

Episode 18: Understanding Value-Based Care – The Care You Deserve



Note: This is a machine transcription. Please excuse any punctuation or other weirdness:)

Intro:

Joe sees his Primary Care Physician complaining of shortness of breath and chest pain. Because of his family history, and because Joe is overweight and smokes, his primary care physician is concerned that he may be at risk for cardiovascular disease (CVD). Joe's primary care physician coordinates care with a lab facility who runs his blood work, and a cardiologist screens Jason for cardiovascular disease.

After getting his labs back, Joe's care team of providers diagnose him with heart disease. The advantage for Joe is his care team works in a value-based care model. Their goal is to coordinate care and communicate amongst the care team to provide Joe with the best care. Joe's nurse care manager helps educate him about cardiovascular disease and lifestyle changes that he can implement to improve his health. Joe's physician has prescribed him a lipid lowering medication to help lower his high LDL.

Joe regularly meets with a dietitian who helps him start a heart-healthy diet and encourages him to become more active. Joe's nurse care manager helps him find a smoking cessation program that works for him.

The bottom line is Joe's care team is working hard to treat him efficiently, without driving up unnecessary costs, all the while focusing on improving and maintaining his health. This is the kind of care Joe deserves and so do you...but is this the type of care you are receiving?

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Are you tired of the high cost of healthcare? Are you overwhelmed trying to navigate a complicated healthcare system?

Welcome to Get Savvy...Demystifying Healthcare weekly podcast where we take complicated healthcare topics and make them simple.

Imagine if you could stop feeling paralyzed with fear and frustration and instead be empowered to make smart healthcare decisions for you and your family.

Get Savvy with your host, Sandy Kibling, a healthcare professional changing how healthcare knowledge is shared.

Podcast

Hello everyone and welcome to Episode 18, Understanding Value-Based Care – The Care You Deserve.

Often in the podcasts I talk about providing you with knowledge to navigate the healthcare system and options for affordability and I will keep doing this but, in this episode, I want to talk about a change in perspective that is long overdue and can result in quality outcomes for you.

What we will discuss:

1. What is Value Based Care?
2. Benefits of Value Based Care?
3. Value Based Care – Options For YOU.

Let's get started.

What Is Value-Based Care?

Value-based healthcare is a healthcare delivery framework that incentivizes healthcare providers to focus on the quality of services rendered, as opposed to the quantity. Under a value-based healthcare model, healthcare providers (including hospitals and physicians) are compensated based upon patient health outcomes.

Providers who participate in value-based care agreements are rewarded for promoting healthy patient outcomes, reducing the chronic disease burden, and helping their patients live healthier lives through evidence-based medicine.

This sounds ideal but why is not as accessible today to you and providers caring for you. A big part of this is tied to how your providers are contracted with your health insurance company. Now you may be thinking why should I care about this...because it does impact the care you receive.

Provider's today are paid on Fee for Service: (FFS)

If you go into see your provider for an annual visit, and you get a flu shot and a COVID Booster your bill submitted to your provider is very similar to a plumber's invoice.

- 30 Minute visit \$100
- Flu Shot Admin (prepare syringe) \$5
- Injection of Flu Shot \$12
- COVID Booster Admin (prepare syringe) \$5
- Injection of COVID booster \$14.50
- TOTAL \$136.50

With FFS providers are paid on the quantity of services they provide, not the quality of care. FFS can also lead to inflation of a provider's bill to your insurance company.

How does this happen you ask?

Let's say you see a Dermatologist for a skin check. A provider may add to the bill recommending removing skin tags or doing a biopsy of skin areas that don't really need to be removed or biopsied.

This could result in a bill with line items that are paid for, but not needed. A dermatologist could mark 12 skin areas that need removed versus 6 and be paid more from the insurance company. This is what we call inflating a bill. Now I am not suggesting your provider is fraudulent and providing inadequate care although inflation of a bill does happen, I am just emphasizing the inadequacies of a Fee For Service model, the care you are provided today.

Value Based Care:

In a value-based care model as we discussed in the intro of this podcast, a primary care physician, works together with a multidisciplinary team, to evaluate your condition and identify the best next steps. This team has the time and communicates with patients' to earn the trust to better manage illnesses, addictions and discover whatever social causes (such as disconnection from their community or family) might be driving health issues. Even more directly, value-based care teams are incentivized to keep patients out of high-cost care environments such as emergency departments and inpatient treatment centers.

In value-based care, your team of doctors are invested in the total well-being for you and it incentivizes the health care team to work and communicates together to keep you well and out of the hospital. Value Based care can also reduce costs, improve quality of care and provide greater incentives to your health care team to meet health care goals.

The FFS model is simply not equipped to address long-standing challenges like income inequality, poor nutrition, access to care, polluted air and water, educational opportunity, and other social factors. Yet in a value-based care model, care teams must find a way to address those social factors if they are to properly treat chronic disease, keep their patients out of the ER, reduce the length and frequency of hospital stays, and in general reduce cost and utilization.

So How Are They Paid and Incentivized?

In a value-based care model contract, providers are typically paid capitation, here is what that means:

A provider is paid say \$20 per patient each month or we refer to it as PMPM – (Per Member Per Month). Perhaps that practice has 500 patients they get $500 \times 20 = \$10,000$ a month or \$120,000 annually. They get this regardless of if they see a patient or not. The beauty of this model is that the provider is incentivized to keep this patient healthy.

Example: Aunt Margaret has recently been diagnosed with high blood pressure, has pre-diabetes, high cholesterol and could lose 50 LBS and improve eating habits.

In a FFS model Aunt Margaret may be prescribed medication at an annual visit and be scheduled for a recheck 6 months or one year later and or Aunt Margaret may be asked to track her vitals but will she?

In a value-based care model Aunt Margaret would work with her care team, likely scheduled for monthly visits to track her new blood pressure medication to make sure it is working, she would be assigned to a dietician, attend classes and her progress would be monitored so she can see her progress.

Her care team meets and works together and communicates on her care plan and making changes as needed keeping her chronic illnesses in check, and Aunt Margaret out of the ER and living her best life.

Benefits of Value Based Care:

I believe we have addressed a lot of these through the examples but just to provide a brief recap.

Patients Spend Less for Better Outcomes

- In value-based healthcare systems, healthcare providers concentrate more on providing preventative care which is less costly when compared with the treatments for a chronic condition like diabetes, hypertension, or obesity.
- Also, the physicians and other healthcare providers focus more on the treatment methods which helps patients to quickly recover from their illnesses and injuries more effectively.
- How can we say that patients spend less with a value-based healthcare system? Because of the proactive care and monitoring of conditions and keeping people out of the ER patients may have only fewer doctor's visits, medical treatments, and medical procedures. This ultimately reduces the healthcare spending while improving their health conditions.

Patient Satisfaction

Patients don't want to feel disconnected or not cared for or rushed through a visit. They want to be communicated with and educated and get the best results. I had someone share with me that although she and her provider both spoke English she felt like they were speaking different languages. She walked out of that visit confused and disappointed.

In a value based model it really builds on the patient and physician relationship and an overall partnership in health with a team of providers caring for you.

Improved Care Coordination

In a traditional healthcare model, healthcare providers don't generally have the capacity to provide that much care coordination or follow up. Because of the FFS model they are currently in, they are subject to low reimbursement from health insurance companies per their contracts. They must see a certain number of patients a day in order to maintain their independent practice.

They also contend with the administrative burdens the health insurance companies place on them such as an authorization process that keeps office staff on the phone for hours, troubleshooting claims issues or working with an insurance company for months addressing why a new provider added to their practice is still showing out of network and patient surgeries get postponed until the issue gets addressed.

Statistics show that healthcare insurance administrative burden can be as much as 45% of a providers time leaving them to rush through a visit or book visits to meet a quota. In a value-based healthcare system, there are incentives and improved technologies that enable providers to coordinate care. The integration produced by collaborative care creates better outcomes for patients because all of their healthcare providers working together and in partnership with you.

Reduced Healthcare Costs and Improved Care

By keeping people healthy and working with them in partnership to change habits and improve their health overall results in better outcomes, potentially less medications and minimizing the risk of ER visits and or hospital stays which can be incredibly expensive.

Going back to Aunt Margaret – if she works with the dietician and loses 50 pounds and reduces her sugar intake with lifestyle changes, she is taking a step by step approach where she can get her pre-diabetes numbers back to normal and minimize a chronic condition that could require medication or potentially result in hospitalization.

Stronger cost control and reduced risk for Health Insurance Companies

The value-based healthcare system benefits patients, healthcare providers, and also health insurance companies also known as payers. Value-based care lowers costs across the board, meaning that insurance companies have to pay out less money for the services their subscribers use. When insurance companies have lower costs, they are less likely to raise premiums and deductibles for you.

Okay value-based care sounds great so why is this not the premium option for care and more available to you? I've mentioned in previous podcasts that by day I work as a physician consultant renegotiating contracts for provider groups nationwide. In every negotiation with healthcare insurance companies, I ask if there are value based care contracts available?

Sadly 97% of the time I am told there are none. When I ask about the future state of value based care I am told they are working on it but no definitive time frame can be provided. At the healthcare insurance company, I worked for, we started the conversations in 2012 and to date nothing has materialized.

I believe providers really want to provide value-based care, but the partnership and collaboration with the health insurance companies is lacking resulting in the lackluster care you may receive especially in light of the dollars you pay for healthcare.

As for why it is taking the payers so long this can be tied to staff, and technology to administer these contracts. I know payers are trying to make a concerted effort and hopefully we will see more options available in the coming years.

Value-Based Care - Options For YOU!

I believe we will see contracts for value-based contracting supporting providers to deliver value based care but I predict this to be 3-5 years out unfortunately.

Providers and large medical groups are getting creative and taking matters in their own hands to offer you this kind of support as well as Medicare is offering some sub-models of this type of care.

So if providers are not contracted to provide this service, how can you locate a group providing this value based care?

There are tools you can use to locate a provider who provides this type of care. I will link to these resources in the show notes.

ChenMed offers options for Seniors/Medicare recipients – available in the following states as of this recording: Florida, Illinois, Kentucky, Michigan, North Carolina, Pennsylvania, Tennessee, Virginia, Georgia, Kansas, Louisiana, Missouri, Ohio, South Carolina and Texas.

ChenMed's doctors improve the health of the neediest seniors every day with an intensive high-touch care model and believe – when their patients do better, they do better. Each physician has a small patient panel that creates deep patient relationships with a focus on prevention.

You can go to their page and search locations to see if there is one near you.

You can also check out New Primary Care.com, NewPrimaryCare.com is the first website designed to help adults on Medicare search for and compare value-based care providers. Whether you are on Medicare, will soon age into Medicare or are a caregiver, they can help you connect with a quality doctor focused on caring for seniors.

What if you are not a senior?

- When searching for a provider you can call that office and ask if they offer a value based care model of care.
- During open enrollment you can choose an HMO plan they do tend to lend themselves toward coordinated care like a Kaiser Permanente. I was member for KP years and did find the care more connected under one electronic medical health record system and communication was better between providers but there are pros and cons to an HMO vs PPO so make sure you evaluate the options that are best for you and your health situation.
- You can choose to work with a large multispecialty care medical group where your primary care and specialist all work in the same facility. Chances of your medical records and providers all under one roof will likely improve communication and coordination.
- You can also call your insurance companies to see what value based options are available to you such. I have found that Humana has been leading the way with value based approaches but many other payers are providing value based options and resources so placing a call be very beneficial to you.

I hope this information has helped provide some enlightenment on our current state and hope for future state with value based care.

In our next episode, I will cover the pros and cons of going without health care insurance and if you are choosing to go without what alternative options may be available for you.

Until next time Get Savvy