

Spectra MEDIX

Value-Based Contracting

The Role of People, Process, and Technology



Value-based payment (VBP) contracts are here, but how do you foster success for both you and your provider network as you transition? Understanding how the people, process, and technology intersect, including where and how you as the payer fit into each component, is critical to succeeding in the bigger VBP picture.

In this eBook we explore the critical roles the people, process, and technology play in the value-based payment success.

THE PEOPLE

At the heart of value-based payment is the quadruple aim of reducing costs, improving patient experience, improving population health, and improving the provider experience. Each of these VBP components impact a different stakeholder group whose concerns, contributions, and goals need to be taken into account in each value-based payment contract.

First, we have you: the payer. You play a vital role as the enabler throughout the entire process. You hold the information that allows all of the other stakeholders to stay connected throughout the care journey. Without you, the quadruple aim cannot be accomplished.

Next, we have the patients themselves. Patients are now being viewed as consumers who are engaged with and critical of their quality of care. Long gone is the passive patient. Today's patients are active participants in their care—mindful of cost and quality while seeking out a positive overall healthcare experience.

You hold the information that allows all of the other stakeholders to stay connected throughout the care journey.

Then there are community-based organizations (CBOs) and social workers. Both play a vital role in improving healthcare. CBOs and social workers are leaders in organizing interventions that meet non-medical needs of high-utilizers. According to researchers, medical care is estimated to account for only 10-20% of the modifiable contributors to healthy outcomes for a population. The rest falls under social determinants of health (SDoH), which includes behavioral, socioeconomic, and environmental factors like smoking, income, housing, and transportation.

Lastly, there are the providers. Providers in a successful VBP environment not only render necessary medical care, they are responsible for monitoring their patients' progression throughout their care journey. If providers aren't satisfied or motivated to be at their best, then care suffers. Providers need to have an active part in the contracting process so they can be positioned to better meet the needs of their patient population.

THE PROCESS

1) Change Your Perspective

The transition to value-based payment requires a fundamental change in how care is viewed and delivered. Unlike fee-for-service (FFS), reimbursement isn't cut-and-dry. In value-based payment contracts, you will need to focus on achieving the quadruple aim in a way that benefits both payers and providers.

Payers and providers play different roles and oftentimes differ on what constitutes risk or value.

2) Ensure Contract Goals Are Achievable

All contracts have one thing in common: they pay providers based on specific measures and metrics including quality, cost, and patient experience. The top five contract types are:

- Accountable care organizations (ACOs) [62%]: Groups of providers who come together voluntarily to give coordinated high-quality care to their Medicare patients
- Medicare episode-specific bundled payment models [51%]: Medicare establishes a total budget for all services provided to Medicare patients throughout a given episode of care
- Patient-centered medical homes (PCMH) [35%]: Patients are engaged in a relationship with a provider who coordinates a care team, takes responsibility for the patient's integrated care, and arranges care with other providers and community resources as necessary

- Capitation [29%]: A fixed amount of money per patient per unit of time paid in advance to the physician for the delivery of health care services
- Commercial bundled payment contracts [25%]: Reimbursement of providers on the basis of expected costs for episodes of care

You want to ensure that your value-based contract is set to be successful in practice, not just in theory.

Each contract involves its own levels of risk, levels of care coordination, and emphasis on quality measures. Each also comes with unique benefits or drawbacks. To determine which value-based contracts are right for your different providers and provider groups, you need to determine the needs of their populations, identify gaps in care that will hinder success, and evaluate their technology and resources. Value-based contracts are not one-size-fits-all.

3) Engage Your Providers

The transition to value-based payment will not be one you take alone. Along the way it is imperative to build a collaborative relationship with your providers. Payers and providers have had a tenuous relationship for decades. Before you can move forward that needs to be remedied.

As a sign of good faith, your contract negotiation should take into account provider concerns equal to your own. Payers and providers play different roles and oftentimes differ on what constitutes risk or value. To bridge these differences, you want to ensure that your value-based contracting process is transparent. Then you can both be in agreement on how provider performance will be evaluated and how they can expect to be reimbursed.



THE TECHNOLOGY

Regardless of which value-based payment contract you choose, every single one requires a foundation of sound analytics to achieve success. You need freely shared data, historical trend analysis, population risk analysis, and the ability to determine where resources can be allocated to create the highest impact possible based on care team capabilities.

One of the pitfalls facing value-based payment has been criticisms of poor incentive structure and implementation.³ With the proper analytics tool, you can bridge this gap with descriptive and predictive modeling that can be deeply integrated to create actionable insights that lead to better results.

Functionality is key, but additionally your analytics tool needs to be simple and easy enough to use to avoid provider burnout. A 2015 report outlined the leading causes of physician burnout, with four of the five coinciding with value-based payment.

The transition to value-based care requires additional electronic health record (EHR) documentation, which can also be associated with increased practice computerization and bureaucratic tasks, which can lead to longer work hours and feelings of being underpaid. All of these are reflected among the top four reasons of physician burnout. Technology should be a tool, not a burden, for your providers so they can deliver the highest level of care possible within contract terms.

Your analytics tool needs to connect everyone involved in the patient care journey—healthcare providers, social workers, community-based organizations, along with other stakeholders.

Technology should be a tool, not a burden, for your providers so they can perform at their best to provide the highest level of care.

Due to the unique needs of users across all of these functions, each requires their own role-defined access to patient-level data to achieve the quadruple aim.

HOW SPECTRAMEDIX CAN HELP YOU SUCCEED

The SpectraMedix VBP Performance Suite provides an integrated ensemble of applications designed to streamline the VBP journey for health plans and their provider networks.

- The VBP Contract Modeler streamlines the value-based contracting process, providing a collaborative solution to design, evaluate, negotiate, and reconcile mutually beneficial risk-based contracts.
- The VBP Performance Portal brings provider performance into and aligns them with the payer. It is tailored to drive higher quality and improve financial performance during and beyond the transition to value-based payments.
- The VBP Cohort Manager helps you easily assemble a group of members with specific conditions, assign them a care team, and drive interventions to deliver cost-effective, high-quality care.
- The VBP Self-Service Analytics Solution is an agile data framework that allows your team use their BI tool of choice to dig deeper, expand horizons, and find new ways to further improve performance in the VBP world.



ABOUT US

SpectraMedix believes advanced, applied analytics can change the healthcare value and quality equation. We deliver a tightly integrated set of applications that accelerate performance across the spectrum of value and risk-based arrangements.



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