

Value-Based Programs
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Q: What are value-based programs?

According to the Centers for Medicare and Medicaid Services, or CMS, value-based programs reward health care providers for the quality of services that they provide to patients. Value-based programs really incentivize quality and value. Value-based programs promote proactive outreach, coordinated care, and evidence-based practices while holding providers accountable for the quality and care that they provide. Value-based programs are often referred to as value-based payment, value-based purchasing or VBP. Alternatively, value-based programs can be referred to as value-based contracting, value-based care or VBC.

Q: What are the differences between VBP and fee-for-service models?

Traditional fee-for-service models are volume-driven. This means that providers are really paid based on the volume of services that they provide and with no link to quality or value. As a result, strong incentives don't exist for providers to decrease reoccurring health care cost and spending, improve quality of care and seek better outcomes for their patients. Alternatively, value-based programs really encourage smarter spending, better care and healthier people - a win for both consumers and their state partners.

Q: What is a major driver of this move to value?

The Affordable Care Act that became law in 2010 included several provisions to change the way care is delivered and paid for in this country for individuals on Medicare and Medicaid. The goal of these provisions was to improve the quality of care while also lowering costs and expanding access.

Q: Why is VBP important?

Given those cost pressures, both the state and federal government are looking for ways to drastically transform the way that care is provided and paid for in this country. There's a national movement to move away from paying for volume to really paying for value. This is a bipartisan issue and a dramatic shift from fee-for-service models of the past. State leaders are really looking to all members of the health care industry, including managed care organizations, to take part in value-based transformation. They're particularly looking for managed care organizations and their partners to advance payment reforms, increase the proportion of payments tied to value, enhance the level of risk assumed by providers, and enter into value-based arrangements with different types of providers, including community-based providers.

Q: What are some benefits of VBP?

There are several benefits of value-based payment, or VBP. One, value-based payment models focus on person-centered care. This means that an individual's needs, wants and desires are considered in their care plan and that this individual is at the center of the health care experience. Two, value-based payment models promote care coordination, both within the health care system and with external entities. Technology, data-sharing and financial incentives help individuals and health care organizations coordinate care. Value-based payment stresses sharing of patient data so that care is coordinated and outcomes can be measured. Three, value-based models encourage proactive care by incentivizing providers to keep individuals healthier, close gaps in care and proactively address an individual's social needs. Four, value-based models emphasize collaboration and transparency. Under value-based arrangements, payers and care providers work together and share common goals. And five, value-based models reduce health care waste. Under these new models, value is the new standard of payment for providers and payer