Business Model Transformation as Healthcare Moves to Value

A Conversation with C-Suite Executives

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Healthcare has a major opportunity to embrace new models of care and support patients more effectively. However, industry transformation is complicated by differences in how stakeholders perceive value and the disparate approaches to achieving it. Executives joined Modern Healthcare Custom Media for a dialogue on how to identify, develop and adopt new care delivery models that positively impact patients, organizations and the industry as a whole.

Below is an excerpt from the conversation.

Can you describe your organizational journey toward value-based care transformation?

DR. PAM OLIVER: We have been building a culture focused on value-based care for the past eight years or so. We set up a clinically integrated network and partnered with other independent physicians in our community. We really pushed on quality, education and transparency. We're knocking it out of the park with so many outcomes, but we're at a point where having one foot in both fee-for-service and value-based care is limiting our ability to continue investing without a more defined and sustainable future state. What we're pushing for now is how we access the needed data and move to the next level of total cost of care.

LISA SHANNON: We've had a clinically integrated network for years, and we have a board that believes there's a different way to do healthcare. We're continuing our commitment to social determinants of health screening that launched years ago with Allina Health's receipt of a CMS grant. Social factors and knowing our patients and their barriers to health are core to value-based care and how you go from disease-based to health-based care. In simple terms, it's about creating a financing model and care model that are aligned. For my entire career, they've been misaligned. But in our journey over the past seven years, we have continued to make slow, steady progress. We have a creative partnership with Blue Cross Blue Shield of Minnesota, and we've aligned incentives to accelerate our ambulatory platform and move care to more accessible, affordable settings.

MIKE EATON: A few years ago, we put together a value-based network to become the chassis for a population health ecosystem. We brought together two networks, 2300 physicians and around 600 primary care providers, and we made this commitment that we were going to develop a model to deliver the right care, right place, right price, right time, the first time as the platform to deliver value-based care. So that's the journey we've been on, to transform primary care, change how we practice, think differently about the populations we serve, put culture, people, processes and alignment centers in place, and go all in.

How does your organization define value-based care as it relates to your unique market and goals?

DON ANTONUCCI: Historically, we've been focused on it as a health plan. When a payer talks about value-based care, do they mean exactly the same thing that a provider means? To transition from fee-for-service fully into value-based care and go for the long term; that's a significant investment, a significant change. How are providers supposed to do it effectively if they've got one foot in fee-for-service and the

other foot going to the other side? We as an industry need to wake up and start to move even faster into value-based care.

Healthcare is local. You could not rinse and repeat what we do in Oregon and put it into, for example, California or Washington State or Massachusetts or North Carolina. But we really tried to intentionally understand, how do we serve that population? For us, it's not so much about market share, it's more, can we extend that promise to more people in a way that's going to be successful?

At Providence, we want to make things simple in healthcare. Value-based care should be a place where we can begin to achieve that. It's an area where we've continued to make progress as a health plan, especially in business areas like Medicare Advantage. Cost is important, but for me, it's more about access, affordability, quality, and, most importantly, the patient experience and physician experience.

PO: The language matters. We try not to use 'value-based care' a lot. We focus on the individual components: quality, safety, equity, affordability and access. If we can empower our physicians to tell us what they know they need, they will help redefine value-based care. We did a lot of the hard work early, which was helping our physicians understand what we were talking about, building the language of value-based care and through the framework of the Quadruple Aim. As a physician leader who still practices, I can say that if truly done right, delivering on the Quadruple Aim should be nirvana for physicians.

How are you engaging providers in the movement to value?

LS: The number one priority is returning joy and well-being to our workforce. There needs to be a lot more joy, a lot more health, and a lot less burden and friction in the system. We can and should change that and find a path for better alignment. I wonder if every health system or payer in our country said, 'We will start with our workforce.' What is the groundswell that happens if we have those large employers start a movement of a different way forward?

What are some emerging models that are bringing stakeholders together?

ME: Using the public health model, we organized eastern Massachusetts into 38 population health neighborhoods because zip code is the number one indicator of health predictor of health outcomes. We organized into local ecosystems with common attributes in terms of how people access care, prevalence of disease, gaps in social and economic assets, and resiliency. We decided we had to take it to an entirely different level. We partnered with Navvis to radically transform our business through a five-year operating agreement. We're also in the process of due diligence with a payer to create something that doesn't exist in the market today, and the starting point is figuring out what each other needs and what success looks like. We've focused on removing low-value care—avoidable emergency department visits, preventable hospitalizations, care that could have been delivered in the home, or tests that weren't needed. That low-value care impairs the provider, the clinical enterprise and the payer side

in terms of our margins, as well as the experience we create for members and patients.

What is your approach to scaling value initiatives across different patient populations?

ME: The fastest path to scale was to empower people locally. When our CEO, Mike Dandorph, and our physician leaders created our clinically integrated network, they empowered local care teams to do what needs to be done, pushed dollar resources into those markets, and created a physician ownership culture—where it's not management holding physicians accountable for what happens in those local markets, but true peer-to-peer accountability. We're getting to scale much more quickly than we did before because it's driven by doctors, and we partner and follow their lead.

What gives you hope with the movement towards value-based care?

PO: We are an industry like no other, and our mission is so incredibly important that we don't have the option to fail. So, there's positive pressure in the right areas: on social determinants, on the need for physician engagement and on patient experience. We're making some momentum with everyone appreciating the complexity of it.

LS: When I think about where we are in our journey, we have made real progress. We've got a creative partnership. We've aligned incentives to really accelerate our ambulatory platform to move care to settings where we can provide more access, more affordable care. What I've watched over the seven years I've been here is slow, steady progress. I started my career believing that we could support people to live longer, more active lives. My belief is still that we actually can help people live healthier for all the years they have here.

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