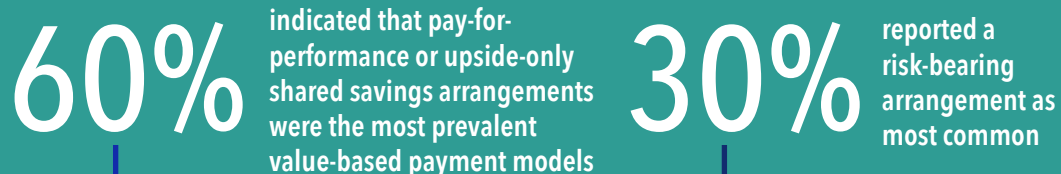


INDUSTRY PERSPECTIVES ON VALUE-BASED PAYMENT

HealthScape Advisors partnered with the Health Plan Alliance and several health plan clients to investigate drivers of success under value-based payment models. As part of this effort, HealthScape engaged 30+ health plans using both an online survey and executive interviews to understand each organization's journey towards value-based payment models with a focus on drivers of success, market segmentation, and operating model effectiveness. This is a summary of the results.

SLOW SHIFT TO VALUE-BASED PAYMENTS



Percentage of plans surveyed that indicated a value-based payment model with downside risk is the most prevalent model.

20-40%
Provider-Sponsored Plans

5-30%
Non-Provider-Sponsored Plans

INSIGHT
Provider-sponsored plans may be a bit further along in shifting financial risk to providers.

WALLET SHARE

For plans that report more than 25% of providers' "wallet share"...

53%

report positive outcomes in quality and cost



For plans that report less than 25% of providers' "wallet share"...

36%

report positive quality and cost outcomes

INSIGHT
The scale a plan holds in the market is critical to drive provider engagement. For a provider practice to justify the investment, at least 25%-30% of a provider's panel must be involved and/or at-risk in value based payments.

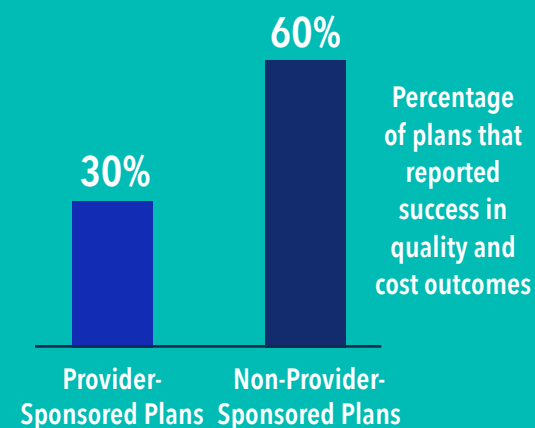
INTEGRATION DOES NOT GUARANTEE PERFORMANCE

1/2

of "well-integrated" plans do not report success in cost and quality outcomes

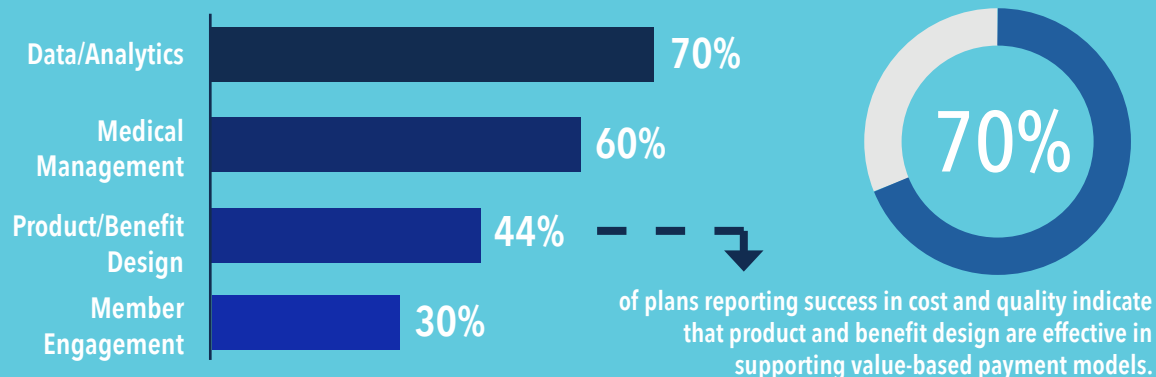
INSIGHT
Integration is a requirement for success, but does not guarantee performance. Challenges with scale may impact provider-sponsored plans' outcomes.

INSIGHT
Provider-sponsored plans report lower rates of achievement.



VALUE-BASED PAYMENT ENABLERS

Percentage of plans surveyed indicating the effectiveness of key functions in supporting value-based payment models.



INSIGHT
Product alignment and member engagement are missing enablers across the industry.

HEALTHSCAPE RECOMMENDATIONS

Based on the survey results and interview feedback, we have developed the following recommendations for health plans looking to continue to evolve their value based payment strategy:



Take advantage of inherent strengths or build care transformation capabilities and data-driven insights to create value in value-based payment models.



Improve consumer engagement through enhanced product benefit design and consumer navigation support.



Accelerate roadmap to risk by aligning with government models and strengthening financial alignment with PCPs and specialists.

PUBLISHED BY:



HealthScape Advisors is a privately held management consulting firm dedicated to serving clients in the healthcare industry. We provide consulting and analytics/technology solutions to health plans, health systems, specialty health organizations, and healthcare investors throughout the country. Our services support our clients as they embark on their most important initiatives, harnessing predictive analytics and advanced data science to gain a competitive edge in today's healthcare market while maintaining compliance with changing regulatory requirements. Learn more at healthscape.com.