

THE PANDEMIC PUSH TO VALUE-BASED HEALTHCARE REFORM: PAYING FOR BETTER CARE

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SOME IMPORTANT POINTS

- The U.S. Needs a Better Way to Pay for Care
 - We Need to Pay for Care That Is Continuously Improving
 - We Need to Pay for Keeping People Well
 - We Need Pre-Paid Risk-Adjusted Per Member Per Month “Health Budgets”
 - Traditional Fee-For-Service Payment Will Not Be Able to Sustain Any Expansion in Insurance Coverage
- Source: Halvorson G, Shortell SM, Kotlikoff L, Mitchell E, Scheffler, RM, Toussaint J, Wadsworth PA, Wilensky, G. “Better Care Plan: A Public Option Choice”, Health Affairs Blog, November 16, 2020.

DISTINCT ADVANTAGES

- Provides Incentives to Continuously Improve Evidence-based Care with an Emphasis on Prevention
- Provides Incentives for Innovation to Develop New Models of Care-Technology-Enabled Team Based Care
- Provides Up-Front Cash Flow and Predictable Revenue Stream for Providers – Importance Highlighted by Covid-19 Impact on FFS Providers

- Source: Halvorson G, Shortell SM, Kotlikoff L, Mitchell E, Scheffler, RM, Toussaint J, Wadsworth PA, Wilensky, G. “Better Care Plan: A Public Option Choice”, Health Affairs Blog, November 16, 2020.

THE EVIDENCE

- Better Outcomes, Lower Cost - Studies Based on Medicare Advantage Experience and Private Sector Risk Based Contracts Research
- High Patient Experience Ratings
- Nearly 4 Out Of 10 Medicare Beneficiaries Now Choosing Medicare Advantage –Pays Providers Based on Prepaid Budgets

FOR DISCUSSION

- Gain Key Stakeholder Support
- Negotiating the Upfront Prepaid Risk-Adjusted “Health Budgets”
- Advances in Risk Adjustment – Incorporating the Social Determinants of Health and Deprivation Index
- Promoting Competition Among Health Plans
- Making Adjustments for Rural Areas – Network Adequacy and Related Issues