Embracing New Payment Models

Challenges, Opportunities, and Strategies for Improvement
Embracing New Payment Models

Results from the 2017 HFMA Value-Based Payment Readiness Survey Sponsored by Humana

The Current State

- Since 2015, commercial payers using value-based mechanisms have risen from 12 percent to 24 percent.
- Although positive, this roll-out appears to be slower than expected.
- Financial executives generally do not view their organizations as highly capable in most areas that support value-based payment.
- Some of the most significant challenges include poor data access, inconsistencies between payers, lack of physician buy-in and support.

Organizations are Continuing to Participate in Value-Based Reimbursement

<table>
<thead>
<tr>
<th>Commercial and negotiated government plans are the most common</th>
<th>Most organizations are pursuing upside risk</th>
</tr>
</thead>
<tbody>
<tr>
<td>Traditional Commercial (most under 65 plans)</td>
<td>Bonus only</td>
</tr>
<tr>
<td>Negotiated Government (Advantage and Managed Plans)</td>
<td>Bonus only</td>
</tr>
<tr>
<td>Medicaid (Not Managed Plans)</td>
<td>Bonus and value-based reimbursement</td>
</tr>
<tr>
<td>Medicare (Not Advantage Plans)</td>
<td>Pure value-based reimbursement</td>
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</tbody>
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Seizing Opportunities

Organizations anticipate several extremely important needs

- Interoperability: 74%
- Post-discharge follow-up: 59%
- Chronic care management: 55%
- Real-time data access: 54%

Closing readiness gaps will be critical

Difference between projected needs and current capabilities

<table>
<thead>
<tr>
<th>External interoperability</th>
<th>Internal interoperability</th>
<th>Chronic care management</th>
<th>Assessing ROI</th>
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</thead>
<tbody>
<tr>
<td>33%</td>
<td>32%</td>
<td>23%</td>
<td>21%</td>
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Consider Social Determinants of Care

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Does your organization consider social determinants (e.g., food insecurity) in the overall strategy and cost planning?

- Yes: 37%
- No: 63%

Value-based Models Yield Results

Most organizations are seeing positive financial outcomes

- Positive financial results 2018: 74%
- Positive financial results 2015: 51%

Strategies for Facilitating Value-Based Payment

- Provide smarter incentives that align with provider needs and care objectives
- Share data with providers
- Be more transparent; act as a partner with all stakeholders
- Standardize programs, measures, and processes
- Consider social determinants of health when planning. Currently, only 37 percent of respondents consider these factors when designing value-based programs.

View the full research results

hfma.org/ValueBasedPaymentReadiness
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About HFMA
With more than 40,000 members, the Healthcare Financial Management Association (HFMA) is the nation’s premier membership organization for healthcare finance leaders. HFMA builds and supports coalitions with other healthcare associations and industry groups to achieve consensus on solutions for the challenges the U.S. healthcare system faces today. Working with a broad cross-section of stakeholders, HFMA identifies gaps throughout the healthcare delivery system and bridges them through the establishment and sharing of knowledge and best practices. We help healthcare stakeholders achieve optimal results by creating and providing education, analysis, and practical tools and solutions. Our mission is to lead the financial management of health care.