

Value-Based Payment NEWS

Value-Based Models More Firmly Established

Focusing on value instead of volume in paying for healthcare is becoming part of the status quo.

Evidence continues to mount that value-based payment is here to stay. Two recent studies – one looks at state governments and one looks at family doctors – show how entrenched the emphasis on medical money's worth has become.

Change Healthcare: 'States Remain Committed to Value-Based Models'

Alternative payment programs are now "firmly rooted in state-level healthcare policy," says a new national study -- *Value-Based Reimbursement State-by-State* -- commissioned and published by Change Healthcare.

- Over 40 states are pursuing value-based payment programs, with 15 multi-payer initiatives across those states.
- 23 states have value-based targets or mandates that payers and providers agreed to achieve.
- 17 states have or are considering adoption of ACOs or ACO-like entities.
- 12 states have or are considering adoption of episodes of care programs.
- 7 states have "little to no activity around value-based payment models."

The report, says Carolyn Wukitch, senior vice president & general manager, Network and Financial Management, at Change Healthcare, "clearly shows that most of the country is committed to value-based payment as a key component of health reform in order to bend the cost curve and ultimately achieve the Triple Aim. To scale these complex payment arrangements, payers and providers will need to rely even more on their healthcare information partners to help them model, automate and analyze their programs to ensure cost savings, appropriate care and fast, accurate payment."

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Innovation and Value Initiative Launches Open-Source Measurement Tool

The Los Angeles-based Innovation and Value Initiative -- a collaboration of academics, patient advocacy organizations, payers, pharma companies, providers, delivery systems and others looking for "scientifically credible approaches to measuring value in healthcare" -- has launched the IVI Open-Source Value Project, which the group calls "a first-of-its-kind tool to better measure value in healthcare treatments." The effort starts with the release of a rheumatoid arthritis open-source tool that, according to a statement, "establishes a platform for the development of several dynamic, transparent and flexible models that will allow any healthcare stakeholder to scientifically measure value in healthcare treatments or services."

The Project is "unique in the value assessment space," IVI says, for these reasons:

- *Each open-source model is fully transparent.* IVI will publicly release research methods, assumptions, results and external reviews, the organization promises, "to facilitate the evaluation and replication of its work."
- *Each open-source model is freely available and usable.* IVI will release code, user guides, model documentation and interactive user interfaces; anyone can download the tool to run analyses, make changes to the model, build new models with it or create new apps or tools.
- *Each open-source model is developed through a consensus-driven process.* IVI will "ask for input from stakeholders across the healthcare system," the statement says, "to help ensure that the model reflects the different challenges and needs of each particular audience."

Adds Darius Lakdawalla, IVI Executive Director and Quintiles Chair in Pharmaceutical Development and Regulatory Innovation at the University of Southern California: "Healthcare systems, patients, providers and payers all need better, more transparent tools to measure value in treatments and services. The IVI Open-Source Value Project works by creating modeling platforms that are flexible enough to account for different stakeholder perspectives and patient populations -- and by launching a transparent and collaborative community process for improving, updating and expanding the models." The Project, he adds, "will give payers and healthcare systems the ability to make clear, data-based decisions about spending, provide key insights to patients and providers making shared value-based decisions and advance the science of value assessment."

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