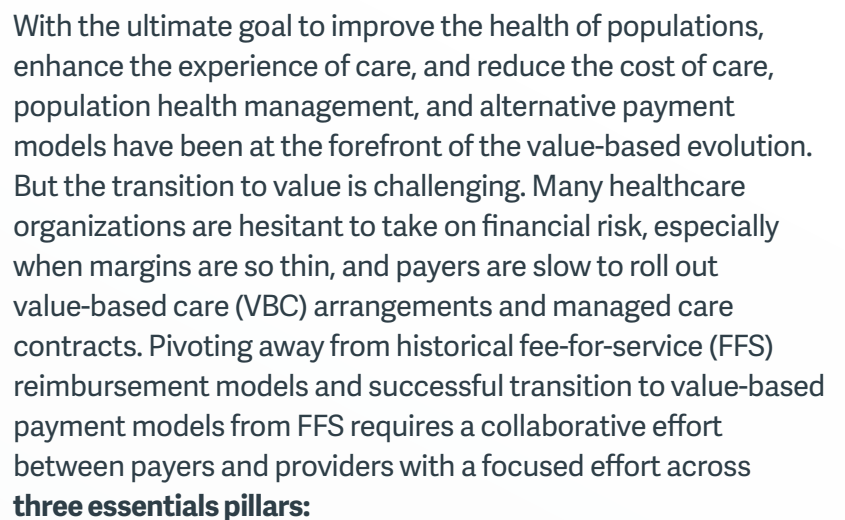


 Value-Based Care With the ultimate goal to improve the health of populations, enhance the experience of care, and reduce the cost of care, population health management, and alternative payment models have been at the forefront of the value-based evolution. But the transition to value is challenging. Many healthcare organizations are hesitant to take on financial risk, especially when margins are so thin, and payers are slow to roll out value-based care (VBC) arrangements and managed care contracts. Pivoting away from historical fee-for-service (FFS) reimbursement models and successful transition to value-based payment models from FFS requires a collaborative effort between payers and providers with a focused effort across **three essentials pillars:****PAYER CONTRACTING**

Fair and clear contracting terms and incentives are a win for payers, health systems, employers, and patients.

**OPERATIONAL TRANSFORMATION**

Transitioning from traditional FFS care delivery models to value-based arrangements often requires significant changes to existing clinical workflows, resource allocation, and access to key data. These changes are essential to unlock the financial upside in value-based care delivery models.

**COMPENSATION ALIGNMENT**

Compensation plans must evolve to recognize the provider behaviors that best achieve the targets of a VBC model, including incentives tied to both effort and results through clear attribution methods.

# THE TROUBLED TRANSITION TO VALUE

The pressure to transition to VBC continues to increase in both breadth and speed - organizations that prepare now will be positioned to earn significant upside revenue.

Effectively designed VBC models incentivize organizations to manage utilization and reduce overall costs while improving the quality of care, the patient experience, and population health.



## 1) PAYER CONTRACTING

The VBC contract must be thoughtfully structured based on an organization's experience with VBC so the organization minimizes its financial risk.

## 2) OPERATIONAL TRANSFORMATION

Achieving negotiated incentive payments often requires teams to redesign long-standing operational and clinical care delivery processes across the entire care continuum.

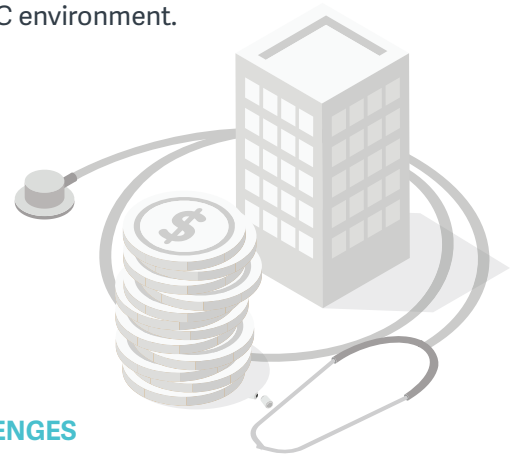
## 3) COMPENSATION ALIGNMENT

Compensation plans must move beyond basic production measures and adopt meaningful recognition for clinical quality targets and cost savings for a VBC culture to take root.

Attention to these three key pillars is fundamental to achieving success in a VBC environment.

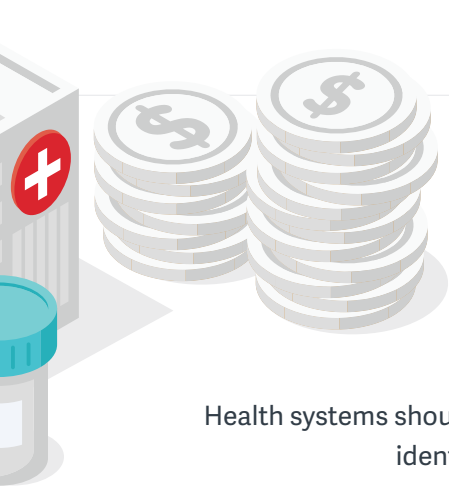
# ECG HELPS ORGANIZATIONS OVERCOME VBC BARRIERS.

Many providers have found success with VBC, but several common stumbling blocks often inhibit an organization's ability to tap its true potential.



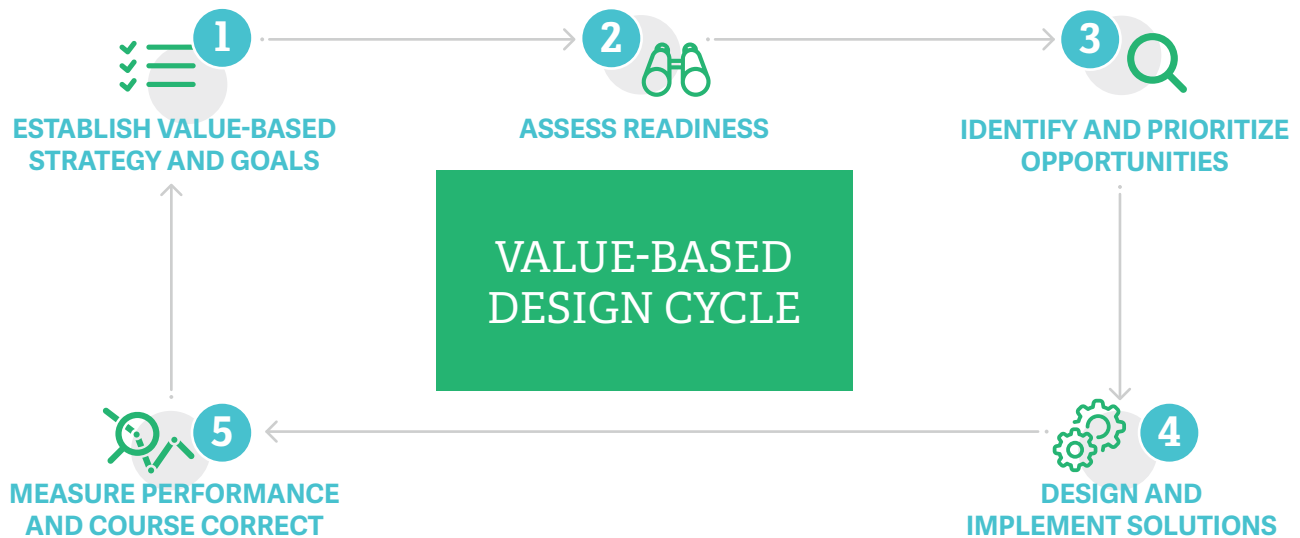
## PREPARE TO ADOPT A MODEL FOR SUCCESS

Adopting payer contracts without adequate preparation will result in failure to achieve and sustain quality goals and negatively impact the organization's bottom line. Redesigning workflows, reallocating resources to support process changes, aligning incentives, and ensuring access to meaningful, timely data are prerequisites to earning VBC revenue. Payer contracting, operational transformation, and compensation alignment, when appropriately sequenced and paced, allow for more successful adoption of VBC.



# SUCCESSFUL VBC CREATES A HIGH-QUALITY SYSTEM OF CARE WITH ALIGNED FINANCIAL INCENTIVES





Health systems should approach the transition with a “slow but steady wins the race” mentality and strategically identify the services, programs, and markets that are most likely to succeed under a VBC model.



Real progress has occurred in the transition to VBC, but the pace has been slower than proponents desire. Implementation has proven to be more challenging than anticipated as many providers are concerned about taking on financial risk, while payers are still slow to roll out VBC plans and managed care contracts. For providers, pivoting away from fee-for-service reimbursement is proving to be difficult.

**WITH OUR MULTIDISCIPLINARY EXPERTISE** in strategy, finance, operations, managed care, and technology we support hospitals, health systems, and physicians as they transition to VBC models.

## OUR SERVICES INCLUDE:

- 
**VALUE-BASED READINESS ASSESSMENT**  
 Evaluate current state and ability to evolve strategically, operationally, financially, and technologically into a value-based enterprise
- 
**DEVELOP COMPENSATION ALIGNMENT**  
 Incentive structures and attribution methodologies that ultimately tie the financial incentives of the enterprise back to individual providers
- 
**ASSESS AND REFINE PAYER CONTRACTING OPTIMIZATION**  
 Incentive structure, metrics, and contract language
- 
**IMPROVE OPERATIONAL TRANSFORMATION**  
 Acute care processes, ambulatory services delivery, and coordination across the care continuum



## CASE STUDIES



### BAYCARE MEDICAL GROUP

BayCare Medical Group (BMG), the integrated physician enterprise of BayCare Health System, is a multispecialty provider group with approximately 220 primary care physicians and APPs in the Tampa area. Recognizing current market trends, BMG leadership engaged ECG to design a VBC mission and strategy and prepare key components of operations and infrastructure for value. ECG facilitated planning and design efforts in:

- ✓ Quality outcomes
- ✓ Analytics and reporting
- ✓ Workflows and team member roles
- ✓ Organizational structure
- ✓ Provider incentive design
- ✓ IT and EHR infrastructure

As a result of this work, ECG developed a comprehensive plan that BMG will use in its VBC implementation, including:

- ✓ **PRIMARY CARE-FIRST**, high-level, value-based transformation strategy.
- ✓ **INVENTORY OF VALUE-FOCUSED CONTRACTS**, key metrics, and an assessment of current performance and opportunities.
- ✓ **VALUE-BASED PRACTICE WORKFLOWS** incorporating revised staff functions and newly envisioned roles.
- ✓ **UPDATED SUPPORT TEAM ROLES** and an accompanying staffing model designed to meet population health objectives and care for complex patients.
- ✓ **REVISED** provider compensation strategy inclusive of defined and calibrated risk-adjusted panels for primary care providers.



### MEDICAL UNIVERSITY OF SOUTH CAROLINA

Medical University of South Carolina (MUSC), a 785-bed acute care teaching hospital and level I trauma center, engaged ECG to improve outcomes in some of the most challenging measures in its performance pay-for-performance (P4P) value-based contract, including:

- ✓ Reducing Methicillin-Resistant Staphylococcus Aureas (MRSA) infections
- ✓ Reducing surgical site infections
- ✓ Reducing unplanned readmissions to the hospital
- ✓ Improving appropriate use of ED imaging
- ✓ Improving appropriate use of outpatient cardiac imaging

ECG partnered with MUSC to implement technology-supported, evidence-based practices and processes to improve outcomes in these most challenging P4P quality measures. ECG's subject matter experts facilitated collaboration among multidisciplinary work groups to design and implement new, streamlined EHR documentation workflows that incorporated evidence-based clinical care practices, accelerated outcome improvements, and enabled real-time performance monitoring.

- ✓ **THROUGH THIS COLLABORATION**, MUSC achieved meaningful clinical, operational, and financial outcomes.
- ✓ **\$11.6 MILLION IN REVENUE** is projected over the next three years as a result of the engagement.
- ✓ **QUALITY METRIC PROJECTIONS** as a result of the engagement include: 40% reduction in SSIs, 22% reduction in unplanned readmissions, 33% reduction in ED imaging, and 34.7% reduction in OP imaging.

## CONTACT US

➔ For more information about **ECG's Value-Based Care services**, visit [ecgmc.com](http://ecgmc.com) or call **703-522-8450**.



**JENNIFER GINGRASS**  
Partner  
jgingrass@ecgmc.com



**TERRI WELTER**  
Partner  
twelter@ecgmc.com



**JOSH HALVERSON**  
Partner  
jhalverson@ecgmc.com

