

# Value-Based Care in Vermont

## What is value-based care?

Value-based care focuses on high quality care, how people experience health care, and health care results. It pays providers more when people’s health and the health of the community improves—often referred to as population health. Below is a chart that compares traditional fee-for-service care with value-based care.

	Fee-for-Service	Value-Based Care
<b>Care Model</b>	Many appointments with independent specialists	Comprehensive, interdisciplinary, coordinated, preventative care through the Patient Centered Medical Home (PCMH)
<b>Systems</b>	Separate administrative systems are not integrated, resulting in redundant tests and procedures and high risk of harm (e.g. drug interactions, exposure to risk of procedures, expense)	Connects health care data to identify gaps in care and opportunities for best practices
<b>Costs</b>	Separate costs for every test, visit, and procedure	Costs decrease because patients access the right care at the right time, have streamlined care plans, fewer complications, and better preventive health
<b>Provider Experience</b>	Over-stretched primary care providers offer reactive health care with little opportunity for care coordination	Providers work together to coordinate care and provide proactive health care
<b>Patient Experience</b>	<i>A patient in this system would have less favorable health outcomes, more expensive care, and a varied health care experience</i>	<i>A patient in this system would experience improved outcomes, lower cost, and a better health care experience</i>

## What Value Means to Patients

In a simple definition, value is the quality of service divided by its cost. In health care, the patient experience matters and must be part of calculating value. Studies exploring value from the patient’s perspective have shown that the experience of care – and the quality of communication – are very important.

## Value in Health Care and the Quadruple Aim

The quadruple aim looks at more than just the cost and quality of health care. The health of the entire population, a positive experience for patients, and improved provider satisfaction are on an equal footing with reducing the cost of care.

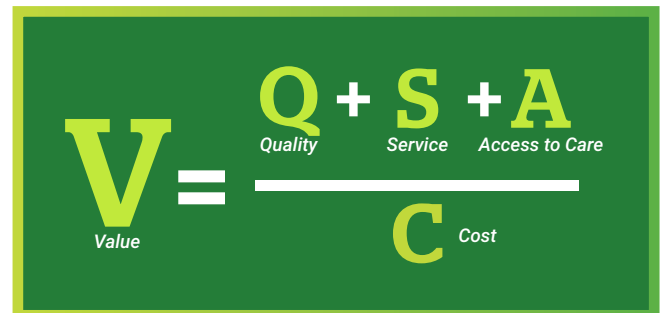


Chart source: HealthSearch Group

## The Quadruple Aim



Enhancing the Patient Experience



Stabilizing Health Care Costs



Improving Population Health



Improving Provider Satisfaction

Quad Aim Source: Institute of Healthcare Improvement, 2013

## Proven Ways to Increase Value in Health Care

There are several proven ways to increase health care value, including patient-centered medical homes (PCMHs) and accountable care organizations (ACOs). These are the four ways research has shown to increase value in health care:

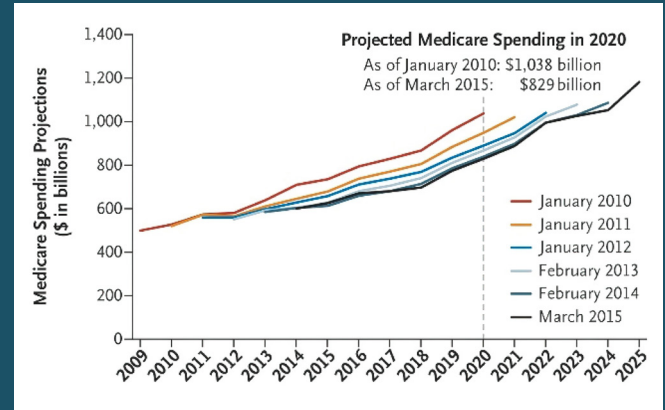
- Shared decision-making between providers and patients
- Continuous quality improvement (e.g. plan, do, study, act cycles)
- Increased care coordination and integration
- Payment reform, tying payment to patient outcomes

## Value-Based Care in Vermont

Vermont has been moving to high value care for several years. Here are some successes:

- The Blueprint for Health has helped nearly all primary care practices in Vermont become patient-centered medical homes.
- In the statewide accountable care organization OneCare Vermont, more than 5,000 providers are working together to improve quality and decrease cost.
- Vermont's All Payer Model is an agreement between the state and federal government that allows Medicare to join Medicaid and commercial insurers to pay differently for health care. The goal is to reward a payment system based on value, high-quality care, and good health outcomes at a lower cost.

## Bending the Cost Curve



The Affordable Care Act (ACA) passed in 2010 and ACOs are bending the cost curve in United States health care spending. This graph (NEJM, 2015) shows how the ACA has bent the cost curve for healthcare dollars spent in the United States.

## Vermont's Early High Value Care Successes

An independent research institution assessed the first two years of Vermont's All Payer Model and found promising results. This report by NORC at the University of Chicago found that:

- The APM achieved statistically significant Medicare gross spending reductions at both the ACO and state levels, as well as Medicare net spending reductions at the state level.
- There were statistically significant declines in acute care stays (at the ACO and state levels) and in 30-day readmissions at the state level.

<https://innovation.cms.gov/data-and-reports/2021/vtamp-1st-eval-full-report>

## Key Takeaways from CMS Findings



Statistically significant Medicare gross spending reductions



Declines in acute care stays and 30-day readmissions