

Health Plan AllianceSM

A Key to Value-Based Reimbursement—Now and In the Future

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All health plans are moving into value-based reimbursement with their providers, with many already there. For example, a report from Healthcare Benchmarks, on Value-based reimbursement contracts, December 2015, shows Commercial payers had 69.6% of their contracts under the model and for Medicare it was already 58.7%. In other words, the majority of contracting is already using the value-based model. However, a key element is needed to assist health plans and the “risk” bearing providers to evaluate quality and cost: clinical decision support (CDS).

Currently Medicare (CMS) is requiring Advanced imaging CDS for any Medicare enrollee beginning after January 1, 2017 and both imaging and laboratory CDS are required in 2018 for Meaningful Use Stage 3. Then in 2019 the new MACRA legislation will take effect for Medicare contracting with new focus on value-based contracts including a section on Meaningful Use and a new category of clinical practice improvement. All of these requirements make clinical decision support indispensable. Although your health plan may not be required to use imaging clinical decision support, your organization will not be able to keep up with the reducing utilization and cost trends in Medicare, which forms the basis payment calculations in government programs, and ultimately become the basis for all provider contracting expectations.

The value of clinical decision support (CDS) comes from two fundamentals. First, the CDS data collected provides important Prescriptive Analytics, establishing what should be done, and second, the comparison patient outcomes based on the CDS can produce data for Predictive Analytics. The Prescriptive Analytics allow the health plan to determine not only whether each provider is following the evidence-based recommendations, but what patient characteristics really fit the evidence-based recommendations. In other words, we are putting the various medical societies’ best scientific judgment to the test in the practice of medicine. From the Predictive Analytics, we can see the strength of the various recommendations and evaluate patient outcomes when the patient did not fit

the strict requirements of the evidence. Most importantly, over time the CDS system can improve, resulting in better recommendations with less waste and more accurate prescriptive recommendations.

As a health plan, the cost and benefit must always be weighed. In this instance, the benefit of using CDS accrues in part because the CDS will meet the various new requirements to remain near the trend lines as they decline, but additional benefits will derive as the quality and care standardization advances. For example, in one multi-State health plan, more than \$4.50 was saved per member per month. This is financially significant, but CDS will remain a sustainable device to manage appropriate utilization with changes in technology and evidence over time.

A key item to consider: what are the costs of **not** keeping pace with Medicare in terms of value-based reimbursement and especially clinical decision support to change behavior and collect valuable data on patients and their care?

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