Part IV

Health Rosetta

This is the how-to portion of the book. The Health Rosetta blueprint represents the work of the best minds in health benefits and the employers that have had many years of sustained success following their lead. This section lets you contrast what your current benefits plans with proven best-practice approaches. The Health Rosetta evolves nearly every day as evidence and ideas are shared in this open source community. Like the Rosetta Stone, the Health Rosetta is the path to deciphering health care's hieroglyphics.

For example, every employer who has slayed the health care cost beast has recognized the importance of proper primary care. Sadly, most Americans experience a badly undermined primary care model that is largely a referral machine to costly and often unnecessary treatments.

A very small portion of your employees in a given year account for a large percentage of your health care spending. It's not uncommon for 6 percent of your employees to account for 80 percent of your spending. Unfortunately, up to 50 percent of these high cost and complex cases are riddled with misdiagnoses and inappropriate treatment, which inevitably lead to worse outcomes and higher costs.

We wrap up with a checklist of necessary elements to include in an ERISA health plan that will protect and empower your organization.

CHAPTER 14

VALUE-BASED PRIMARY CARE

What is Value-based Primary Care?

Value-based primary care (VBPC) is an umbrella term that includes various delivery models that involve direct financial relationships between individuals or employers and primary care practitioners (PCPs) *outside* of the traditional fee-for-service insurance model, though your plan administrator may manage the value-based contract rather than you directly. Value-based primary care offers patients, physicians, and purchasers an alternative to traditional fee-for-service (FFS) payment arrangements, in which physicians are reimbursed according to the volume of services they provide regardless of quality. VBPC has matured as health care purchasing shifts from volume to value payment models.

Value is defined as the ratio of quality to cost. Value increases as the quality of the care increases or the cost of care decreases.

In the United States, there are two primary models for VBPC, though this space is evolving rapidly with much more differentiation emerging.

- Direct primary care (DPC), in which care is offered directly to individuals, plan administrators, and employer in a range of

practice models from solo practitioners to national organizations
- Onsite/near-site clinics fully or partially dedicated to the workforce of a specific employer

How Does It Work?

Providers of VBPC typically charge a monthly, quarterly, or annual membership fee, which covers all or most primary care services including acute and preventive care. The fee is paid out of an individual's own pocket, by a sponsoring organization such as an employer or union, or by a health plan offering commercial or government programs, such as a Medicare Advantage plan. Most commonly, the practice has been devoted to the particular sponsoring entity (e.g., a near-site clinic for employers/unions or a Medicare Advantage-based clinic devoted to seniors), but models that serve multiple clients are maturing.

The flawed incentive structure of FFS demands very short primary care appointments, which often drive referrals to unnecessary high-margin services such as scans and specialists and result in an overreliance on prescriptions. The reduced overhead from eliminating FFS billing also allows VBPC practices to offer a more proactive care model that can lead to significant reductions in downstream costs.

Why Should You Support It?

VBPC aligns your interests with primary care providers, which can improve health outcomes and significantly lower costs for your employees and members. Health outcomes are improved by shifting the focus from reactive, episodic care to a continuous care relationship, population health strategies such as preventive and chronic care, optimizing specialty care referral channels, and care management.

The VBPC model also delivers a substantially better experience for patients, often in one or more of the following ways.

- More time with their provider
- Same day appointments
- Short or no wait times in the office
- Better technology, e.g., email, texting, video chats, and other digital-based interactions
- 24/7 coverage by a professional with access to their electronic health record
- Far more coordinated care

VBPC also improves provider experience and professional satisfaction, which, in turn, is known to improve the quality of care.

What Are the Key Elements to Look For in a VBPC Provider?

1. Quality Reporting

Clinical quality measures (e.g., What percentage of patients were vaccinated in line with standard schedules? Required hospitalization? Received domestic violence screening?) are reported in appropriate detail to:

- The individual patient
- The purchaser
- A community health information exchange (HIE), where available

2. Shared Decision-making

PCPs use established communication techniques to ensure patients are educated and engaged in making decisions about their own care, being respectful of preferences, ethics, and economic concerns. Coordinating efforts with employers and health plans, PCPs clarify and validate health information about patient conditions, rights, and available options.

3. Care Coordination

PCPs actively coordinate care with specialists and ancillary providers, ensuring post-hospital and post-surgical follow-up. Care coordination should not be predicated or dependent on all providers sharing a common electronic health record (EHR). Employers and plans should exert leverage on all nonconnected providers to share information via an HIE.

4. Population Health Management

Management of chronic conditions is proactive, aggressive, and team-based, using patient advocates, care manager nurses, and personal health assistants/coaches. Care is facilitated through the use of patient registries, either embedded in the EHR or through collaboration with the HIE.

Preventive services include evidence-based screenings (specifically excluding those known to be harmful or of questionable value) and active pursuit of both childhood and adult vaccinations according to current recommendations from the Advisory Committee on Immunization Practices of the Centers for Disease Control and Prevention.

5. Value-based Payment Models

Compensation models reward physicians on a nonvolume basis, such as straight salary, per member per month fees, or the overall number of patients for which they are responsible. Purchasers should look for a portion of VBPC provider compensation being dependent on value, as determined by some combination of quality metrics, patient experience scores, and resource stewardship. The general nature of the compensation model should be transparent to help inform the purchaser's selection of providers.

6. Patient Experience

Standard methods are used to measure patient experience and engagement. Patient advisory panels are incorporated in

the practice to offer guidance about service functions and assure a patient-centered orientation. Purchasers should expect to see aggregated experience scores as one measure of quality.

7. Evidence-based Medical Care

The practice is grounded in evidence-based medicine—as demonstrated to purchasers through transparency of clinical process and outcomes measures, as well as provider education and collaboration—that respects patients' insurance coverage or financial status, personal preferences, and ethics.

8. Participation in a Health Information Exchange (HIE)

The practice shares data with specialists, other providers including hospitals, and other relevant parties through participation in an HIE as a regular part of care that is incorporated into appropriate workflows.

9. Ease of Access to Care and Care Information

A patient portal is available to access personal health records and facilitate asynchronous communication between patients and providers. A patient is not expected to make an office visit unless physical presence is necessary for quality of care. The practice collects data on standard access metrics and shares them with a patient advisory panel and the health care purchaser, and provides complaint resolution and follow-up. Patients have 24/7 telephone access to a health care professional with immediate access to the patient's EHR and a physician or advanced practitioner backup, thus reducing unnecessary ER use.

10. Clinical Pharmacy and Mental Health Embedded within Practice

The practice provides clinical pharmacy support for patients with complicated drug regimens and those requiring additional support for drug-related concerns, including resources to help

patients unable to afford prescribed pharmaceutical treatments. Mental health services for common issues (typically depression and anxiety) that can be managed on an ambulatory basis are readily and conveniently available through the primary care office.

11. Physician Loyalty

At all times and in all matters, including testing, referrals, hospitalizations, and all care outside the office, the physician and other providers in the PCP practice align with the patient's care interests and personal economics. Physicians strive to deliver the highest quality at the most reasonable cost and put patient interests above others.

12. Referral Patterns

VBPC clinics should take an active role in referring patients to high value specialists and facilities.

What Challenges Can You Expect?

1. Administrative Challenges

Your broker, consultant, carrier, or TPA may be unable or unwilling to help you evaluate the appropriateness of VBPC for your health plan.

2. Employee Education

Employees in established primary care practices may be unwilling to switch to one using a VBPC model—at least initially. Inertia, comfort with current providers, and lack of awareness of their current care quality are all impediments. Being able to demonstrate both financial and nonfinancial benefits to them is key, as is making clear that they are not being forced to see a "company doctor." The need for frequent, clear communication with employees and dependents can't be overemphasized.

3. Care Dislocation

Having large numbers of people switch primary care physicians can be challenging, especially when physicians in the receiving practice may be overwhelmed by the sudden increase in a short period. Talk with the new physicians to understand their capacity and access issues. Don't wait for your employees and their families to complain.

4. Criteria for Choosing a Practice

Practices may market themselves as low-cost providers, but primary care should never be purchased solely on cost. Expect to spend more on high-quality primary care in return for downstream savings and other benefits (e.g., increased productivity and employee satisfaction) that will more than cover the increased costs. Choose primary care based on patient service, demonstrated clinical quality metrics, and demonstrated attention to stewardship of your dollar.

5. Care Coordination

Current providers and health systems may warn that VBPC encourages care fragmentation and loss of coordination, no longer a tenable argument in today's digital age. Insist on the adoption of a health information exchange and other technology to overcome this barrier.

6. Slow Migration to the New VBPC Model

People are much more willing to change PCPs when they get to meet the doctor beforehand. If possible, arrange for your new PCPs to visit with employees at your workplace. Also, arrange tours of the new practice location. Employers willing to provide strong incentives to try out the new primary care model will achieve much higher adoption rates.

7. Obfuscation to Preserve Status Quo

Physicians who aren't forward-looking may fall back on "fear, uncertainty, and doubt" tactics meant to freeze progress. As stewards of your organizations' and employees' hard-earned money, you must choose whether to protect your own bottom line or that of your vendor.

What Action Steps Can You Take?

Ask your broker, consultant, insurance carrier, or TPA if they are currently working with or have experience with VBPC practices.

Encourage your broker, consultant, carrier, or TPA to find, interpret, and share reliable cost and quality data from primary care groups competing for your business.

Consider comparing primary care groups through a structured and disciplined RFP process. Also consider modifying your benefits plan to provide incentives for employees and their families to try a VBPC practice.

Visit a local VBPC practice and see for yourself.

Additional Resources

Please visit healthrosetta.org/health-rosetta for ongoing updates, including lists of value-based primary care organizations, case studies, best practices, toolkits, and more.