Making the Most of Commercial Value-Based Care Contracts with Independent Primary Care Organizations

Value-based care is progressing quickly as payers, providers, and employers all seek more effective and cost-efficient strategies for producing better patient outcomes.

Participation in the flagship Medicare Shared Savings Program (MSSP) has increased steadily over the past few years, with 11.2 million Medicare beneficiaries now receiving care from participating providers. In 2018, estimated savings to Medicare surpassed $184 million.

11.2M

Number of Medicare beneficiaries now receiving care from providers participating in the Medicare Shared Savings Program

$184M+

2018 estimated Medicare savings

At the same time, payers are forming new partnerships with healthcare providers in an effort to produce similar results. More than half of private payer payments in 2018 were tied to value in some way, up from just 10 percent in 2012, equating to billions of dollars in payments nationwide.

While many independent primary care practices (PCPs) start their value-based care journey as part of an MSSP accountable care organization (ACO), adding other value-based care contracts to their portfolios is an attractive opportunity to further align incentives and continue delivering exceptional care to patients, says Chelsea Speth, Director of Corporate Development at Aledade.

"Typically, practices join Aledade in an MSSP ACO because this brings about 20 to 30 percent of the physician's panel under management with the Aledade tools and workflows," Speth explained. "Our goal is to keep increasing those percentages by partnering with commercial, Medicaid, and Medicare Advantage health plans until we have as much of the physician's panel aligned in value-based arrangements as possible."

"We have seen a lot of emphasis from regional and national health plans on launching value-based care contracts in partnership with ACO enablers. Health plans see ACOs as a way to aggregate and engage PCPs in quality and cost improvement, especially independent PCPs in rural areas of the country who have historically been harder to reach."

Health plans and primary care practices are both looking for ways to bridge this divide. Working with an accountable care partner such as Aledade can support exemplary outcomes for patients while accelerating success for practices and plans in the value-based care environment.

Creating connections between value-based care innovators

For practices and payers, risk is a fundamental component of value-based care. The key to creating a sustainable, mutually beneficial contract is to balance a tolerable level of risk with an attractive level of reward. However, many payers face challenges entering into risk-based contracts with individual PCP practices as these groups are often small businesses that do not have the financial appetite for risk exposure.

Health plans can progress toward two-sided risk contracts more quickly by partnering with entities that pool downside risk on behalf of providers—or better yet, have proven experience in doing so.

"When we talk to health plans about launching an ACO with Aledade, they are curious to hear about our experience in working with PCPs who are new to value-based care and whether we've seen improved cost outcomes in the first few years of working together," Speth said. "We typically share our positive results from MSSP which shows that all ACOs that have been with Aledade for three or more years have earned shared savings and are now taking downside risk."

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"This helps them see how we can take a group of practices with no experience in value-based care and get them into a downside risk contract in just three years. Although MSSP covers the Medicare fee-for-service population, there are a lot of commonalities in the way our practices learn to reduce ED and Inpatient admissions and proactively manage their high-risk patients in MSSP which translates well to managing other populations."

Practices can also equip themselves for success by engaging an established ACO partner. There is power in numbers when it comes to establishing the ground rules of accountable care.

"When practices join commercial payer contracts as an Aledade partner, they get the advantage of our corporate relationships with health plans," Speth said. "Our leadership meets with health plan leaders on a regular basis to surface issues that our practice partners are facing and brainstorm performance improvement opportunities. That's something that many independent PCPs don't have the ability to do on their own. In working with Aledade, practices get a seat at the table in discussions about strategies and tactics in the transition to value based care models."

Aledade only succeeds when payers and practices generate shared savings, she stressed, creating truly aligned incentives to work on behalf of its partners to improve quality and earn shared savings.

"And, unlike many other entities, Aledade shares the majority of the shared savings received from health plans back to our practice partners. We believe very strongly in sharing the majority of the savings as the practices are doing the hard work every day to provide high-quality care for their patients."

Enhancing visibility of payer data to improve quality and reduce costs

Access to complete, accurate, and timely data is a must-have for primary care practices participating in value-based care.

Health plans have made significant efforts to equip practices with the information they need to stay ahead of chronic disease and prevent unnecessary utilization. But now some PCPs are now facing data overload.

"While most payers have their own sophisticated data and analytic portals, we hear from practices that it is onerous to access and switch between the many portals represented in their typical day. This limits uptake and can frustrate health plans' efforts to systematically capture this data," Speth commented.

A unified view of relevant data is essential for streamlining workflows and maximizing the availability of scant resources. With a payer-agnostic data platform that integrates health plan data with feeds from labs and hospitals, practices can improve their ability to prioritize high-risk patients and provide comprehensive, holistic care to patients.

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"With the Aledade Platform, practices get a one-stop-shop for data from across all their contracted health plans," said Speth. "We pull in the practice's clinical data, claims data, national lab data, and hospital discharge data to make sure our partners can access that information in a centralized, intuitive way. The large majority of our practices use the app on a daily basis, which enables them to engage the right patients at the right time, improve staff and patient satisfaction, and ultimately reduce unnecessary care or costs."

Speth acknowledged that initially, some health plans are not keen on the idea of practices using a different interface to access data, especially considering how hard they have worked to set up their provider portal and analytics.

"It can seem a little bit painful at first. Health plans have made significant investments to pull that information together and incentivize practices to utilize the data," she said. "But even if a health plan has the best analytics in the world, they're probably still struggling with portal adoption and usage."

"Plans will ultimately benefit from the partnership with Aledade because practices are still getting access to the underlying data. The actual utility of the data is going to increase, which means practices will achieve the ultimate goals of improved patient care."
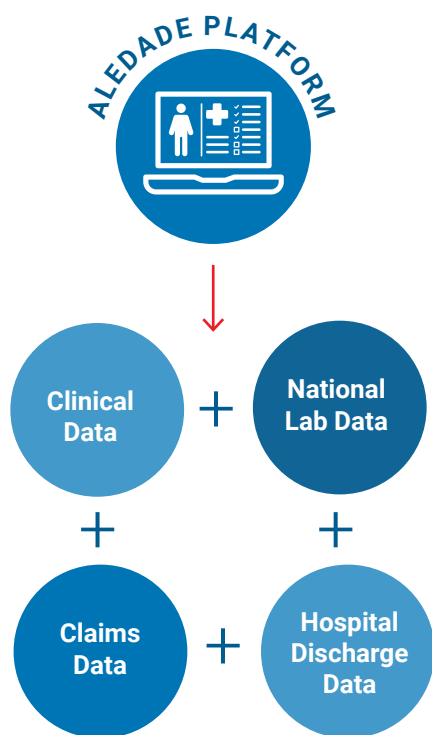
Generating real results for patients, practices, and health plans

Commercial value-based care contracts always come down to the results—something that health plans and practices are equally eager to achieve.

Before engaging in any accountable care arrangement, health plans and PCPs should carefully assess their own goals and choose partners with a track record of success in the areas that matter most to them.

Aledade has a history of generating the positive clinical and financial outcomes that PCPs and plans are looking for, Speth said.

"On the Medicare Advantage side, we've achieved strong results, including 4.5 STAR ratings and accurate risk documentation," she noted. "And on the commercial side, most of our ACOs have reduced costs compared to prior years in the first contract year driven by reduced inpatient admissions, increased preventative care, and better managed chronic conditions."

"These utilization improvements have significantly reduced the total cost of care. In a few commercial ACOs we launched with regional Blues health plans, we saved the health plan more than $5 millions in the first year."

As the accountable care environment continues to mature, PCPs, and health plans have the opportunity to create a healthcare system where high-quality, cost-effective care is the centerpiece of true success.

By bringing together the right players, providing user-friendly access to meaningful data, and producing measurable benefits for primary care practices and commercial health plans, Aledade will continue to foster an equitable, aligned environment that results in positive outcomes for everyone involved in value-based care.