

# Moving from Volume to Value: The Need for Data, Analytics, and Accountability

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# Background

- We are at an inflection point in paying for medical care in the U.S., transitioning to value-based purchasing - from payment for volume to payment for value (quality/cost).

# Implications

- **Data** collected for purchasing and payment will need to transition from transactional elements to measures of performance and outcomes
- **Analytics** will change as the focus turns to assessment of value rather than volume
- **Accountability** will center on care outcomes and engaging all to help achieve them

# Data

- Currently under RBRVS and other FFS systems, enormous effort and expense are expended on the documentation of care provided, which generates huge amounts of transactional data.
- Costly practice and system infrastructures have been required to support capturing and processing this billing data, with its complex rules of documentation
- Much “gaming” has ensued that creates little value but generates additional cost

# Data (cont'd)

- Under value-based payment systems, the need for and importance of process documentation and resultant transactional data will decline along with its elaborate and expensive support systems.
- In its place, we will need to increasingly capture data on how individual patients and patient populations are doing.
- Clinical data will trump transactional data, but data on cost of care will still be important

# Data Challenges

- Defining the clinical data to capture
  - Must be validated with regards to its ability to describe and measure desired performances and outcomes
  - Must be clinically meaningful (to patient and providers)
  - Must encompass much of the spectrum of care expected and include process and outcome measures, with transition to outcomes measures over time

# Data Challenges (cont'd)

- Capturing, transmitting, and processing the necessary data require:
  - Reliability
  - Accessibility at point of care and via patient portal
  - Affordability
  - Ability to manage and analyze the data at the practice level as well as centrally (e.g., ready access to all-payer claims data)

# Analytics

- The analytic focus will center on identifying value and the factors that contribute to it
- The elements of the value equation (quality and cost) will be the prime focus of analytic work
- Since payment will be increasingly based on performance, value determination and analytics will be hotly contested and under much scrutiny
- Risk adjustment will be critical

# Analytic Challenges - Quality

- Quality
  - Definition(s) and standards must be evidence-based and clinically meaningful to both physicians and patients;
  - Performance standards should incorporate both threshold and percentage changes, adhere to rules of statistical significance, and be risk-adjusted
  - Analyses should address the full spectrum of care

# Quality (cont'd)

- Attribution must be targeted to the entity empowered and capable of achieving the desired outcome
- Must guard against measuring and analyzing only the readily assessable while ignoring more clinically important elements
- In determining the measures and analytics to be used, input and consensus should be sought from all participants who will be held accountable

# Analytic Challenges - Risk Adjustment

- Risk Adjustment
  - Essential to any pay-for-value system; counters the tendency to cherry-pick patient panels
  - Must incorporate demographics, clinical severity, risk factors, and psychosocial and socioeconomic determinants of need and demand
  - Must be validated for use in the setting it will be applied to.
  - Must be practical and affordable

# Analytic Challenges - Cost

- Cost Analytics
  - Must be based on real costs rather than charges under RBRVS.
  - Must use historical comparisons for payment with caution, since historically cost-efficient providers will be penalized
  - Must not force maintenance of current billing system

# Accountability

- As value-based purchasing puts increasing emphasis on performance and outcomes, providers will find themselves increasingly accountable.
- This accountability is essential to driving better care at lower cost, but will pose a number of challenges

# Accountability - Challenges

- Attribution (i.e., who is responsible for achieving the desired outcomes)
  - Individual vs. care team vs. delivery system
  - Major liability implications as well as payment consequences

# Accountability - Challenges

- Matching risk with ability and willingness to manage it
  - Essential to avoid “crashing” the practice
  - Best done in graduated fashion
  - Greatly helped by risk adjustment to help match need with resources provided and reward offered

# Accountability – Challenges

- Overcoming fear of transparency
  - Main concern of clinicians and practices is being held responsible for outcomes they cannot control or are not valid
  - Will require
    - Collaborative development and approval of performance and outcome standards
    - Use of scientifically validated measures and standards

# Accountability Challenges

- Use of robust risk adjustment
- Ensuring practices and other providers have the resources they need to do the job expected of them.
- Matching reward with degree of risk assumed
- Liability reform – creating safe harbors from law suit for provision of evidence-based care

# Conclusion

- This is a seminal moment for health care in the United States
- Achieving the goals of the “Triple Aim” will require fundamental changes in data collection, analytics, and accountability.