Five Key Principles for Maximizing Value in the Healthcare System

Summary

A new report examines the scientific evidence regarding how new payment models and interventions are helping to shift the healthcare system from one that rewards volume to one that rewards value.

The report, authored by experts at the Avalere Center for Payment & Delivery Innovation with funding from the Robert Wood Johnson Foundation (RWJF), identifies five key lessons industry stakeholders should use to maximize value in the evolving healthcare system:

Lesson One: Payment models that achieve the greatest value share three fundamental characteristics:

Hold providers broadly accountable for population health against a global budget

Empower providers by giving resources and supports necessary for long-term success

Grant autonomy to providers in defining the “how” of delivering value in healthcare

Lesson Two: Successful care delivery changes consider both the clinical and non-clinical needs of a population, employing non-traditional providers and workflows to meet population needs throughout the care continuum.

Lesson Three: Consumers are most engaged with their health and healthcare when payers and
providers engage with and value their individual needs, and innovations are most impactful when targeting high-risk, high-need individuals.

Lesson Four: Data and technological infrastructure are essential for both measuring and achieving value in population health management, but the need for additional research on how best to leverage these resources is equally essential.

Lesson Five: Payment and delivery models must take into account the unique circumstances of individual markets to maximize value, instead of pursuing rigid models across disparate settings.

“As new payment and delivery models emerge, it’s important that we fully understand the full scope of scientific evidence and emerging innovation in effectively delivering value to healthcare stakeholders,” said Joshua Seidman, vice president at Avalere. “This research provides insights into what is needed to successfully transition from turnstile medicine to those that encourage value and quality.”