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The drivers behind value-based care and its impact on SDoH

Value-based care (VBC) isn't a novelty. It launched in 2010 as part of the Affordable Care Act, a reform law that addresses health insurance coverage, healthcare costs and preventive care. VBC is a "broad set of performance-based payment strategies that link financial incentives to providers' performance on a set of defined measures to achieve better value in quality and lower spending. It also incentivizes providers to provide care in terms of value over volume," according to the U.S. Department of Health.

Value vs. satisfaction

First, it's important to understand how "value" is defined in healthcare. While value and patient satisfaction are frequently used interchangeably, they have an entirely different meaning depending on the context in which they're used. Patient satisfaction refers to the interaction between patients and healthcare professionals—physicians, nurses, clinicians, caregivers and others. And, importantly, the level of respect and dignity afforded to patients, according to the National Library of Medicine.

A patient satisfaction question, according to the National Library of Medicine, for example, asks "how did we (the provider) do?" A *value-based* question, on the other hand, asks "how are you (the patient) doing?"

A breakdown of value-based care

Below are three VBC drivers as defined by the Centers for Medicare and Medicaid Services:

1. **Better care for individuals:** When individuals receive care from their provider through preventive measures, such as mammograms, pap smears or colonoscopies, it can help prevent and detect certain health conditions and diseases, such as cancers. It also includes regular blood pressure checks or blood sugar testing for people with diabetes. These types of process measures can help adequately inform consumers about the current state of their health and can support improved health outcomes over time. Furthermore, this component of VBC involves individuals receiving care through interdisciplinary care teams, who come together and design comprehensive care solutions to treat and manage the conditions, says a research article from the National Library of Medicine. Diverse teams have a larger knowledge base and use this collective wisdom to provide better condition-specific care and efficiencies, thus creating more value.

    The true purpose behind VBC for individuals, says research from the Harvard Business School, is to create healthcare delivery that is "organized and accurately measures the outcomes that matter to patients. The networks of care that perform the right services, at the right location, with the right people are essential, and linked with an information technology system that support all of those mutually reinforcing elements." The study further discusses that to achieve true value, the care must be organized around the medical conditions.

Providers must deeply expand their expertise of the conditions and their ability to serve the complex needs of each individual over their full cycle of care. In addition, the care must be delivered in integrated practice units (IPUs). These serve as medical locations that are developed geographically based on the health needs of the populations. The units are designed to scale and deliver high-quality care that meets the population's demand.

2. **Better health for populations:** When individuals receive preventive services, as described above, it allows better managements of the entire population. One way to do this is to review healthcare research, say 10 years of integrated data focused on diabetes, for specific patient populations and then implement interventions across the care continuum based upon the research findings. "As soon as a physician opens a chart, they can see where the care gaps are and start closing those gaps. This allows them to have a better view of care as they see patients day in and day out," the American Medical Association says.

3. **Lower cost:** Better health within a population often leads to reduced spending and improved health outcomes (early disease detection and aligned care team interventions can help reduce disease progression that requires further care). For example, "A patient whose diabetes does not progress to kidney failure, blindness and neuropathy is, over time, dramatically less expensive to care for than a patient whose condition continually worsens," says the National Library of Medicine.

Healthcare consumers gain ground

Today, healthcare consumers have more control than ever in their healthcare choices, whether it's selecting a health plan or searching out reviews of physicians or hospitals. This decision-making power, coupled with Medicare Advantage and other payers adding benefits that address an individual's social determinants of health (SDoH), means VBC can become the new healthcare benchmark if implemented consistently.

VBC provides a significant opportunity to address SDoH—and many Medicare Advantage plans are already looking toward the concept by including supplemental benefits, like meal delivery and transportation services, that have the ability to drive savings and improve outcomes. These benefits and others can be an important part of any VBC program.

When SDoH are addressed, the overall value of care can be better measured and improved. If an older adult, for instance, has a chronic lung disease but has a supplemental benefit that provides access to indoor air quality equipment, lung function could improve over time (which can play a part in driving down healthcare costs and improving outcomes).

"The paradigm is shifting – the future of healthcare is a model where consumers have more power than ever, and quality and value are competitive differentiators," according to the U.S. Department of Health and Human Services. "For this reason, and in light of value-based trends from payors and consumers...(t)his will require developing truly integrated care teams, establishing the right financial incentives and making increased investments in data tools and technology."