

Risk-Based Payment Models

Current and Future State

Value-based models work.

\$1.1B saved

Overall quality **improved**

ACOs in Medicare program, performance year 2017.¹

Yet, participation has waned.

41 new participants



enrolled at the start of performance year 2018²
vs. 100+ new organizations in previous years³

That got us thinking...

Premier® surveyed **177 healthcare professionals and physicians** who sit in various parts of hospitals and health systems across the United States on risk-based payment models.

29% are in Medicare fee-for-service risk-based arrangements.

27% expect to have more than half of their population in risk-based arrangements within 5 years.

3% say the data they receive from commercial payers is accurate and standardized, if available at all.

17% say more than half of their Medicare fee-for-service population is in risk-based arrangements.

23% rank "reimbursement inaccuracy" as the top barrier in moving to risk-based models.

The solution?

Congress needs to speed the transition to risk-based payment models.

1
Recognize the up-front investment needed to move to two-sided risk.

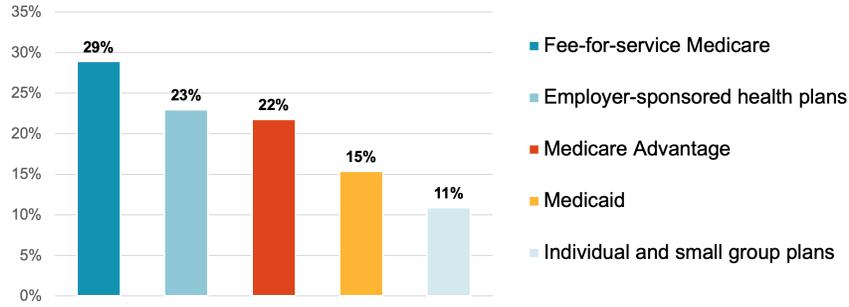
2
Allow providers flexibility to innovate care.

3
Accelerate provider access to data from all payers.

Premier survey data shows:

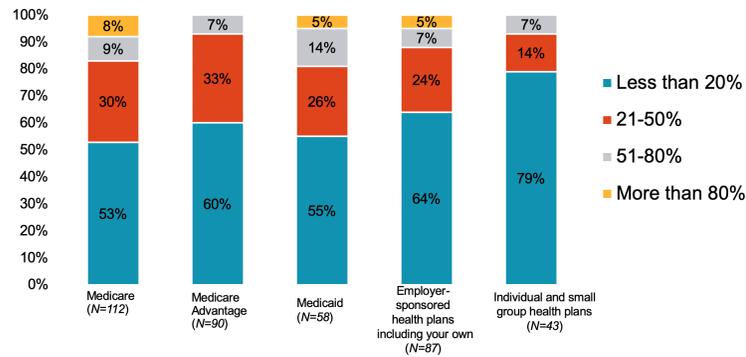
Medicare remains the driver of risk-based arrangements.

Which of the following payer relationships are currently managed in a risk-based contract (N=154)?



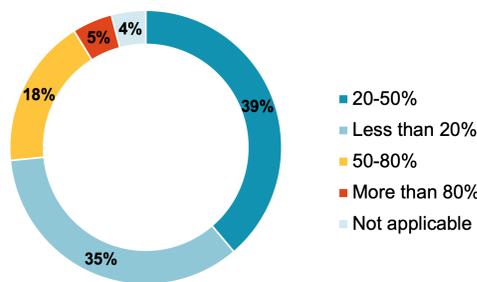
Few health systems reach the 50% patient threshold for risk-based arrangements across all payers.

What percentage of your patient population is covered by risk-based arrangements with...



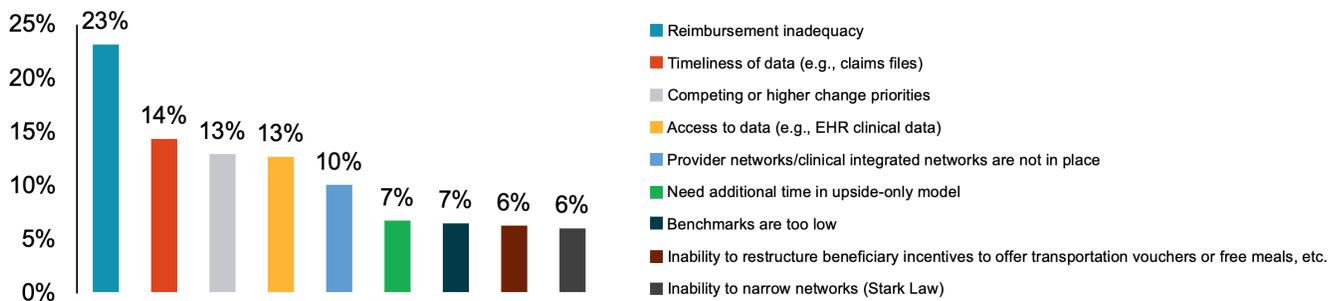
Progress toward risk remains slow.

What percentage of your total population (across all payers) do you expect to be covered by a two-sided, risk-based contract in the next five years (i.e., shared savings, bundled payment, capitation or other value-based care arrangement) (N=147)?



Significant barriers stand in the way of progress.

Please rank the top three most significant barriers standing in the way of your organization's move to risk-based models in the Medicare fee-for-service program (N=165).



Survey Methodology

Premier's risk-based payment model survey was designed to understand how healthcare providers are working through two-sided risk-based payment models. The survey was conducted online, with the results based on responses from 177 healthcare professionals and physicians who sit in various parts of hospitals and health systems across the United States, including the c-suite, population health, clinical integration, information technology and patient services. The survey was fielded from Aug. 7-27, 2019, and respondents included both members and non-members of Premier.

Footnotes:

- <https://www.healthaffairs.org/doi/10.1377/hblog20180906.711463/full/>
- <https://data.cms.gov/Special-Programs-Initiatives-Medicare-Shared-Savin/Performance-Year-2018-Medicare-Shared-Savings-Prog/28n4-k8qs>
- <https://www.cms.gov/newsroom/press-releases/new-participants-join-several-cms-alternative-payment-models>