Critical Drivers to Success in Value-Based Care

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Health systems across the country are trying to adapt their enterprises to respond to the push toward value-based care.

But what factors drive improved performance?

At Lumeris, through historical data analysis and predictive modeling, we have categorized six drivers that account for 95 percent of the performance outcomes under our approach.

Key Drivers

We outline six key drivers of performance in value-based care:

1. **Aligned Incentive Contracting**
2. **Effective Physician Compensation & Incentives**
3. **Physician Mindshare**
4. **Ideal Leadership & Organizational Structure**
5. **Powerful Technology & Information**
6. **Practice Transformation & Accountable Care Delivery**

Financial Alignment

1.
Aligned Incentive Contracting

Core to the transformation in healthcare is financial alignment across stakeholders. Value-based contracts between payers and provider entities must include patient-focused incentives that encourage providers to improve quality and access while managing costs. Contracts should also cover large enough populations to drive total cost of care incentives. Payers must account for the level of risk providers can manage and what capabilities and resources are in place to support those contracts. Over time, these contracts should evolve to advance the assumption of risk by providers. Finally, value-based contracts must include sufficient opportunities to reward medical groups and individual providers and to enable reinvestment in value-based care initiatives.

2.
Effective Physician Compensation & Incentives

The alignment of goals must occur not just at the health system/payer contract level but also at the individual physician level. That necessitates rewarding physicians for generating value. Physicians with “skin in the game” are more likely to change their behavior. Compensation metrics should align with value-based goals of the group and system while balancing individual and group incentives. In addition, metrics must be credible and measurable, with incentives that are meaningful and promote behavior change.

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Structure & Governance

3.
Physician Mindshare

Value-based care's success hinges on physicians' willingness to undertake the hard work of changing their practices to improve quality and rein in costs. This starts with getting providers' attention. Gaining buy-in requires having enough value-based lives in physicians' own patient panels to make the effort worth their energy. Health systems can facilitate this process by narrowing the network with a select group of high performing primary care physicians who are willing to start the transformation and build momentum. With experience and success, the network can expand to manage additional value-based lives as value-based contracts grow.

4.
Ideal Leadership & Organizational Structure

The alignment of attitudes at the leadership and frontline levels is essential for a successful transition to value-based care. The cultural shift requires an effective governance structure—one that has physicians as its focal point but also incorporates the broader care team and staff. As physicians are promoted into leadership roles, they will need education and training around value-based care principles as well as dedicated time to drive these initiatives. Moreover, all providers participating in value-based contracts need forums for best practice sharing, opportunities for mentorship, and routine performance reporting and feedback.

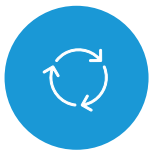
Technology-Enabled Transformation

5.
Powerful Technology & Information

Successful value-based care delivery relies on the right information. At minimum, technology and analytics should:

1. Provide timely and actionable information.
2. Exhibit the transparency of cost and performance across the care continuum.
3. Identify improvement opportunities for the population, provider, and patient.

However, technology alone is not sufficient to drive change. It must be applied in the context of total system transformation and operations to be effective and useful. To help change behavior, providers need support in understanding and interpreting population health data. Moreover, they require the right tools embedded in their workflow that will provide relevant information to support decision-making.



6.
Practice Transformation & Accountable Primary Care Delivery

In the transformation from fee-for-service to fee-for-value, health systems must determine how to deliver accountable primary care. This change requires developing new care models and data-driven programs that coordinate activities and resources across the continuum. On the front lines, providers must also change the way they interact with patients, utilize their support staff, and run their practices. Providers will need support as they take on new, often unfamiliar tasks associated with managing a patient population on cost and quality. Role-based playbooks and interconnected technology tools enable the entire care team to understand their daily, weekly, and monthly routines. Training, on-the-ground support, and clinical mentoring facilitate change. The result is the delivery of true accountable primary care.

About the Author

In her role as Corporate Chief Medical Officer for Lumeris, Dr. Debbie Zimmerman builds the clinical strategy for the organization to support the Lumeris operating model. She directs the physician leadership team in supporting health systems transform their organizations to deliver value-based care, including developing and implementing clinical programs and quality management functions. Dr. Zimmerman also leads Lumeris University, where she is responsible for all internal employee training and onboarding, physician mentoring and PCP boot camps, clinical content, and the Lumeris Innovation Conference. She is Chief Medical Officer for Essence Healthcare, a high-performing Medicare Advantage plan which has averaged 4.5 Stars for the last 12 years.

Dr. Zimmerman has a long and distinguished history of medical leadership at health plans such as Cigna, Group Health Plan, and Health Partners of the Midwest. Before joining Essence Healthcare, she served as Chief Medical Officer of Mercy Health Plans, a provider-sponsored plan owned by Sisters of Mercy. She is also an accomplished entrepreneur, having co-founded a successful disease and complex case management firm. Dr. Zimmerman practiced internal medicine for 15 years and is licensed to practice in California and Missouri.

About Lumeris

With Lumeris as a partner, health systems across the country are fulfilling the promise of value-based care. A joint-operating partner in both value and risk, Lumeris delivers market-leading technology, insurance capabilities, and on-the-ground expertise to more than one million patients and 7,000 physicians nationwide. Lumeris is proud to offer 4.5-5-star health plans that consistently deliver better clinical and financial outcomes for Medicare, Medicaid, Commercial, and Individual populations.

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