

 Mike Delmonico Consulting, LLC ™

Healthcare and Medical Practice Success Essentials™

Introduction to Value Based Care Arrangements for Medical Practices

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Value Based Care Arrangements

Whether or not value based care arrangements improve patient experience, population health, and healthcare service value remains an ongoing debate.

Although outcome studies vary on the impact of such arrangements, payers continue to offer and promote such collaborations with medical practices - including performance incentives, infrastructure support, and shared savings - as tactics to achieve value based care.

8 R's for Understanding, Planning for, and Succeeding with Value Based Care Arrangements

Rules

Resources

Restructuring

Reports

Representatives

Rankings and Rewards

Return-on-Investment

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Know the Rules

Value Based Care arrangements come with Rules.

- The definition of participating individual providers and/or provider groups
- The variables to be measured and performance targets (i.e. quality and/or cost containment)
- The sources of data (i.e. claims, medical records, patient surveys)
- How the data is collected, compiled, and analyzed
- The timing of reports and reward disbursements
- How infrastructure support is calculated and meant to be spent

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Understand the Resource Demands

Value Based Care arrangements will place demands on Resources.

- Are all of the necessary Resources in place - providers, support staff, information systems, equipment, and facilities, hours of operation – to succeed under the Rules?
- Some of the resource demands will be consistent with existing day-to-day operations and some of the demands will require Restructuring (i.e. Transformation)
- Some arrangements may include infrastructure support money for necessary Resources and Restructuring

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Determine Restructuring Considerations

Value Based Care arrangements may require Restructuring (i.e. Transformation).

- New clinical and administrative leadership roles and teams
- Quantity and type of support staff roles
- Access to care (i.e. hours of operation, telemedicine, remote clinical monitoring, use of patient portals)
- Means of optimizing patient engagement and retention (i.e. care management services, educational programs)
- Some arrangements may include infrastructure support money for necessary Resources and Restructuring

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Determine Who is Generating Reports and When

Value Based Care arrangements rely on data and Reports.

- Reliable data is needed regularly
- Reliable data starts with the accurate attribution of patients
- Data can come from the organization's health information systems and from the sponsoring payer (i.e. beneficiary demographics and claims)
- Reports and data will guide organizational tactics
- The availability of real-time data will guide care management efforts (i.e. admission, discharge, and transfer alerts)

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Payer Representatives are Valuable Resources

Payer Representatives provide performance improvement insights and data interpretation support.

- Payer Representatives are technically Resources for success BUT they get their own listing among the 8 R's because their services are for free and they can play a notable role with achieving success if engaged effectively by the organization

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Incentive and P4P Rewards are Based on Rankings

Rankings against targets variables will drive Reward payments to organizations.

- Organizational performance may be calculated on results for individual providers and/or provider groups
- Performance variables may include quality and/or cost containment measures
- Rewards may take the form of incentive payments, infrastructure support payments, shared savings, and organizational Rankings (i.e. stars)

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Return-on-Investment will Guide Organizational Tactics

Comparing the cost of Resources and Restructuring to the outcomes of Rankings and Rewards will provide a Return-on-Investment awareness.

- What commitment of Resources and Restructuring results in the optimal Return-on-Investment?
- The Return-on-Investment may be measured in mission-related and/or financial success