VALUE-BASED CARE
IN AN AGE OF UNCERTAINTY

DRIVEN BY INNOVATION,
POWERED BY PEOPLE.
Value-Based Care in an Age of Uncertainty

HEALTH CARE POLICY IN FLUX

As the new administration and Congress develop their approach to health care policy, there is little doubt change is on the horizon. However, regardless of how Medicaid and the individual market are modified, industry observers agree that efforts to build a health care system that creates incentives to promote preventive care and positive health outcomes have been rapidly embraced and are likely to continue.\(^1,2,3,4\)

Chronic disease burdens are socially and economically costly, but care coordination, disease management, population health interventions, and data-driven decision making have demonstrated their value in helping payers, providers, and patients surmount these challenges.

The Affordable Care Act accelerated this transition through the creation of the Center for Medicare & Medicaid Innovation, but the CMMI is only one of many forces driving value-based care. The case for a new approach to payment and delivery was laid long before the ACA was written as the nation grappled with a fragmented health care system that encouraged waste, overtreatment, and duplication, and these challenges persist today.\(^4,5\)

However, the principles that underlie the value-based care trend also remain true: Chronic disease burdens are socially and economically costly, but care coordination, disease management, population health interventions, and data-driven decision making have demonstrated their value in helping payers, providers, and patients surmount these challenges.

FROM FRAGMENTATION AND FEE-FOR-SERVICE TO COORDINATION AND PREVENTION

A 2008 paper described the now well-known Triple Aim, which seeks to improve the member experience of care and the health of populations while reducing the per capita cost of care.\(^6\) This concept set the stage for

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modern value-based care, but spending continued to soar in the US, driven primarily by noncommunicable diseases. However, often-modifiable risk factors such as hypertension, tobacco use, excessive weight, physical inactivity, and poor diet contribute substantially to this burden of sickness and disability, opening the door to “high-value prevention targets” delivered at the individual level and across populations, according to the authors of a 2014 review in The Lancet.\(^7\)

These targets are clear: Nonadherence to prescribed medication regimens in the US may be as high as 50%, resulting in poor clinical outcomes and as much as $300 billion in avoidable spending.\(^8\) Likewise, patients who miss medical appointments are likely to have poor health outcomes and account for an estimated $150 billion a year in avoidable costs.\(^9\) No matter what the policy landscape, these issues and many others must be addressed to reduce the cost of health care.

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Although the CMMI provided a regulatory framework for developing health care payment and delivery models to address these issues and advance value-based care, health care providers and insurers have also established such agreements independent of government programs, and commercial contracts account for the majority of lives covered under accountable care.\(^3\) As the results of these programs become clear, best practices emerge, models are refined, and value-based care takes shape.

Finally, government and private industry actions on the health IT side are facilitating the comprehensive data insights that are critical to improving value in health care. The health IT industry is moving ahead with technology that supports value-based care, driven by the HITECH Act, the Medicare Access and CHIP Reauthorization Act of 2015 and the 21st Century Cures Act.\(^10\) Meanwhile, demand on the private and member side means mobile technologies are increasingly important in patient communication, monitoring, and education, as well as chronic disease management -- all critical aspects of value in health care that are unlikely to change, regardless of the form health policy takes in the coming years.\(^11\)
THE OUTLOOK FOR VALUE-BASED CARE IS BRIGHT

Value-based care is likely to continue to gain traction regardless of the precise direction the new leadership in Washington takes with health care policy. Republicans’ economic and regulatory philosophies, as well as any reduction in compliance burdens that occurs under the new administration, may in fact promote growth in value-based health care. Regardless of the political landscape, the need for and potential benefits of these emerging models are clear. The drivers of this evolution -- care coordination, data-driven decision making, and population health management -- are validated strategies for improving health outcomes and lowering care costs. High-value tactics, including interventions to improve medication adherence, office visit compliance, chronic disease monitoring, and hospital admission avoidance, will continue to be refined and gain prominence. Data suggest these investments in the Triple Aim will pay off for payers, providers, and members, regardless of the government stake.

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