

# VALUE-BASED CARE:

Improving access, equity, affordability and health outcomes



Healthcare nationally and in our region is in need of transformation. Despite spending **2.5 TIMES MORE** per capita on healthcare than peer countries, disease burden is higher. Rampant disparities also persist based on race, income and geography. COVID-19 has exacerbated these disparities and exposed system gaps for providers including PPE shortages and financial hardships.

## CareFirst's approach to transforming healthcare

Our healthcare system is simply not working to provide needed care because the current fee-for-service (FFS) system pays for the volume of services, not the quality of care. CareFirst is partnering with hospitals and providers to transition to a **VALUE-BASED SYSTEM**, which ties a healthcare professional's pay to the **IMPROVED HEALTH OUTCOMES** and **VALUE** for services delivered, rather than the volume of office visits.

### With an emphasis on preventive care, a value-based approach can:

- **IMPROVE QUALITY, OUTCOMES AND PATIENT EXPERIENCE** by emphasizing quality improvements, enabling richer information sharing, and allowing for proactive population health management.
- **EXPAND ACCESS TO CARE** by giving providers sustainability, financial stability and the flexibility to deliver care in the most efficient and effective way, such as via telehealth.
- **IMPROVE AFFORDABILITY** by lowering total costs of care and, in turn, costs of coverage.
- **ADDRESS EQUITY** by incentivizing providers to focus on the overall health of their entire patient population.

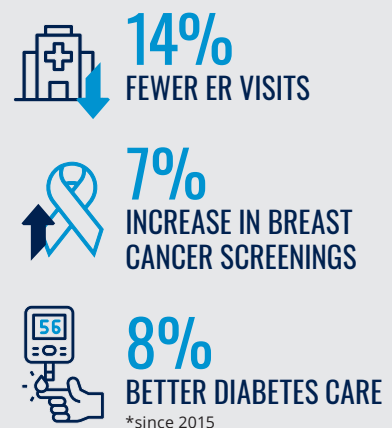
## CareFirst's value-based programs

CareFirst has offered a value-based program for 10 years for primary care providers—the Patient-Centered Medical Home (PCMH) program. In the coming years, we plan to implement new value-based programs—Episode of Care Programs (EOCs) for top high-cost specialists, Accountable Care Organizations (ACOs) for health systems, partially and fully capitated primary care arrangements, and more.

- **NEW VALUE-BASED PROGRAMS HAVE TWO-SIDED INCENTIVES.\*** Providers would be able to receive greater rewards for better managing patients' health. However, they would also be responsible for a portion of the shared losses if they don't improve quality and outcomes and reduce costs.
- **OUR PARTIAL AND FULL CAPITATION MODELS EMPOWER PROVIDERS** to focus on holistic population management rather than high-volume daily visits.
- **PROVIDERS MUST MEET NATIONAL QUALITY STANDARDS** to be eligible for shared savings. These include both clinical and patient experience measures.

All of CareFirst's value-based arrangements are **VOLUNTARY** and include **SAFEGUARDS**, such as a maximum liability cap for shared risk, so that provider organizations are not taking on more risk than they can bear.

### BLUE CROSS/BLE SHIELD'S TOTAL CARE PROGRAM\*:



\*Voluntary two-sided incentives and capitated models are aligned with other commercial payers as well as national and state initiatives to reduce provider burden and drive impact. They are also aligned with Maryland's Total Cost of Care model.

**VALUE-BASED CARE WILL MAKE A DIFFERENCE IN THE LIVES OF THOSE WE SERVE.**  
**We recommend policymakers consider the following areas to encourage the transition to a value-based system:**


**1**  
**Permit two-sided incentive and capitated value-based arrangements**

In Maryland, changes are needed to the physician/provider incentive compensation law to allow both two-sided incentives and capitation arrangements to flourish with commercial plans. This will improve quality and lower costs. Existing protections for consumers and providers will remain in place to ensure access to high-quality care.

 A 2018 CMS analysis showed that **TWO-SIDED INCENTIVE ACOS PERFORMED BETTER** than upside-only ACOs in cost savings

**2**  
**Continue to encourage CMMI models**

The Centers for Medicare & Medicaid Services Innovation Center (CMMI) should continue to design, test, and implement strategies that improve health outcomes and lower costs. The potential benefits for additional innovative models are clear. Validated interventions, such as care coordination, data-driven decision making and population health management, will need to continue to take the center stage in driving healthcare system transformation toward value.

**\$400 MILLION IN 7 YEARS:**  savings expected from CareFirst/MedStar value-based partnership

**3**  
**Facilitate opportunities for multi-payer alignment to drive system change and impact**

Multi-payer alignment is key to advance value-based care, reduce provider burden, and drive large population health impact. CareFirst is currently an aligned payer for CMMI's Primary Care First in Virginia and Maryland Primary Care Program (MDPCP) to support primary care practice transformation. We are looking forward to continuing to partner with CMMI, states, and other stakeholders to align our efforts and advance value-based care.

**BlueCross BlueShield value-based models IN 43 STATES AND THE DISTRICT OF COLUMBIA**

