

TRAIL GUIDE

to Value-Based Care Success

In the new landscape of payment reform, there's no one path to success. This guide will help you navigate the ecosystem of programs, regulations, and outcomes to help you reach your organizational goals—whatever they may be.

LEVEL OF RISK			
LOW	MEDIUM	HIGH	VERY HIGH

FULL RISK

Providers take full responsibility for the cost of care delivered—and full responsibility for their financial success.

CAPITATION

Patients are assigned a per member per month (PMPM) payment for administrative and/or medical services. Providers receive the capitation and use it how they see fit to provide admin and care mgmt. services, as well as to cover the cost of care provided to their patient panel.

RISK-SHARING ARRANGEMENTS

Providers who are able to generate savings for care delivered are incentivized with a percentage of the savings generated (upside risk). For downside arrangements, a larger portion of the savings is earned—but there's also a larger portion at risk.

PAY FOR PERFORMANCE

Quality-based bonus program tied to meeting certain metrics for quality and efficiency. Creating quality benchmark metrics ties physician payment directly to the quality of care they provide.

FEE-FOR-SERVICE

Patients or payers pay doctors for each service performed. This model values the volume of services rendered, with little to no incentives for preventative care.

BE PREPARED

Before setting out, you need to be sure you've done all you can to hit the trails with confidence. Make sure you have a solid foundation in these areas:



STRONG PRACTICE MANAGEMENT & WORKFLOWS

Your staff operate at the top of their licenses with a full understanding of KPIs and best practices.



PATIENT ACCESS & CLINICAL PATHWAYS

Your practice is built on effective care access and standardized protocols.



TEAM-BASED APPROACH

Your extended care team is networked and shares information effectively.



THE RIGHT TECHNOLOGY

Transforming your practice without optimized IT is like hiking in bare feet—you may be able to reach your goal, but it won't be easy.

LOW

FEE-FOR-SERVICE

The de-facto method for paying for care services in the United States.

What's in it for me?

- Volume-based payments mean the more services you bill for, the more payments you receive—regardless of patient outcomes
- Barriers to participation are relatively low

How do I participate?

- At the most basic level, provide health-care services and bill for them

What are the challenges?

- Managing payer denials, underpayments, and throughput
- Maintaining a high rate of collections and a low rate of denial
- Ensuring effective revenue cycle results
- High administrative burdens

Program Examples

- Historical and standard payment models

MEDIUM

PAY FOR PERFORMANCE

A great starting point for entering the value-based world. Minimally viable program for participation.

What's in it for me?

- Increased revenue opportunities
- Rewards for higher performers
- Greater focus on value and quality

How do I participate?

- Have effective technology in place
- Be prepared to continuously monitor and report on performance
- Focus on improving cost, quality, and the patient experience

What are the challenges?

- Managing the sheer variety of payer programs in place
- Adjusting workflows and mindset to new delivery model
- Dealing with patient engagement
- Meeting program administration and compliance targets

Program Examples

- Value-based modifier (VBM), MACRA, MIPS

HIGH

RISK-SHARING ARRANGEMENTS

Preparation and a strong strategy is key to navigating this track.

What's in it for me?

- Increased revenue opportunities
- Ability to invest in the business
- Greater control over the direction of the practice

How do I participate?

- Educate yourself on current programs
- Be ready to invest to kick start success
- Effectively optimize technology
- Align the practice toward Accountable Care Organizations (ACOs) and Clinically Integrated Networks (CINs)

What are the challenges?

- Requires the ability to leverage increased negotiating power with payers
- Financial resource management
- High performance monitoring and reporting demands
- Attribution management and patient engagement
- Program compliance and administration

Program Examples

- MSSP tracks 1, 2, 3; CPC+ track 2

HIGH

CAPITATION

An opportunity to build on the success of pay for performance initiatives.

What's in it for me?

- Payments from capitated models drive customized investment and savings opportunities
- High quality care management can result in higher margins for the practice
- Predictable and manageable revenue stream

How do I participate?

- Educate yourself on current programs
- Be ready to invest to kick start success
- Effectively optimized technology
- Align the practice toward ACOs and CINs

What are the challenges?

- Financial resource management
- High performance monitoring and reporting demands
- Program compliance and administration

Program Examples

- CPC+ track 1, the Million Hearts Program, bundled payment models

VERY HIGH

FULL RISK

A challenging course with the potential for strong rewards.

What's in it for me?

- The ability to fully control your financial destiny
- More complete control over the business of your organization
- Opportunity to generate increased potential for investment in the practice

How do I participate?

- An effective financial risk management strategy
- Find commercial partners who are willing to take on risk with you
- Need to have demonstrated success in other value-based programs

What are the challenges?

- Revenue management—inflows and outflows
- Attribution management and patient engagement
- Medical management and utilization review

Program Examples

- CMS financial alignment initiatives for dual-eligibles enrollees



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