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VALUE-BASED CARE A STRATEGIC FRAMEWORK TO IMPROVE PATIENT HEALTH

Suresh Babu Basanaboyina
Leading Healthcare Company, VA, USA.

ABSTRACT

One of the foremost challenges confronting healthcare companies today is the dual objective of reducing the cost of care while enhancing healthcare quality for patients. The term "cost of care" refers to the expenses incurred by healthcare insurance companies in managing a patient's health. A prevalent factor exacerbating these costs is the "fee-for- service" (FFS) payment model. In this model, providers are reimbursed for each service performed, thereby incentivizing the ordering of unnecessary tests and procedures, which inflates healthcare costs. This approach does not prioritize cost-efficient management, making it difficult for patients and healthcare companies to anticipate total expenses prior to receiving care. Consequently, healthcare companies are actively exploring alternative payment models that lower costs and improve patient health outcomes.

The Value-Based Care (VBC) model presents a promising alternative for health insurance companies. Unlike the FFS model, VBC compensates healthcare providers based on patient outcomes rather than the volume of services rendered. This research into the Value-Based Care model aims to address persistent issues within the healthcare sector, such as medical waste and unsustainable healthcare expenditures. While responses to VBC models vary, the approach is increasingly receiving positive recognition from the physician community. Given the high demand for ongoing

advancements in Value-Based Care programs, it is crucial to emphasize the significance of patient-physician relationships and the enhancement of patient outcomes.

Keywords: Alternative Payment Models, Healthcare Costs, Healthcare Quality, Medical Waste, Patient Outcomes, Patient-Physician Relationships, Value-Based Care, Value- Based Health Care.

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1. Introduction

Value-based care (VBC) is a key component of the Centers for Medicare & Medicaid Services (CMS) reforms, which aim to shift healthcare delivery and reimbursement models from focusing on the quantity of care to emphasizing the quality of care provided. This approach incentivizes healthcare providers by rewarding them based on the value created through improved patient health outcomes, rather than simply the volume of care delivered.

In VBC, value is defined by the enhancement of health outcomes relative to the costs of achieving those outcomes. The approach emphasizes proactive health management, patient education, and consistent monitoring to identify and address potential health issues before they require significant treatment.

Under this model, doctors, hospitals, and healthcare providers are compensated based on their ability to improve patient health outcomes. Unlike the traditional fee-for-service model, which is typically reactive to health problems, VBC adopts an initiative-taking approach, focusing on preventing health issues and delivering comprehensive care aligned with patients' needs. This system aims to realign healthcare incentives, improving the overall effectiveness and efficiency of care. Research spanning a decade has identified strategic frameworks from organizations that have successfully enhanced outcomes while often reducing costs.

The implementation of value-based health care involves identifying specific patient segments with consistent needs and assembling interdisciplinary teams to design comprehensive care solutions. These teams measure and analyze health outcomes and costs to drive continuous improvements in care. This patient-centric approach requires caregivers to

reassess their roles within their larger teams and emphasizes the importance of medical education that integrates value-based health care principles to prepare future physicians for transformative roles in the healthcare system.

Improving patient outcomes with cost efficiency is a shared goal among all healthcare stakeholders, from patients to providers and regulatory bodies. Aligning care with patient experiences, focusing on outcomes like capability, comfort, and calm, improves the overall patient experience beyond mere hospitality, enhancing the value of care provided. This method counters clinician burnout by realigning their efforts with the core mission of healing and empowering them with professional autonomy.

Value-based health care aims to achieve the triple aim of improving patient care experience, enhancing population health, and reducing healthcare costs per capita, while also improving clinician experience—a goal aligned with both patient and provider interests.

The introduction of Value-Based Care (VBC) enhances patient satisfaction and health outcomes by implementing more effective cost controls, reducing unnecessary hospital visits and readmissions, and decreasing overall healthcare expenditure. Additionally, VBC tackles the longstanding issues associated with the fee-for-service model.

The fee-for-service system has traditionally emphasized the volume of care over its quality. This focus on quantity has contributed to escalating healthcare costs in the United States, with projections indicating total spending could reach $6.2 trillion by 2028. Furthermore, this model often results in a disconnect between the financial cost of healthcare and the actual health outcomes achieved, highlighting the need for a shift toward value-based approaches that better align costs with meaningful improvements in patient health.

The Centers for Medicare & Medicaid Services (CMS) will assess hospitals participating in the value-based program based on several criteria, such as immunization rates for specific diseases, Medicare spending per capita, and patient feedback. The hospital's performance in managing patient and population health, as measured against established benchmarks, will influence whether CMS provides additional funding beyond the standard fee structure or reduces their Medicare allocation.

2. Benefits of Value-Based Care

Value-based reimbursement offers several advantages to patients, healthcare providers, payers, suppliers, and the broader community. Here are five key benefits of implementing a

Value-Based Care (VBC) model:

2.1.1 Reduce Healthcare Costs: VBC focuses on initiative-taking health management to prevent issues before they escalate, reducing the need for emergency room visits, hospitalizations, and readmissions. This approach allows patients to achieve better health outcomes with lower expenses.

2.1.2 Improve Patient Experience: When healthcare quality becomes the priority, patients report a markedly better experience. VBC leads to improved treatment and provider-patient interactions, enhancing overall satisfaction.

2.1.3 Elevate Quality of Care: The criteria for value-based reimbursements motivate providers to deliver superior care. By continuously raising the standards for patient satisfaction, Medicare's value-based care initiatives drive improvement in treatment quality.

2.1.4 Enhance Patient Education: VBC emphasizes health management, requiring patients to be well-educated about improving their health. This knowledge empowers patients, boosting their confidence and comfort in navigating the healthcare system.

2.1.5 Minimize Healthcare Risks: By prioritizing prevention, VBC addresses health issues before they become severe. This model enhances access to preventive care and closely monitors patients according to their risk factors, reducing overall healthcare risks.

An example of this proactive approach is HRS' telehealth and remote patient monitoring platform, which provides a comprehensive healthcare solution. It offers patient education that promotes independence and peace of mind through biometric monitoring, virtual visits, medication reminders, condition-specific education, and interactive quizzes.

3. Collaboration in Value-based Healthcare

At the core of a Value-Based Healthcare (VBHC) system is a robust multidisciplinary team composed of pharmacists, dietitians, case managers, mental health specialists, administrators, and other professionals. These teams collaborate closely with patients and their caregivers to identify and address each patient's unique healthcare needs. Collaboration in VBHC involves connecting multiple stakeholders to enhance the system's and society's value by improving patient outcomes in a mutually beneficial way, while also reducing the system's burden. This approach moves away from the "every person for themselves" mindset, recognizing that cooperation can lead to mutual benefits for all involved.

To implement VBHC, multidisciplinary teams must leverage their knowledge and practical experience to foster innovation. This level of engagement can significantly reduce hospital demand and improve patient outcomes. Cancer management is an excellent example of how various VBHC models can be beneficial. Effective cancer care requires close communication among oncologists, secondary and tertiary care providers, and laboratories to determine the optimal treatment for patients. Shifting cancer treatment to community settings lowers hospital involvement and enhances accessibility. Similar benefits have been observed in managing chronic diseases, such as obesity and atrial fibrillation, with the use of multidisciplinary teams.

4. Implementing Value-Based Care Models

Here are seven key steps to implementing a value-based care model:

4.1 Assess and Understand Patient Populations and Needs: Understanding patients' health needs is crucial to providing effective care. Structuring services around common and routine problems results in greater efficiency, better integration, and ultimately healthier and more satisfied patients.

4.2 Create Tailored Care Solutions: Once patient needs are identified, tailored solutions can be designed to deliver optimal care. This design focus ensures improved patient health outcomes, enabling appropriate follow-up and preventive actions.

4.3 Establish Collaborative Knowledge Teams: The complexity of patient health demands integrated teams working towards a common goal—maximizing value for patients. These teams, comprising experts from multiple medical disciplines and locations, utilize various technologies and systems to collaborate effectively.

4.4 Measure Health Outcomes and Cost Efficiency: Measuring and evaluating health outcomes and cost metrics are essential for understanding the value of care. This data provides insights into areas needing improvement, enhancing care efficiency.

4.5 Forge Partnerships with Technology and Healthcare Providers: Leveraging the expertise of diverse technology and healthcare providers is vital for an integrated value-based care model. Such partnerships ensure comprehensive patient support and care across all relevant disciplines and bring benefits like reduced costs and improved efficiency for providers.

4.6 Enhance Education for Providers and Patients: Integration is key in value-based healthcare, requiring the entire team to understand their roles within the broader healthcare program. Proper education helps providers and patients make informed decisions, aligning with CMS standards and achieving desired health outcomes.

4.7 Evaluate and Enhance Performance: Continuously assess and refine healthcare education strategies, whether physical or digital. Utilize virtual visits where appropriate to maintain and enhance the quality of care.

5. Challenges in Implementing Value-Based Care Models

When implementing Value-Based Care (VBC) models, three major barriers need to be addressed and mitigated:

5.1 Resource Limitations: This includes challenges with staffing and equipment availability.

5.2 Challenges in Data Collection and Reporting: Efficiently gathering and reporting patient information can be difficult.

5.3 Interoperability Issues: Ensuring seamless data exchange both within and outside the organization can be problematic.

6. Conclusion

Value-based care leads to substantial cost savings over time in comparison to traditional healthcare reimbursement models. The emphasis on providing high-quality care and consistent monitoring reduces the need for readmissions, hospitalizations, and emergency room visits, significantly lowering healthcare costs for the population.

By treating patients more efficiently and facilitating smooth transitions through an integrated care ecosystem, VBC minimizes the time, money, and effort required for effective patient care. Unlike other reimbursement models, the health outcome-based and bundled payments in VBC deter unnecessary treatments and additional charges, promoting cost-effective healthcare delivery.

Online and mobile platforms for knowledge sharing and delivery, data capture through wearable devices, and remote monitoring capabilities are revolutionizing Value-Based Care (VBC). Telemedicine facilitates off-site care delivery, significantly enhancing patient access and convenience.

Technologies like remote patient monitoring are driving a data-driven approach in medical care, providing healthcare providers with actionable insights and enhanced visibility. These innovations enable the creation of added value for patients, healthcare providers, and the broader medical community.

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