

Plan-Provider Partnership Models Enable High-Value Care

April 2020

Growth in U.S. healthcare spending continues on an unsustainable trajectory. Partnerships between health plans and high-value care providers can help reduce low-value care, a form of waste that contributes to the growing cost of healthcare in the U.S.

Problem

Spending

Overall healthcare expenditures have reached \$3.6 trillion annually.¹ An estimated \$760–\$935 billion of annual health care spending is wasteful (e.g., duplicative care, excess administrative burden). Of that, \$76–\$226 billion is considered low-value care.²



Low-Value Care

Services rendered by clinicians that are unnecessary or potentially even harmful for patients.³



The use of branded drugs when generic equivalents are available.



Diagnostic tests for low-risk surgery, such as metabolic screening or cardiac testing for cataract surgery.



Vitamin D tests when results will not be used to inform clinical decision making.

Landscape

Awareness

Major strides have been made in awareness of low-value care. Yet providers continue to deliver these services, often due to non-clinical reasons or because of missing medical information.



Physicians believe that about 20% of care may be unnecessary.⁴



50% of employers think that a portion of healthcare is wasteful.⁵



30% of consumers feel that a trip to the ER or hospital was unneeded.⁶

Reasons physicians provide low-value care:⁷

Fear of malpractice lawsuit	85%
Patient pressure	59%
Unaccessible medical records	38%
Lack of medical history	37%

Landscape

Interventions

Reducing the use of low-value care has been challenging despite efforts such as new value-based payment models and consensus-driven initiatives designed to discourage use of low-value services.



Consensus recommendations

were developed by 80 medical societies under the *Choosing Wisely* campaign—despite identifying over 500 services to avoid, **their impact remains limited.**



Value-based care models

such as Accountable Care Organizations (ACOs), are designed to reduce waste—but **ACOs may reduce low-value services by less than 2%.⁸**



Prior authorization

has been shown to be an effective tool—but **it is important to ensure that approval processes are efficient for providers.⁹**

Opportunities

Prior Authorization

Prior authorization can be an effective tool to reduce low-value services while ensuring consumers' access to needed care.

Address waste



Identify and address areas of waste for the **healthcare system.**

Reduce burden



Technology-enabled solutions can minimize administrative burden for **providers.**

Improve outcomes



Improve outcomes and promote better health for **consumers.**

Partnerships

The Prior Auth Pass program is a partnership between Anthem's affiliated health plans and providers in value-based care arrangements with demonstrated success in quality care.

400+



The number of treatments and tests where prior authorization is no longer required.

50%+



The reduction of administrative burden which frees up capacity for high-value care.

- Centers for Medicare & Medicaid Services. (2020, March). NHE Fact Sheet: <https://www.cms.gov/Research-Statistics-Data-and-Systems/Statistics-Trends-and-Reports/NationalHealthExpendData/NHE-Fact-Sheet>.
- Berwick D.M., Hackbarth A.D. (2012, April). Eliminating Waste in US Health Care. *JAMA* 307(14): 1513–1516. <https://doi.org/10.1001/jama.2012.362>, and Shrank W.H., Rogstad T.L., Parekh N. (2019, October). Waste in the US Health Care System: Estimated Costs and Potential for Savings. *JAMA* 322(15): 1501–1509. <https://doi.org/10.1001/jama.2019.13978>.
- VBID Health Low Value Care Task Force. (2017). Top Five Low Value Care Services. <http://vbidhealth.com/low-value-care-top-five-services.php>.
- Lyu H., et al. (2017, September). Overtreatment in the United States. *PLOS ONE* 12(9): e0181970. <https://doi.org/10.1371/journal.pone.0181970>.
- National Alliance of Healthcare Purchaser Coalitions. (2018). Employers' Perceptions and Actions Related to Healthcare Waste. http://higherlogicdownload.s3.amazonaws.com/NAHPC/3d988744-80e1-414b-8881-a22c98621788/UploadedImages/National_Alliance_of_Healthcare_Purchaser_Coalitions_Full_Survey_Results_10_25_2018_FINAL.pdf.
- Wasson J.H. (2013, July). A Patient-Reported Spectrum of Adverse Health Care Experiences: Harms, Unnecessary Care, Medication Illness, and Low Health Confidence. *Journal of Ambulatory Care Management* 36(3):245-50. <https://doi.org/10.1097/JAC.0b013e3182955b22>.
- Lyu H., et al. (2017, September).
- Schwartz, A., et al. (2015, November). Changes in Low-Value Services in Year 1 of the Medicare Pioneer Accountable Care Organization Program. *JAMA Internal Medicine* 175(11): 1815-1825. <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC4928485/>.
- Government Accountability Office. (2018, April 20). CMS Should Take Actions to Continue Prior Authorization Efforts to Reduce Spending. https://www.gao.gov/products/GAO-18-341?mobile_opt_out=1.

Please visit:

 AnthemPublicPolicyInstitute.com