Payment Reform can changing how we pay for care bring value?

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Disclosures

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The U.S. Has The Most Expensive Healthcare System
Per capita health expenditure in selected countries in 2018

- United States: $10,586
- Germany: $5,986
- Sweden: $5,447
- Canada: $4,974
- France: $4,965
- Japan: $4,766
- United Kingdom: $4,070
- Italy: $3,428
- Spain: $3,323
- South Korea: $3,192
- Russia: $1,514
- Brazil: $1,282
- Turkey: $1,227
- South Africa: $1,072
- India: $209

Source: OECD
# Health Care System Performance Rankings

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<tr>
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<th>AUS</th>
<th>CAN</th>
<th>FRA</th>
<th>GER</th>
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Value Based Payment: a healthcare delivery model in which providers, including hospitals and clinics, are paid based on patient health outcomes

https://catalyst.nejm.org/what-is-value-based-healthcare/
VALUE-BASED PAYMENT
Value-Based Health Care Benefits

**PATIENTS**
- Lower Costs & better outcomes

**PROVIDERS**
- Higher Patient Satisfaction Rates & Better Care Efficiencies

**PAYERS**
- Stronger Cost Controls & Reduced Risks

**SUPPLIERS**
- Alignment of Prices with Patient Outcomes

**SOCIETY**
- Reduced Healthcare Spending & Better Overall Health

NEJM Catalyst (catalyst.nejm.org) © Massachusetts Medical Society
Figure 1 | HHS value-based payment targets for Medicare in 2016 and 2018. 
Value Based Payment Models

- Pay for Performance
  - Capitation
- Bundled Payment
  - Shared Savings +/- Risk
Figure 2 | Framework for Alternative Payment Models.

Is it Working?

• 34% US healthcare payments tied to value
• Blue Cross/ Blue Shield providers (2018)
  • 35% reduced costs
  • 15% fewer hospitalizations
  • 10% decrease in ER visits

Health Care Payment Learning & Action Network  www.hcp-lan.org
Is it Working?

• Inconsistent success
• Physician reluctance
  • Quality measures too complex
  • 72% lack information about patients (EHR)
  • Lack skills to deliver evidence based treatment

https://newsroom.questdiagnostics.com/2018-07-17-New-Study-Reveals-Stalled-Progress-Toward-Value-Based-Care/
Outcomes
Accountable Providers

Align Incentives
Share Risk
Reduce Complexity
• Pay for volume
• No quality measurement

Value-Based Payment
• Quality metrics
• Process improvement

Fee For Service

• Quality outcomes per episode
• Whole system improvement

Care Coordination
What defines your value?

- Satisfaction
- Pain, disability
- EB spine care
- Labor sector
- Total cost of care
- Leakage

Patients/Provider

Payers

Public Health

Health System
Noninvasive Treatments for Acute, Subacute, and Chronic Low Back Pain: A Clinical Practice Guideline From the American College of Physicians

Amir Qaseem, MD, PhD, MHA; Timothy J. Wilt, MD, MPH; Robert M. McLean, MD; and Mary Ann Forciea, MD; for the Clinical Guidelines Committee of the American College of Physicians

Description: The American College of Physicians (ACP) developed this guideline to present the evidence and provide clinical recommendations on noninvasive treatment of low back pain.

Methods: Using the ACP grading system, the committee based these recommendations on a systematic review of randomized, controlled trials and systematic reviews published through April 2015 on noninvasive pharmacologic and nonpharmacologic treatments for low back pain. Updated searches were performed through November 2016. Clinical outcomes evaluated included reduction or elimination of low back pain, improvement in back-specific and overall function, improvement in health-related quality of life, reduction in work disability and return to work, global improvement, number of back pain episodes or time between episodes, patient satisfaction, and adverse effects.

Target Audience and Patient Population: The target audience for this guideline includes all clinicians, and the target patient population includes adults with acute, subacute, or chronic low back pain.

Recommendation 1: Given that most patients with acute or subacute low back pain improve over time regardless of treatment, clinicians and patients should select nonpharmacologic treatment with superficial heat (moderate-quality evidence), massage, acupuncture, or spinal manipulation (low-quality evidence). If pharmacologic treatment is desired, clinicians and patients should select nonsteroidal anti-inflammatory drugs or skeletal muscle relaxants (moderate-quality evidence). (Grade: strong recommendation)

Recommendation 2: For patients with chronic low back pain, clinicians and patients should initially select nonpharmacologic treatment with exercise, multidisciplinary rehabilitation, acupuncture, mindfulness-based stress reduction (moderate-quality evidence), tai chi, yoga, motor control exercise, progressive relaxation, electromyography biofeedback, low-level laser therapy, operant therapy, cognitive behavioral therapy, or spinal manipulation (low-quality evidence). (Grade: strong recommendation)

Recommendation 3: In patients with chronic low back pain who have had an inadequate response to nonpharmacologic therapy, clinicians and patients should consider pharmacologic treatment with nonsteroidal anti-inflammatory drugs as first-line therapy, or tramadol or duloxetine as second-line therapy. Clinicians should only consider opioids as an option in patients who have failed the aforementioned treatments and only if the potential benefits outweigh the risks for individual patients and after a discussion of known risks and realistic benefits with patients. (Grade: weak recommendation, moderate-quality evidence)

Ann Intern Med. doi:10.7326/M16-2367 Annals.org
For author affiliations, see end of text. This article was published at Annals.org on 14 February 2017.
Optum: $792 vs $1369
Table 3. Coverage and Utilization Management for Select Nonpharmacologic Pain Therapies in 15 Commercial and 15 Medicare Advantage Plans

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Shark Week: That odd combination of excitement and sheer terror.
Challenges with Spine Care

1. How to define episode/ timeframe?
2. What do you bundle?
3. Who does payment go to?
4. Can this be scaled?
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Value Proposition
Partnership
Preparation
The good physician treats the disease; the great physician treats the patient who has the disease.

William Osler