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Addressing Five Key Areas of Value-Based Care

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As we continue to propel our way through 2014, there have already been numerous advancements in value-based care. With more than 500 accountable care organizations (ACOs) in the United States today, and nearly 10 percent of consumers receiving their health care through an ACO, value-based care has become a major force in helping the industry achieve better health outcomes, lower costs, and improved patient *plus* physician satisfaction. However, there are still a number of challenges that could shape the impact of value-based care on the health care system in 2014, as shown below.

Health care costs will continue to rise if high-risk patients and conditions are not managed properly.

The costliest 1 percent of patients account for 21 percent of U.S. health care spending, according to a recent report from *Kaiser Health News* in conjunction with the *Washington Post*. If we do not effectively manage these high-risk patient populations and equip them with the right tools and technologies, overhead costs will continue to increase. By stratifying these populations and knowing the specific health conditions for which they are most at risk, we can much more effectively ensure that each patient is receiving the right care, in the right place, at the right time and make specific adjustments to deliver better care at lower cost.

Population health management cannot be achieved through the EMR alone.

A recent study from the *Annals of Internal Medicine* reported that nearly half of primary care physicians cannot generate quality metrics through their electronic medical record (EMR) or even exchange EMR information outside of their practice. To achieve effective population health management, health care organizations need a holistic view of both a patient's medical background as well as actionable clinical information at the patient and population-level. Without the proper incentives for health care organizations to adopt and use tools and information outside of the EMR, health care organizations will slowly move to Stage 2 Meaningful Use, and the industry will never fully realize the quality improvement and cost-saving promises of technology.

As newly insured patient numbers increase, so will physician burnout.

With the implementation of the Affordable Care Act, the Congressional Budget Office is estimating that 25 million previously uninsured patients will enter the U.S. health system. That means 25 million new patients for current physicians to add on to their case loads. A recent report from *JAMA* has already shown that nearly half of U.S. physicians are experiencing symptoms of burnout. To end this continuous cycle of more services with less reimbursement, clinician's must restructure their practices to a value-based care model and be given the incentives, tools, and information necessary to manage their patient population more effectively — and, in turn, they will experience more career satisfaction.

The Affordable Care Act will create greater risks for payers and their network of providers.

According to recent research from *The Center on Budget and Policy Priorities*, one of the primary challenges facing health insurers today is the lack of information on the millions of Americans now entering the U.S. health care system. To manage risk effectively, insurers must be able to gather the right data on this new population quickly, which requires both a prospective and a proactive approach. By prospectively accessing a patient's health information, and then properly documenting and coding his or her conditions, both health plans and providers will be able to more effectively manage risk and, in turn, receive optimal reimbursement for their efforts.

Interfacing makes effective big data utilization a reality.

Clinical data integration is one of the key first steps in achieving a value-based care model; however, EMRs traditionally have been designed as closed systems, making data exchange a complex and costly process. Experts estimate that it can cost health systems up to $100,000 a year to succeed in their data integration implementation, and it can become an extremely time-consuming endeavor. Many organizations are turning to interfacing to avoid this problem. Interfacing combines data from different systems to produce powerful information for clinicians right at the point of care. With this approach, health care systems, hospitals, and provider groups can cost-effectively and more quickly extract data from hundreds of different EMR and Practice Management Systems without interrupting practice operations or patient care.

By adopting these new practice methods and big data applications, the industry will continue to excel by decreasing payer and provider risk, provider burnout, and overhead health care costs to more fully realize the benefits of value-based care.

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