

# FINDING THE VALUE IN VALUE-BASED CARE

The State of Value-Based Care in 2018

A Signature Research report commissioned by Change Healthcare

June 2018

Original research by



# Speakers



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Assistant Vice President, Change Healthcare



## Agenda

- △ Research Method
- △ Respondent Profile
- △ Detailed Findings
  - Value-Based Care
  - Episodes of Care

# Research Methodology



ORC fielded a 15-minute online survey of 120 payers, targeting a mix of:

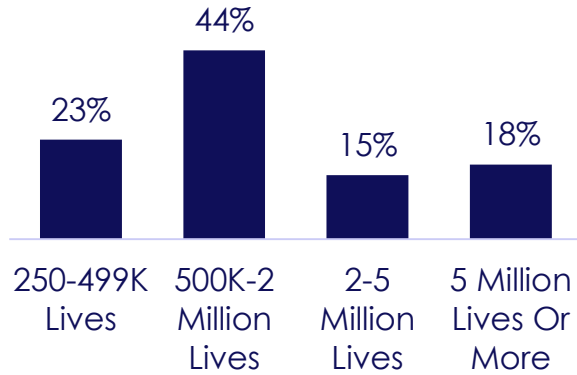
- △ Plan sizes
- △ Regions
- △ Job functions
  - Finance/Ops
  - Network Management
  - Medical Management
  - Technology
  - Strategy/Innovation/Planning
  - Analytics
- △ Lines of business covered

## Screening Criteria

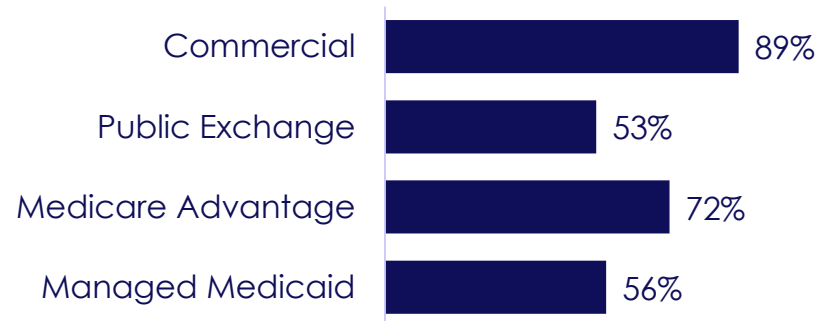
- Title of Associate Director level or above
- Is knowledgeable about value-based care strategies, bundled payment, and/or episode-of-care strategies at their organization
- Health plan covers 250K+ lives

# Respondent Profile

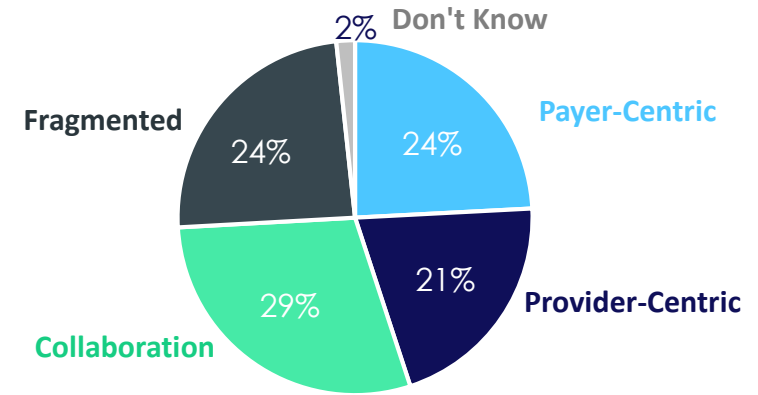
## Size of Company



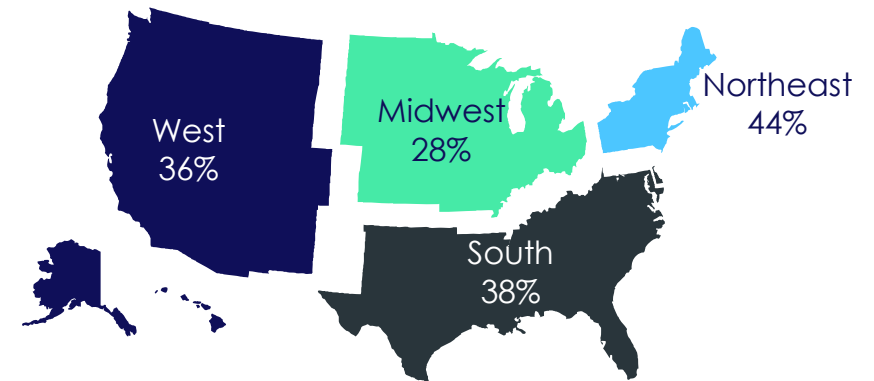
## Businesses Covered



## Region/Market



## Location



Section 1.0

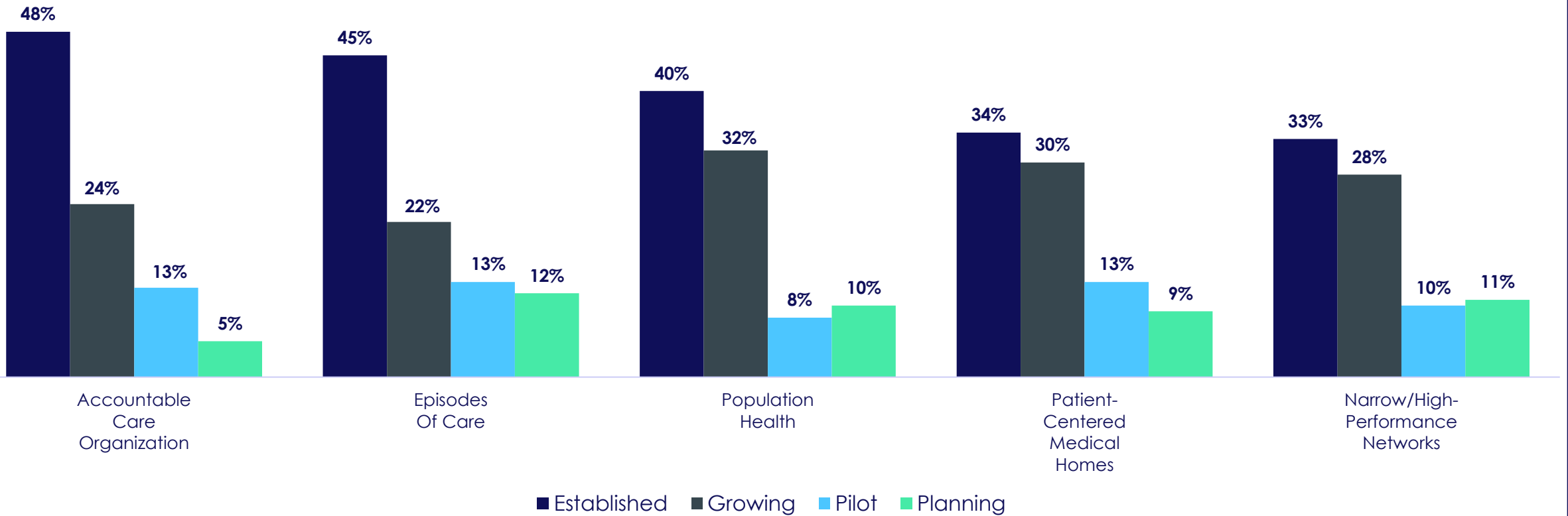
# Detailed Findings: The State of Value-Based Care in 2018

Original research by   
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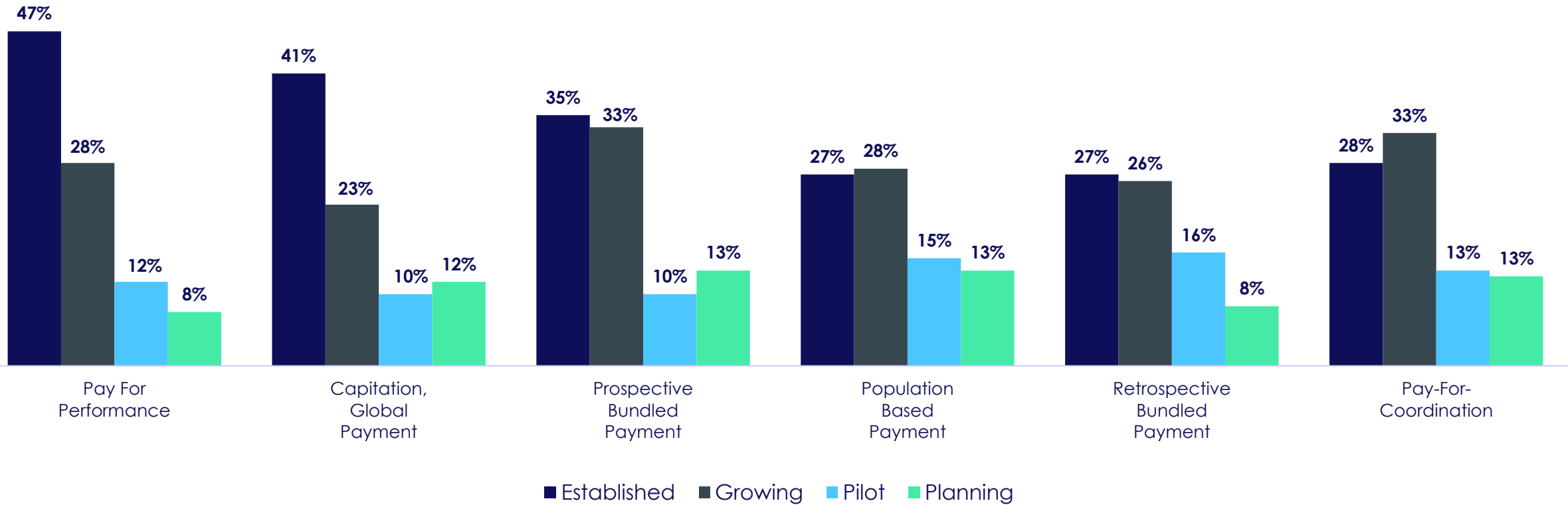
# Value-Based STRATEGIES Continuum: Current State

Current Level of Maturity of Value-Based Care STRATEGIES



# Value-Based PAYMENT Continuum: Current State

Current Level of Maturity of Value-Based PAYMENT Tactics

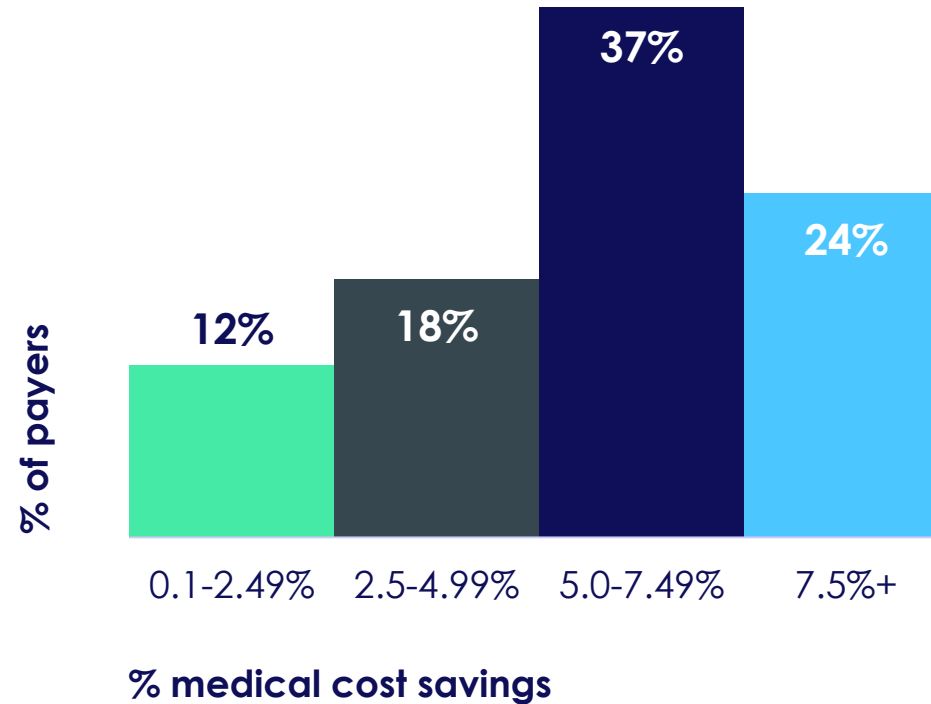




# Compelling Cost Savings

Impact on Medical Costs from Value-Based Care Strategies

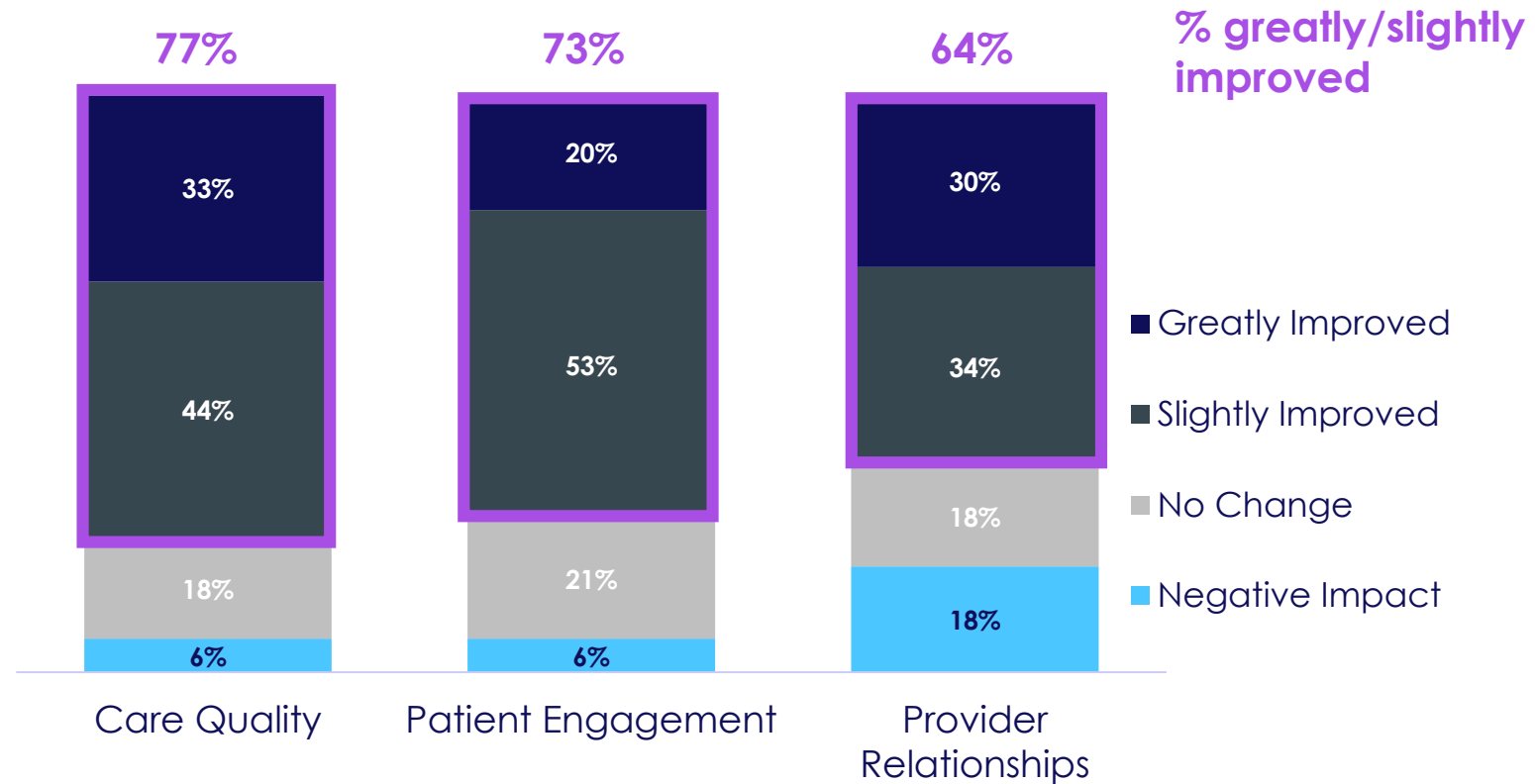
*All  
respondents  
reported medical  
cost savings*



**Average Medical  
Cost Savings  
5.6%**

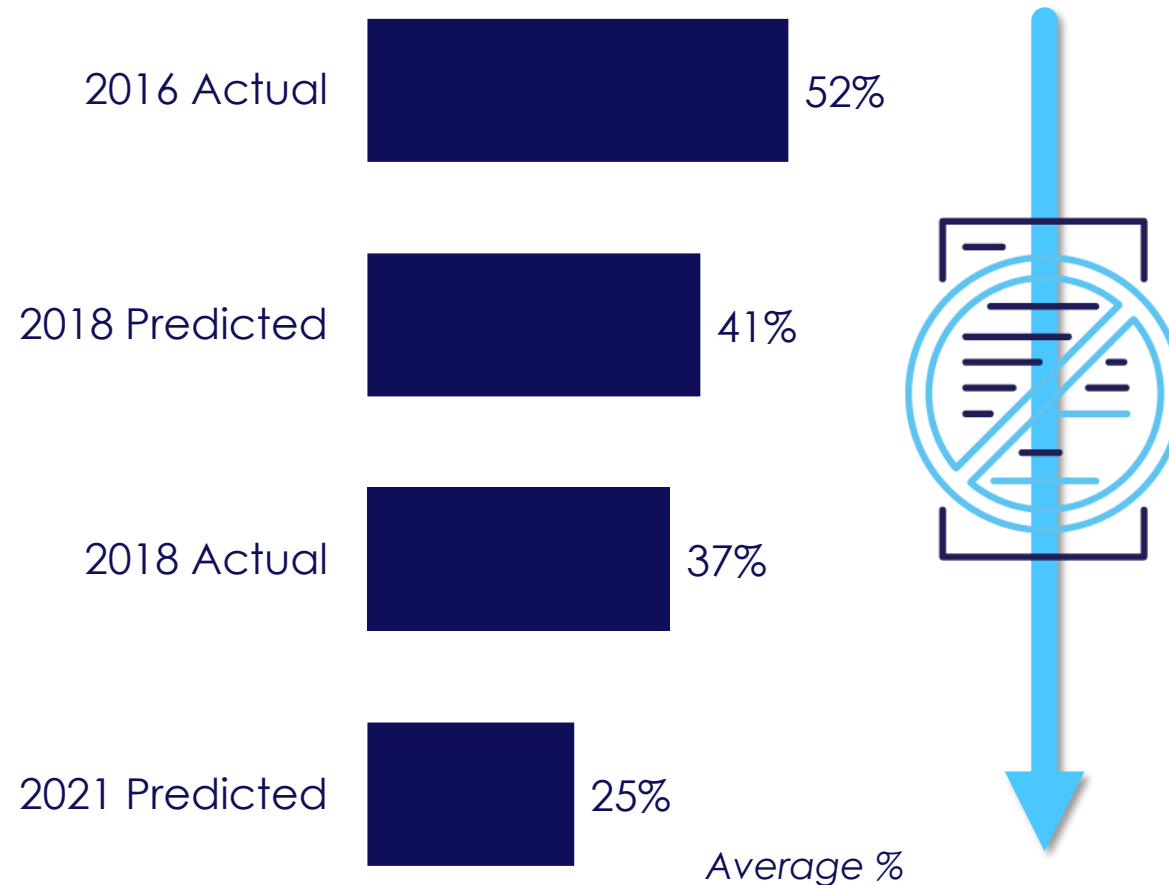
# Big Shift Towards the Triple Aim

Impact on Care Quality from Value-Based Care Strategies



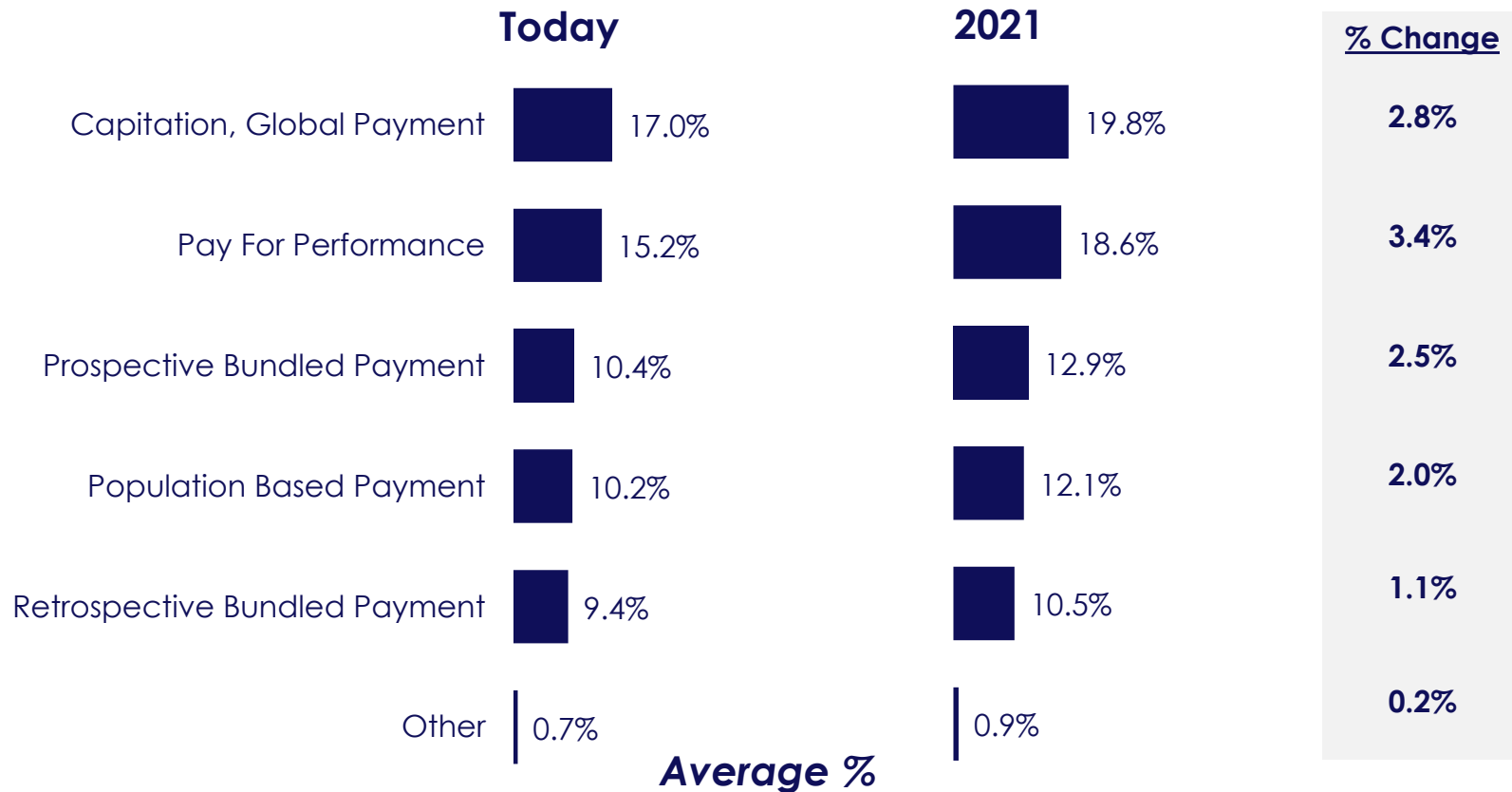
# Decline of Pure Fee-for-Service Accelerates

Proportion of Business Aligned with Pure Fee-for-Service



# Payment Models Today & Tomorrow: Beyond 2020

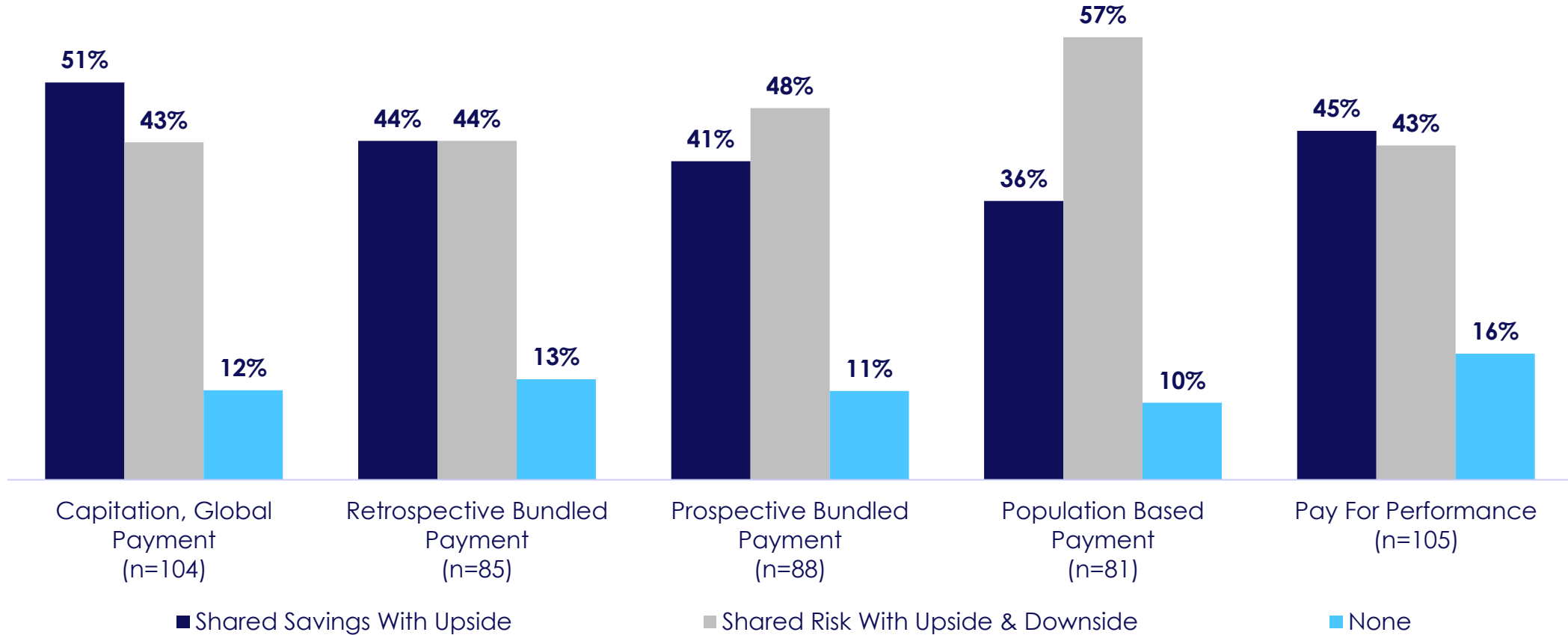
## Proportion of Business Aligned with Models



# Shared Risk Programs Go Mainstream



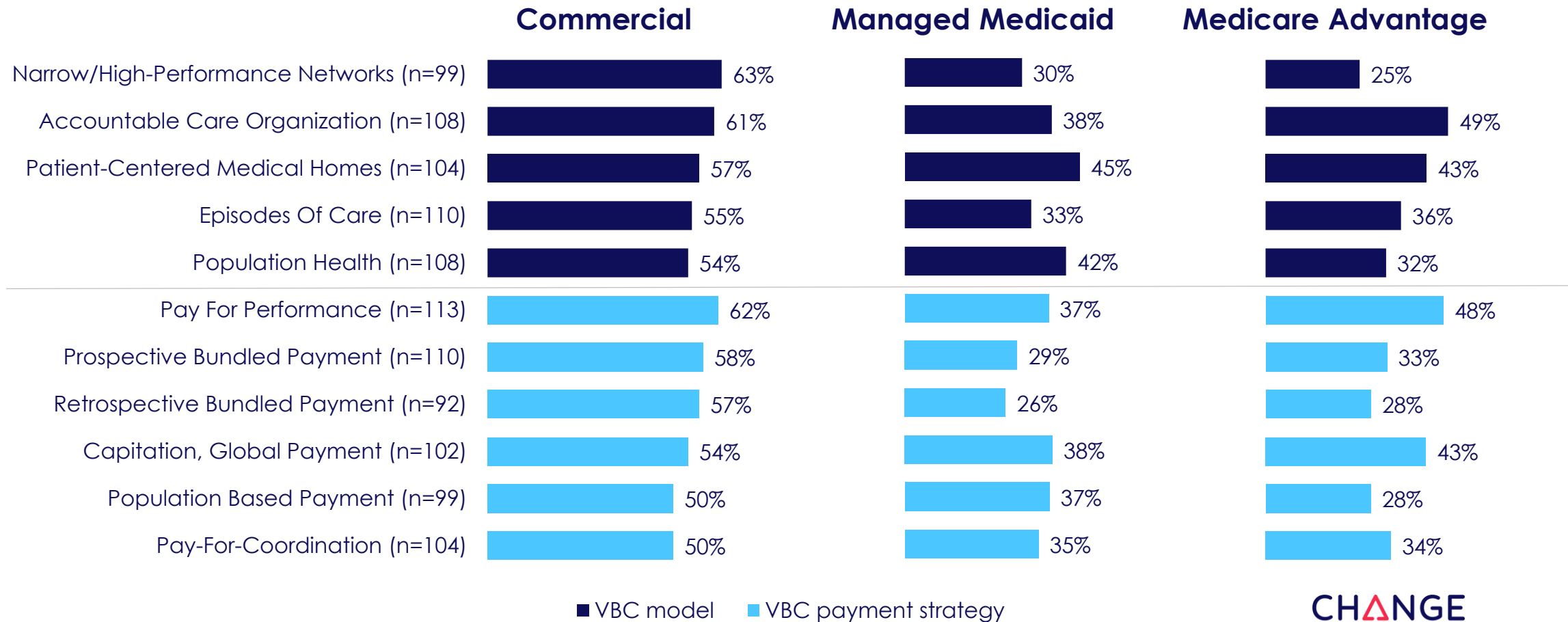
## Proportion of Models with Shared Risk



# Commercial Lines of Business Leading the Way



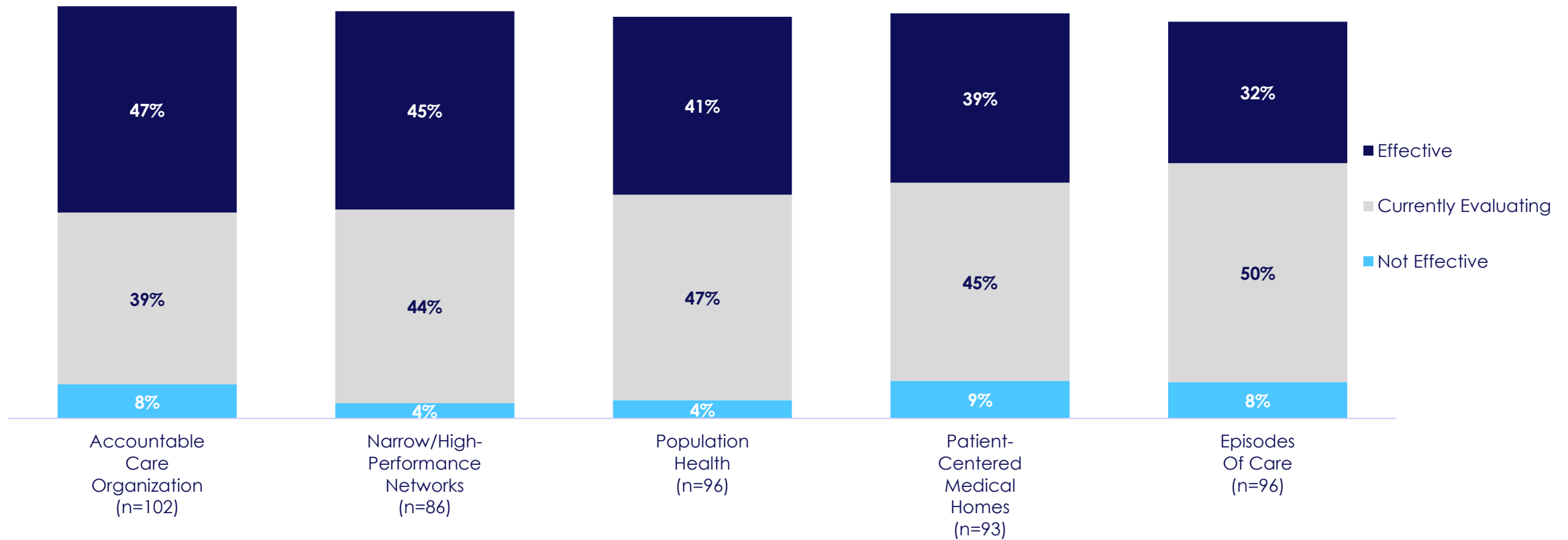
## Value-Based Care Models and Payment Strategies by Line of Business



# VBC STRATEGIES: Effective vs. Ineffective



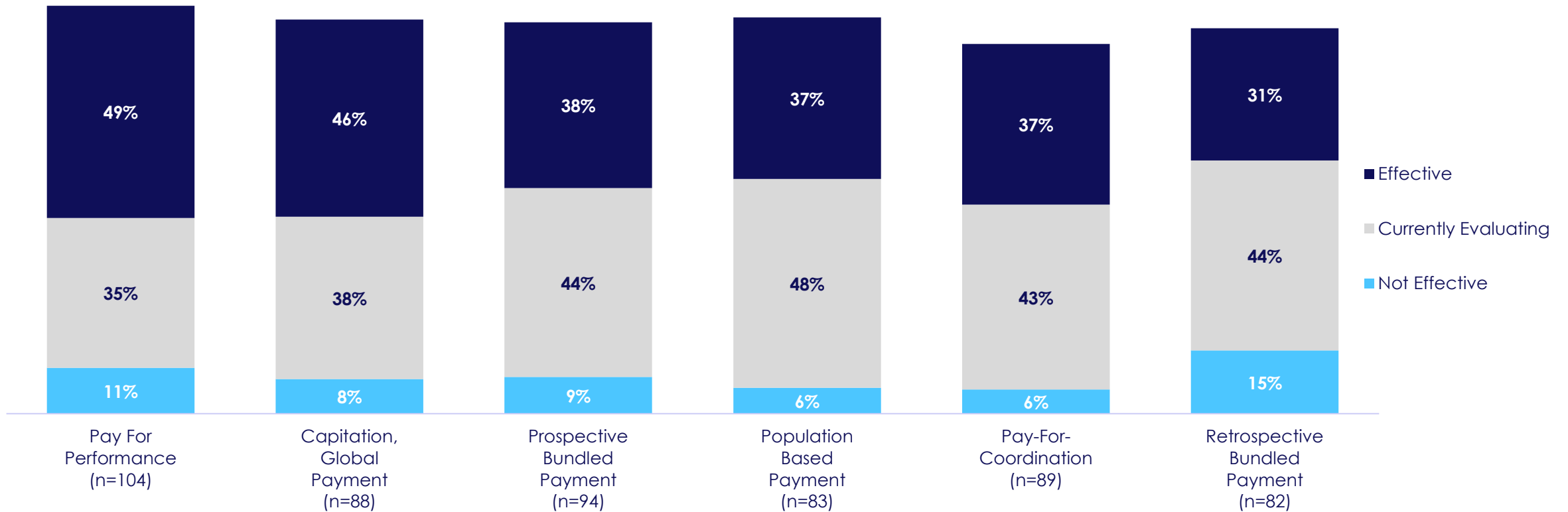
## Value-Based Care Program Effectiveness



# VBC PAYMENT Tactics: Effective vs. Ineffective



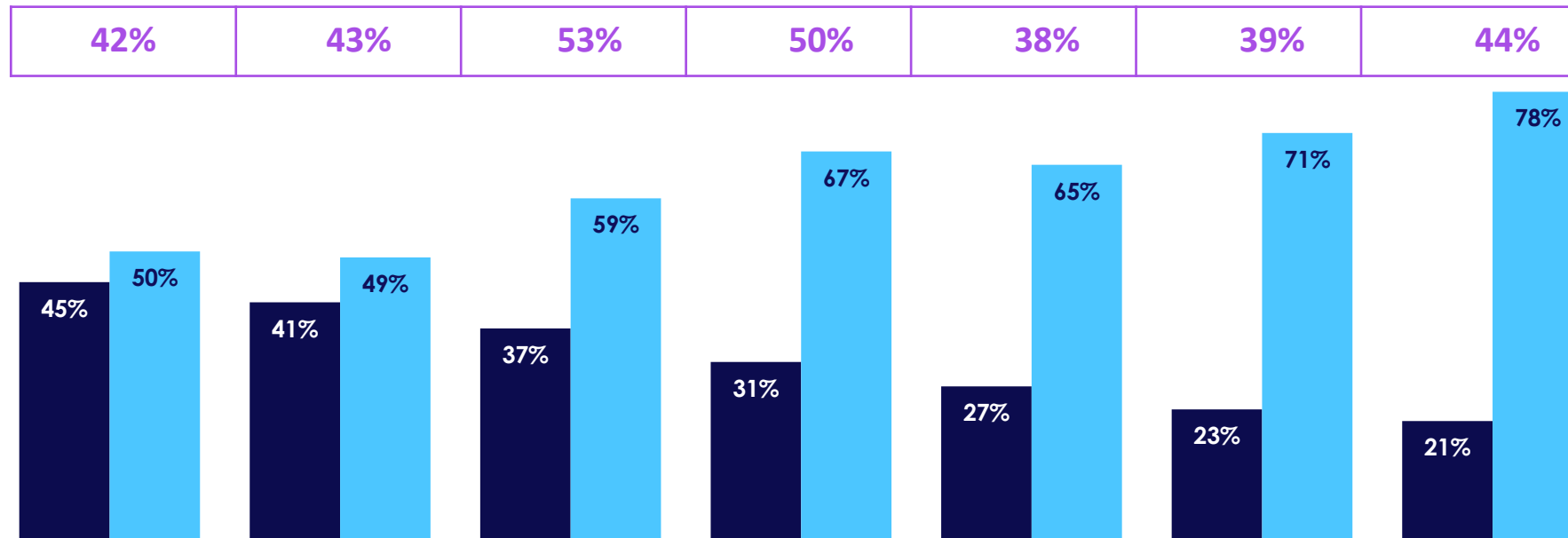
## Value-Based Payment Program Effectiveness





# Build vs. Buy: Analytic Capabilities Dissatisfaction

## Capabilities in Place Today



% Moderately, Slightly and Not Satisfied

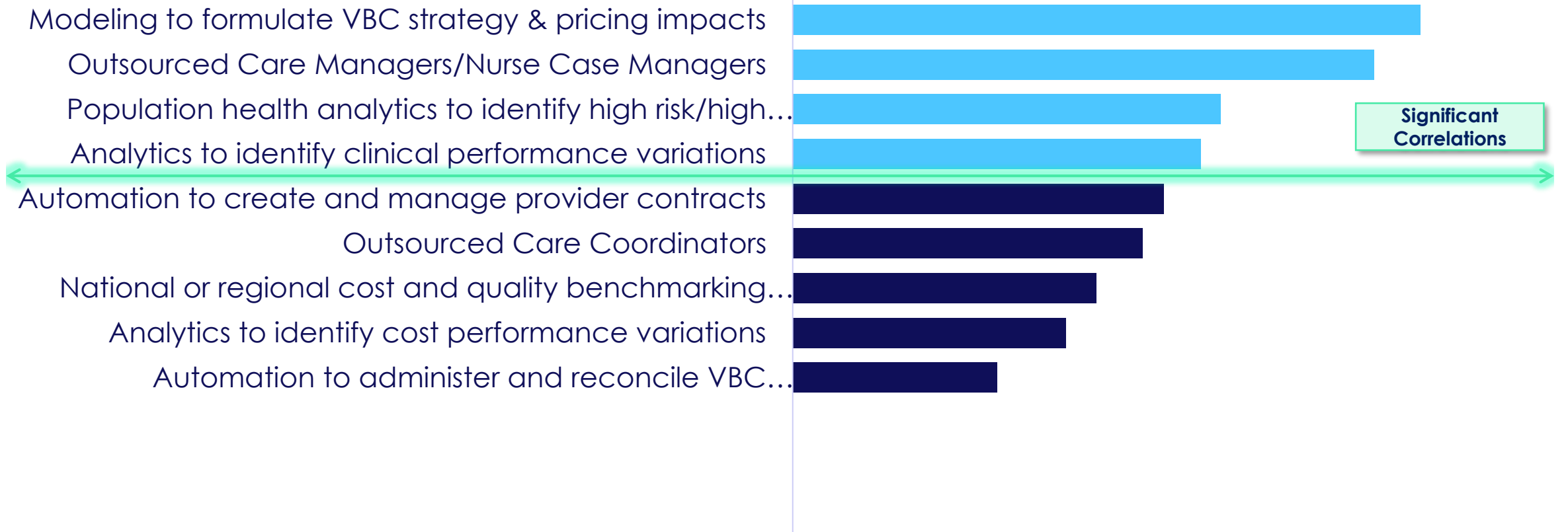
Grouping Software/ Services To Analyze Claim History By Episodes Of Care  
 National Or Regional Cost And Quality Benchmarking Analytics Data  
 Analytics To Identify Clinical Performance Variations  
 Provider Reporting/ Dashboards To Share Results  
 Population Health Analytics To Identify High Risk/High Cost Members  
 Modeling To Formulate VBC Strategy & Pricing Impacts  
 Analytics To Identify Cost Performance Variations

■ Vendor Provided ■ Internally Developed

# Factors Driving Medical Cost Savings



## Capabilities Correlated with Medical Cost Savings



Section 2.0

# Drill Down: Episode Intelligence

## *The State of Episodes of Care in 2018*

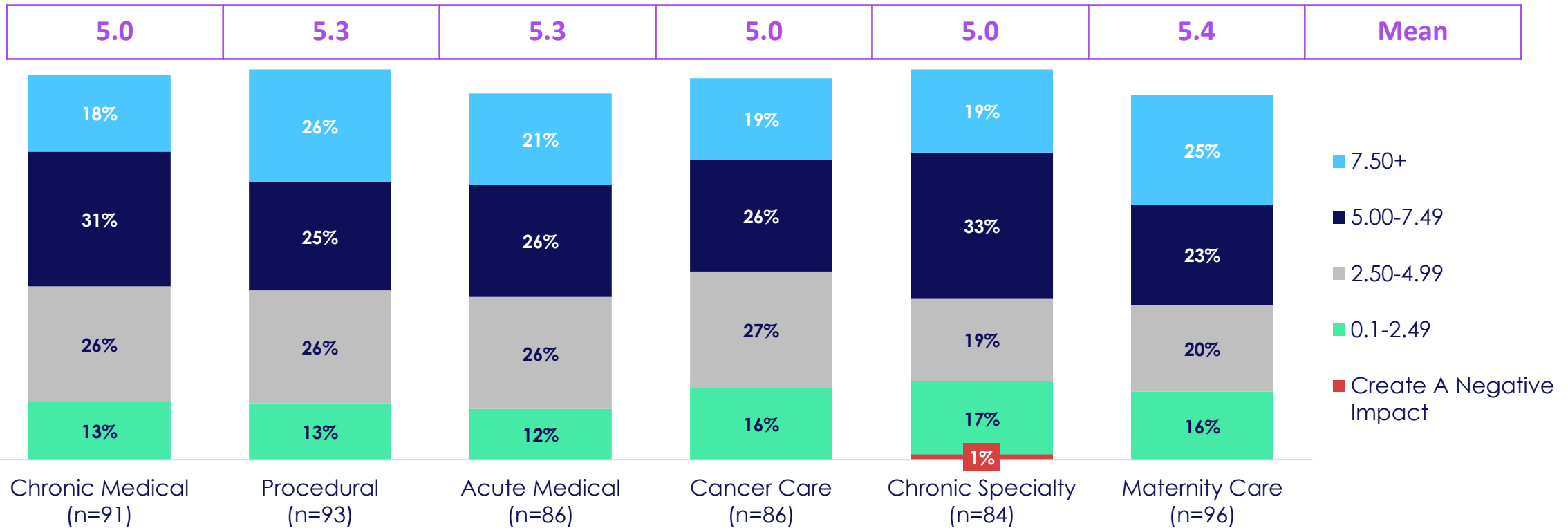
Original research by  **ORC**  
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# Episodes: Consistent Cost Savings



Episode Impact on Medical Costs (% Decrease)

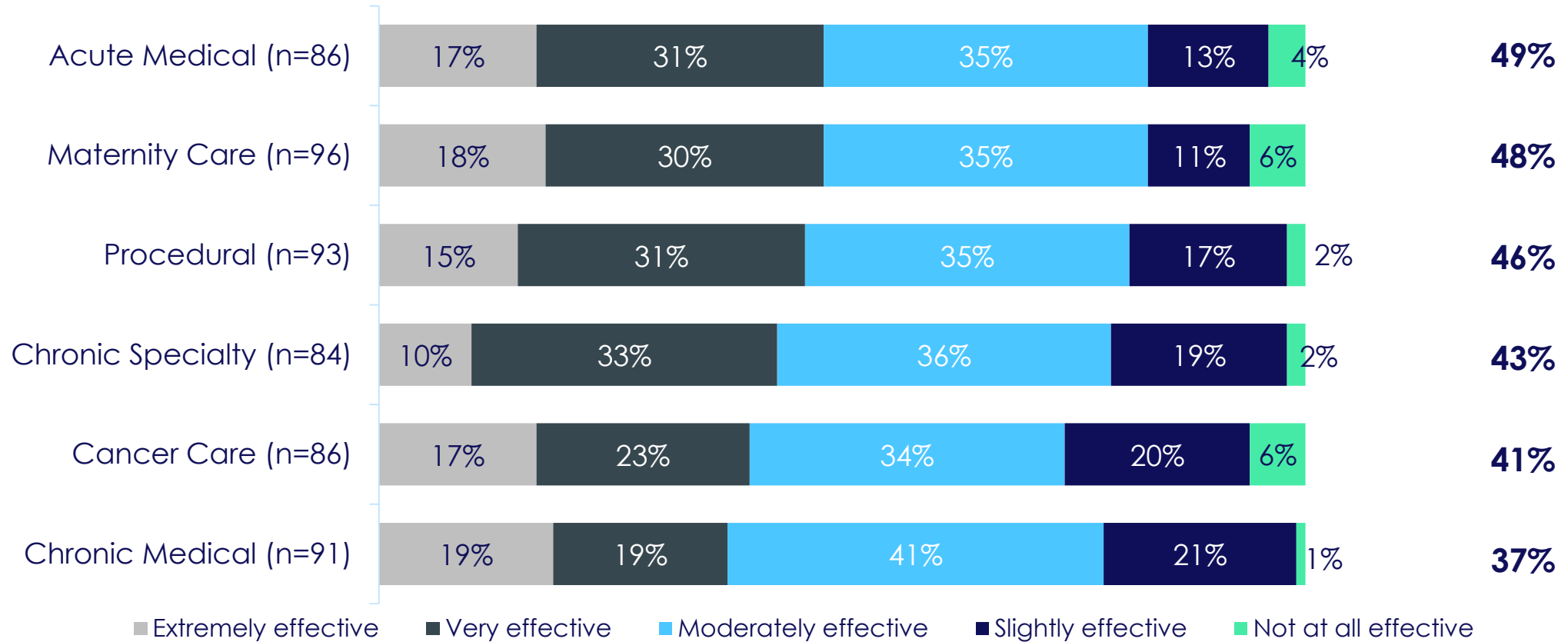


# Episodes: Quality Improvement Across Programs



## Effectiveness of Improving Care Quality by Episode Type

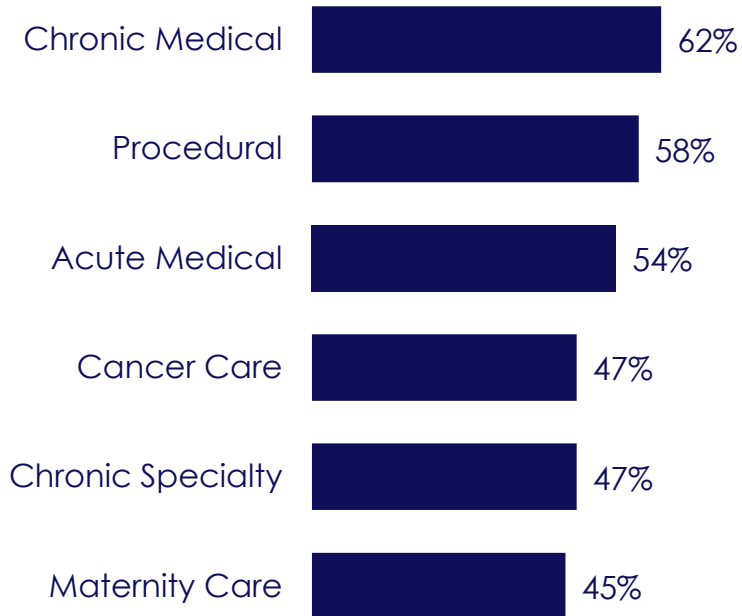
% extremely/  
very effective



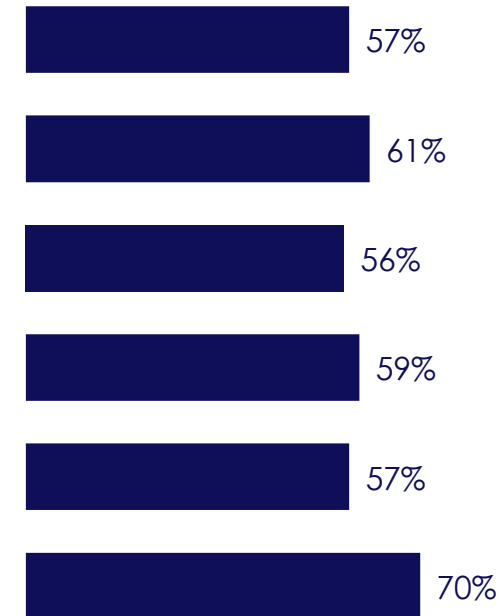
# Episodes: Commercial LOB Eclipses Managed Medicaid and Medicare Advantage

Frequency of Episodes of Care by Type and Line of Business

## Managed Medicare & Medicaid Programs



## Commercial Lines of Business

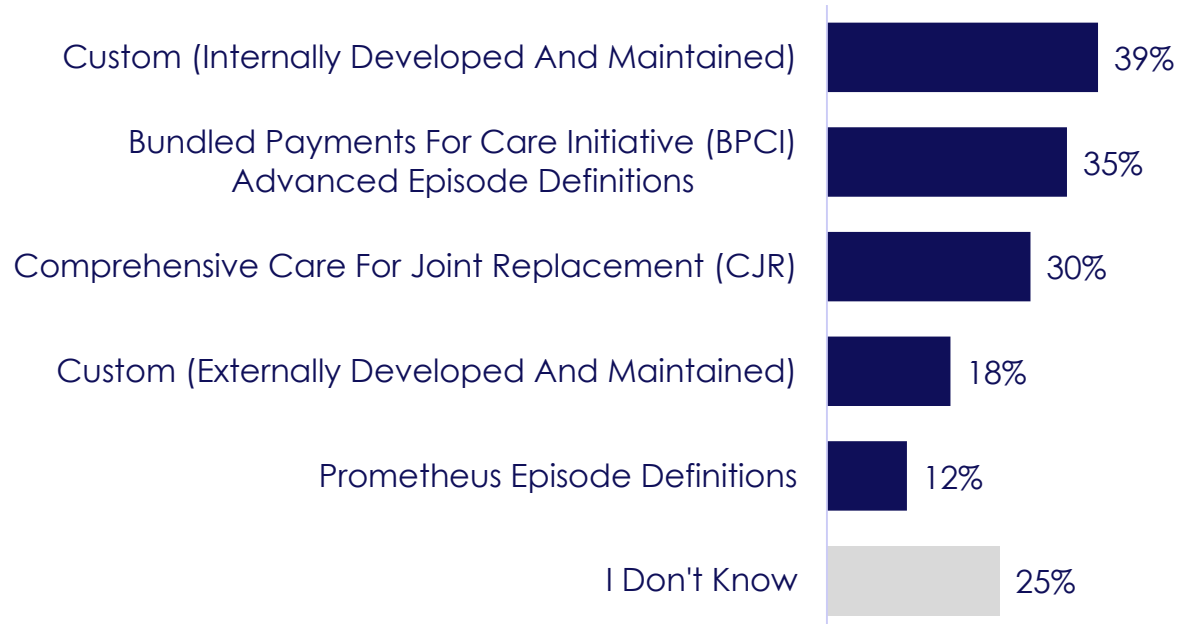


# Episodes: A Need for Speed

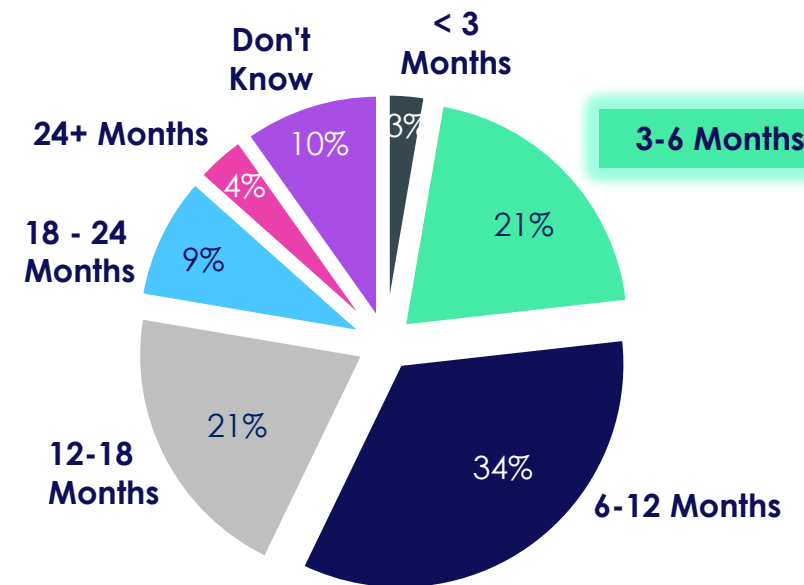


## Use and Time to Implement Groupers

### Episode Grouper Types



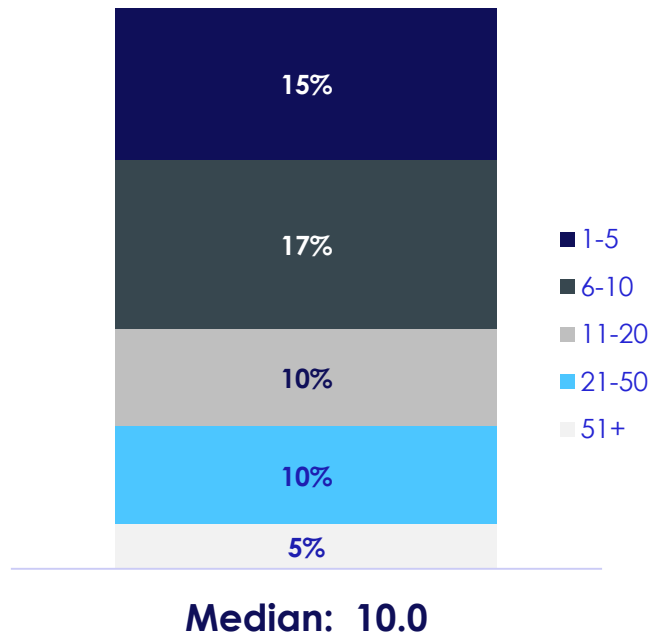
### Time Required to Roll Out New Episode-of-Care Programs



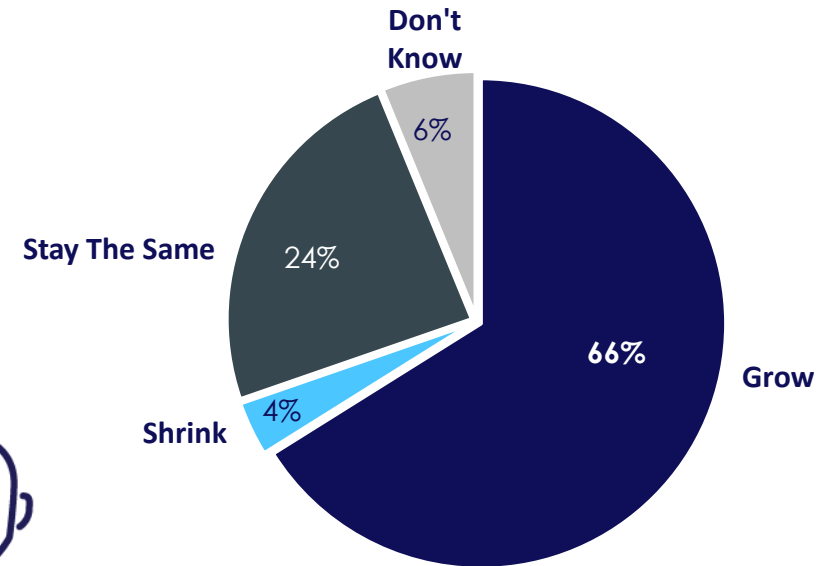
# Episodes: Medical Cost Savings Driving Investment

## Full-Time Employees Supporting Episode-of-Care Programs

Number of FTEs Dedicated to Supporting Program



Whether Number of FTEs Will Grow, Shrink, or Stay the Same Over the Next 3 Years

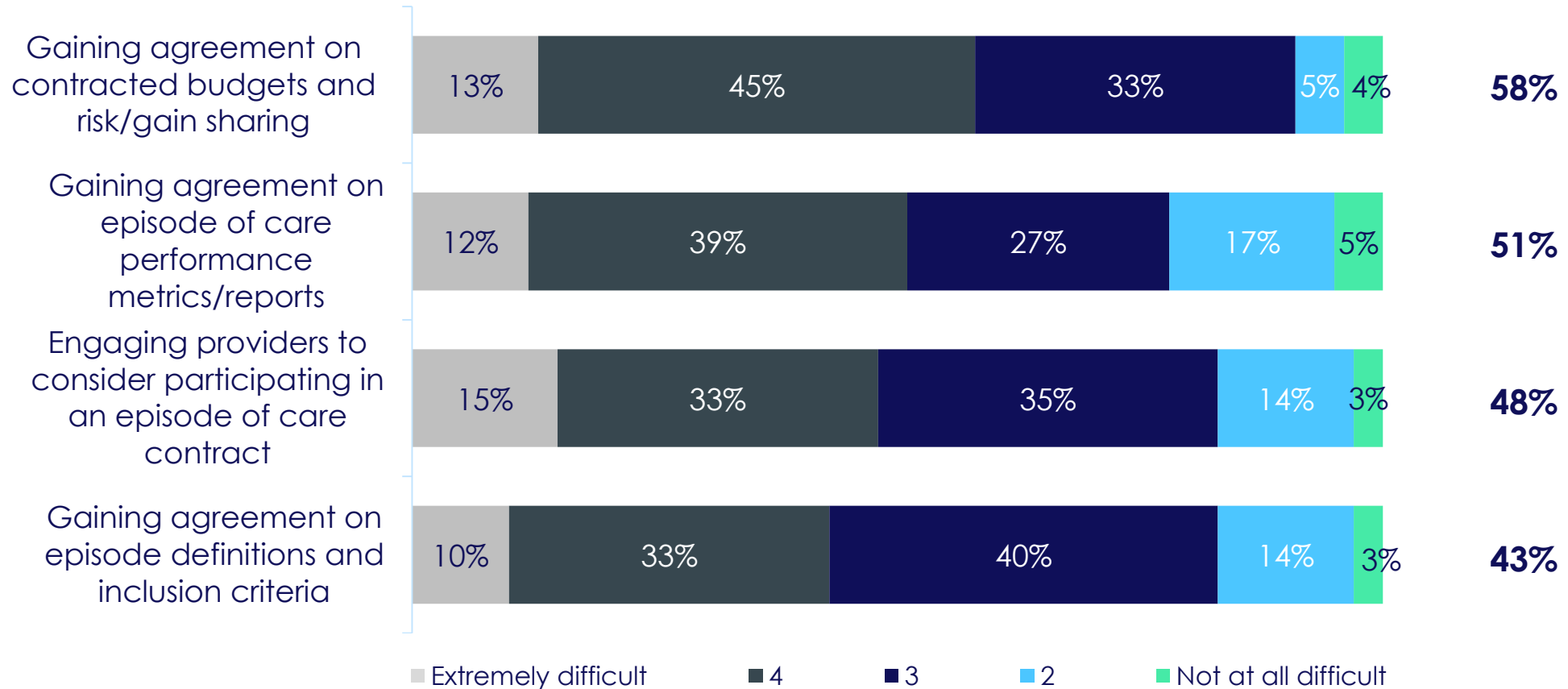




# Episodes: The Provider Engagement Challenge

## Difficulty with Provider Adoption

% extremely/  
very difficult



# To Learn More

If you'd like to learn more about how Change Healthcare can help you use Episode Intelligence to identify, design, and scale an Episodes of Care strategy, contact:

Jim Mayhall - [james.mayhall@changehealthcare.com](mailto:james.mayhall@changehealthcare.com)