

# INSIGHTS TO ACHIEVE SUCCESS IN VALUE-BASED HEALTH CARE

In December 2017, The Kinetix Group worked with the Ochsner Health Network (OHN) to present the OHN Value Summit. The Summit convened in New Orleans as a conversation among parties who approach health care from different vantages and perspectives.

Participants explored the concepts of value, a fair return on the cost of goods and services, and value-based care in the context of the escalating challenges of the health care system in the United States.

OCHSNER® HEALTH NETWORK  
2017 VALUE SUMMIT



## VALUE-BASED PARTNERSHIP DESIGNS

- Leadership must flexibly align varied stakeholders to **create a shared vision** that rejects silos, incentivizes providers and real-time data sharing, and accounts to goals and objectives
- To earn trust: Set aside short-term 'transaction-revenues' goals, be mindful of collaborator operating margins, and **share risks having the potential to improve affordability and patient outcomes**

Successful value-based partnerships can be seen throughout the market. In a partnership, each party must give up something from its prior legacy to advance in creating a value-based system, strengthening market enrollment, and developing products for their regions so as to deliver less expensive, higher quality care.

*"Our mission is to take a step down and learn, to engage discussion, to do something that will fundamentally improve health care in the state, and at the end of the day, to bring all these to the grass roots level."*

Steve Udvarhelyi, MD, MHA  
President & CEO, BCBSLA

Alignment can yield a **20-25%** reduction in costs.



## RISK

- Value-based care requires revised approaches to pressures in the market. **To successfully manage risk-sharing, cultural transformation, along with technology, financial, and scenario planning, will be needed**
- **When taking on risk, health and healthcare goals must be grounded in economic sustainability.** Governance must be prepared to engage in dialogue on meaningful reimbursement with payers and physician partners

A single, accessible language understood by diverse shareholders will be expensive to achieve, but it is vital to establishing what is measured and how, as well as how costs are expressed.

*"The pace is moving fairly rapidly and it's almost unheard of when risk-based payments don't enter the conversation. It's as urgent as it's ever been; there is a lot to do."*

Scott Weingarten, MD, MPH  
Chief Clinical Transformation Officer, Cedars-Sinai



## TOOLS FOR COLLABORATION & LEADERSHIP

- Start with a clear vision of success to avoid 'alignment' toward divergent goals. **Leadership must listen, educate on market and challenges, arrive with a model – if not real data – but free of ready solutions, and hold each other accountable** to collaboration goals
- **Direct communication and the relationships it yields are powerful tools in the change to value-based care.** Data transparency, including diverse stakeholders across sectors, and recruiting talent with new skill sets, experiences, and perspectives can expedite the work

Leadership requirements differ vastly from the past. In the era of big data, new conceptual frameworks, and the imperative to build a culture of trust, bring social determinants of health into predictive models, rein in costs, and improve cost outcomes, collaboration is essential.

*"As you build out your team, seek enough difference in who you bring on board to contribute differences in viewpoints – You can't teach experience."*

David Carmouche, MD  
Senior VP & President, OHN

Change leadership must increase transparency, provide necessary infrastructure, and focus **80-90%** of its effort on implementation.





## SUCCESS MECHANISMS FOR SPECIALTY CARE

- Maintaining deep of knowledge patients as persons, while caring for populations, remains the goal. To have a voice in developing standards, **specialists must closely track and report their data**, especially for care coordination, transition management, and complex cases
- Electronic health records often fail in specialty care functionality. **Specialists must develop tools better reflecting specialty services** to capture and access meaningful patient information (e.g., patient-reported data, a patient's agenda rather than a provider's) in real time

The call within value-based care to adhere to more consistent, standardized practices at the specialty level raises an imperative to address such concerns as how to determine the 'final say' in standardization.

*"We need to take the time to understand why we do what we are doing. By aligning with the staff and people in the trenches, we can really make some beneficial changes."*

Vinod Dasa, MD  
Associate Professor,  
LSU School of Medicine

Missed in promoting the patient-centered medical home is that primary care is only **3%** of the spend.



## INNOVATION

- **Collaboration in itself constitutes innovation**, and must include educating the public (e.g., consumers, employers, governments) to improve overall wellness and demonstrate value to payers. Cultural friction, fragmentation, and miscommunication can obstruct the change towards value-based care
- Systems cannot yet manage or collect data on chronic illnesses, which pose the greatest global challenge to value-based care. **Evidence-based, standardized approaches will require problem-solving** – systematization, data capture, and assessments – which must be recognized as a skill set

Effective innovation requires establishing synergy among parties to develop partnerships, a 'single source of truth' by which health systems can communicate, and meaningful measures through which to co-create goals with patients, payers, and employers.

*"Vast opportunities exist for technology to step up and provide data integration so that the right actors can work with less friction."*

Gordon Moore, MD  
Senior Medical Director,  
3M HealthInformations  
Systems



## MANUFACTURERS IN VALUE-BASED CARE

- As improved outcomes can be viewed as favoring longitudinal cost savings (i.e., Medicare), high-priced technologies are now launched as add-on service 'solutions'. **Partnership models aimed at improving access to needed products and solutions must first ask, "What does value actually mean?"**
- **Suppliers and healthcare systems should forego separate negotiations to jointly consider products in the pipeline, supplier capability, and system needs**, collaboratively determining where systems can throw market share to industry, and industry can lower system costs

Affordability and quality challenges exist, and compared with other industries, health care offers few guarantees. Still, by working together to ensure that needed products reach patients in hospitals, clinics, and homes, supplier-system collaborations can reduce costs and make life better for patients.

*"Cost is a joint responsibility. The question has to be 'What can industry do to lower system costs, and how can systems reciprocate in lowering industry costs?' This kind of approach can only work within partnerships."*

Peter Juhn, MD, MPH  
VP & Global Head of  
Value-based Partnerships,  
Amgen

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