- We are recording - will be posted to Cyft website
- Send questions via the “Q&A” button

The Analytics & Palliative Care Journal Club

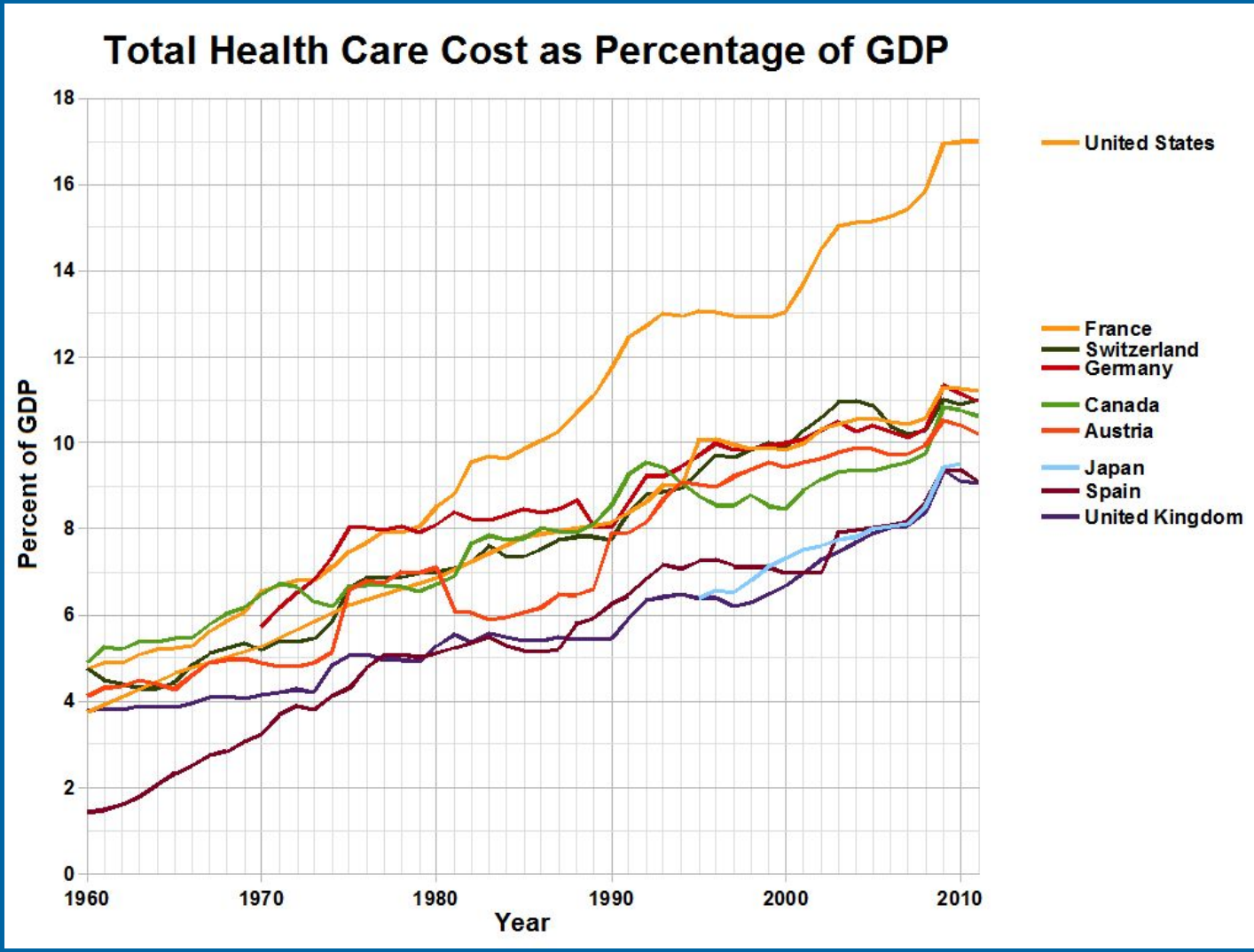
Lessons from 10 years of value-based care models

Study:

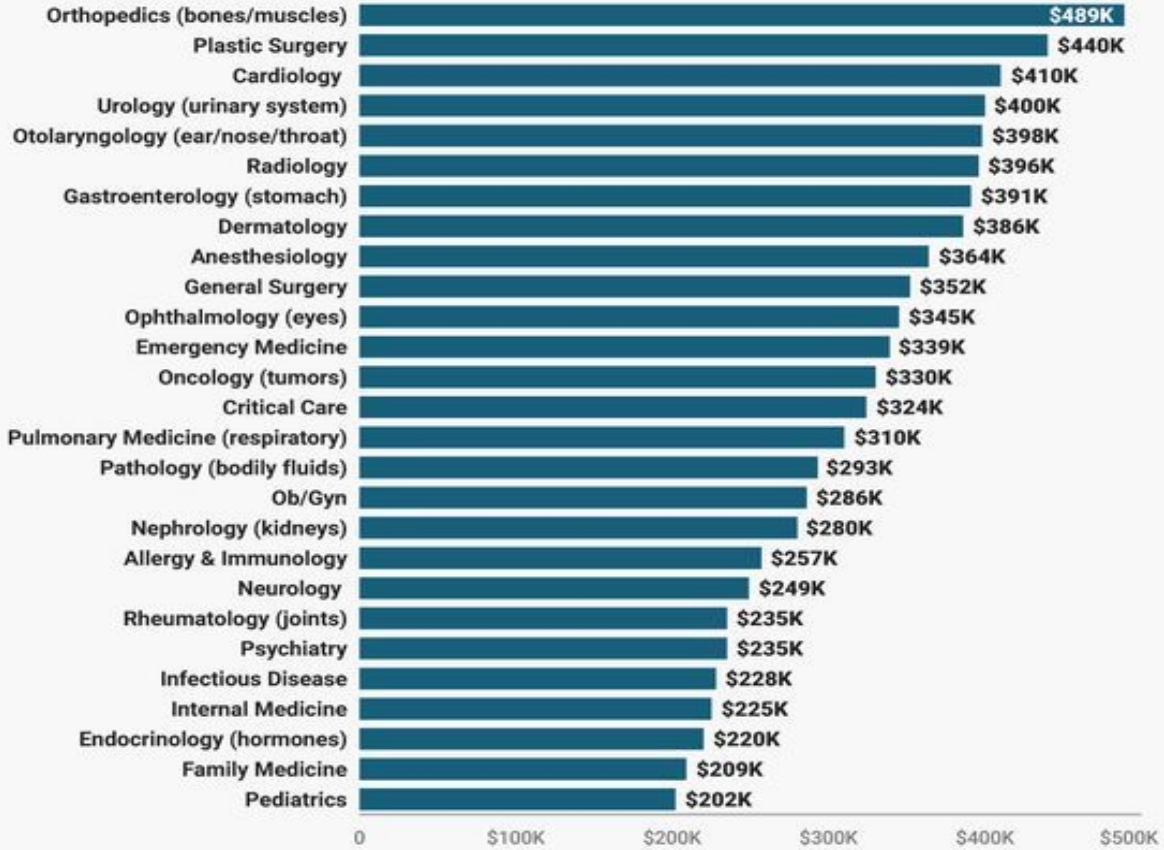
Smith, “CMS Innovation Center at 10 Years - Progress and Lessons Learned.” NEJM 2021; 384: 759-764

“Every system is perfectly designed to get the results it gets.”

-Paul Batalden, MD


Total Health Care Cost as Percentage of GDP
Percent of GDP
0
2
4
6
8
10
12
14
16
18
1960
1970
1980
1990
2000
2010
Year
United States
France
Switzerland
Germany
Canada
Austria
Japan
Spain
United Kingdom

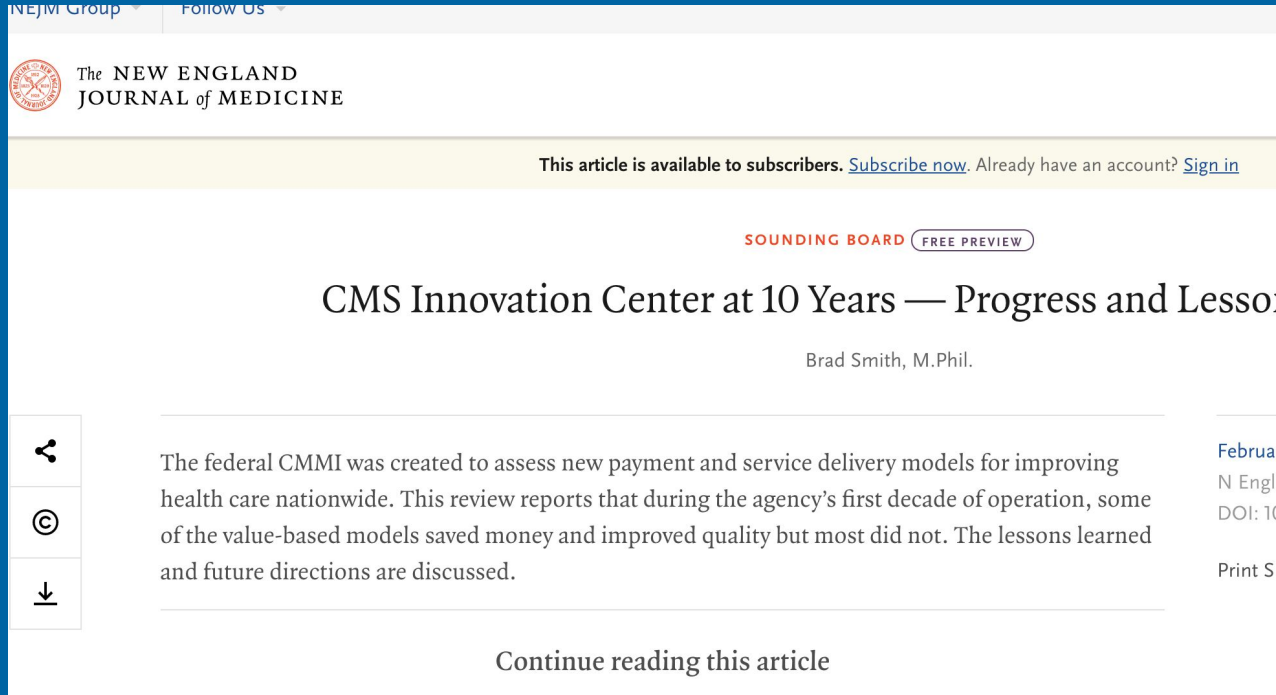
HOW MUCH MONEY PHYSICIANS MAKE



SOURCE: Medscape

BUSINESS INSIDER

CMMI - “to reduce program expenditures...while preserving or enhancing the quality of care…”



In those 10 years

- 54 models launched
- > 1 million providers
- >26 million patients
- 40% of Medicare FFS, 30% commercial, 25% of medicaid via VBC

The most important catalyst of value-based care

“The vast majority of the Center’s models have not saved money, with several on pace to lose billions…”

Most don’t show “significant improvements in quality”

LESSONS LEARNED

Voluntary Participation

- 50 of the 54 models were voluntary
- Participants drop when the lose money
- Upfront payments boost participation
    - But lead to greater losses for the Center

When the Center loses money, providers make money

Benchmarking (setting the budget)

- Hard to predict - changes in practice and coding cost the program billions
- Adverse selection - greater incentive for those below benchmark

Quality

- Hard to compare vs controls - only have claims for control groups
- Evaluation and payment metrics don’t overlap
- “71 metrics were used to determine payment, only 39 were included in evaluations.”

Operating Capabilities

- Technical issues led to $400M swing in BPCI
- NextGen ACO lost $50M due to wrong demonstration code

THE PATH FORWARD

“Launch new models that move large portions of risk to providers in two-sided risk arrangements with upfront discounts in return for giving participants greater flexibility and upside risk”

Direct Contracting - High Needs

Move faster to change or terminate models that aren’t reducing cost or improving quality.

Set more accurate benchmarks.

At a minimum, test against historical data.

Use retrospective data to create guardrails on prospective models.

If risk of adverse selection is high and participation likely to be low, consider making models mandatory

VBID?

Better align quality metrics

More consistent measures - eval and payment

Invest in data: data sharing, real time data, etc.

The recording of this session will be posted at Cyft.com

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