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Diving into the Volume-to-Value Megatrend

Terry Boch
SVP, Sales & Marketing, Wellcentive

Population health continues to dominate HIT headlines

Value-Based Health Care Is Inevitable and That's Good

by Toby Cosgrove | 10:00 AM September 24, 2013

◀ **Cliff Bleustein, MD,** Dell

As managing director and global head of healthcare consulting for Dell, Cliff Bleustein, M.D., leads a team of healthcare professionals across management consulting, MEDITECH, Cerner, Epic, McKesson and ICD-10/revenue cycle.

As risk-based contracting dominates healthcare, analytics will be your survival tool

February 10, 2014

From: *The Hospitalist*, March 2014

Hospitalist Pay Shifts from Volume to Value with Global Payment System

How do we reward physicians for seeing more patients under a global payment system that encourages physicians and hospitals to do less?

by Dr. Win Whitcomb, MD, MHM

Value-based Reimbursement Next Metric for Medical Practices

Pearl | October 23, 2013 | Physician Compensation, Healthcare Reform, Pearls, Performance

By Lucien W. Roberts

Forbes INSIGHTS

GETTING FROM VOLUME TO VALUE IN HEALTH CARE

BALANCING CHALLENGES & OPPORTUNITIES

Moving (realistically) from volume-based to value-based health care payment in the USA: starting with Medicare payment policy

Rick Mayes

Department of Political Science, University of Richmond, Richmond, VA, USA

Risky business for providers: Five key actions to establish medical risk-bearing

April 15, 2014 in by Miles Snowden, MD, Journey to Managing Health | Tags: accountable care organizations, ACO, clinically integrated network, health care, physician-hospital organization, value-based care, Value-based models

Value-based models are becoming a normal part of the health care provider landscape. Several accountable care organizations (ACOs) are already taking on higher levels of patient medical risk, which means there are financial stakes in improving health and quality across the populations they serve.

The Payment Revolution: Volume- to Value-based Physician Compensation

Deborah Hauss Feb 19, 2014

The migration from volume- to value-based reimbursement in physician-compensation plans will have an impact on all health-care providers in the near future. All practice models, including small and large physician practices, as well as hospitals that employ physicians, will be compelled to reconsider physician compensation plans to account for costs, quality, and patient satisfaction. The hard questions are when to make the move toward value and how to prepare for this change.

Todd Evenson, MBA

Topics: Operations & Business Management

How value-based care will change healthcare

September 26, 2013 | By Zack Budryk

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Although the transition to value-based healthcare may be difficult, the end result of reduced costs and improved care and patient outcomes will be worth it, according to the president and CEO of the Cleveland Clinic.

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How accountable care is transforming US healthcare

"Our drive toward value-based arrangements has become our 'new normal', and today includes more than 110,000 contracted physicians and over 100 ACO-type organizations…

We hope to have 75% of primary care physicians in our networks participating in this population health model by 2016."

- Doug Wenners, SVP Provider Contracting, Wellpoint

Major insurance providers investing heavily PHM strategy

- UnitedHealth "accountable care" contracts to total $65 billion by the end of 2018 (from $30 billion today)
- More than 1.7M of Aetna enrollees in value-based networks today
  - 36 accountable care organization collaborations
  - 114 PCHMs
  - 134 Medicare Advantage collaborations
  - 81 high-performing networks acquired in Coventry transaction

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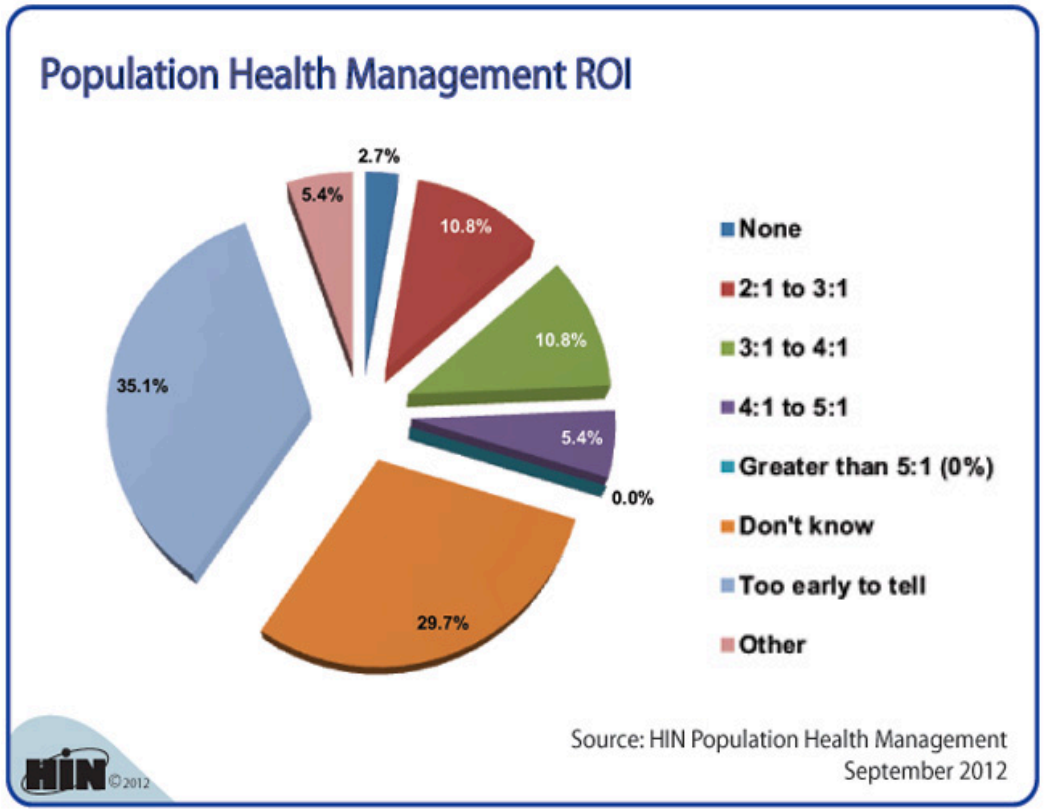
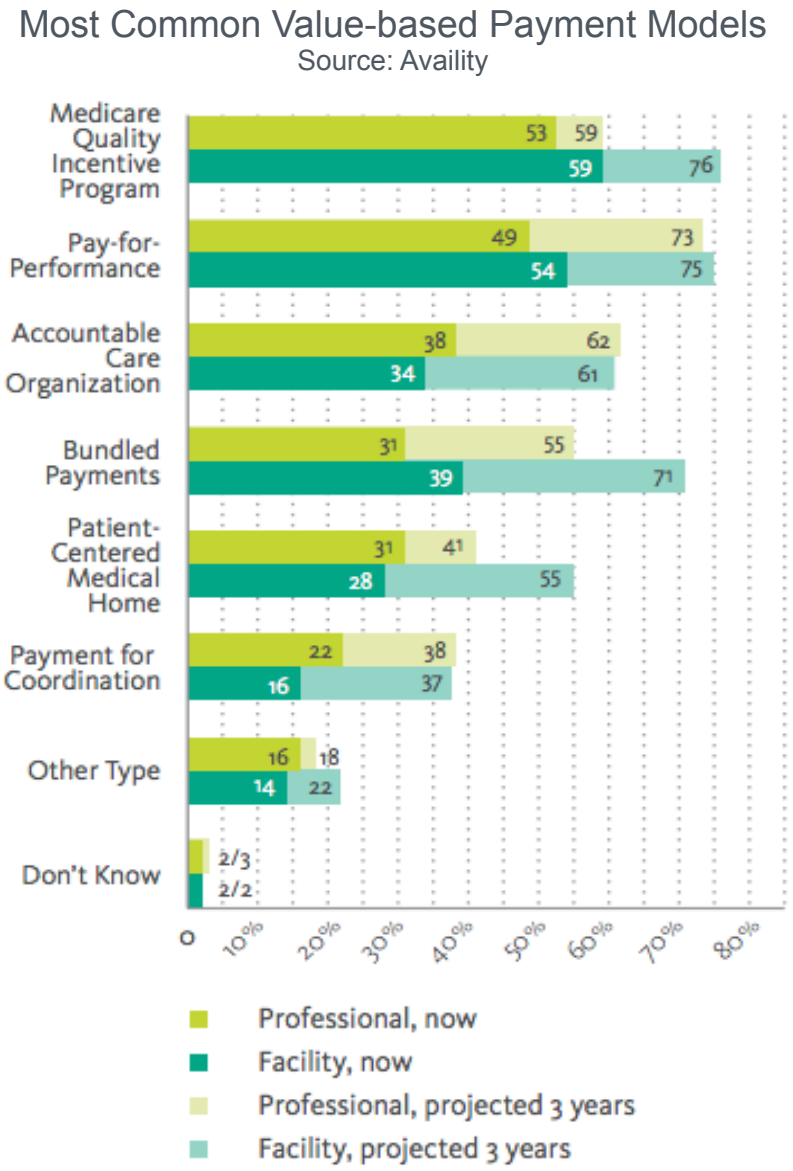
What's driving PHM trends

Main Drivers:

- Payer-Sponsored Programs
- Single/Multi-line Health Plans
- Risk-based Contracting
- Internally Driven Quality Programs





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What's driving PHM trends

75% of providers participate in one or more value-based payment model

20% of provider revenue currently comes from value-based models

Source: Availity

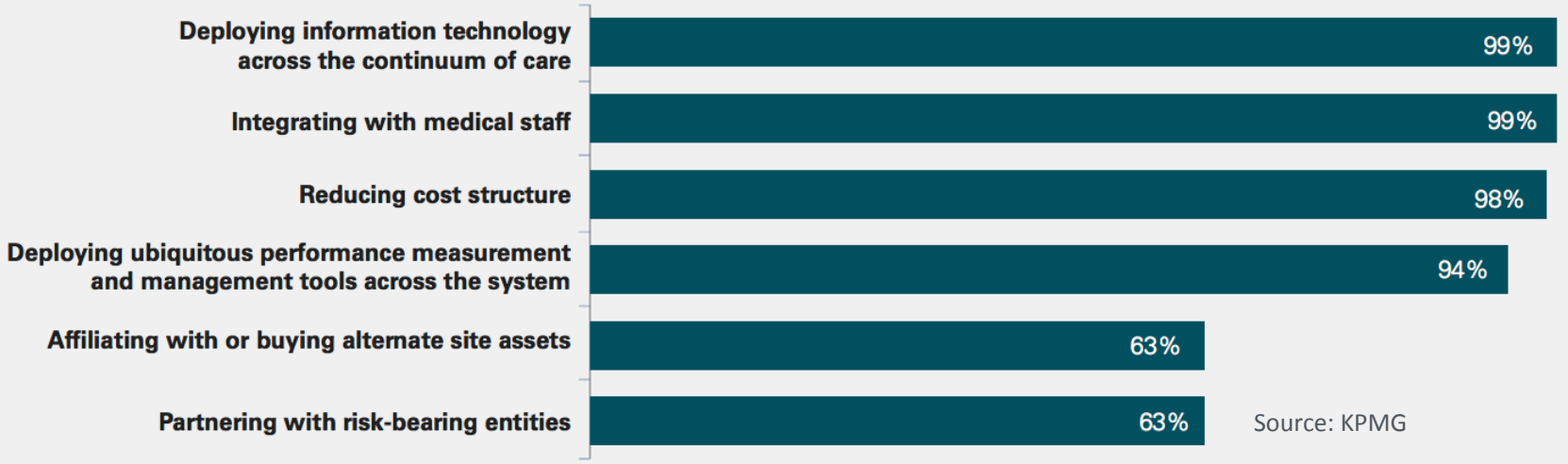
Confronting a Changing Paradigm: The Evolution of Incentives for Providers

	Fee for Service	DRG/Quality Cost Incentives	Accountable Care
Patient Volume	▲	▲	▼
Length of Stay	▲	▼	▼
Ancillary Testing	▲	▼	▼
Health Care Environmental Paradigm	• System formation and expansion, market consolidation • Volume driven primary and specialty care	• Continued expansion • Emergence of quality and safety processes and metrics • Increased transparency on pricing and outcomes	The "Triple Aim" (Value) • Improve the experience of care • Improve the health of populations • Reduce the per capita costs of health care • Accept "integrator" role • Two-way risk sharing • Appropriate utilization

▲ UP
▼ DOWN

Source: Dartmouth-Hitchcock

Steps taking to move from volume-based reimbursement to value-based reimbursement



Source: KPMG

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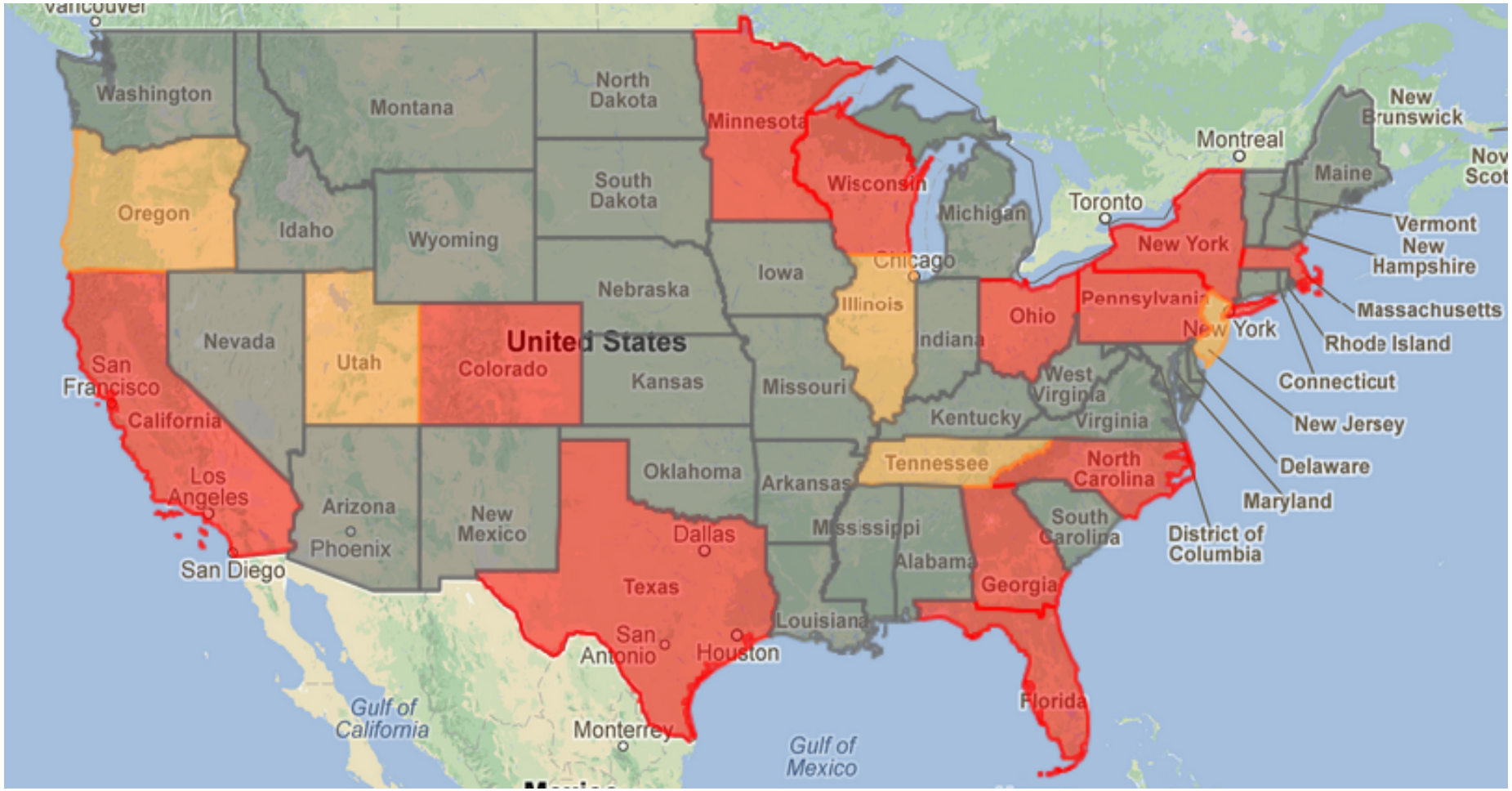
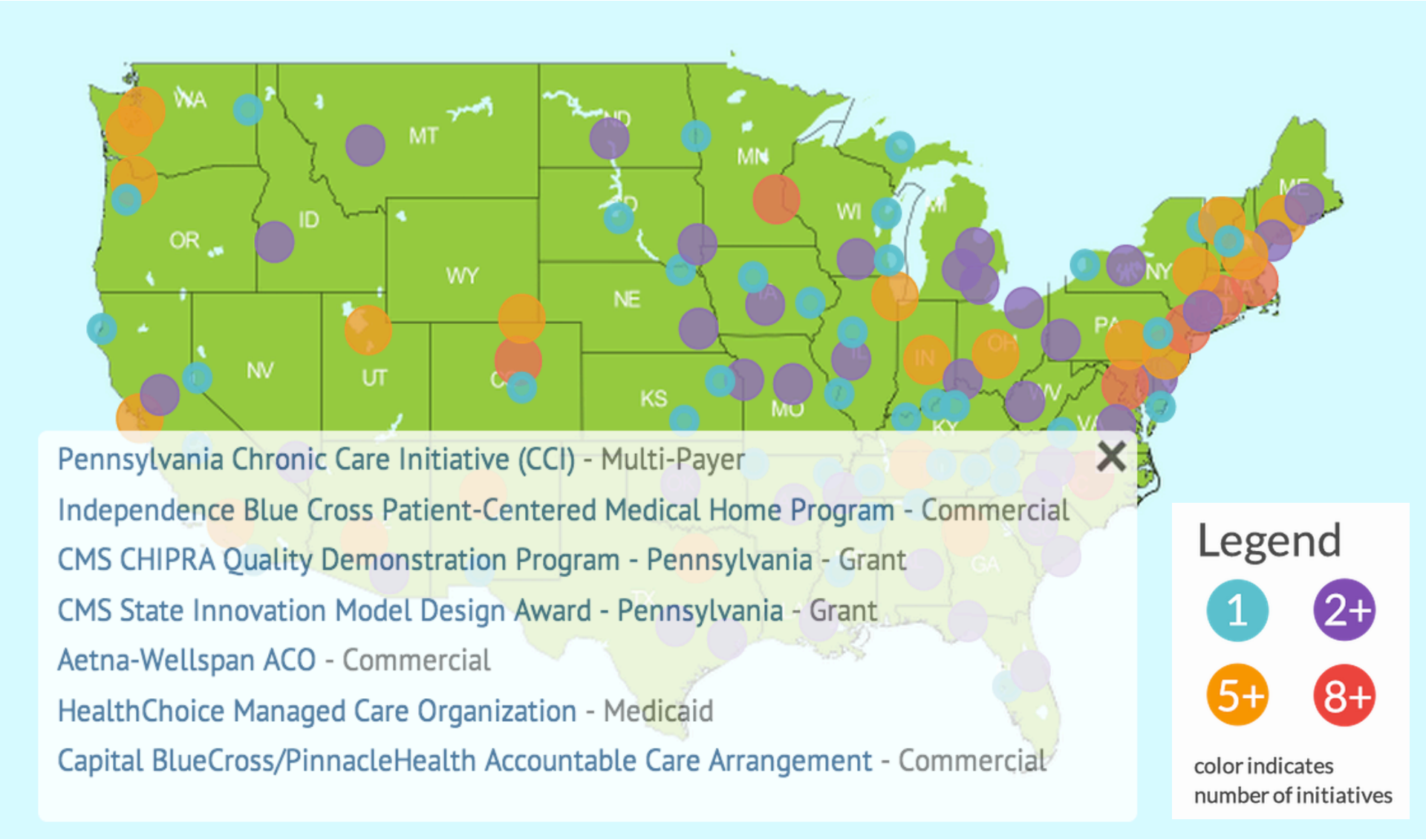
Early adopters (red), close followers (orange) of PHM



Initiatives & hotspots for primary care



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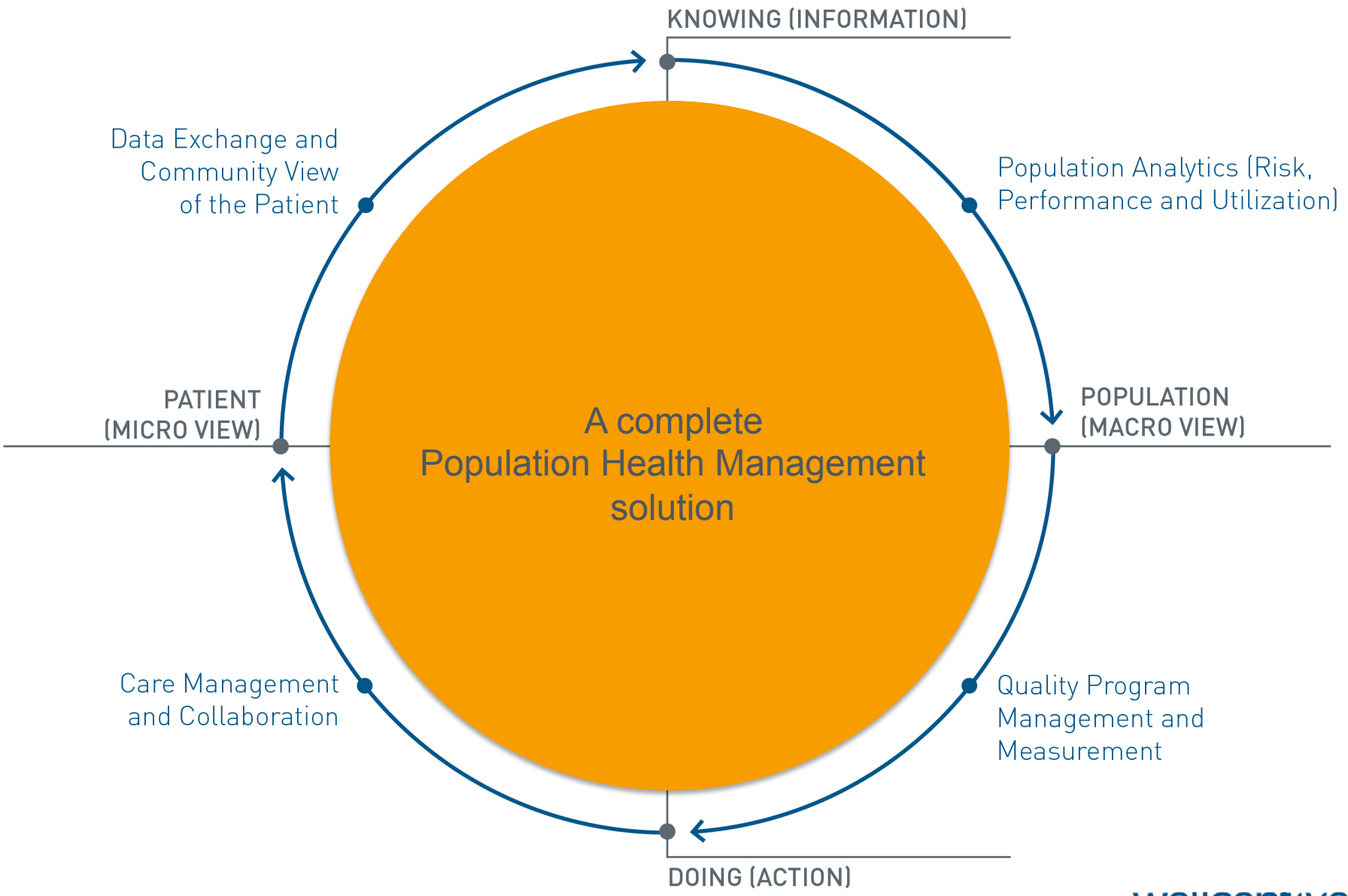
A comprehensive PHM framework



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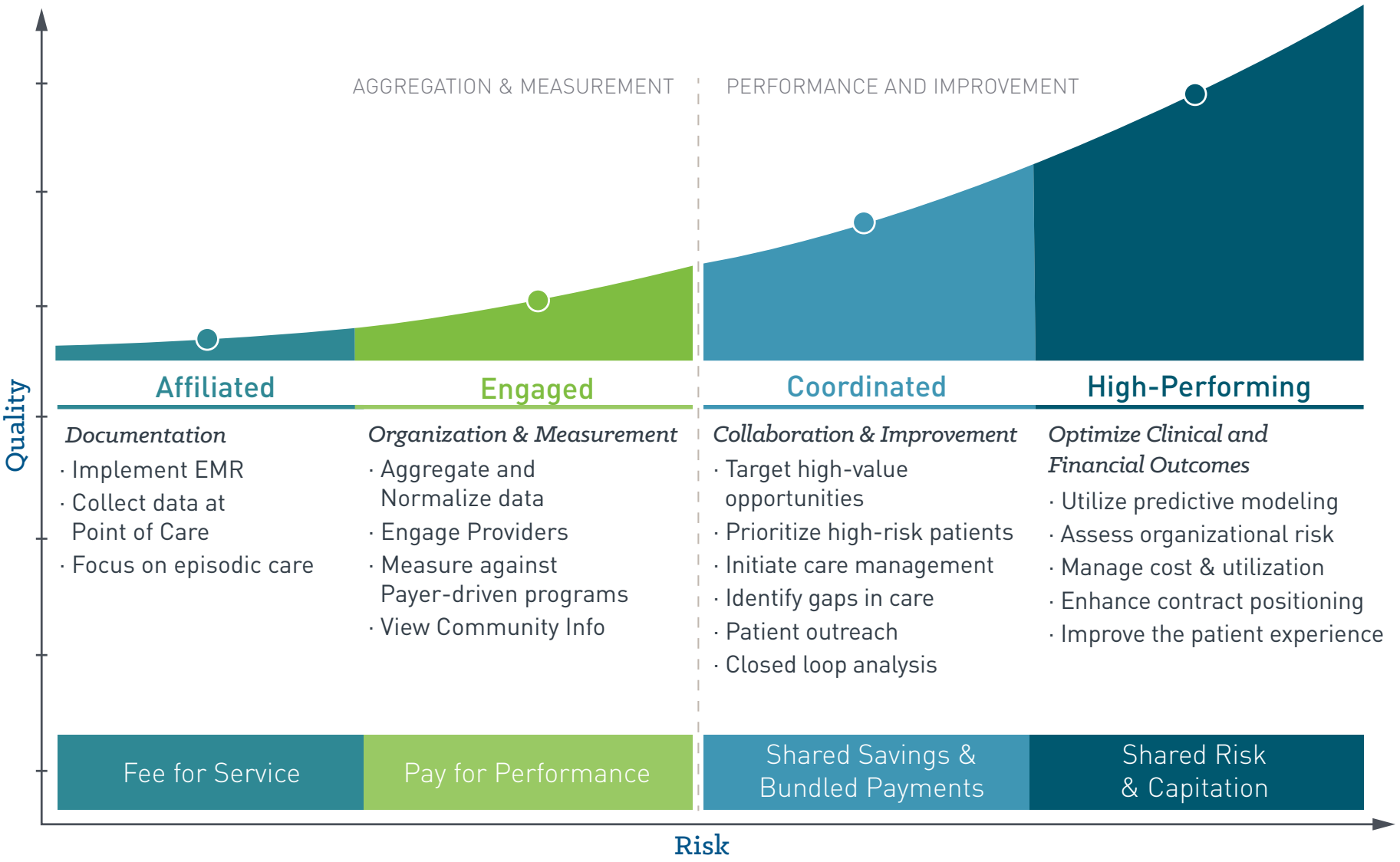
Wellcentive's Network Maturity Model



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Managing Population Risk

Unmanaged

1 Well Members

Prevention

2 Low Risk Members

Prevention and Disease Management

3 Moderate Risk Members

Disease Management

4 High Risk Multiple Disease States

Episodic Mgmt.

5 Complex Care

Inpatient LTC

Managed

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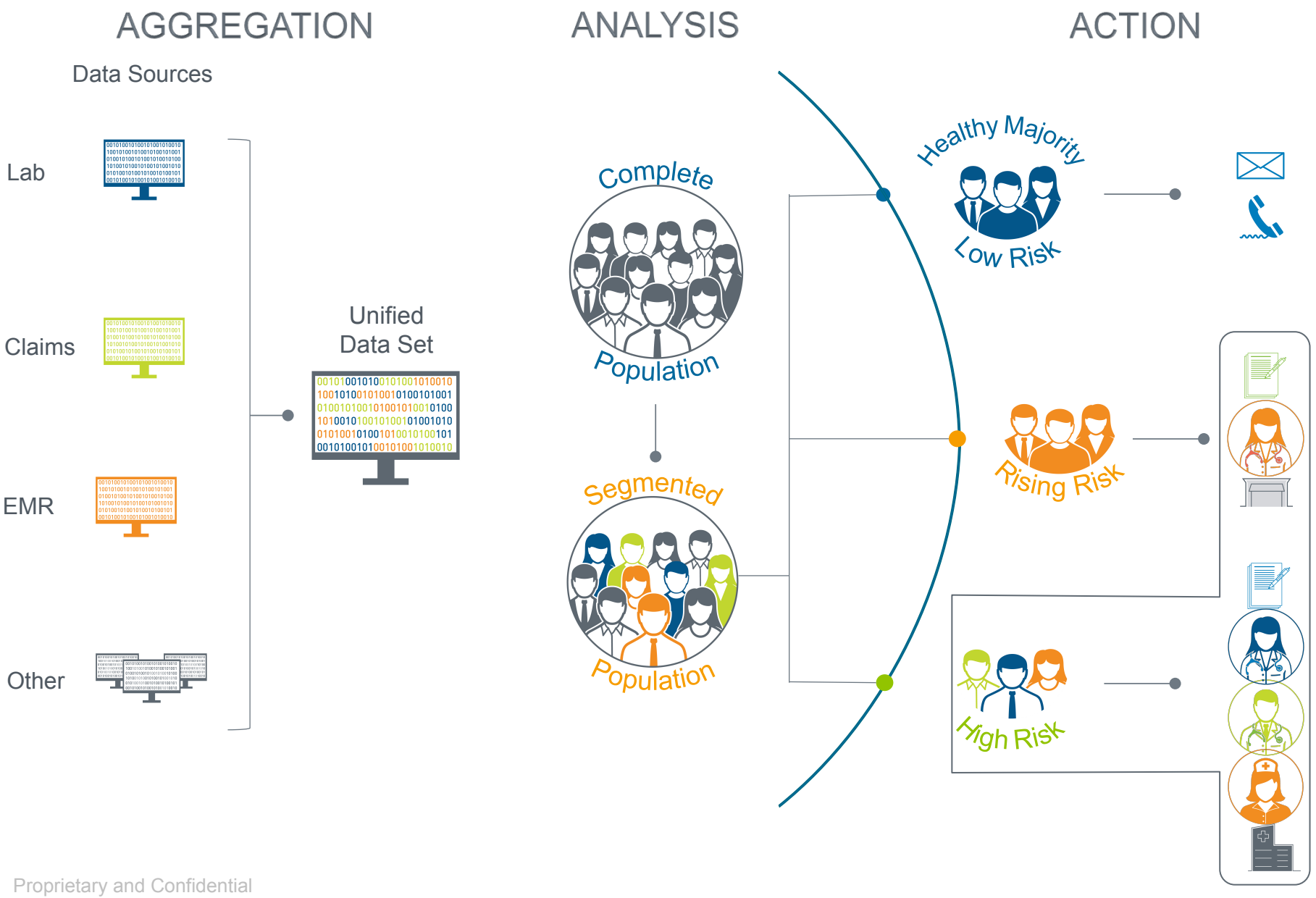
Care Management Workflow: Low/Rising Risk/High Risk



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