Shifting from Fee-for-Service? Adopt this Winning Value-Based Approach

We show how it is possible to maximize and systematize your risk arrangement opportunities by pursuing a two-stage, value-based care initiative. The key is adopting a team-based approach toward governance, shared vision, accountability, flexibility and execution.

As health care organizations wrestle with the enormity and complexity of new risk-based payment arrangements with multiple payers, they also seek to adopt new approaches to value-based care. A typical goal is to improve the quality, consistency and cost of patient care, as well as patient experience.

Achieving systemic improvements in value-based care can be arduous, given the inherent challenges of updating or changing legacy systems, processes and cultures.

In this article, we show how it is possible to maximize and systematize your risk arrangement opportunities by pursuing a two-stage, value-based care initiative. The key is having a team approach toward governance, shared vision, accountability, flexibility and execution.

Stage 1: Establish Your Strategy

The first stage of upgrading your risk arrangements is establishing a firm strategic foundation, to ensure project efficiency, accountability and collaboration. Start with the following five strategic steps:

1. **Create a system-wide governance structure –** An overarching governance structure will drive all decisions

and activities related to risk arrangements. Pursue clearly defined, system-wide governance processes, with links to your health system's enterprise leadership team and operations leadership team.

2. **Establish clear accountability for all program components –** Include input from all key program operations. This will typically mean representation from contracting, care coordination, quality performance, finance, communications, IT and analytics, reporting and data inquiry. Assign accountability to key functional and operational leaders throughout the system.
3. **Establish and maintain program and project management rigor –** Start with the mindset that to properly support implementing new risk arrangements, all involved must adhere to contractually required reporting deadlines. Define standards for issue resolution, IT requests, performance monitoring, communications, quality and care coordination processes, based on meeting your established targets.
4. **Embrace technological enhancements –** Enable ongoing improvements in technology to address internal needs and provide the necessary infrastructure to meet product requirements. For example, this could include developing algorithms to attribute patients to the right provider (assigning groups of patients to the providers they visit most often) and track their progress within an electronic health record system. It can also mean developing internal and external reports to track patient engagement, access, quality and utilization. Actionable dashboards are key to supporting decisions needed to address issues impacting quality, access and/or performance. Leadership should define key performance indicators and coordinate with their analytics team to ensure that the data is accurate, complete, consistent and actionable.
5. **Emphasize transparency, teamwork and a shared vision –** Create a team committed to the concepts of open and honest discussions, forums to address "pinch points" and strong leadership. The team should discuss how its work is aligning to the vision on an ongoing basis.

Stage 2: Champion Rigorous Execution

An initiative as ambitious as shifting from a fee-for-service to value-based system requires project activities to be carefully managed, coordinated and communicated. Consider focusing on the following five key tactics:

1. **Establish an operations task force –** As a subset of your strategic governance structure, include an operations task force. This group should be responsible for all project activities, including the initiative charter and kick-off, complex case and disease management tracking, resource needs, and all relevant health plan and program meetings/activities.
2. **Centralize and conduct "opportunity assessments" of new federal, state and/or commercial risk arrangements for value-based care and markets council review –** Given the complexity and speed of changes in risk arrangement opportunities among commercial payers and CMS, and the potential these changes often bring to serve new and expanded patient populations, centralize your change monitoring and analysis. Project personnel should review all relevant current and future risk arrangements for opportunities

and efficiencies. This may also mean having task force staff attend pertinent CMS and industry webinars that provide overviews of pending risk arrangements.

3. **Proactively pursue suitable risk arrangements –** Successfully managing and maintaining risk arrangements requires highly engaged involvement and visibility by internal risk management experts when negotiating with health plans. Be sure you have the right risk management experts in place and that they are sufficiently empowered to aggressively pursue appropriate risk arrangements in accord with your organization's designated capabilities.
4. **Drive risk arrangement implementations –** Once your risk arrangements are in place with payers, engage all required/relevant functional teams (e.g. analytics/reporting, IT, quality, communications, contracting) on subsequent activities. These may include:
    1. **Provider collaboration –** Have functional team leads from your acute and ambulatory areas and administration regularly meet to share progress on patient engagement, care coordination and quality. The goal of such meetings is to engage team leads in supporting system consistency, sharing best practices, resolving issues and keeping their functional team members updated on overall implementation status. Potential topics might revolve around execution barriers, risks and issues and how to address them.
    2. **Health plan collaboration –** Schedule executive steering committee meetings with health plans to discuss progress and best practices. Early on, identify methods to support collaboration throughout the endeavor to improve upon your value-based care goals throughout implementation. For example, provider and health plan case managers can regularly meet to coordinate patient care, while technical resource staff meet to manage patient data across both the provider and health plan systems. Additionally, hold best-practice and "lessons learned" meetings to gain input from other health systems participating in similar risk arrangements.
5. **Support executive-level reporting –** Recognizing the ongoing need to provide organizational executives with updates on progress, coordinate and prepare materials for regular executive committee meetings. For example, these materials could include a performance dashboard to identify your number of attributed patients, and how you are aligning to designated quality, financial, access and utilization targets. Similarly, plan on preparing and supplying reporting materials with the participating value-based payers.

Conclusion

Due to the complexity and enterprise-wide impact of value-based payment arrangements, maintaining strong executive commitment for these arrangements requires a well-coordinated, systemic approach to program management. Once risk arrangements are in place, they require diligent, ongoing performance monitoring and operational adjustments, as needed. These arrangements also require responsive staff and technology implementation to support all required reporting, analytics and operational processes.

By applying a team-based approach toward implementing value-based risk arrangements, employees within your health system can work together more effectively to meet both the ongoing care needs of your patients as well as your organization's best interests.

