

Collaboration, Open Dialogue are key in move to Value-based Reimbursement

Primary Value Program Success

Independent Health is a not-for-profit health plan based in western New York.

Independent Health recognizes that the most sustainable solutions to address the costs in our health care system start with the primary care physician (PCP) and involve improving the quality of care.

"The key to quality improvement is better care coordination and requires a collaborative, shared responsibility among physicians, hospitals, health plans, members and other key stakeholders," said Michael W. Cropp, M.D., Independent Health's president and chief executive officer.

The health plan has a long history as a trailblazer in innovative provider initiatives that align quality, value and cost. Building on lessons learned through a Patient-Centered Medical Home pilot and an innovative alliance of high-performing primary care practices, Independent Health introduced Primary Value in 2018.

Paying for Performance to Improve Quality

Primary Value supports PCPs' use of evidence-based medicine, while advancing safe, appropriate and effective care, as opposed to the traditional volume-based, fee-for-service model that has inherently encouraged more, unnecessary and, in some instances, potentially harmful care.

Through Primary Value, PCPs receive a monthly payment based on performance in three areas of care delivery: quality, efficiency and preventive visits. The monthly payments cover acute and chronic treatment. The monthly payments are adjusted quarterly up to 10 percent based on quality and efficiency metrics, which are transparent on Independent Health's provider portal.

In addition, participating practices continue to receive additional fee-for-service payments for annual visits, transitions of care and medication-assisted therapy (e.g., Suboxone). Services were intentionally excluded from the global per-member, per-month (PMPM) reimbursement amount in an effort not to reduce performance of those activities. This hybrid model allows flexibility in how practices interact with patients.

Provider Collaboration

Marrying value-based arrangements with real-world practice is complex. Independent Health found that engaging providers early in the development of payer-provider initiatives for input and feedback is integral to providers' acceptance of the program and can help identify potential issues. Additionally, it allows time and room for health plans to make adjustments along the way.

As with Independent Health's previous provider initiatives, honesty and transparency were critical to success. Understanding that some practices were concerned about the impact of this new payment system to their

What is Primary Value program?

Primary Value is Independent Health's value-based care and reimbursement program for primary care physician (PCP) practices. Currently, 632 primary care physicians participate, offering care to more than 200,000 Independent Health members. In total, 86 percent of Independent Health members see a PCP participating in the program. PCPs receive a monthly payment based on performance and which are adjusted quarterly based on quality and efficiency metrics.

cash flow, and their familiarity of processes and coding, the company's Network Reimbursement and Provider Engagement teams encourage feedback and input from provider practices and used this input in planning.

"Be open to feedback on ways you can improve your processes and/or adjust your payment modeling," said Melinda Walter, Director of Provider Networks. "That's how you build trust."

Physician feedback was helpful and instrumental in building the trust and respect necessary to implement the program. Participants felt that Independent Health had everyone's best interests in mind – including that of the patient, the practice and the health plan.

While not all feedback could be accommodated into the Primary Value methodologies and payment structure, the team listened, considered and made changes where they could in order to avoid unintended consequences.

Practice Performance Dashboard Reports

To help physicians succeed in this value-based methodology, Independent Health provides practice performance and gaps-in-care reports through a secure portal that help PCPs monitor patient care and identify opportunities for improvement. These reports also help practices better manage a patients' health by allowing PCPs to track and improve quality, while also monitoring the total cost and efficiency of care for patients who are Independent Health members.

Making these reports available to practices was just as important as getting the payment model right. Tom Foels, M.D., who was Chief Medical Officer during the rollout of Primary Value, said performance transparency was essential. "The worst thing that can happen is a value-based insurance program with a payer who doesn't give you data," he said. "You're blind." Providing good data plays into the competitive advantage of a regional health plan: relationships with physicians. "We had the 'no one left behind' attitude," Foels said.

Value-based Results

The move to value-based reimbursement through the Primary Value program has demonstrated that physician practices are achieving success in quality and performance measures, compared to a "control group" of practices that remain under the legacy fee-for-service model (based on Independent Health membership thresholds).

Through their focus on closing gaps in preventive care, incorporating new ways of delivering care and addressing inefficiencies and waste in the system, trends are improving in the areas of well visits and overall total cost of care. Primary Value physicians have higher quality scores, fewer avoidable ER visits, fewer hospital admissions and fewer 30-day readmissions.

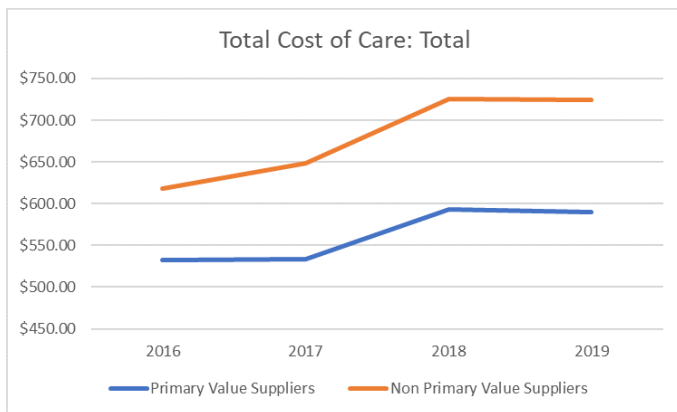
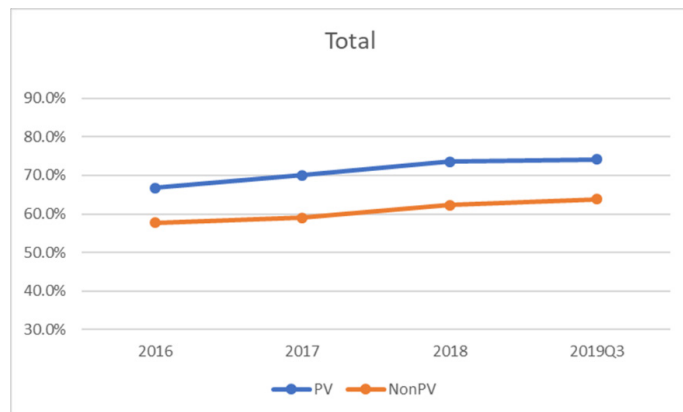
In setting up Primary Value, Independent Health identified key objectives:

- Move from fee-for-service to value-based reimbursement
- Reward PCPs for providing value
- Partner with physicians to be successful in this new health care environment
- Help alleviate the stressors on primary care
- Provide steady cash flow
- Support care management
- Care delivery flexibility
- Improve member access in PCP offices
- Allows each member of the care team to practice to the top of their license
- Share timely, actionable data on performance and opportunities

Well visits

Practices under the Primary Value program have achieved a higher annual well visit completion rate over the last four years than practices that are receiving the traditional fee-for-service reimbursement.

Primary Value Practices' well visit completion rate – at more than 70 percent – is around 10 percent better than non-Primary Value practices.



Total cost of care

The Primary Value practices have achieved lower total cost of care overall than compared to their peers on a per-member basis.

Primary Value providers' total cost of care is around \$125 PMPM lower than other providers, with an amount of just under \$600 PMPM compared to around \$725 PMPM.



Quality Performance

Quality metrics for Primary Value include a complement of preventive care, acute care, chronic treatment and behavioral health measures. Overall quality performance is displayed using the scale from lowest possible performance to highest possible performance for each line of business.

The Quality measure uses these sources and thresholds:

- National Committee for Quality Assurance (NCQA) Healthcare Effectiveness Data and Information Systems (HEDIS)
- NYS Quality Assurance Reporting Requirements (QARR)
- CMS Medicare Star

Scoring Results

- The Commercial Adult quality score nears 4.25 on a 5-point scale, compared to 3.0 out of 5.0 for peers
- The Commercial Pediatric quality score is 4.5 out of 5.0, compared to 2.5 out of 5.0 for peers
- The Medicare Adult quality score is just above 4.5 out of 5.0, compared to 2.25 out of 5.0 for peers
- The State Adult quality score is just above 0.3 on a one-point scale, compared to just under 0.2 out of 1.0 for peers
- The State Pediatric quality score is 0.5 out of 1.0, compared to 0.2 out of 1.0 for peers

Physician Acceptance

Physicians have found the move to value-based health care rewarding and beneficial to their practices and patients.

Primary care physician David Hartman, M.D., board-certified in internal medicine, said the value-based reimbursement model “is a total new way of thinking about reimbursement and how to manage patients long-term as opposed to acutely.”

“Our group experience with Independent Health in transitioning to this global payment model has been very positive. I think the biggest reason for that is because they listened to physicians on what we have to do behind the scenes, and they have been transparent in trying to achieve good cost-effective health care,” said Dr. Hartman.

Primary Value Supports Practices Amid Historic Pandemic

As a result of the COVID-19 pandemic, fee-for-service visits dropped significantly in spring 2020 causing a significant drop in cash flow for some primary care practices.

Fortunately, practices participating in the Primary Value program were able to fare above the rest. Already receiving a hybrid of fee-for-service and global payments, the practices were in a position to quickly adapt to the change in services provided and maintain access to essential care.

To address this serious issue, Independent Health began to compensate the Primary Value practices through an all-encompassing global payment that kept cash flow similar to a “typical” month pre-pandemic. This new capitated payment allowed practices to deliver care via whatever method they choose – telemedicine, telehealth, virtual visits phone calls or in-person office visits. With cash flow from at least one insurer steady compared to last year, these primary care practices were universally grateful. The consistent funding provided a stabilizing force and reduced COVID-related negative financial impact to the practices, helping the entire community.

To read more about the community impact of this initiative, [see the Clifford Family Practice story here.](#)

Conclusion

Now entering its fourth year of the Primary Value program, Independent Health and its participating primary physicians continue to thrive and learn and improve the program. More importantly, the payment model has resulted in higher quality scores and performance measures, thanks to the spirit of collaboration and data transparency.