The Office of the National Coordinator for
Health Information Technology

Component 23: Value-Based Care

Component Guide

Health IT Workforce Curriculum
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Component Number: 23

Component Title:

Value-Based Care

Component Description:

The aim of value-based care is to transform our health care system by providing patients and populations with care that produces health outcomes that matter to the patient and encourage smarter spending. The care experience will be safe, appropriate, effective and satisfying. To achieve the goals of value-based care, **new models of care delivery, payment and financial strategies** are used to restructure how care delivery is organized, measured and reimbursed.

These models include a broad set of performance-based payment strategies that link financial incentives to providers' performance *using defined measures to achieve better value through improvements in quality and slowing the growth (decreasing health care costs) in health care spending.* This component will describe the movement toward value-based care and will review the new models of care and the new payment models

Component Objectives:

At the completion of this component, the student will be able to:

1. Discuss key concepts associated with value-based care and the role of health IT in value-based care.
2. Describe the regulations and national initiatives that have promoted the shift to value-based care
3. Discuss a variety of new care delivery models for value-based care
4. Describe key features of ACOs and PCMHs
5. Discuss why care management is an essential element of a value-driven health care system, what the care management challenges are with the new models of care and strategies to address them.
6. Discuss methods to measure, assess, and improve quality in a value-based care environment.
7. Explain the current and emerging payment models and the reasons why the models are shifting.
8. Describe the elements of the main pay-for-performance models, including the relationship of reimbursement to outcomes.
9. Describe the characteristics of successful contracts and the common elements that make up ACO and ACO-like contracts.

Component Files

Each unit within the component includes the following files:

- Lectures (voiceover PowerPoint in .mp4 format); PowerPoint slides (Microsoft PowerPoint format), lecture transcripts (Microsoft Word format); and audio files (.mp3 format) for each lecture.
- Application activities (discussion questions, assignments, or projects) with answer keys.
- Self-assessment questions with answer keys based on identified learning objectives.
- Some units may also include additional materials as noted in this document.

Component Units with Objectives and Topics

Unit 1: Introduction to Value-Based Care

Description:

This unit will serve as an introduction to concepts essential to understanding value-based care. This is an introduction to how the current fee-for-service payment system works and why and how the business of healthcare is changing. The unit will define the concepts of value, and value-based care as well as consumer empowerment. In addition, this unit will provide an overview of the legislation and rule making that enables the change to value-based care. Examples of successful healthcare organizations that are thriving in the new environment are provided.

Objectives:

1. Describe in general terms the features of the fee-for-service health care system and outline why this payment model is changing.
2. Describe the overall value and goals of value-based care from various stakeholder perspectives.
3. Describe the recent history of the patient empowerment movement and explain why it is key in value-based care.
4. Name the key pieces of legislation and rule making that create, define, and regulate value-based care.
5. Discuss why attention to improving quality is essential in value-based care
6. Discuss the types of health information technology that support value-based care

Lectures:

a. Introduction to Value-Based Care
    1. The current business of healthcare: fee for service
    2. Introduction to value-based care
    3. Patient empowerment
    4. An overview of the laws and requirements of a value-based world
    5. An overview of care delivery models and payment models and real life success stories

Suggested Readings

None

Additional Materials

None

Unit 2: Regulatory Environment

Description:

This unit describes some of the problems facing the U.S. Health care system and reasons for the recent legislations and regulations guiding health care reform. Highlights of various policy frameworks for reform, and a discussion of recent policy actions that are leading to new models of health care delivery are covered.

Objectives:

1. Describe the quality, cost, and access issues facing U.S. Health Care
2. Describe the policy frameworks that guide the transformation to value-based delivery models of care
3. Discuss the Patient Protection and Affordable Care Act's payment and organizational reforms
4. Describe other legislation and regulation leading to new models of care

Lectures:

a. Rationale for Reform (25:08)
   1. Quality and medical errors
   Cost
   Barriers to access
   IOM recommendations
   Institute for Healthcare Improvement
   2. National Quality Strategy

b. The ACA (19:00)
   1. Patient Protection and Affordable Care Act
   Delivery system reforms
   Transformation supports
   Privacy and Security Considerations

c. Other Legislation (11:06)
   1. HITECH
   Medicare Access & CHIP Reauthorization Act of 2015 (MACRA)
   21st Century Cures Act

d. Regulations to Incentivize Quality (18:09)
   1. MACRA
   MIPS
   Meaningful Use
   APMs

Suggested Readings

Abrams MK. Nuzum R, Zezza M, Ryan J, Kiszla J, and Guterman S (2015) The Affordable Care Act's Payment and Delivery System Reforms: A Progress Report at Five Years The Commonwealth Fund pub 1816 vol 12 available from: http://www.commonwealthfund.org/publications/issue-briefs/2015/may/aca-payment-and-delivery-system-reforms-at-5-years

Berwick DM., Nolan TW, Whittington J (2008) The Triple Aim: Care, Health, and Cost *Health Affairs* 27:3 759-769 http://content.healthaffairs.org/content/27/3/759.long

Additional Materials

None

Unit 3: Healthcare Delivery

Description:

This unit provides an overview of new care delivery models including accountable care organizations and the patient centered medical home, the importance of primary care in value-based medicine, and the use of non-physician providers in the provision of value-based care. The focus is on new models of care delivery and how non-physician providers are integrated into healthcare delivery.

Objectives:

1. Describe new models of care delivery.
2. Describe the various types of Accountable Care Organizations (ACOs).
3. Describe the concept of "shared savings".
4. Discuss what ACOs need in order to be successful in lowering costs and improving quality of care.
5. Describe metrics used to evaluate ACO performance.
6. Discuss how ACOs are performing.
7. Describe the privacy and other ethical issues facing ACOs.
8. Define PCMH and describe its effects
9. Discuss adoption and implementation decisions related to the PCMH
10. Discuss the type of information technology that the PCMH needs
11. Discuss the importance of primary care in value-based medicine.
12. Discuss the ways non-physician providers are used in the provision of value-based care.

Lectures:

a. New models of care delivery (18:58)

1. Examples of new models
Primary care in value-based medicine
2. Emergence of non-physician providers

b. Accountable Care Organizations (23:46)
1. Key features of ACO’s
Types of ACO’s
Who can form an ACO?
What do ACOs need to succeed?
The role of Information Technology in supporting ACOs
Challenges faced by current ACOs
Data attribution
2. Care management

c. Accountable Care Organization Performance (18:14)
1. Measuring the impact of ACOs
Measuring performance of ACOs
Examples of quality measures for ACOs
Health IT’s role in the measurement and improvement of health care quality
Legal and regulatory issues
Ethical and privacy issues

d. The Patient Centered Medical Home (23:56)
1. Origins of the PCMH
Definition of PCMH
Implementation of PCMH
Effects of PCMH
Relationship of PCMH to other models of care and to other methods of care coordination
Health IT to support the PCMH

Suggested Readings

Abrams, M. K., Nuzum, R., Zezza, M. K., Ryan, J., Kiszla, J., Guterman, S. (2015). The Affordable Care Act's Payment and Delivery System Reforms: A Progress Report at Five Years. http://www.commonwealthfund.org/publications/issue-briefs/2015/may/aca-payment-and-delivery-system-reforms-at-5-years

Stange, K. C., Nutting, P. A., Miller, W. L., Jaén, C. R., Crabtree, B. F., Flocke, S. A., & Gill, J. M. (2010). Defining and Measuring the Patient-Centered Medical Home. *Journal of General Internal Medicine*, *25*(6), 601–612. http://doi.org/10.1007/s11606-010-1291-3

Additional Materials

None

Unit 4: Care Management

Description:

This unit will focus on the importance of care management as a method to increase value while reducing cost. An overview of challenges associated with care management and some of the current solutions to those challenges is also covered.

Objectives:

1. Define care management and explain why it is central to value-based care.
2. Describe drivers of unnecessary or wasteful care.
3. Discuss how Health IT can be used to support appropriate care and decrease waste/overutilization.
4. Define the trajectory of health care costs in US.
5. Describe important patient and system challenges.
6. Discuss how "working to the top of your license" concept contributes to effective, efficient team function.
7. Discuss systems challenges/opportunities for improved care management related to workflows and communication.
8. Describe challenges of care transitions and mitigating interventions, tools, and requirements.

Lectures:

a. Introduction to Care Management
   1. Care Management Overview
   2. Resource stewardship

b. Care Management Challenges and Solutions
   1. Patient challenges and care management solutions
   2. Care delivery challenges and solutions to providing care management

Suggested Readings

None

Additional Materials

None

Unit 5: Value-Based Quality and Safety

Description:

This unit will examine the intersection of quality and safety and value-based care.

Objectives:

1. Introduce the intersection of value based care and quality and safety
2. Understand the measurement tools used to evaluate value based care
3. Learn to link performance assessment with episodes of care
4. Understand how patient experience is defined and measured and forms the basis of high quality care
5. Learn the foundations of quality and process improvement in value based care

Lectures:

a. Overview (17:30)
   1. Definitions of quality, safety and value
   Definition of usability
   Gaps in quality and safety
   Value driven health care
   2. Incentives for quality

b. Measurement of Value-Based Care (20:41)
   1. Definitions and examples of quality measurement
   Measurement tools and programs
   Quality performance measures
   2. Value-based quality metrics

c. Reporting Quality Performance Measures (14:18)
   1. Transparency and public reporting
   Public Reporting Tools
   2. Challenges in Quality Reporting

d. Patient Experience (14:25)
   1. Definition of patient experience
   Quality and patient choice
   2. Linking CAHPS to value-based care

e. Process Improvement (16:38)
   1. Quality improvement
   2. Quality assurance

Suggested Readings

Brook, R. H. (1974). Quality of Care Assessment: The Role of Faculty at Academic Medical Centers. Retrieved from: eric.ed.gov

Additional Materials

None

Unit 6: Volume to Value

Description:

This unit will explain current and emerging payment models. Students will learn the details of legislation resulting in the shift in payment models.

Objectives:

1. List the major payers of health care in the US.
2. Define the broad strategies of volume to value and shared risk.
3. Describe alternative payment models.
4. Discuss the changes in CMS payment models toward value-based care incentive programs.
5. Discuss how electronic information and data can support organizational readiness for these alternative payment models.
6. Discuss how data acquired from electronic information systems can support alternative payment models.
7. Outline state level initiatives for payment reform, including private payer models.
8. Discuss how proper clinical documentation supports reimbursement for the cost of delivering care.

Lectures:

a. Introduction to Volume to Value
   1. New payment model drivers
   The national strategies to volume to value and shared risk
   2. Health IT requirements to support an alternative payment environment

b. MACRA and Value-Based Payments
   1. New and alternative payment models
   The confluence of incentive programs; MACRA, MIPS, PQRS, VBM, and MU
   Capturing data essential for quality reporting and incentive programs
   2. Health IT requirements to support an alternative payment environment

c. Advanced Alternative Payment Models
   1. New and alternative payment models
   Non CMS-State level and private payer reform efforts
   2. Health IT requirements to support an alternative payment environment

d. Coding in Alternative Payment Models
   1. Coding and the new cost of care
   Roles and responsibilities for coding in the EHR era
   2. Health IT requirements to support an alternative payment environment

Suggested Readings

None

Additional Materials

None

Unit 7: Outcomes and Reimbursement

Description:

This unit will explain the new payment models that “pay for performance” and will cover the range of outcome and quality measures that are used to calculate payments for ACO and ACO-like contracts. In addition, an explanation of how HEDIS and other quality reporting systems work and how these systems affect consumer-purchasing behavior is provided.

Objectives:

1. Compare the strategy of HMO and capitation to the ACO strategy and explain why quality measurements play such an important role in shared risk contracts.
2. Describe how the three main elements of CMS pay-for-performance models (attribution, risk stratification, quality measures) work together to drive quality while reducing costs.
3. Outline common issues faced when collecting measures of quality and cost.
4. Discuss the administrative burden of reporting on various CMS payment models and insight on how practices may reduce this burden.
5. Articulate how consumer experience can be measured and the importance of measuring it in value-based care models.
6. Understand what HEDIS measures are and articulate how they are used by different stakeholders.
7. Describe resources that consumers can used to find out about quality and cost of health care.
8. Describe how effective these measures have been in affecting consumer behavior and some of the strengths and weaknesses of current consumer-facing measures.

Lectures:

a. Foundations of Outcomes and Reimbursements
   1. Elements of shared risk contracts
   2. Capitation
   3. Predicting and tracking quality and cost

b. Consumer Understanding of Quality and Cost

    1. Consumer understanding of quality and cost

Suggested Readings

None

Additional Materials

None

Unit 8: Contracts and Payments

Description:

This unit will cover how contracts are developed and negotiated with common elements that make up value-based contracts. Characteristics of successful (win/win) contracts will be contrasted with less successful contracts (those that result in short-term relationships).

Objectives:

1. Discuss general elements of alternative payment model contracts.
2. Articulate how risk calculations can impact contracts.
3. Outline essential data elements and uses during contract negotiations.

Lectures:

a. Overview of Contracts and Payments
    1. The measures and outcomes in value-based contracts
    2. Understanding the patient population risk
    3. Thriving in a value-based system
    4. Successful negotiation teams

Suggested Readings

None

Additional Materials

None

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