Hospitals and Value-Based Care: Few will hit Medicare's target of 50% value-based reimbursement by 2018. A survey of hospital executives finds broad support for the goals of value-based reimbursement but mixed results in achieving those goals. Many hospitals have embraced value-based initiatives such as accountable care organizations (ACOs) and bundled payments that reward higher quality care while penalizing low quality. But few of those surveyed are faring well against Medicare's goal of tying half its $597 billion in annual payments to value-based care.

According to the survey, the majority of health systems— a full 62 percent—have either none or less than 10 percent of their care tied to the type of risk-based contracts identified by CMS as “value-based,” including Medicare accountable care organizations (ACOs) and bundled payments. Not surprisingly, the largest group of hospitals with no at-risk contracts is small hospitals with less than 200 beds. According to the survey, these smaller hospitals are five times less likely than larger organizations to have access to sufficient capital to make risk-based contracting a success.

Despite lagging behind the federal government’s goal, healthcare executives across the board intend to steadily increase value-based care and at-risk contracts. In the next three years, all but 1 percent of respondents expect their organizations to be engaged in at-risk contracts. 68 percent of respondents expect risk-based contracts to account for less than half the care they provide. And a full 23 percent expect value-based care to account for more than 50 percent of their care in the near future.

According to the survey, 52 percent of respondents cited the prime importance of analytics, more than double the second most-selected answer: a culture of quality improvement. Twenty-four percent of respondents cited cultural alignment on quality as having the most impact on value-based care success.

When it comes to succeeding at risk-based contracting, executives at both small and large hospitals agreed that analytics is the most important organizational element required to succeed with risk-based contracting. Contact Health Catalyst to learn how understanding the deep drivers of performance can help organizations effectively negotiate new contracts.

About Health Catalyst®
Health Catalyst® is a mission-driven data warehousing, analytics and outcomes-improvement company that helps healthcare organizations of all sizes perform the clinical, financial, and operational reporting and analysis needed for population health and accountable care. Our proven enterprise data warehouse (EDW) and analytics platform helps improve quality, add efficiency and lower costs in support of more than 70 million patients for organizations ranging from the largest US health systems to forward-thinking physician practices.

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