



## **Collaborative and Coordinated:**

How Value-Based Care Programs are Driving  
Improvements in Quality and People's Health

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## INTRODUCTION

# How the Shift from Volume to Value is Driving Better Health Outcomes

There exists a significant gap in the care that Americans are currently receiving. And that gap—in terms of patient experience, quality of care, and total health care costs—can be attributed in many respects to how we’ve been paying for health care for the last several decades. Care providers have been rewarded for more tests and procedures, rather than for coordinating with each other to produce better health outcomes for the entire patient population. Many people who have gone to the doctor or hospital—particularly those with complex or chronic illnesses—have experienced this firsthand, finding they often have to connect information from each of their doctor’s visits themselves, and have sometimes received duplicative tests or care that isn’t coordinated.

## Value-based Care represents another big step forward in ways we can address both the quality and cost of health care.

But the movement is toward a health care model that puts greater emphasis on keeping people healthy. One that rewards physicians for working collaboratively to coordinate care, for providing the appropriate care for each patient’s situation, and for driving more positive health outcomes. One in which a care provider’s compensation is based increasingly on keeping a population healthy, rather than on how many tests or services are ordered.

That is why Value-based Care (VBC) is gaining momentum and is at the center of one of the biggest transformations underway in health care. Marrying financial payments with clinical programs that reward better health outcomes and lower costs represents another big step forward in ways we can address both the quality and cost of health care. This is an important change from the traditional, 75-year-old health care system based on Fee-For-Service—whereby the more services providers delivered, the more they got paid. Moving to VBC can include different payment models, such as shared savings programs and bundled payments, as well as more integrated clinical models, such as accountable care organizations and patient-centered medical homes.

UnitedHealthcare is leading the way helping to popularize the VBC model, which holds profound benefits for all health care stakeholders. UnitedHealthcare is applying nearly 40 years’ worth of experience to augment and enhance new payment models that integrate clinical support to place greater focus on quality and patient health outcomes.

## In This Report

We have gathered both data and experiences extracted from our work with 110,000 physicians and 1,100 hospitals now participating in some form of VBC program, including:

- Key findings and successes with our providers who are shifting to VBC.
- Important takeaways and best practices that emerged from our two ACO summits held in 2016 with more than 40 top-performing ACOs.
- Patient and physician stories illustrating the personal impact of VBC.
- Items we believe will be most critical over the coming years for more widespread adoption of VBC models and ACOs.

UnitedHealthcare will regularly update this data to help a wide range of health care audiences track and measure the increasing acceptance and popularity of new payment models that are putting greater emphasis on value and helping make America’s health care system work better for everyone.



[Video: Watch Sam Ho, M.D., Chief Medical Officer of UnitedHealthcare, discuss why primary care is so important to successful VBC programs](#)



**Download a copy of this report and additional resources about Value-based Care: [uhc.com/valuebasedcare](http://uhc.com/valuebasedcare)**

# Key Highlights

- **UnitedHealthcare's Value-based Care approach is based on health care's "Triple Aim": delivering better health, better care, and lower costs.**

Value-based Care models are proving successful for all health care stakeholders, including consumers, providers, and all types of plan sponsors, from private employers to state Medicaid programs. As Value-based Care continues to drive important improvements in how payers and care providers work together to support people's care, these are among the most significant findings based on a cumulative review of UnitedHealthcare's broad portfolio of VBC programs.

## Increasing the Quality of Care



Commercial ACOs perform better than non-ACOs on 83% of the most common quality measures we monitor



Total performance-based bonuses paid to Medicare Advantage physicians in 2015 because of increased compliance with quality measures

## Identifying Missed Care Opportunities



The top 10% of commercial ACOs closed 74.7% of the care opportunities identified for patients, vs. 56% for non-ACOs



Care opportunities identified and closed for Medicare patients between 2013-2016

## Reducing Severe Health Events



Fewer acute inpatient admissions among mature Medicaid ACOs in Tennessee



Fewer ER visits among the longest-running Medicare ACOs



Fewer hospital admissions and ER visits among top-performing commercial ACOs

## The Value-Based Care Spectrum

	Fee-for-Service	Performance-Based	Bundled Payments	Accountable Care Programs
Amount of Financial Accountability for Providers	1 \$	2 \$	3 \$	4 \$
Key Characteristics	<ul style="list-style-type: none"> <li>• Pay for Volume</li> </ul>	<ul style="list-style-type: none"> <li>• Performance-based contracts for doctors and hospitals</li> <li>• Primary Care incentives</li> </ul>	<ul style="list-style-type: none"> <li>• Episode-based payments for specific conditions or medical specialties</li> </ul>	<ul style="list-style-type: none"> <li>• Accountable Care Organizations</li> <li>• Capitation</li> <li>• Sharing savings and/or risk</li> </ul>
Degree of Integration Between Provider and Health Plan	Low (minus sign)	Medium	High	Very High (plus sign)

# Value-Based Care Touches All Populations

- Historically, the health care system has been organized around treating the sick and paying for volume, not value.

But as care providers and health plans shift to value-based programs, all patients benefit thanks to the increased emphasis on keeping people healthy, enhancing care coordination and rewarding their physicians for following clinical best practices. UnitedHealthcare is seeing promising improvements across all the populations it serves.

## Medicare

The following table illustrates how Medicare ACOs performed vs. non-ACOs on a number of commonly measured quality benchmarks.

Procedure and Description	Diff Compared to non-ACO
<b>Lower Readmission Rates:</b> Fewer acute inpatient stays followed by an unplanned readmission for any diagnosis within 30 days (ages 65+)	+2.3%
<b>Diabetes Care:</b> Patients with diabetes (type 1 or type 2) that had a nephropathy screening test	+2.6%
<b>Diabetes Care:</b> Patients with diabetes (type 1 or type 2) that had an eye screening for diabetic retinal disease	+3.3%
<b>Diabetes Care:</b> Patients with diabetes (type 1 or type 2) that had a HbA1c test	+3.6%
<b>Breast Cancer Screening:</b> Women ages 50-74 who had a mammogram	+6.3%
<b>Colorectal Cancer Screening:</b> Patients that had a screening for colorectal cancer	+7.8%
<b>Disease-Modifying Anti-Rheumatic Drug Therapy for Rheumatoid Arthritis:</b> Patients who were diagnosed with rheumatoid arthritis and who were dispensed at least one ambulatory prescription for a disease-modifying anti-rheumatic drug (DMARD), which helps joints by blocking inflammation that would destroy joint tissue over time	+11.4%



Fewer acute inpatient admissions among the longest-running Medicare ACOs



Fewer ER visits among the longest-running Medicare ACOs



Medicare Advantage enrollees are seeking care from a physician participating in a value-based program



Total performance-based bonuses paid to Medicare Advantage physicians in 2015 because of increased compliance with quality measures



Care opportunities identified and closed for Medicare patients 2013-2016

# Value-Based Care Touches All Populations (Cont'd)

## Commercial

The following table illustrates how Commercial ACOs performed vs. non-ACOs on a number of commonly measured quality benchmarks.

Procedure & Description	Diff Compared to non-ACO
<b>Lower Readmission Rates:</b> Fewer acute inpatient stays followed by an unplanned readmission for any diagnosis within 30 days (ages 18-64)	+1.2%
<b>Disease-Modifying Anti-Rheumatic Drug Therapy for Rheumatoid Arthritis:</b> Patients who were diagnosed with rheumatoid arthritis and who were dispensed at least one ambulatory prescription for a disease-modifying anti-rheumatic drug (DMARD), which helps joints by blocking inflammation that would destroy joint tissue over time	+3.3%
<b>Well-Child Visits in the First 15 Months of Life:</b> Patients that had six or more well-child visits with a primary care physician during the first 15 months of life	+4.7%
<b>Prenatal and Postpartum Care:</b> Pregnant women who received a prenatal care visit in the first trimester or within 42 days of enrollment in the organization	+5.9%
<b>Diabetes Care:</b> Patients with diabetes (type 1 or type 2) that had a nephropathy screening test	+6.8%
<b>Diabetes Care:</b> Patients with diabetes (type 1 or type 2) that had a HbA1c test	+6.8%
<b>Well-Child Visits in the Third, Fourth, Fifth and Sixth Years of Life:</b> Patients who had at least one annual well-child visit with a primary care physician during the measurement year (ages 3-6)	+6.8%
<b>Colorectal Cancer Screening:</b> Patients that had a screening for colorectal cancer	+7.6%
<b>Breast Cancer Screening:</b> Women ages 50-74 who had a mammogram	+11.4%
<b>Adolescent Well-Care Visits:</b> Patients who had at least one comprehensive well-care visit with a PCP or an OB/GYN practitioner during the measurement year (ages 12-21)	+13.9%



Commercial ACOs perform better than non-ACOs on 83% of the most common quality measures we monitor



The top 10% of commercial ACOs closed 74.7% of the care opportunities identified for patients, vs. 56% for non-ACOs



Fewer hospital admissions and ER visits among top-performing commercial ACOs



Lower costs for spine and joint procedures using a bundled payment and directing patients to centers of excellence for all related tests and treatments



Treatment savings in a pilot program with 810 cancer patients using a bundled payment for all oncology services included in the treatment



Video: Watch [Dan Rosenthal, President of UnitedHealthcare Networks](#), discuss the changing traditional payer-provider relationship

## Value-Based Care Touches All Populations (Cont'd)

### Medicaid



Higher rate of colorectal screenings among Medicaid ACOs vs. non-ACOs



Higher rate of well-child visits in first 15 months of life among Medicaid ACOs vs. non-ACOs



1 in every 5 UnitedHealthcare Medicaid members nationwide are seeking care from a physician participating in a value-based program



Among the longest-running ACOs in Tennessee we are seeing:



Fewer acute inpatient admissions



Fewer ER visits



Among the longest-running ACOs in Arizona we are seeing:



Fewer acute inpatient admissions



Fewer ER visits

“ We’re collaborating with providers so that we can share best practices in clinical management. What’s the best management program for patients with diabetes? What’s the best program to reduce readmission rates for recently hospitalized patients? **We have a lot of data and experience across the country and we can identify best practices.** So this collaboration is very, very exciting. ”

— Sam Ho, M.D., Chief Medical Officer, UnitedHealthcare

# UnitedHealthcare's VBC Growth

## UnitedHealthcare is seeing strong momentum and provider interest in the shift to Value-based Care.

In July 2013, UnitedHealthcare announced its goal of getting to \$65 billion of spend through value-based contracts by 2018. As of November 2016, the company has reached \$52+ billion, representing a tripling of its total payments to physicians and hospitals tied to value-based arrangements over the past three years.



Video: Watch [Dan Rosenthal, President of UnitedHealthcare Networks](#), discuss the momentum we are seeing in network provider adoption of Value-based Care models



Members nationwide accessing care from physicians in a value-based relationship

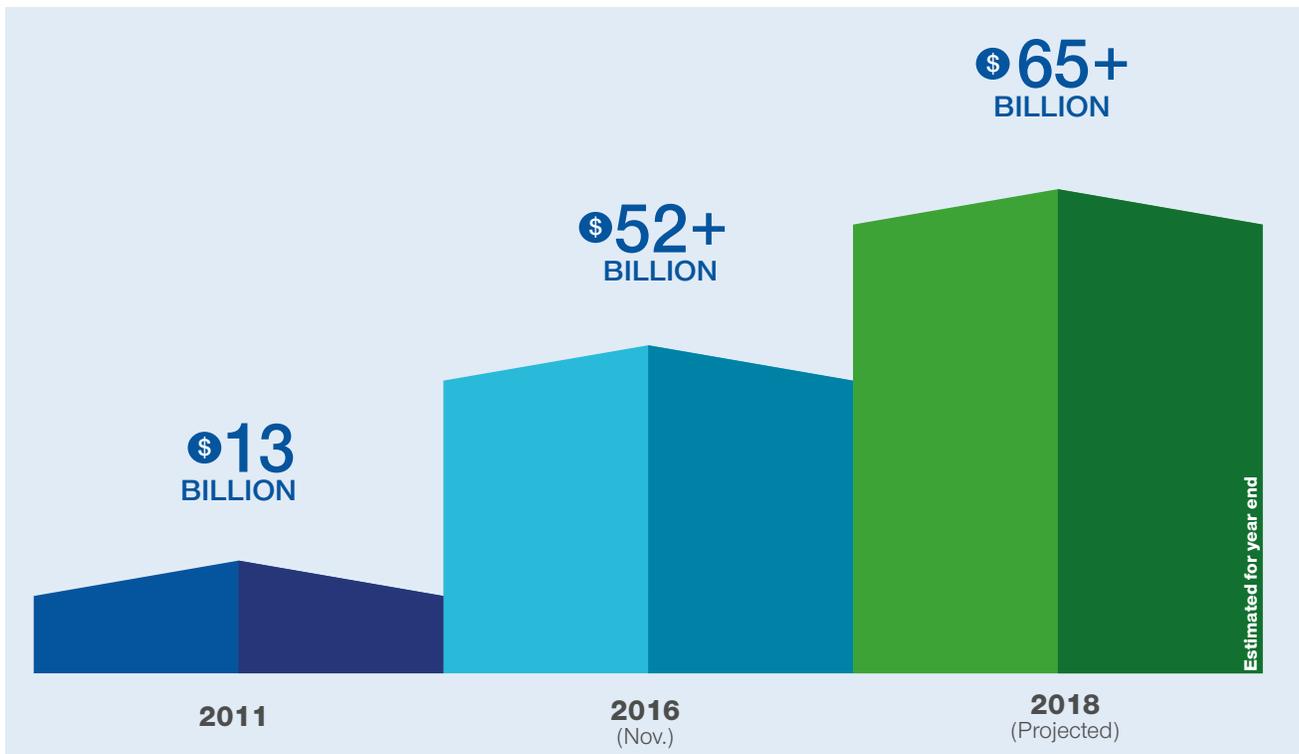


Accountable care arrangements in use today with our network of care providers



## Growth in Value-Based Payments

Total payments to care providers in billions tied to value-based contracts.



# How Increased Collaboration Changed One Woman's Health

## Patient Stories

### Rhonda\* is in her mid-40s and survived cancer.

Following radiation and chemotherapy, Rhonda had recurrent infections in her left jaw and was eventually diagnosed with osteomyelitis, an infection of the bone which requires IV antibiotics.

From 2013 to 2015, Rhonda visited the emergency room a total of **36 times**.

A care management coordinator at Holston Medical Group, which participates in an ACO with UnitedHealthcare, was making one of her regular outreach calls to Rhonda to check on her ongoing care needs when she learned Rhonda was in desperate need of oral surgery. Yet Rhonda had not pursued surgery because she figured it required dental insurance, which she did not have.

One of the key patient benefits of an ACO is having care providers and the health plan working more closely together to review a person's care needs, which includes helping them access care that they think may be

out of reach. Anita, a member of the UHC team assigned to the ACO, worked with the Holston care management coordinator and explained that the procedure would actually be covered under her medical benefits.

The care management coordinator from Holston located an in-network surgeon to perform the surgery. The UnitedHealthcare team stepped in and helped quickly obtain the needed authorization approval. They also assisted in arranging Rhonda's transportation to and from the surgery. This partnership and ongoing collaboration not only helped improve Rhonda's health and well-being, but also gave her peace of mind.

Today, Rhonda is living a happier, healthier and more productive lifestyle. She has quit smoking, follows up regularly with her team of care specialists, and takes a more active role in early screenings for common health concerns.

In the first six months of 2015 Rhonda had visited the ER 11 times. This year, only four ER visits and not a single hospital admission thanks to the coordinated efforts of Holston and UnitedHealthcare.

**\*Note: Rhonda is not the patient's real name; her name has been changed to preserve her privacy.**



## Rhonda Vital Stats:



### Patient Profile

- Age: Mid-40's
- Sex: Female
- Cancer survivor



### Year Hospital Visits (ER)

Year	Hospital Visits (ER)
2015	11
2016	4**

\*\*As of Aug. 2016



### Health Interventions

- Care Coordinator supported access to needed care
- Quit Smoking
- Now receiving needed annual wellness screenings

## Case Studies

### ■ How a Focus on High-Risk Patients Reduces Avoidable Admissions



One of the largest Federally Qualified Health Centers (FQHC) in the U.S., El Rio Community Health Center serves the communities around Tucson, Arizona and provides

comprehensive medical, dental, behavioral, and preventive health services designed to meet the needs of individuals and families. Currently serving more than 92,000 patients annually across 11 campuses—with over 22,000 members enrolled in UnitedHealthcare Community Plan—El Rio was one of UnitedHealthcare’s first

**“90% of what creates health happens in the community, not the exam room.”**

— Nancy Johnson, CEO of El Rio Community Health Center

Medicaid ACOs. The relationship focuses on enhancing care coordination among high-risk patients and engaging them in care opportunities earlier on to reduce avoidable hospital admissions down the road. As El Rio’s CEO Nancy Johnson put it, “90% of what creates health happens in the community, not the exam room.” El Rio utilizes integrated and coordinated patient-centered care models and launched a number of process improvements to directly impact its patients’ care experience:

- Created a team of dedicated nurses to manage discharge care management;
- Expanded its hours and availability of same day appointments;
- Began placing follow up calls to patients after an ER visit;
- Offered 24/7 Registered Nurse triage capability; and
- Shared data with UnitedHealthcare to identify and treat the patients in need of care.

UnitedHealthcare augmented these services with its own community health workers who visit patients in their homes who have complex medical needs and/or cannot easily make it to doctors’ offices for care. The result: Medicaid participant ER visits reduced by 2%, avoidable admissions/readmission went down by 19%, and enrollment in UnitedHealthcare’s Community Plan increased by 8%.

### ■ Using Data Analytics to Improve Diabetes Management



Located in Northeast Tennessee, State of Franklin Healthcare Associates (SOFHA) is a leading

example of how smaller organizations are effectively implementing Value-based Care models. A physician owned and operated group comprised of approximately 78 primary care physicians and 30 advanced practitioners with relatively low overhead and low annual informatics spend, SOFHA relies on UnitedHealthcare’s data analytics and back-end IT to support its population health programs.

One way the data is used is to better serve Medicare patients living with diabetes, which comprised nearly one-third of the physician practice’s Medicare beneficiaries. UnitedHealthcare provides the practice with daily census data, monthly claims and utilization information as well as quality data. Clinical reporting is developed to include Patient Profiles, High Risk Population data and Patient Care Opportunity Reports (PCOR) for all UnitedHealthcare members being treated by SOFHA doctors, giving the physicians valuable and timely information to identify gaps in care and the ability to see all the other places outside the primary care practice where patients have received care.

Armed with this information, SOFHA physicians are able to better identify the types of care patients need. In addition to the data, the collaboration between UnitedHealthcare’s ACO team and SOFHA’s leadership and clinical team has formed a true win-win relationship. The result: in just three years SOFHA has become one of the highest performing groups in the Medicare STAR Ratings System, rising from 3.0 in 2012 to 4.5 in 2015. The rate of annual wellness visits among Franklin patients went from 2% to 59% in just three years.

#### View more case studies:



Video: [Watch Central Ohio Primary Care executives discuss their experience working with Value-based Care models](#)

## Next Steps

### ■ What's Needed for Long-Term Success

Changing payer-provider relationships and how we pay for health care in America will not happen overnight. While the momentum is strong, there are a number of challenges that both payers and provider organizations will need to tackle—and investments they will need to make—to successfully make the transition to Value-based Care. Based on feedback from many of the 1,100 hospitals and 110,000 physicians participating in value-based programs with UnitedHealthcare today, we were able to identify three of the most commonly cited challenges that are considered critical to the future of Value-based Care.



#### **Strengthen the Primary Care Model:**

Primary care physicians are the quarterbacks of the American health care system, and they are critical to the success of value-based programs. That is why care providers of all types are looking for payers to have stronger PCP requirements in place with their products, and consumers need to begin forming stronger relationships with a primary care physician.



#### **Actionable Data and Analytics:**

Data is often referred to as the “glue that holds it all together.” Data needs to be delivered in multiple ways (e.g., raw, via HIEs, and integrated into workflow) and needs to be delivered in real time, interpreted, and translated into usable solutions/actions. As a result, new staffing needs are popping up within provider organizations that never existed before, such as data scientists and IT experts.



#### **Physician and Executive Engagement:**

We've noticed with ACOs that the best performers fully engage in developing their business plan at both the executive and physician level. Executive leadership is needed to drive cultural change within provider organizations and shift mindset, while physician champions are critical to the clinical success.

### ■ Five Characteristics of a Successful ACO

While the most popular and commonly talked about, ACOs also have the highest degree of clinical and financial integration of value-based programs. Successful ACOs require a shift in both an organization's resources and mindset. These elements are important to building and maintaining a successful ACO relationship.

1. **Improving high-risk patient care.** A practice must be able to identify its most fragile patients and proactively manage the barriers to getting the care they need.
2. **Expanding access to care.** From extended office hours and same-day appointments to redirecting care to other places of service, patients must have convenient and timely access to the care they need.
3. **Reducing avoidable admissions and ER use.** Receiving data on daily discharge notifications enables physicians to better manage care transitions and support necessary follow up care, reducing hospital readmissions and future visits to the ER.
4. **Identifying and closing missed care opportunities.** When payers and providers share data, the ability to see across an entire patient population makes it easier to document risk prevalence for specific patients and identify missed care opportunities.
5. **Improving patient satisfaction.** Actionable data from a payer can help providers attract and retain patients because of the improved experience, which is driven largely by more proactive patient engagement rather than only reacting to a health event.



For more info visit - [www.uhc.com/valuebasedcare](http://www.uhc.com/valuebasedcare)



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