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Guest Commentary

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The Path to Value Through the Use of Holistic Care

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What will the future of healthcare look like in 20 years? Hold that thought. Before we predict the future, we must show we've truly learned from the past.

It's no secret we have challenges that need to be solved, and the readers of *The American Journal of Managed Care* (AJMC) know this all too well. Our transaction-driven, fee-for-service model has helped contribute to the unconnected, fragmented healthcare system that has led to these challenges.

As a physician who has practiced oncology for more than 20 years, the fee-for-service model—although still in wide use today—does not support the holistic, customized approach physicians must take to help their patients achieve health in today's consumer-driven world.

This episodic-driven model also incentivizes transactional activity and does not reward physicians for the value they bring to a patient's life. It's not the system that's required to address the chronic condition epidemic, where 75% of our annual healthcare spend—$2 trillion—is for people with multiple chronic conditions.[1]

With 10,000 people turning 65 every day, many of whom have multiple chronic conditions, the time has come to hasten this needed evolution.

Paving the Way

For the last 20 years, AJMC has been making a valuable contribution to society by articulating the case for encouraging providers and physicians to move from a fee-for-service model to a value-based reimbursement model. Although it has not been an easy trek, the light at the end of the tunnel is becoming more luminous day by day.

Take the leadership displayed by HHS Secretary Sylvia M. Burwell, who earlier this year set a goal of connecting 30% of fee-for-service Medicare payments to value-based models by 2016 and connecting 50% of payments to these value-based models by 2018.[2]

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I've experienced firsthand the power of value-based reimbursement across 1 million of my company's Medicare Advantage (MA) members.[3] Collectively, these MA members experienced fewer emergency department visits and fewer inpatient admissions than those in fee-for-service settings, while being served by providers who experienced higher Healthcare Effectiveness Data and Information Set Star scores than providers outside of value-based settings. Because of this, we paid physicians more than $76 million in bonuses.[4]

But this is not about just a single company; it's about an industry and government that is transforming, through collaboration, to meet the health needs of the 21st century patient. This industry transformation is driving higher quality at lower costs.

Meet the Need

The adoption of the value-based model and the importance of quality that the HHS is looking to drive are

reflective of the needs of the patient, provider, and physician communities we serve.

Today, people are asking for—and it's up to us to deliver—predictable pricing, high-quality care, and a seamless customer experience. The "retailization" of the healthcare system, where consumers have the power to choose from different MA plan options, is fostering a competitive environment where innovation determines success. In this environment, competition is not only challenging health plans to compete with each other and against traditional Medicare, but health plans are also using the value-based model to build healthier, sustainable populations.

Many physicians are enthusiastic about improving quality, but they frequently lack the foundational ability that allows them to manage populations in a value-based model. Given the current fragmented system, these physicians don't know when their patient—who they see twice a year for 10 minutes—had their last mammogram or colonoscopy or if they are taking their medication.

In a value-based model, the primary care physician is figuring out, "How do I do things so this 75-year-old woman who has diabetes doesn't get pneumonia or isn't hospitalized?" It's going beyond the standard examination and helping the patient manage their diet and weight so she does not have diabetic complications. If we expect providers and these physicians to transition to value, industry must deliver the clinical capabilities necessary to support the holistic approach that's essential to this model.

Providers, health plans, and physicians must become more integrated by continuing to build trusting, collaborative partnerships that put the patient at the center. These partnerships are also critical for building clinical capabilities such as data analytics. Without this trust, we can't build the clinical foundation necessary for the holistic approach.

The Holistic Approach

This holistic approach can only be achieved through personalized care, effective provider partnerships and a high level of member engagement. Data analytics is a critical element; in the past, health plans have been criticized as an obstruction to the physician–patient relationship. Now, health plans not only have the necessary data that primary care physicians need for the holistic approach, but also the data analytics necessary to work together to help close gaps in care.

In our experience with 43,000 providers and physicians in value-based MA relationships, we've found that when physicians use a holistic approach to care and are reimbursed for value, the results are better health outcomes and higher quality, with improvements in costs for us all.

The Future Is Bright

Helping people become healthier is not a slogan; it's the best business model. The healthier our population becomes, the more healthcare costs reduce, and that is great for society.

At Humana, we're working to improve the health of the communities we serve by 20% by 2020. As a physician, this goal appeals to me personally because physicians would rather spend their time keeping patients healthy than on administrative matters.

Providers and physicians have gone to medical school, nursing school, and pharmaceutical school to learn how to take care of patients, so we need to enable our clinicians to focus on what they do best: using their clinical acumen to render high-quality care. Building out the clinical capabilities they need to deliver the holistic approach to care that's necessary in a value-based model will achieve critical alignment among health plans, providers, physicians, and patients.

Twenty years ago, *AJMC* took the first steps by shedding light on the importance of the value-based model. The time has come for us to band together to show the rest of the country the future of healthcare in the new century.

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