

Value-based Care Facts, Figures, and Future



Healthcare across the world, including the US, is evolving into a 'patient-centric care system'. This transition from the traditional Fee-For-Service (FFS) model to the new approach of reimbursing providers based on value, care coordination & quality, and cost-efficiency has opened new opportunities and challenges for the Healthcare system.

A Few Quick Facts about the US Healthcare System

- On average, a US citizen spends about \$12,000 on healthcare each year.¹
- Chronic diseases are expected to cost the US economy \$2 trillion annually - \$8,600 per person by 2030!²
- Medical billing errors are fueling the issue of medical debt, with the Consumer Financial Protection Bureau (CFPB) estimating \$88 billion in medical bills on credit reports.
- Only 9% of the nation's physicians practice in rural communities, leading to health inequity.³
- About 21% of healthcare organizations are not prepared for any AI-related innovation, which is impairing interoperability.⁴
- 54% of 680 US physicians surveyed have no access to the economic/community profile data of the patients to make informed decisions due to the lack of interoperability.⁵
- CMS survey shows the US national Healthcare expenditure will surpass \$6.2 trillion by 2028.

Need of the Hour: A Focused Approach to Value-based Care Delivery

Building a resilient healthcare system that is focused on healing the patient through a proactive, preventive, and patient-centric care delivery approach is the need of the hour. And value-based care (VBC) is the means to this goal. Value-based care must be perceived prudently as a long-term strategic decision and not just as a route to short-term profitability. As the healthcare industry evolves to embrace this new care delivery model, there are some challenges en route that must be addressed as a priority so that every stakeholder can reap continuing benefits of VBC.

"The global value-based care payment market is growing at a phenomenal pace and is expected to reach USD 3.40 billion in 2026 at a CAGR of 11.5%.⁴

- Value-based Care Payment Global Market Report 2022

Action Items to Get Closer to the End Goal

1

Fact: In a survey, 7 in 10 Black adults have said that race-based discrimination takes place in healthcare quite often.⁶

2

Fact: 6 out of 10 adults in the US have a chronic disease as per the National Center for Chronic Disease Prevention and Health Promotion (NCCDPHP).

3

Fact: The latest World Bank data shows that 17.13% of the total population are rural residents who face numerous barriers to accessing healthcare. This affects their overall physical, mental, and social health status.

4

Fact: A survey of 680 US physicians by the Deloitte Center for Health Solutions revealed that 49% of physicians were unaware of the costs of the treatments they suggested for their patients because they were never taught to focus on suggesting cost-effective medical treatments in their curriculums.

5

Fact: The Value-based Care Payment Global Market Report 2022 survey reveals that 43% of healthcare organizations are still not confident about actualizing AI, and only 13% are prepared for AI and have an execution plan set up.

Solution: Addressing Health Inequity Proactively

Legislations such as the Patient Protection and Affordable Care Act (ACA) have been introduced and initiatives are being taken to address the existing disparities. However, there is a need to drive health equity holistically through new engagement approaches at local, national, and global levels.

Solution: Managing Chronic Diseases through Preventive Care

At present, most states in the US are implementing strategies for early detection, prevention & control of diabetes, reduction of heart disease & stroke, and other chronic illnesses. Having said that, for a real impact, substantial investment in the State Health Departments, CDC, and HHS agencies is what is truly needed at this point.

Solution: Taking Quality Healthcare to the Rural Population

The 'Rural Healthy People 2020' national survey has identified access to healthcare as the top rural health priority. The next 'Rural Healthy People 2030' is already taking shape and is set to put forward the most important health priorities of rural Americans. Such surveys are instrumental in ensuring that future health policies are rural-focused and built to encourage investment in rural America.

Solution: Focusing on Value in Medical School Curriculums

Medical schools must take the lead in reinstating a clinician's purpose as a healer and incorporating value-based care metrics in budding physicians to accelerate the transition. Although slow, there has been some progress in equipping physicians in training for value-based care delivery.

Solution: Embracing AI Technology to Support Interoperability

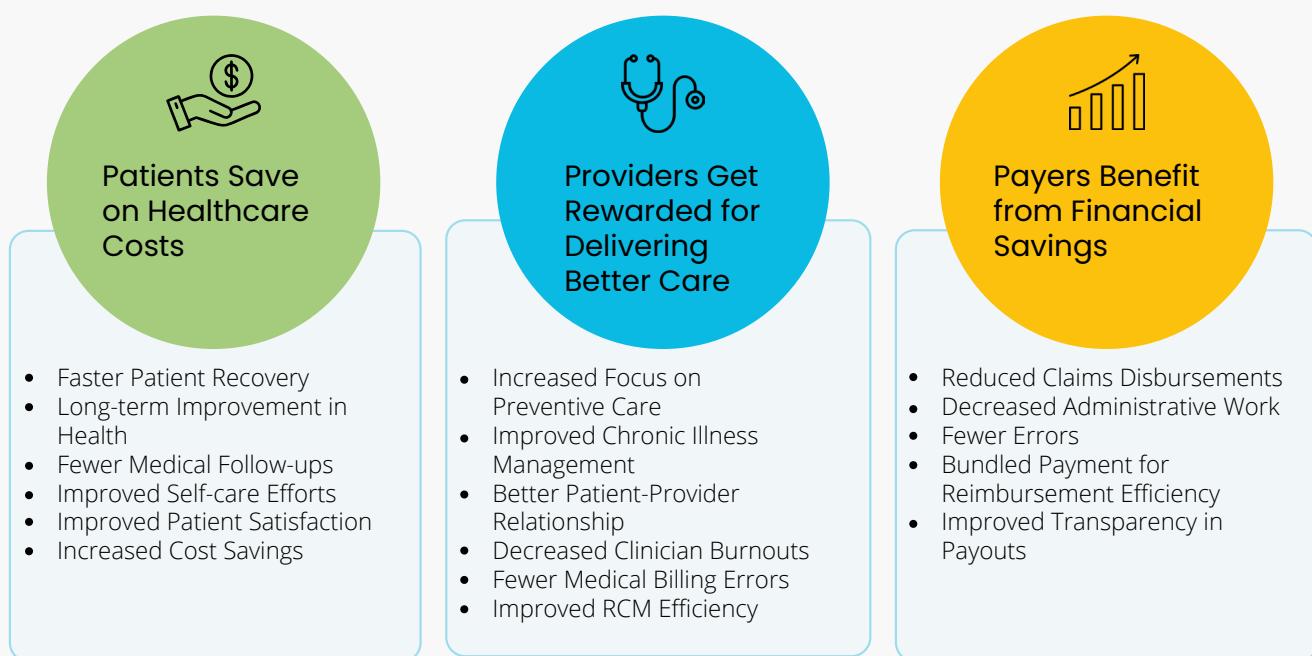
Tech-driven healthcare interoperability solutions are enabling healthcare organizations to remain compliant with electronic health information laws and deliver better care through a 360° view of the patient. However, many Healthcare facilities still do not meet the infrastructural requirements to integrate patient data effectively and cannot adopt the value-based care model.

Fact: A recent study of historic data from 2019 by the US Health and Human Services Office (HHS) Officials revealed a 13% error rate in Medicare Advantage pre-authorization denial.

Solution: Ensuring Transparency for Effective Revenue Cycle Management (RCM)

From the point when a patient books a medical appointment to verifying insurance eligibility to that last signature to complete the process of collecting all claims and patient payments-the entire cycle must be seamless, and more importantly transparent to deliver true value to the patient. Only if the payer maintains transparency, insurance claims disbursement is without any errors, and there are no other administrative glitches, the provider's RCM can work as a patient-focused system.

Benefits of Value-based Care to Every Stakeholder



An increasing number of healthcare organizations are making headway in VBC using the right transformation strategies and more importantly modern tools & technologies. As the Healthcare system moves towards this sustainable care delivery model of VBC and shifts focus from volume to value, various government interventions are further accelerating this progression.

Steps Taken in the Right Direction

- HHS has invested \$60 million to strengthen the rural Healthcare workforce and improve access to care in rural communities.⁷
- A funding of nearly \$46 million in the American Rescue Plan has been made to expand Healthcare capacity in tribal communities through healthcare job development, training, and placement.⁷
- A recent Gartner study shows that 31% of healthcare providers target interoperability technologies for increased funding.
- The Global Healthcare Interoperability Solutions Market is expected to reach \$4.4 billion by the year 2026 according to a Report Linker report. By the coming year, interoperability will be a deciding factor in 90% of Data Science, ML, and AI platform buying decisions.
- The rise in automation, data analytics, and AI-based solutions denial management systems have been a positive step towards efficient and accurate claims denial management, a vital part of revenue cycle management and VBC.

Bridging the Gap

As the Healthcare industry strives to incorporate value-based care metrics and evolve with the changing market trends, new-age technologies, processes, and workflows are playing catalysts in this transformation. Leveraging AI-powered data analytics, Healthcare organizations are getting closer to their VBC objectives and ensuring long-term sustenance in this competitive Healthcare industry.

KANINI is a [digital transformation partner for several Healthcare organizations](#), guiding them in the right direction to value-based care maturity using the right tools and technologies such as microservices, mobile platforms, API-enabled core apps, cloud-based data analytics & AI. [Join hands with us](#) to get a strategic perspective on VBC, assess your progress through the challenges, and accomplish your VBC goals.

[Download the Whitepaper for Deeper Insights on Value-based Care →](#)

¹ Kaiser Family Foundation

² Partnership to Fight Chronic Disease (PFCD)

³ National Library of Medicine: National Center for Biotechnology Information

⁴ Value-Based Care Payment Global Market Report 2022

⁵ Deloitte Center for Health Solutions Survey

⁶ KFF/The Undefeated Survey on Race and Health

⁷ HHS.gov



Contact us at transformations@kanini.com | 615-465-8287
USA | India | Mexico | Singapore | Ukraine | UAE | Colombia