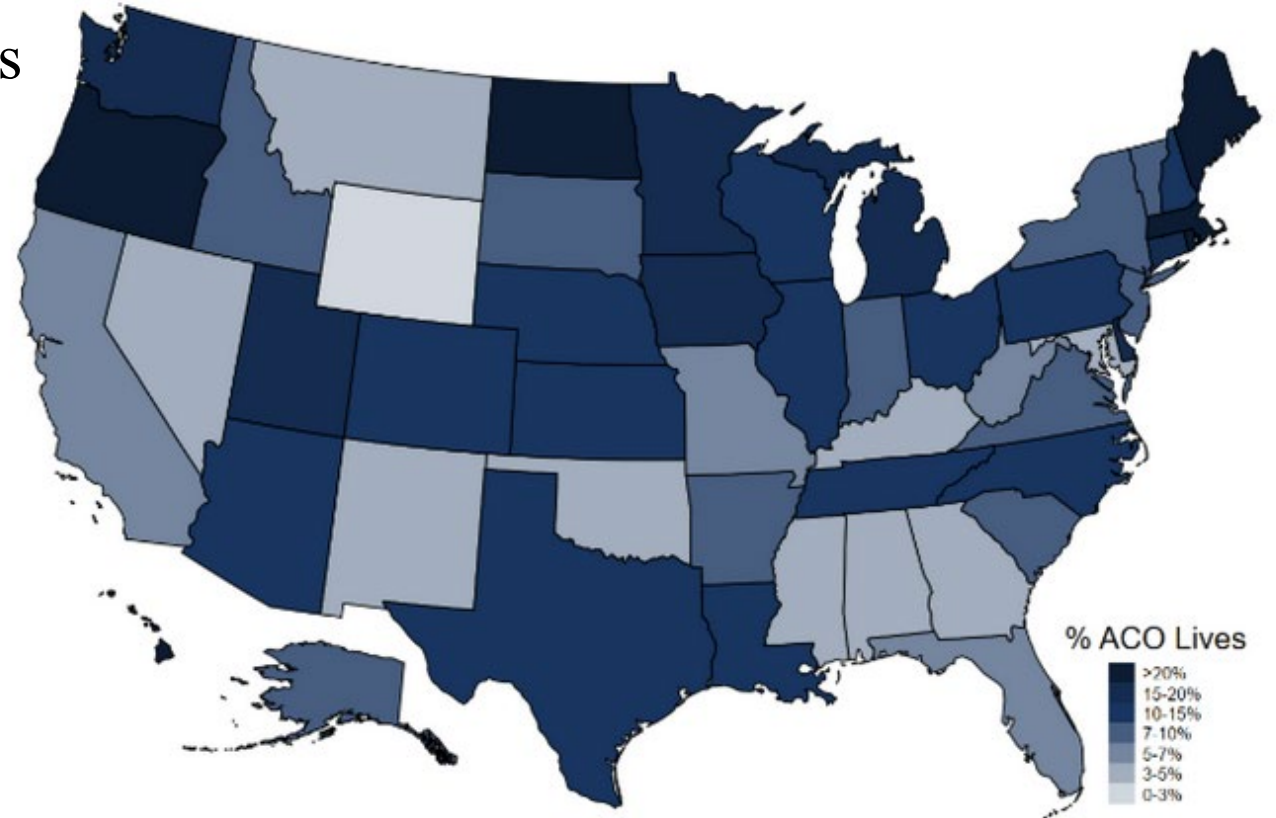


ACO Financing



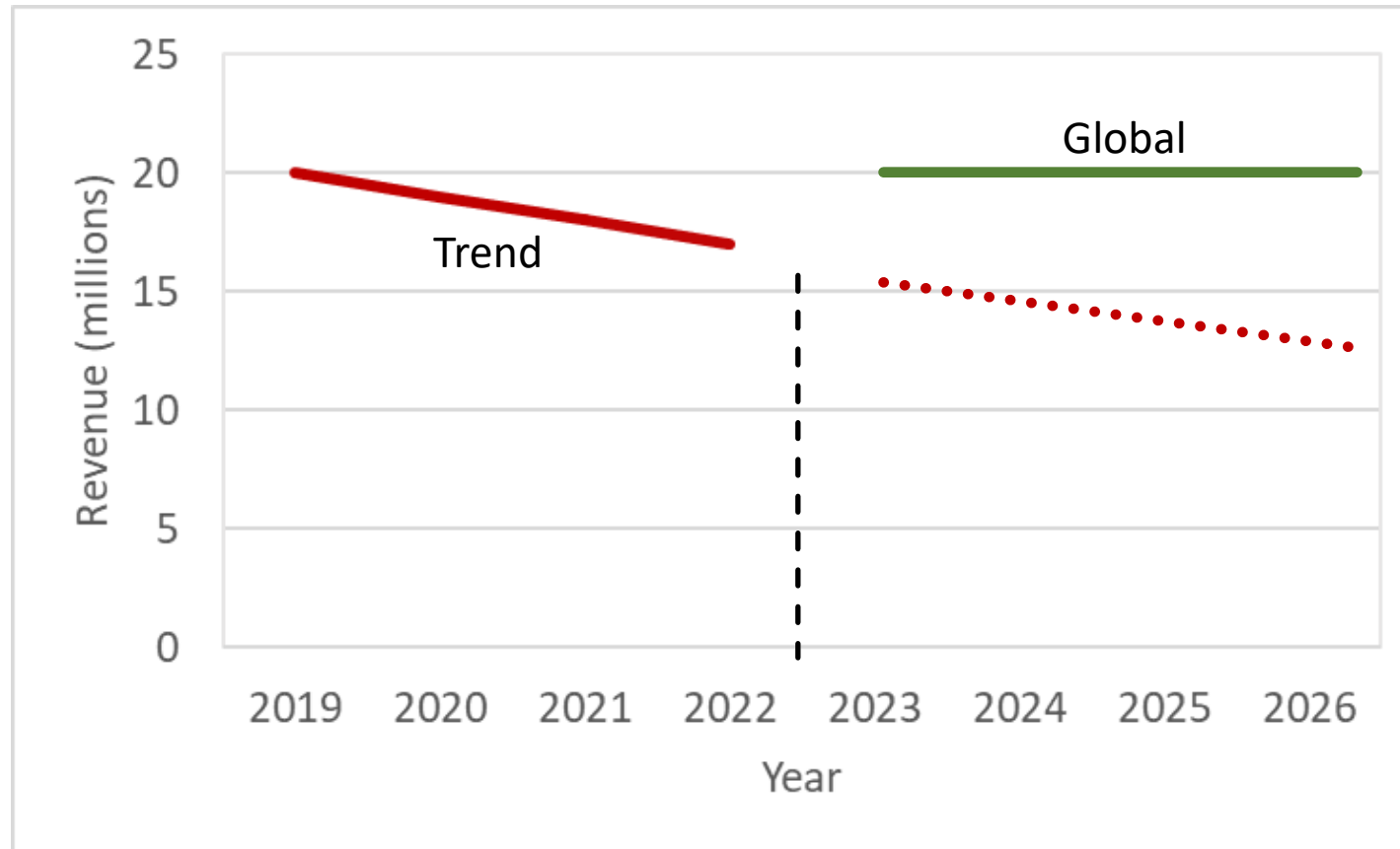
Accountable Care Organization Goal

- To receive a **share** of cost savings
- Requires
 - *Outpatient* care performance
 - Primary care visit attribution
 - Population health management
 - Financial risk management
 - *Robust* primary care
- Still fee-for-service however
- Significant rural participation



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.

Historic Trend Versus Global Budget



Potential of Global Budget Beyond Finances

- A managerial opportunity
- An innovation opportunity
- Payment for community health care
- **Allows focus on Mission!**
 - Advancing mission is a duty of nonprofit boards and leadership.
 - Ensuring organizational financial success is also a duty.
 - Makes balancing these demands easier!



What Volume-to-Value Portends

- Gradual devaluation of fee-for-service.
- Payment for delivering better care, improved health, and smarter spending.
- Requires, *and rewards*, strong primary care participation.
- An opportunity to better deliver your health care mission.



Healthy CAHs and Rural Communities



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Collaborations to Spread Innovation

- ✓ Rural Health Value Project
[https:// ruralhealthvalue.org](https://ruralhealthvalue.org)
- ✓ Rural Policy Research Institute
<https:// www.rupri.org>
- ✓ The National Rural Health Resource Center
<https:// www.ruralcenter.org/>
- ✓ The Rural Health Information Hub
<https:// www.ruralhealthinfo.org/>
- ✓ The National Rural Health Association
<https:// www.ruralhealthweb.org/>
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