The Healthcare Revolution Will Be Digitized

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The healthcare industry is rapidly moving toward value-based models that pay for quality of care rather than quantity of care. These new models require providers and healthcare organizations to shift their business to contracts that require them to share risk, but sharing risk also means sharing data. In order to be successful, organizations' current technology for capturing and sharing heath data will need to change, as they will need to use both structured and unstructured data to meet the needs of an evolving health system. This new paradigm provides opportunities as well as challenges.

HHS Secretary Sylvia Burwell announced in January that HHS will move 30% of fee-for-service Medicare payments into value-based contracts by the end of 2016—these include accountable care organizations (ACOs) and bundled payment models. Ultimately, they are aiming to tie 50% of payments to these models by the end of 2018.[1] HHS also announced a new organization: the Health Care Payment Learning and Action Network, which consists of private- and public-sector healthcare players that will share information about payment initiatives and promote widespread use of new payment models.

Within days of the HHS announcement, a new Health Care Transformation Task Force made a similar announcement. This organization includes some of the largest US health systems, employers, and payers. Task force members have committed to shifting 75% of their members' business into contracts with incentives for health outcomes, quality, and cost management by January 2020.[2]

Focus on Payments and Cost

This shift is occurring because controlling healthcare costs has become a national imperative. Recent studies show that the combined effects of coverage expansion, faster economic growth, and population aging will likely contribute to health spending growth in 2015 and beyond. This growth in spending crowds out other spending priorities and is essentially unsustainable. The health share of gross domestic product (GDP) is expected to rise to 19.3% by 2023, up from 17.2% in 2012. The only way to bend the cost curve is to change the way we pay for healthcare; organizations must take a new approach that proactively promotes and maintains health, rather than simply reacting to disease.

CMS has a goal of migrating healthcare from a fragmented and transaction-based state to a more sustainable and evolving future state. This future state is patient centered, coordinated, and value based. CMS has categorized alternative payment models (APMs) into 2 types:

1. *APMs built on fee-for-service.* Some payment is linked to the effective management of a population or an episode of care with opportunities for shared savings or 2-sided risk. However, payments are still largely triggered by the delivery of services.

2. *Population-based payment.* Payment is not directly triggered by service delivery, so volume is not linked to payment. Clinicians and organizations are paid based on outcomes and quality of care.

Transform Care Through Data

These reforms require a transition not only in the way providers are paid, but in care delivery methods and the distribution of data and health information. CMS is also funding State Innovation Models through grants that test the ability of state governments to use policy and regulatory levers to accelerate healthcare transformation. The grants to date have been awarded in 2 rounds. Primary objectives of the program include improving the quality of care delivered, improving population health, increasing cost efficiency, and expanding value-based payments.

Surviving, and even thriving, in this transformed healthcare system will require new ways of thinking about data. The evidence for success in accountable care and bundled payments is still relatively limited, but early results show promise. With more experience, these models can continue to be refined to ensure they are delivering sustained quality improvements and lower overall costs.

We have traditionally looked at clinical data and claims data as 2 separate data sets. Now that providers and payers are sharing risk, there are opportunities to combine these data in new and interesting ways, and reduce risk through innovation. We can create rich new data sets of potentially tremendous value with a new data model that incorporates not only clinical and claims data, but also public health and even patient-generated data.

Population Health and Interoperability are Key

Thanks to the Electronic Health Record Incentive Program and Meaningful Use, we have made significant progress in digitizing our healthcare system. We are also making strides to improve interoperability and data exchange, but simply capturing data in electronic health records and providing capabilities to share the data are only the first steps. These data must become useful information that helps clinicians to actually improve care. Analytics capabilities and population health management tools will drive success in this new environment. We must have the ability to effectively capture, share, and use health data in effective ways to improve care and the patient experience, and ultimately lower costs.

Increasingly, the industry is recognizing the importance of developing technology solutions that will enable organizations to succeed in taking on risk. Providing clinicians with access to correct and timely information at the point of care is a critical component of these solutions. So is the ability to engage and empower patients with meaningful information to improve their health and become a part of their own care team. Organizations can drive measurable population health results through the use of powerful analytics solutions that aggregate data from disparate sources and generate more comprehensible, actionable information.

When clinicians have a more complete picture of the patient through a longitudinal view into his or her health records, they are better able to improve care coordination and outcomes—and to lower costs. By improving care transitions and providing event-based notifications with actionable intelligence, we can begin to reduce preventable readmissions and push care out into the community where people live, work, and play. This data-fueled healthcare revolution requires us to share data and share risk in order to ultimately share rewards and achieve Triple Aim goals.

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