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WHITE PAPER

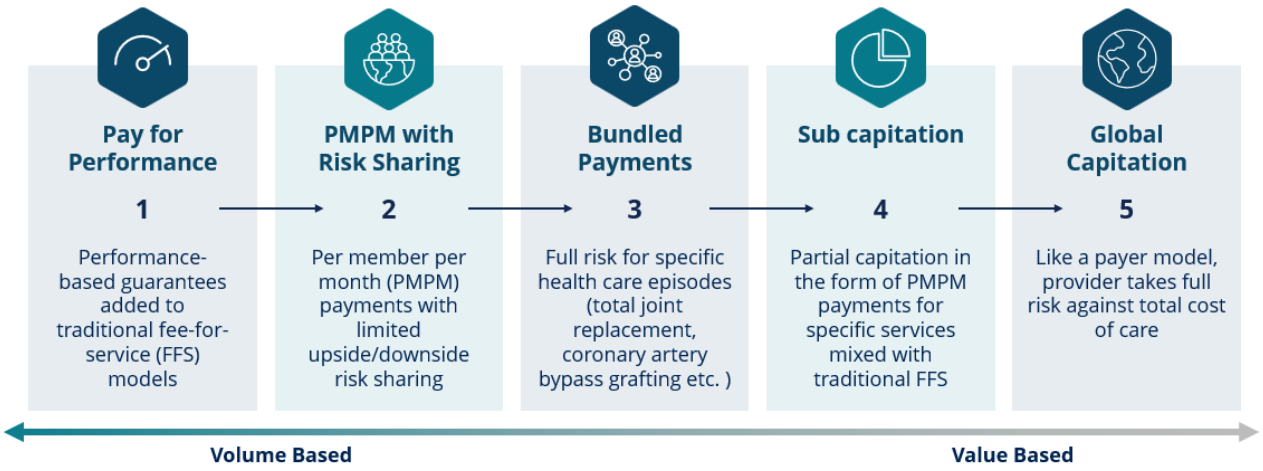
Will Whole Person Care Bring the Value in Value-Based Care?

Providing the Value in Value-Based Care: What Whole Person Care Means for Providers and Patients Alike

Today's Value-Based Care Landscape

Historically, the United States healthcare system has operated in a fee-for-service, or quantity-driven reimbursement model. This type of model allows the health care provider or organization to be reimbursed based on the services provided to their patients, which in turn, rewards providers for volume of services completed, rather than the patient's outcome attained. Fee-for-service has led to excessive health expenditures, inefficiency, decreased focus on primary care, and an increase in unnecessary services and procedures.

In the past years - largely driven by the Centers for Medicare and Medicaid Services along with The Affordable Care Act - the U.S. has begun shifting away from a strict fee-for-service model, to a vast array of value-based care (VBC) models. These models come in many different shapes, flavors, and risk-sharing levels, but all center around the idea of rewarding providers based on patient health outcomes, rather than number of services rendered.



Value-based care organizations and providers are rewarded for helping their patient panel improve their overall health, reduce the incidences of chronic conditions and diseases, and live healthier lives. The word value in value-based care is from the idea of measuring health outcomes against the cost of delivering those outcomes.

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Beneficiaries of value-based care include patients, providers, payers, suppliers, and society as a whole:

NEJM Catalyst (catalyst.nejm.org) © Massachusetts Medical Society

How big is the Value-Based Care Market Today?

Value-based care has been iterative with new programs and models being developed and evaluated frequently. In 2020, 40.9% of the United States healthcare payments (representing 238.8 million Americans and over 80% of the covered population) came from value-based care models. On top of the 40.9%, an additional 19.8% of US healthcare payments were tied to quality of care while still technically participating in fee-for-service models. It is industry belief that the number of organizations participating in value-based care will continue to increase. The global value of the value-based care market was $1.94B in 2021 and is anticipated to have a compound growth rate (CAGR) of 13.3%, bringing the value of the global market to $2.2B in 2022. It is estimated that the market will reach $3.4B in 2026 with a CAGR of 11.5%.

Benefits of Value-Based Care

The targeted benefits of an adopted value-based care model are abundant. Overall, patients become healthier and more educated in their health and health/lifestyle choices and providers are granted opportunities to improve their patient population's overall wellness while also managing their financial risk. Some additional benefits associated with these models include:

- **Cost Reduction:** These models are based in prevention and recovery, helping patients and providers spend less on care. VBC incentivizes risk-bearing entities through management of chronic conditions, requiring fewer doctor visits, tests, procedures, and medications for patients.
- **Improved Patient Satisfaction:** When reimbursement is driven by performance over quantity of services, the quality of care delivery increases. Patients also become more informed due to access to their health data, which allows them to make healthier decisions and make better lifestyle choices.
- **A Healthier Patient**: Patients tend to become healthier at a lower cost with value-based care. Medical emergencies and hospitalizations decrease, therefore decreasing overall health spend for both patients and providers.

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Current Limitations and Gaps in the Landscape

There are a number of gaps and challenges that have been identified that greatly impact value-based care providers and patients alike. The following are some of the top identified gaps in the value-based care industry:

- **Data access and quality:** Complete data sets on patients, financial performance, and benchmarks are needed to onboard patients into VBC programs, to manage transitions of care, and to help the patient panel improve its overall health. Yet data is difficult to procure due to a lack of interoperability and incomplete data sets within Health Information Exchanges, making it nearly impossible to drive the insights needed to achieve desired outcomes. Available data will help identify care gaps, provide better risk management opportunities, as well as ensure more sound financial projections for value-based care providers.

- **Physician compensation:** While many physicians are embracing risk-based contracts, many are still compensated based on volume rather than value. For value-based care to be successful, performance-based payments need to become the norm rather than an exception. As upside is realized in at-risk contracts, individual provider compensation must correlate. Provider impact is the leading driver of success, and it is dependent on understanding patient baseline as well as emerging risk. Whether thinking about a previously unknown patient or one that has recently experienced a life event, timely holistic data is the key to making the most informed clinical decisions. Providers must be recognized for effectively navigating what data is available today.

- **The current care landscape does not fully support value-based care:** There are many opportunities that remain for improvement of quality and efficiency of care in the value-based care space. Sharing of clinical data remains fragmented with many EMRs and providers choosing to participate in health information exchanges in an incomplete capacity. Patients are often required to chase their own medical record in order to schedule an appointment with a specialist. In order to be successful in driving a shift from fee-for-service to value-based care models, a comprehensive solution must be enabled that includes both data from clinical and social sources. This holistic data needs the ability to be requested and delivered in a quick, easy, and compliant manner, either before or at the point of care. Although providers need to be willing to share data for this to work, technology companies must contribute by developing workflows to assist in this type of data sharing.

- **Lack of comprehensive tools:** While many technology companies are facilitating the shift toward value-based care, there is not one all-encompassing solution providers can adopt to mitigate risk and drive success. The various companies providing cost reduction and administrative tools are missing a critical part of the solution: access to data. Success in value-based care requires single-source access to complete clinical, cost, race, ethnicity, and social determinants of health information.

- **Risk stratification:** Providers need the ability to understand who their sickest patients are, and identify what services are needed for those patients. Risk stratification can become difficult without enough data on a provider's patient population, especially with patients who may be newer and not have existing relationships with that provider. Providers today tend to lack the infrastructure to appropriately risk stratify their patient population.

- **Identification of at-risk patients:** Once risk-straitfication occurs, providers need the ability to rapidly identify which patients are most at-risk, and have the ability to move them into an intervention programs. Both trigger-based and recurring streams of data workflows would be effective in helping to determine who this population consists of.

How to solve for those gaps

Data is the solution for many of the issues that the value-based care industry is facing today. By enabling value-based care stakeholders with data-driven tools and insights, the model will be able to more efficiently scale. For this to be achievable:

1. Large, complete data sets on diverse populations are needed to build risk models and design intervention programs. This data should include electronic health records, claims, social determinants of health,, genetics, etc to give a whole patient and patient panel understanding.
2. Periodically-updated longitudinal medical information on each patient should be available to run through the above mentioned models and identify current risk profile, and interventions that should be introduced.
3. These periodic updates should be supplemented with real-time health data monitoring for "trigger" events that indicate an acute intervention need (e.g. a patient shows up at the Emergency Department for something new, the get an abnormal test result, their primary care doctor now needs to change their care plan) so that the patient can be moved into an intervention program quickly.
4. Bullets 2 and 3 should include both clinical and social determinants of health data to identify clinical risk factors and behavioral, demographic, and other risk factors (food insecurity, etc), and to indicate which support programs might be most effective (e.g. if a patient has no access to transportation a provider may enroll them in a telehealth or home-based clinical support program).

> All to say, value-based care organizations need recurring streams of identified data to ensure the best possible outcomes for their patient panel while also managing financial risk effectively.

How data could impact the delivery of value-based care

Data will be what enables value-based care models to scale significantly in the future. If data is captured and delivered in a timely manner, a provider could have immediate access to health insights on both their individual patients, as well as their patient panel. This recurring stream of data will also be able to assist the provider in having a longitudinal view into the health of their patient panel. This level of deep insight will allow historic care gaps in the value-based care space to close. A comprehensive and robust set of data will enable providers to make better clinical and financial decisions.

Timing, efficiency, and accuracy matter. We need to move beyond the days of patients acting as medical and social historians. Objectivity matters in medical decision making and providers need a clearer, succinct view of the patient who is sitting in front of them rather than relying on a patient's memory when they dictate their medical history during short face-to-face interactions.

Today, the required data tends to be siloed across a vast number of locations, many of which are hard to access. Enabling the interoperability of clinical data will therefore be critical to the success of value-based care. To truly

master value-based care, a provider must understand the story of their patient. Although elements like Admission, Discharge, and Transfer (ADT) feeds are critical to understanding a patient's healthcare journey, they only provide a shallow depth of information in limited care settings. Yes, a provider can see when their patient ended up in the hospital; however, these feeds do not provide nearly enough data to make clinically-relevant care management decisions. ADT are now widely available and nearly commoditized, it can act as a trigger to grab the most recent and relevant components of whole person data. However, these feeds do not provide a full view into patients who may still be considered high-risk or developing emerging risk, but adhere to their treatment plans and do not have recent hospitalizations. By focusing solely on ADT feeds, providers are strictly acting in a reactive manner. Value in VBC is derived when inpatient stays and health decline are mitigated in a preventative manner. A paradigm shift needs to occur where providers are getting a wide breadth of data on their patient panel, including but not limited to ADT feeds, from diverse data sources.

As value-based care continues to gain traction in the United States healthcare system, data accessibility will need to go beyond clinical data to support decision making. Real time social data will need to be viewed as equally important to understanding the whole picture of a patient's health and how to manage it. Social determinants of health (SDOH) are the conditions in the environments where people are born, live, learn, work, play, worship, and age that affect a wide range of health, functioning, and quality-of-life outcomes and risks.

Social data is critical to understanding the resources a patient has available in order to better improve their health outcomes. In a recent study, the Kaiser Family Foundation "found that social factors, including education, racial segregation, social supports, and poverty accounted for over a third of total deaths in the United States in a year." Increased collaboration of clinical and social data among value-based care providers can lead to:

- More effective treatment plans influenced by both clinical and social factors
- Enhanced ability to address social needs and ensure the correct referrals are given for comprehensive support.
- Improved health equity for patients

By better understanding a patient's real-time clinical status, as well as social needs, a provider can help ensure a holistic wellness experience which encompasses clinical, behavioral, environmental, social, and understanding. This deep insight into the patient on a personal level will lead to whole person understanding.

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How Ciox and Datavant are adding Value to Value-Based Care

Ciox, powered by Datavant Switchboard, is solving complex, data fragmentation challenges across the value-based care space. By connecting our digital ecosystem, value-based care providers are able to access previously unconnected data sources - both clinical and social - in a safe, easy, and compliant manner. In addition to this vast span of digital health connections, Ciox provides an even deeper layer of clinical understanding by powering manual retrieval efforts. These digital connections and manual efforts will provide data that will help fuel whole person understanding for providers and value-based care organizations, while allowing for improved health outcomes, and better managed financial risk.

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