



Payment & Incentives in Health Care:

Summary of Common Themes from Stakeholder Interviews

As of 10.24.18

Background:

- Cambia Grove is a health care innovation hub focused on bridging the gap between entrepreneurs and the traditional health care sectors to drive system-wide transformation
- One of Cambia Grove’s core goals is to break down barriers to innovation in response to the needs of the health care changemaker community
- The current health care payment & incentive structure presents a barrier to innovation for the community, and was therefore selected as a focus area
- **Underlying assumption: If payment is made for value, the health care delivery system will be further incentivized to “pull” innovation from the changemaker community to improve overall quality and affordability for the people we serve**

Approach:

- **To understand the challenges and opportunities associated with payment reform & identify areas where the community could catalyze solutions**, Cambia Grove completed interviews with >30 stakeholders representing the traditional health care system and the entrepreneur community
- Detailed feedback was distilled down to common themes, specific challenges and community initiatives - - all stakeholder interviews were conducted in confidence to enable candid discussion and open dialogue; feedback has been anonymized and summarized

Initial Results: Cambia Grove to select projects based on feasibility and impact

ID.	Top Theme Areas	Specific Challenges	Potential Community Initiatives
1.	Alignment on Goals, Methodologies & Measurements	<ul style="list-style-type: none"> ▪ Need for data-driven/system-wide alignment on vision, goals and desired outcomes ▪ Opaque and varied definitions of key terms (e.g. value, affordability and quality) ▪ Disparate approaches, methodologies and success measures 	<ol style="list-style-type: none"> 1. Build on the work of the Bree Collaborative, HCA and Medicare and execute system-wide initiative to establish collectively defined goals, definitions and success metrics <ul style="list-style-type: none"> – Ensure approach addresses challenges with low volume regions – Include measures that employers find important (e.g. time loss/return to work, functional improvement, etc.) 2. Leverage existing data, reports and analyses to outline approaches and most critical action steps
2.	Employer Mobilization	<ul style="list-style-type: none"> ▪ Limited push from employer community for advancements in value-based care - - purchasers must see substantial value to disrupt employee benefits or limit choice ▪ Lack of coordinated voice across employer community to 1) identify and advocate for effective paths 	<ol style="list-style-type: none"> 3. Build upon employer consortium at the Washington Health Alliance to: <ul style="list-style-type: none"> – Enhance health care expertise – Define employer-specific vision for effective value based approach (see initiative #1) - - include small to large employers, public and private



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		forward and 2) leverage purchasing power	<ul style="list-style-type: none"> – Evaluate best practices from peers (see initiative #6) – Leverage purchasing power to demand change (e.g. centers of excellence, bundles, etc.)
3.	Consumer Engagement	<ul style="list-style-type: none"> ▪ Public perception that the current state is working well and that change would be unwelcome ▪ Complexity of system places the consumer multiple steps away from the true costs of care, which enables disengagement 	<ol style="list-style-type: none"> 4. Execute public education/communications strategy to build consensus and momentum around urgent need for change (In Progress) 5. Highlight need for innovations around price transparency and patient engagement
4.	Bright Spots & Best Practices	<ul style="list-style-type: none"> ▪ Skepticism around the overall effectiveness of value-based care ▪ Limited line of sight into results of local efforts ▪ Successes exist nationwide, but are not at the forefront of local discussions 	<ol style="list-style-type: none"> 6. Collect, curate and showcase local and national success stories - - highlight for applicable 5 Points of Health Care™ stakeholder groups (i.e. patients, providers, purchasers, payers and policy-makers) the vision, goals, measures, outcomes and operational challenges/details (In Progress) 7. Learn from rural payment initiative (may include global budgeting and performance incentives)
5.	Systems & Infrastructure	<ul style="list-style-type: none"> ▪ Operational systems and clinical workflows were built around the fee-for-service model, and do not easily support alternative payment models ▪ Perception that alternative payment model incentives are 1) not substantial enough to justify the risk/effort, 2) do not reach the individual provider and 3) will not lead to dramatic changes in the quality and/or process of care delivered ▪ Impact of high unit costs on overall affordability 	<ol style="list-style-type: none"> 8. Ensure collectively defined vision provides financing sufficient for necessary change and a clear glide path for operational adjustments (see initiative #1) 9. Highlight need for innovations around real-time data sharing and alternative payment processing 10. Identify and disseminate best practices for system improvements such as incentives, direct dialogue between purchasers and providers, support for sharing risk, and failures, etc. - - methods that have been effective (see initiative #6)

Please submit questions and comments to:

Julie Panek Anderson, Assistant Director of Strategic Initiatives, Cambia Grove, julie@cambiagrove.com
 Dr. Bob Crittenden, Executive in Residence, Cambia Grove, bob@cambiagrove.com