Investing in Technology for Value-Based Care Success

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Technology will play an important role in determining a practice's success in MACRA. Here's what you need to invest in.

Value-based care is a clinical, operational and organizational model for healthcare, where providers receive financial incentives to provide comprehensive care to populations, based on value — defined as total cost, quality and satisfaction. A core driver is the transition in Medicare reimbursement to the Merit-based Incentive Payment System (MIPS) and Alternative Payment Model (APM) pathways, as part of the Medicare and CHIP Reauthorization Act (MACRA). Accountable Care Organizations (ACOs), Patient-centered Medical Homes (PCMHs), the Oncology Care Model and Comprehensive Care for Joint Replacement (CCJR) are examples of an APM.

These models share similar characteristics: 1) comprehensive accountability by the provider for total cost, quality and satisfaction for a defined population, 2) enhanced patient access, 3) care coordination and management, 4) use of evidence-based treatment plans, 5) meaningful EHR use, 6) data-driven continuous quality improvement, and 7) payment based on value, defined in terms of quality, total cost and satisfaction.

The goals of value-based care are to reduce cost and provide a high quality, satisfying patient experience. This translates into avoiding unnecessary care and waste and duplication of services. It also means keeping patients healthy, doing the right thing clinically based on medical evidence, and engaging patients and their caregivers in accessing and navigating the healthcare system while managing their health. Central to these activities is an understanding of the population and individuals at risk who will drive the greatest need for services.

Doing this goes beyond the scope of an EHR. Value-based care is cross-functional, team-based care that occurs across settings and venues of care and often in-between office visits, and is delivered by a variety of clinical and non-clinical users, many of whom may be on different (or no) EHRs. New types of technology have thus become important to complement what an EHR provides:

- **Health Information Exchange** – Aggregating, integrating and exchanging population-based information, including medical claims, clinical, lab, Rx, sociodemographic and bio-genomic data
- **Population Analytics** – Including population and episode cost and utilization analysis, provider quality and efficiency, patient risk stratification data, identifying gaps in care, prediction, cost, medication therapy management, and outcomes analysis, etc.
- **Care Management** – Decision support and workflow for care coordination, condition and case management
- **Care Pathways** – Evidence-based treatment protocols integrated with EHRs for decision support and reduction in variations in care
- **Patient Engagement** – Including multi-modal communication, triage, education, referrals and appointments, medication requests and adherence tracking, social support, etc.
- **Performance Reporting** – Including MIPS, Registries and Alternative Payment Model quality measures, with dashboards, benchmarking and actionable detail
- **Financial Systems for Value-based Care** – Optimized FFS billing, with advanced support for APMs, risk management, capitation, care bundles, etc.

Many of these capabilities are familiar to payers, who have historically provided care management, patient engagement, analytics and financial performance management for populations —mainly because providers were not paid to perform these functions. As value-based care shifts accountability and risk to providers, these capabilities must follow, with the opportunity to integrate them into point of care workflows and systems, and to leverage the patient-physician relationship to more effectively engage patients.

EHR vendors are thus scrambling to build many of these capabilities into their software, but this will
be unlikely to become the predominate solution in the near term. This is because a) the scope of population health is vastly larger than a traditional EHR; 2) rapid innovation in healthcare technology will drive the need for best-in-class solutions for key component functions, which will outpace an EHR's ability to keep up. The more practical, less expensive and flexible approach is to integrate various cloud-based tools and technology with EHRs and financial systems, striving for increasing data and workflow integration between applications as data standards adoption among vendors grows.

Providers will need to make investments in technology and replace legacy systems with new-generation tools. At the same time, practices must begin a transformational journey to adopt the capabilities and cultural requirements of value-based care. The incentives are strong and inescapable, both positive and negative, driven by the reimbursement methodology of MIPS and APMs, along with commercial payer variations. For example, MIPS can result in incentives of up to 9 percent on Medicare reimbursement, with an opportunity to earn another 10 percent for exceptional performance, versus -9 percent penalties. In additional, some APMs pay a per member per month (PMPM) fee for enhanced services and the necessary investments, plus a share of savings. How practices respond on the technology front will be an important determinant of their clinical and financial success in the years ahead.

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