

Transforming Post-Acute Care to a Value-Based Network

Both public and private health care organizations are embracing value-based care, a health delivery model where providers receive payment based on patient health outcomes. But the transition to value-based reimbursement programs can be complicated. It's especially challenging for markets like post-acute care (PAC) that include home health agencies and skilled nursing facilities.

Highmark Inc. was an early adopter of value-based care, offering value-based reimbursement as early as the 1990s. While they didn't pilot a value-based program for the PAC market until 2017, they were the first payer nationally to scale up these programs and manage one of the most mature program portfolios today. The catalyst for this rapid evolution has been the introduction of Helion to manage the PAC network and Highmark Inc.'s investments in True Performance, their flagship value-based care program for the primary care and acute care markets.

The role of value-based care in Highmark Inc.'s post-acute care network

Today, more than 90% of Highmark Inc.'s PAC network providers are contracted under a value-based care model. Their value-based reimbursement portfolio offers three programs for skilled nursing facilities (SNFs) and two in the home health space. In partnership with Helion, Highmark Inc. continues to pilot new value-based models that provide more opportunity for PAC providers to increase payment based on patient outcomes.

"Each new program we offer is a step more mature than the last," says Ken Burkholder, Helion's director of Network Management. "Our value-based programs have already been impactful for our PAC network and our members. We've seen real gains in cost and quality evidenced by a significant reduction in readmissions. That means Highmark members are getting back to the golf course or playing with their grandkids sooner after a care event, and at a more affordable price."

How Helion transitioned post-acute care to a value-based network

The shift to value-based care for PAC required close collaboration between Highmark Inc. and Helion. According to Sean Burns, Highmark Inc. vice president of Provider Payment and Network Infrastructure, they faced challenges in both health plan development and provider maturity.

"At the time, most PAC providers did not have access to the resources required to be successful under a value-based care model," Burns says. "And there had traditionally been an overall lack of management associated with the PAC market. The Helion team provided a path forward, outlining a plan and benefits that outweighed the disruption this transition would cause."

The success of the transition depended on a strategy that included:

Aligning incentive models throughout the care continuum

Highmark Inc. designs value-based programs uniquely for PAC, but the programs align with value-based programs used across the continuum.

“We pick out key metrics from physician and hospital programs (such as hospital readmissions) and make sure the incentives we put forth in our PAC programs are similar,” Burkholder says. “The alignment of the metrics and incentives actually increases the level of collaboration between physicians and acute and post-acute providers critical to the success of these models.”

Outlining value-based care benefits for all involved

Value-based reimbursement is only successful if the payer, provider, and patient all see the benefit. Highmark Inc.’s value-based PAC programs provide clear-cut advantages for the:

- **Payer**, by offering affordability. The payer can devote the savings to key capabilities that improve care, such as care management and other value-adds for the customer.
- **Provider**, by putting more money in the provider's pocket. Providers can then invest in the people, process, and technology needed to take their care to the next level.
- **Patient**, by simplifying the health care system. Members achieve their care goals at a more affordable cost.

Partnering with post-acute care providers

Value-based models created for PAC require partnership with the providers, both during and after the pilot phase. Using strong providers to pilot new value-based programs ensures valuable feedback and collaboration. After new programs roll out, the Helion network performance team works closely with providers to reduce hesitation, make recommendations for change, and evaluate progress.

“Whatever we do is always in partnership with the provider,” Burkholder says. “We find our partnership model and consistent communication make providers more comfortable with these changes and creates a better chance of mutual success in the long run.”

Positioning providers for success

When Helion piloted the first value-based model for SNFs, they introduced a program appropriate to the condition and maturity of the market. The model was simple, based on one metric, and provided only financial upside — offering participating providers the opportunity to increase their payment to fund innovation, and not be put in a position to do more with less.

“This inaugural model helped providers understand reporting, root cause analysis, and what they can do to affect care delivery and outcomes,” Burkholder says. “It formed the

foundation for new, more advanced models that included some downside risk but have a more material upside.”

Customizing value-based programs to providers

Highmark Inc. created a standard value-based program that worked across the PAC footprint. While the standard Pay-for-Value program serves as a great starting point and continues to be a perfect fit for smaller providers, some larger or more mature providers are ready for more complex and individualized programs.

“For certain providers, we can customize a program to provide them with further incentives based on the size of the population they are serving,” Burns says. “We can also align the program around specific strategic objectives.”

The future of value-based care

Both Burns and Burkholder agree that value-based care and the reimbursement methodology and models that support it can enable the bigger solutions needed in health care. Burns expects that as more care moves into the home and awareness of social determinants of health (SDOH) increases, incentives within value-based care models will shift.

“Value-based care is going to continue to evolve,” Burns says. “But we also can’t move too fast or get too far in front of the providers. A large part of our role will be continuing to support providers so they can be successful within the programs that exist today, while recognizing opportunities to grow and improve the health care we provide.”

For Highmark Inc.’s PAC network, value-based reimbursement programs are already changing and expanding. PAC value-based programs are moving under the True Performance umbrella and a new generation of program methodology is underway.

Learn more about the changes taking place in PAC value-based reimbursement by contacting Ken Burkholder, director of Network Management: Ken.Burkholder@helionhealthcare.com. For questions about the value-based programs Highmark Inc. offers, please contact Sean Burns, vice president, Provider Payment and Network Infrastructure: Sean.Burns@highmarkhealth.org.

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