

Delivering Holistic, Value-Based Care: Dr William Shrank Outlines 5 Issues

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In 5 to 10 years, when the United States has moved farther along the path to value-based care, it will need to contend with a host of new challenges and questions regarding how the different pieces of care delivery fit together, explained William Shrank, MD, chief medical officer of Humana, during the opening plenary at the National Association of ACOs fall meeting, held September 25 to 27 in Washington, DC.

The questions of today are ones regarding how fast the US health system can transform care, how providers take care of some patients in fee-for-service and others in value-based care, and how healthcare handles data and analytics.

“These are short-term questions that really speak to the transition to a more holistic approach to value-based care,” Shrank said.

The next stage will involve thinking about how all the pieces of this new system fit together. Shrank spent most of his talk highlighting the need for partners and the right way to work with those partners to deliver care.

Accountable care organizations (ACOs) have a lot of low-hanging fruit that they can address to be successful, he acknowledged, such as referral patterns, care management, and data. However, the idea of taking full responsibility for a population requires a total change in the way ACOs, health systems, payers, and other

stakeholders relate to patients and members. The time has come for these organizations to start thinking about issues they historically either haven't spent a lot of time considering or haven't been trained to address.

Shrank highlighted 5 important issues on which providers and systems will have to focus, as well as areas of future opportunity.

Social Determinants of Health

Although no consensus exists on the exact proportion of health costs made up by social determinants of health—estimated figures range from 50% to 80% of total costs—there is agreement that social characteristics, dynamics, and determinants “meaningfully impact the health and healthcare costs” of patients, Shrank said.

Less certainty surrounds what to do with that information and how much to invest in addressing social determinants. Humana has ventured into the space through its Bold Goals initiative, which brings together health systems, community organizations, local governments, and consumer advocates in certain key markets to identify resources in that community to address social needs such as isolation, food insecurity, housing instability, and transportation needs. Progress toward Bold Goals is measured using the CDC population health assessment tool Healthy Days, which

quantifies health-related quality of life by tallying how many of the past 30 days a patient experienced both physical and mental health good health.

“We’re starting to see real benefits in self-reported Healthy Days, but we still do not have clear evidence about what’s the intervention, what’s the investment, and what’s the return on investment to make a really crisp business case,” Shrank admitted. “We’re doing it because we think it’s the right thing to do; we’re doing it because we intrinsically believe it ultimately will provide a return on investment.”

It will be up to health plans with risk for members, and ACOs with risk for populations, to redistribute dollars earmarked for healthcare and instead address social needs by putting that money into social services, with the ultimate goal of reducing total cost of care, he said.

Data Analytics

In the ideal scenario, providers and health systems would get daily alerts highlighting those patients who will have an adverse event or outcome, but that is not the reality yet in healthcare. Shrank challenged audience members to find vendors or partners to work with to gain access to those types of predictive analytics tools.

“Your ability to understand risk—to target interventions; to understand which channels are going to be more effective; to deeply, deeply understand the population you serve—is absolutely going to be at the core of your ability to succeed in ACO models,” Shrank said.

Quality Measurement

There were good intentions when quality measurements were added into the current healthcare system. Health plans and CMS wanted to be able to measure quality and ensure the right thing was being done for patients. Unfortunately, the current reality is a bigger burden on providers and creates more inefficiencies without developing much better outcomes and health experiences.

Quality measurement has become an expensive aspect of the health system as providers and health systems try to measure data, pull records, locate opportunities, and more.

Home Health

In all other sectors of the economy, goods and services have been moving into consumers’ homes. Shrank pointed to streaming services and Amazon deliveries to highlight how people can get almost

everything they want in the convenience of their residence—everything except healthcare.

Home health partnerships have been difficult to set up because providers and ACOs must figure out how to actually deliver that care. Will they hire resources and develop the technology, or will they contract with a vendor? If they do contract, do they ask those organizations to take on risk?

“This is a huge opportunity, a huge challenge, and I encourage you to start thinking about this now,” Shrank said.

Pharmacy

Pharmacy is the “blind spot” in healthcare and has been the most disappointing space, according to Shrank.

“Prescribers are unaware of the cost of the drugs they prescribe,” he said, and drug costs are not included in the calculation of most value-based models coming out of CMS.

As a result, coordination and integration are lacking, as are clear data around the opportunity for savings. Unless providers start to view pharmacy as within their purview and part of their responsibility, they will not change the way they approach prescribing.

Humana included pharmacy in its shared savings model, giving providers specific targets and educating them on the impact of these prescriptions on spending. For instance, switching from a brand-name medication for chronic obstructive pulmonary disease to a new generic could save a practice a few million dollars.

But when Humana asked providers to make the change, educated them, and encouraged them to make the shift, the portion of prescribers who switched was less than 10%.

“Getting doctors to really fundamentally think that pharmacy is their problem is not easy,” Shrank said. “Pharmacy today is the fastest source of rising cost in the US healthcare system. It will continue.”

Future Opportunity

As ACOs and other delivery models gain momentum, they will increasingly confront the challenge of how to get everyone at the table working together. They’ll need to answer questions like how they partner, who takes risks, and how they share in success.

“I hope that we can have this conversation about how all the players will ultimately fit together so we can make this work as best as we can,” Shrank said.

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