VALUE-BASED CARE REPORT
Physician progress and patient outcomes based on calendar year 2020 data
Physicians see the value, patients experience the care

This report details three key areas of focus—prevention, outcomes and utilization, and costs and payments—for Humana individual Medicare Advantage (MA) members seeking care from primary care physicians in value-based agreements. A new section focuses on the experience of patients and physicians within value-based care (VBC).

Humana shares these results annually to spotlight progress and highlight how the company supports physicians in helping their patients achieve their best health. As with the previous seven years of results, the 2020 statistics cannot be directly compared year over year due to multiple demographic changes in Humana’s member population.

ValueBasedCare.Humana.com
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USING THE INTERACTIVE TOOLS

Look for the plus sign icon, then click to read extended stories
Look for the video icon, then click to see videos related to select stories in the report
COVID-19, by many accounts, served as a wake-up call for how we approach care delivery and our healthcare system as a whole. We’ve had to be nimble and flexible, to leverage technology in new ways and to further orient to the very personal needs of our members and patients.

As we continue to navigate the uncertainties of the pandemic, we are thinking to the future and trying to best understand what we can learn from the lessons of the last 18 months. One thing is clear—the pandemic reaffirmed the imperative for value-based care.

The pandemic required us to take a different approach in how we interact with members and be far more proactive. We called members at the outset and talked to them about their chronic conditions. Many told us they hadn’t left the house and didn’t have ways to get food, or that they were depressed because they hadn’t seen their children. Ultimately, we have to address the basics—the context in which people live. It’s hard for one to manage his or her diabetes or congestive heart failure without a safe, stable home environment.

Moreover, the pandemic didn’t create disparities. It exposed them. And we all have a role to play in addressing those problems. Value-based care has offered the business context for payers and healthcare providers to align incentives and to consistently focus on what is most important for patients throughout the pandemic. Value-based providers had invested in infrastructure before COVID-19 that allowed them to be more flexible, enabling those practices to leverage technology, drive more care to the home and to be more sensitive to the emerging needs of the people they serve.

Data reflected in this annual report is influenced greatly by the pandemic, but what you’ll see is that value-based physicians were agile and maintained critical connections with patients while maintaining a consistent cash flow.

Going forward, we need to continue to build on the fabric of team-based care, sealing off clinical silos. Team-based interdisciplinary care, quarterbacked by primary care physicians, will be a differentiator in that effort. Continuing to work with physicians will help dig deeper to uncover truths about what a person needs, and then deliver it to them.

Every person deserves to live their best life, and we, along with physicians and healthcare professionals, want to facilitate that. Because we’re a global community, an individual’s lack of well-being should be everybody’s concern.
Value-based practices include the greater share of Humana MA members

As of Dec. 31, 2020, 67,800 primary care physicians (PCPs) have value-based relationships with Humana. Those affiliations include more than 1,000 agreements in 43 states and Puerto Rico.

As of Dec. 31, 2020, Humana’s total MA membership was approximately 4.6 million members, including roughly 3.96 million individual MA members and 613,200 group members.1

Of Humana’s individual MA membership, 67%, or 2.65 million, seek care from primary care physicians in value-based agreements.

A different kind of care for chronic conditions

Most Humana MA members are living every day with a chronic condition—and often, more than one. A high-touch, preventive-focused care model is well-suited to meet these patients’ needs.

The figures to the right show common conditions that existed among all Humana MA members during calendar year 2020 and the percentage of members with those specific conditions. Figures include both partial- and full-year health plan members. The numbers exceed the total Humana MA membership due to co-morbidities.

89.1% of Humana MA members have at least one chronic condition.1

82.8% of Humana MA members have at least two chronic conditions.1

Common chronic conditions among Humana MA members1

- Hypertension | 3,312,072: 67%
- Type 2 diabetes | 1,386,857: 28%
- Coronary artery disease | 1,141,290: 23%
- Chronic kidney disease | 1,089,913: 22%
- COPD | 788,267: 16%
- Congestive heart failure | 676,414: 14%
- Depression | 549,074: 11%
- Osteoporosis | 370,831: 7%
- Prostate cancer | 126,150: 3%
- Breast cancer | 93,004: 2%
As of 2020, 67%, or two-thirds, of Humana’s individual MA members seek care from primary care physicians participating in some form of value-based care agreement with Humana.

To support value-based care, Humana developed a continuum of programs that offers financial rewards to primary care physicians for improvements in quality, outcomes and costs. Incentives increase along with the level of risk.

Humana’s value-based primary care continuum shows the broad spectrum of segments under which physicians can benefit from the quality care they provide.

Of importance, the continuum is not designed to advance all primary care physicians to global value (or full accountability), but rather to meet and support them where they are on the path to value. Segments of the continuum are designed around a physician or practice’s readiness to accommodate varying levels of accountability.

As value-based care becomes more prominent, the number of Humana individual MA members receiving care from physicians in value-based care arrangements has grown with the addition of a little more than 1 million individuals since the beginning of 2016.

### Case studies

How three practices put value-based care into action

There is no singular path to success in value-based care. Every practice faces its own unique set of challenges and opportunities. These case studies feature organizations from across the country and of varying size sharing how a value-based approach has shaped their clinical and operational models.

<table>
<thead>
<tr>
<th>Practice</th>
<th>Location</th>
<th>PCPs</th>
<th>Locations</th>
<th>Humana MA members</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mankato Clinic</td>
<td>Mankato, Minnesota</td>
<td>50</td>
<td>13</td>
<td>402</td>
</tr>
<tr>
<td>Paxton Medical</td>
<td>Seminole, Florida</td>
<td>32</td>
<td>12</td>
<td>7,084</td>
</tr>
<tr>
<td>Intermountain Healthcare</td>
<td>Las Vegas, Nevada</td>
<td>1,800</td>
<td>63</td>
<td>51,457</td>
</tr>
</tbody>
</table>

**The primary care continuum shows the broad spectrum of segments under which physicians can benefit from the quality care they provide.**

INTRODUCTION

Outlining the path to value
**Evolving primary care payment models**

**Value-based care**

- **67%** of individual MA members in VBC model

- **Global risk – 788,875**
  Full responsibility for Medicare Parts A, B and D through monthly capitated payments

- **Full risk – 165,295**
  Fee-for-service (FFS) + 100% responsible for Medicare Part B expenses and sharing of Part A (may have shared savings or complete responsibility for Part D)

- **Limited risk – 277,681**
  FFS + bonus + care coordination payment + higher portion than bonus + shared savings in Medicare Parts A, B and D

- **Bonus + shared – 1,418,162**
  FFS + bonus + potential for limited shared savings (upside only) in Medicare Parts A, B and D

**Non-value-based (NVB) care**

- **33%** of individual MA members in NVB model

- **FFS Plus – 734,446**
  FFS + additional compensation for meeting quality measures

- **FFS – 578,241**
  Pays for the services a patient receives

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**Rapid growth**

Value-based care physicians have seen significant member growth year over year.

1,016,913

Value-based individual members gained between Jan. 1 2016 – Dec. 31, 2020
Despite pandemic public health precautions that led to deferring in-person medical care through much of 2020, physicians in value-based agreements found ways to overcome those medical-distancing hurdles by capitalizing on telemedicine and other innovative approaches to improve health outcomes.

Increased access resulted in MA members affiliated with value-based physicians outperforming those in non-value-based settings in all Healthcare Effectiveness Data and Information Set (HEDIS®) preventive screenings and adherence measures. Screenings were between 8% and 20% higher for the value-based cohort compared to non-value-based for colorectal screenings, diabetic eye exams, osteoporosis management and controlling blood sugar.1

Value-based members with certain chronic conditions routinely showed more screenings and better control than those non-value-based. For example, value-based members with diabetes not only had their blood sugar levels under control but adhered to their medication regimens more frequently.1

Patient safety related to medication adherence among members affiliated with value-based physicians earned a HEDIS Stars Rating and outpaced those affiliated with non-value-based clinicians.

The consistency of medication use among value-based members for diabetes, hypertension and statins was as high as 89%. Data analysts attribute those rates in part to actions taken at the outset of the pandemic allowing for early and extended prescription refills by members, who filled roughly 400,000 through June 2020.

The prevention and adherence figures led to overall Stars Ratings and average HEDIS Stars Ratings for preventive screenings both being a half-star higher for value-based physicians than for non-value-based—a 15% difference.1

**Why it matters:** Prevention is the foundation for member well-being and the effectiveness of value-based care. In the face of the pandemic, medical distancing emerged as a challenge. But value-based physicians focused on whole-person health quickly found new and innovative ways to increase patient access to care.

Virtual visits proved to be a viable platform for physicians for everyday treatment and some screenings. Additionally, Humana sent more than 1 million kits to MA members—at no cost to them—so they could be tested for colorectal cancer, diabetes control and nephropathy without having to go to a clinic or lab. Of the kits returned, 10% of the screenings identified members with unfavorable results.

Those members were notified and clinical follow-ups recommended. If no follow-up was noted via a claim within 120 days, Humana’s outreach team contacted the member and assisted in scheduling an appointment for him or her.

**The way forward:** Nontraditional approaches to care delivery are quickly becoming regularly used methods, primarily in the virtual space. The increased use of telemedicine provided a vital connection between physicians and their patients, and healthcare leaders say the technology will be a permanent part of their approach going forward.

Although in-person medical visits rose in the latter part of 2020, a resurgence in COVID-19 transmissions has pushed some practices to reduce physical interactions as many patients express concerns with visiting physicians’ offices. That has prompted practices to rely again on those alternative approaches to care delivery. Only this time, they’re employing tactics that are proven and refined.

Effective use, though, will only happen with a lens toward health equity, working to improve access to all modalities of care patients need, which also requires understanding their unique needs and barriers to care. Telehealth is only successful if patients have all the tools necessary for digital health engagement—stable broadband connectivity, connected devices, digital literacy and health literacy. It is imperative that medical and social services communities recognize their intricate connections to empowering the full health of each and every patient cared for.

**Preventive screenings:** Value-based PCPs compared to non-value-based physicians1

<table>
<thead>
<tr>
<th>Percentage</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>8%</td>
<td>More screenings conducted overall</td>
</tr>
<tr>
<td>19%</td>
<td>More colorectal screenings and diabetic eye exams</td>
</tr>
<tr>
<td>22%</td>
<td>More post-discharge medication reconciliations</td>
</tr>
</tbody>
</table>
Ratings show better patient engagement for those in value-based practices

Across every care category, physicians in value-based care arrangements have scored higher than those in non-value-based (NVB) models, based on HEDIS scores. The chart below shows the results for select measures among 2020 continuously enrolled Humana MA members, of which 914,785 were in non-value-based physician agreements vs. 2,358,808 in value-based physician agreements.

To the right are overall HEDIS Stars results for MA patients continuously enrolled during 2018, 2019 and 2020. For consistency, scores reflect Humana’s administrative data only, as the Centers for Medicare & Medicaid Services (CMS) advised health plans to not collect hybrid data in 2019 due to the COVID-19 pandemic.
Primary care telemedicine use in 2020 rose faster and reached higher levels among Humana MA patients affiliated with value-based organizations compared with those in non-value-based arrangements.

Accountability for cost, quality and disease management under value-based payment models may have been a stronger catalyst for telemedicine adoption than recouping revenue from deferred in-person visits, a study of health maintenance organization (HMO) members from March 1–Sept. 30 by Humana Healthcare Research suggests. Within the shared-savings categories of the value-based primary care continuum, adoption happened at an even quicker pace among physicians at the greatest risk level, according to the research.

In late April, at the peak of use, value-based physicians used the technology at a rate of 50.1 telehealth visits per 1,000 members per week compared to 9.3 visits per 1,000 within the non-value-based space.1

Additionally, many value-based practices were helped by infrastructure, technology and management systems in place at the start of the COVID-19 outbreak, interviews with study participants revealed.

Why it matters: Patterns of outpatient care shifted drastically during the early stages of the COVID-19 pandemic, with deferred in-person care leading to substantial revenue losses for many non-value-based primary care organizations. The shift created a strong financial incentive to move to telemedicine visits, especially among value-based organizations focused on quality and continuity over quantity of care.

The way forward: Though the study period examined telemedicine use between January and September, the trend among value-based practices continued through the rest of the year. It remains a vital connection tool for physicians as some patients remain leery of in-person contact or prefer the platform’s convenience.

Physicians interviewed for the study said they believe telehealth is here to stay. While continuing to use it, a number of physicians are changing their approach. Some are no longer writing prescriptions for certain conditions until patients are seen physically. Others are using the momentum of telemedicine’s acceptance to expand virtual offerings.

Mercy Health in Missouri, looking to capitalize on convenience for patients and enhance the customer experience, built the ExpressCare platform. Though being piloted, the tool, accessible via an app, enables users to fill out a brief questionnaire. Those answers prompt a personalized escalation path that connects them to the proper provider.

“It breaks that boundary of time and space,” said Michael Michetti, Mercy’s senior vice president of clinical operations. “Even telehealth is bound by the time there is a person on video and structured by a schedule. This platform lets patients be asynchronous. Whenever they want to start the encounter, they can start that conversation.”

2020 Humana MA HMO telemedicine visits

<table>
<thead>
<tr>
<th>Weeks</th>
<th>NVB</th>
<th>VBC</th>
</tr>
</thead>
<tbody>
<tr>
<td>0-4</td>
<td>5.0</td>
<td>3.4</td>
</tr>
<tr>
<td>5-8</td>
<td>22.4</td>
<td>25.6</td>
</tr>
<tr>
<td>9-12</td>
<td>25.6</td>
<td>50.1</td>
</tr>
</tbody>
</table>

Note: Study period concluded Sept. 30
Ingenuity and adaptability defined how most healthcare practices operated—and continue to operate—during the COVID-19 pandemic. Staring at vacant waiting rooms, physicians, administrators and their staff members enlisted alternative measures to maintain critical connections with those they serve.

That meant seeing patients virtually, finding inventive ways to meet patients at a safe distance—such as outside the office building—or devising other strategies to provide care.

With quality metrics and the financial model within value-based care agreements driven by patient well-being, proactive approaches among those physicians in navigating unprecedented obstacles helped them treat general illness, manage chronic conditions, evaluate medication adherence and assess mental health.

Some physicians and their staffs helped their patients obtain food and medication. Some made calls to patients to warn of COVID-related scams to help protect their financial health along with their physical health.

As many patients who stayed home in 2020 struggled to adjust to new technology platforms, some physicians found themselves playing multiple roles: healthcare provider, technical support agent and coach.

A year of challenge became a prescription for change—now and into the future. The video below features a trio of practices that connected with patients in non-traditional fashion and, at the same time, ushered in new ways of doing business they anticipate will lead to more effective and efficient care.

Amid physicians’ struggle with new challenges caring for patients, Humana helped support their efforts by eliminating some administrative requirements for providers involving Humana members with COVID-19.
Lack of healthy food and lower nutrient intake can lead to myriad physical and mental health complications, new research shows. Food insecure seniors are 65% more likely to be diabetic, 19% more likely to have high blood pressure and 2.3 times more likely to suffer from depression compared to food-secure seniors.

Furthermore, food insecure Medicare beneficiaries incur $5,527 more a year in healthcare costs than those who are food secure, according to the study published in the Journal of the American Medical Association titled “Interventions to Address Food Insecurity Among Adults in Canada and the U.S.”

The focus on social determinants of health (SDOH), such as food insecurity, and how they affect a person’s physical, social and mental well-being highlights the critical role value-based care plays in population health management. When healthcare providers and payers leverage an infrastructure that can access real-time data, technology and appropriate care management, they can see a more holistic picture of a person’s health, identify unmet needs and determine effective interventions, researchers said.

Why it matters: Millions of seniors nationwide face food insecurity, making it one of the country’s leading health and nutrition issues. In fact, nearly 5.3 million have limited or uncertain access to enough food to live a healthy, active life.

Evidence suggests that alleviating stress and anxiety over access to food is considered a beneficial health outcome. And as the number of adults age 65 and older is expected to rise to more than 73 million by 2030, it is likely the number of seniors living in food-insecure households will also rise substantially without effective and sustained interventions in place.

Tackling food insecurity, including addressing root causes, is a challenge many payers and healthcare providers have shifted focus to in recent years. This is because food insecurity often forces individuals to make difficult tradeoffs, such as choosing between purchasing food or purchasing medications or seeking medical care.

The way forward: Humana has worked with healthcare providers and community organizations to address food insecurity within its MA population.

When the COVID-19 pandemic hit, the company created the Basic Needs Team, which leverages resources and emergency flexibilities granted by CMS to screen MA members for food insecurity and coordinate with national vendors to deliver meals to members’ homes. The program served 77,863 members and delivered more than 1.1 million meals in 2020, and is continuing the effort in 2021.
With preventive care paramount to patient long-term well-being, value-based physicians in 2020 took advantage of incentives from Humana’s wellness program, Go365®, to help entice Humana MA members with Go365 on their plans to obtain preventive screenings and maintain healthy behaviors. Value-based healthcare providers focus on achieving gap–closure goals.

Members associated with value-based physicians accounted for roughly 83% of all Go365 rewards-qualifying activity in 2020.¹

Additionally, these members received over 7.4 million preventive screenings, completed nearly 1.4 million fitness activities and participated in almost 400,000 social and health education activities.

Go365 is promoted regularly to value-based healthcare providers to encourage their patients who are Humana members with Go365 on their plans to earn rewards for eligible activities like routine cancer and biometrics screenings. Members earn $10–$50 gift cards—per screening—to a variety of national retailers.

**Why it matters:** Healthy behaviors and prevention are critical to identifying problems early and potentially preventing severe illness and unnecessary medical costs. By Humana rewarding members for healthy behaviors and annual screenings, primary care physicians are better able to close clinical gaps in care so their patients—and their practices—can achieve better health outcomes.

Annual wellness exams and preventive screenings are key to promoting better health outcomes. A patient who has at least one annual wellness visit per year is 122% more likely to have a colonoscopy and 75% more likely to have a mammogram⁹—two essential methods of cancer screening.

**The way forward:** Value-based partner agilon health experienced an uptick in member engagement in wellness and prevention activity through the incentives provided by Go365. Heavy promotion of the program and its wellness benefits by agilon was a top goal of its communications campaign composed of welcome emails for new members and a quarterly e-newsletter.

MA members associated with agilon who visited Humana’s website for wellness information had an 83% gap–closure rate.

“The success of this program really highlights the power of engaging our patients as true partners in their healthcare,” said Dr. Ben Kornitzer, agilon health’s chief medical officer. “As a primary care physician, it is incredibly gratifying to see how thoughtfully designed health plan incentives can really help move the needle on the quality programs that value-based physicians are working toward with their patients.”

### Promoting wellness with rewards¹

<table>
<thead>
<tr>
<th>2020 Go365 rewardable activity for VBC providers</th>
<th>Number of reward-qualifying events by VB members</th>
<th>Earned amount by MA members with VB physicians</th>
<th>2020 total MA reward-qualifying events</th>
<th>2020 total MA earned amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Social/health education activities</td>
<td>395,740</td>
<td>$1,985,700</td>
<td>460,904</td>
<td>$2,304,520</td>
</tr>
<tr>
<td>Preventive screenings</td>
<td>7,473,195</td>
<td>$113,325,587</td>
<td>9,106,236</td>
<td>$180,587,215</td>
</tr>
<tr>
<td>Fitness/workouts</td>
<td>1,388,371</td>
<td>$6,931,458</td>
<td>1,572,941</td>
<td>$7,864,705</td>
</tr>
<tr>
<td>Grand total</td>
<td>9,257,306</td>
<td>$122,242,745</td>
<td>11,140,081</td>
<td>$190,756,440</td>
</tr>
</tbody>
</table>

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¹ Wellness rewards: A tool for VBC physicians to boost patient health

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**PREVENTION**

**VALUE-BASED CARE REPORT**

**10**
Bryan Loy, M.D.  
Corporate Medical Director

Dr. Loy is an industry-recognized physician executive serving as corporate medical director for Humana. Board certified in anatomic and clinical pathology and hematology, he leads many of Humana’s cancer care initiatives.

Insights from outcomes: Prevention, personalization and connections matter

Critical to keeping members well in 2020 were already-persistent focuses on whole-person well-being and care access that were amplified by the pandemic.

In fact, despite widespread care aversion nationally, 86% of Humana MA members still saw their value-based primary care physicians at least one time last year, compared to 78% among non-value-based members. Those value-based members saw their primary care physicians an average of 4.19 times during the year vs. 3.97 times among non-value-based.

That consistency of care sharply reduced incidences of hospital admissions and emergency room visits during 2020 for value-based members—7% and 12% lower, respectively—compared to those with Humana non-value-based healthcare providers. Hospitalization avoidance were even better—a whopping 22% less—when measured against Original Medicare.

Value-based practices such as AMA Medical Group never closed during the emergency, recognizing the need to facilitate in-person visits for those needing them. The Dunedin, Florida facility implemented stringent protocols that entailed installing special air filters, removing furniture in waiting and exam rooms to force social distancing and only allowing patients inside one at a time.

“When you’re a value-based provider, you focus on the well-being of your patients and prevention. An ounce of prevention is worth a pound of cure,” said Dr. Cruz Fana-Souchet, AMA founder. “Value-based medicine helped me care for our patients where there was no delay in their care. It makes a difference, and it showed during the pandemic.”

**Why it matters:** Physicians continually stress the importance of primary care intervention first, freeing up space for true emergencies and helping control costs without unnecessary visits to high-cost acute care facilities. This message, which physicians emphasized even more during the pandemic, appeared to resonate.

Members personally gave high ratings for the outcomes they experienced directly as a result of the care they received from value-based clinicians.

Internal Humana surveys designed to mimic the Health Outcomes Survey that polled members remaining with the same physician during the last two years showed value-based physicians spent more time discussing general health issues, monitoring physical activity and working with their patients to reduce their risk of falls than non-value-based physicians did.

**The way forward:** Deferred care, of widespread concern across the industry, did not appear to translate into new or worsening medical conditions requiring acute attention or inpatient treatment among Humana MA members by the end of 2020. High-frequency outreach—in person, virtually and telephonically—closed well-being gaps in care and allowed physicians to continue assessing conditions and administering treatment as necessary, even from a distance.

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**Value-based providers helped keep patients out of the hospital**

<table>
<thead>
<tr>
<th>Hospital admissions (VBC arrangements compared to)</th>
<th>Humana MA NVB arrangements</th>
</tr>
</thead>
<tbody>
<tr>
<td>22% less or 121,000 fewer admissions</td>
<td>7% less or 39,000 fewer admissions</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Emergency room visits (VBC arrangements compared to)</th>
<th>Humana MA NVB arrangements</th>
</tr>
</thead>
<tbody>
<tr>
<td>4% less or 28,000 fewer admissions</td>
<td>12% less or 93,000 fewer admissions</td>
</tr>
</tbody>
</table>

Data derived from Humana 2020 value-based membership of 2,113,382 and non-value-based membership of 949,657.

While in-person visits have become more frequent in the second year of the pandemic, it’s unclear what impact deferred care will have on the healthcare system moving forward. Meanwhile, a number of physicians are modifying their reliance on distanced care methods such as telemedicine. They’re pushing for less medical separation by requiring chronically ill patients and those with other outstanding conditions to receive tests that cannot be administered virtually. They want to see patients physically so care regimens can be adequately adjusted.
The lasting appeal of behavioral telehealth

As it did for primary care, telemedicine became vital connective tissue between specialists and those seeking care for their mental well-being.

Behavioral telehealth trend lines paralleled those of general telemedicine at the outset of the pandemic, taking off during the spring and early summer. As virtual clinical medicine as a whole tapered off months into the outbreak, behavioral telehealth visits remained relatively steady.

MA members affiliated with value-based physicians took part in nearly 628,000 behavioral visits, representing roughly 21% of all telemedicine visits in 2020. The usage rate per thousand among value-based members over non-value-based hovered between 5% and 10% each month between May and December.1

Experts and practices incorporating behavioral telehealth attribute the consistent use to convenience to both patients and practitioners and the ability for those needing assistance to obtain help more privately.

**Why it matters:** The coronavirus pandemic took an obvious physical toll on Americans. Prolonged restrictions and lockdowns that came with it exacerbated other kinds of pain and struggle within behavioral health.

Anxiety. Depression. Substance abuse.

“There are many barriers to getting to the front door and a stigma with behavioral health. Telehealth does away with that,” said Dr. Matt Ruble, Humana’s lead medical director for behavioral health. “This platform is critical in providing value, delivering greater value and supporting the clinical model.”

**The way forward:** Primary care physicians in value-based arrangements have recognized the impact of behavioral health issues on physical well-being, and many have begun incorporating behavioral specialists into their practices. That way, when a patient presents with potential psychological and emotional concerns, there can be an immediate, smooth handoff.

“The setup lends itself perfectly to integration, especially in regard to timeliness,” Ruble said.

**TriHealth** in Cincinnati began piloting integrated behavioral health in primary care practices in late 2016. The health system piggybacked on that infrastructure to expand services during the pandemic, helped as well by state and federal changes enabling providers to bill for behavioral telehealth visits, including telephone visits, which were previously not allowed for psychologists and social workers.

A TriHealth survey of its affiliated primary care physicians showed that the integration is making a difference for patients and providers. Some 97% of physicians expressed satisfaction with the behavioral health services, 95% said the integration somewhat or significantly improved their ability to manage patient needs, and 92% reported somewhat or significantly improved job satisfaction. Meanwhile, TriHealth patients surveyed at the end of each visit about its helpfulness rated them an average of more than 9 on a 10-point scale.

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**MONTHLY TREND OF 2020 BEHAVIORAL TELEHEALTH VISITS**

<table>
<thead>
<tr>
<th>Month</th>
<th>Number of visits per 1,000 members</th>
</tr>
</thead>
<tbody>
<tr>
<td>March</td>
<td>28.30</td>
</tr>
<tr>
<td>April</td>
<td>28.12</td>
</tr>
<tr>
<td>May</td>
<td>28.30</td>
</tr>
<tr>
<td>June</td>
<td>23.70</td>
</tr>
<tr>
<td>July</td>
<td>21.84</td>
</tr>
<tr>
<td>Aug.</td>
<td></td>
</tr>
<tr>
<td>Sept.</td>
<td></td>
</tr>
<tr>
<td>Oct.</td>
<td></td>
</tr>
<tr>
<td>Nov.</td>
<td></td>
</tr>
<tr>
<td>Dec.</td>
<td></td>
</tr>
</tbody>
</table>

Notes: Behavioral health was identified based on primary diagnosis.
From patient care to value-based payments: What we’re learning

As the healthcare industry continues to shift away from quantity of care toward quality of care, recent research helps illustrate the value of value-based care. Those studies show how physicians use the approach to drive better patient outcomes.

Deferred care
As pandemic social distancing widened to include medical distancing—significantly reducing office visits for routine and sick care early in 2020—healthcare leaders used a broad range of communications and operational tactics to ensure patients received proper care amid a COVID-19 surge, according to a report by the Medical Group Management Association (MGMA) and Humana.

The publication, “No Time to Waste: Deferred Care and Pandemic Recovery,” found that during the COVID-19 pandemic, 97% of practices polled reported a drop in patient visits by early April 2020. A lack of reliable internet connection for patients in rural areas, older patients not being as tech savvy when attempting telehealth services and vulnerable populations having trouble connecting to platforms such as Zoom, FaceTime and Hangouts all posed challenges to accessing care in 2020.

Changing patient patterns
Value-based payment, particularly when downside financial risk is involved, may be associated with reduced use of the emergency department (ED) and greater use of primary care, according to a study by HHR.

Researchers assessed the association of primary care physician payment arrangements with PCP visits, emergency department visits, inpatient admissions and avoidable IP admissions in a cohort of newly eligible MA enrollees over a 30-month period.

At the end of that period, the average annualized PCP visit rate was significantly greater—3,408 visits per 1,000 members vs. 2,712 per 1,000—for the group of members affiliated with value-based care physicians compared to the group affiliated with non-value-based physicians.1

The 30-month average annualized ED visit rate was lower for members whose PCPs were in value-based payment arrangements—194 visits per 1,000 members—compared to those whose physicians were in non-value-based arrangements—209 visits per 1,000 members.1

Evaluation of home health
Inpatients (IP) eligible for the post-acute transfer program who received additional services in their homes after a hospital discharge experienced lower risks of readmission and decreased healthcare costs.

Humana Healthcare Research (HHR) researchers evaluated the effectiveness of discharge to home health compared to home for patients discharged from an inpatient stay for a set of diagnostic related groups that met the criteria for post-acute transfer as defined by CMS.

MA members affiliated with value-based physicians and receiving home health services had a 60% lower risk of readmission to a hospital within 30 days of discharge and a 45% lower readmission risk within 60 days, compared to those members with non-value-based physicians. Additionally, care of those members resulted in an 11% lower total 90-day healthcare cost, including costs associated with home healthcare.1
Humana MA members cared for by physicians in value-based arrangements reported significantly higher levels of patient satisfaction compared with those associated with non-value-based clinicians.

In a 2020 internal Humana survey similar to the Consumer Assessment of Healthcare Providers and Systems (CAHPS), value-based physicians rated 10% higher than non-value-based physicians (3.1 stars vs. 2.9 stars) in each of the eight categories of the CAHPS. The largest differences between the two provider groups was in the overall rating of the health plan and the overall rating of drug coverage, with value-based physicians scoring 1.4% and 1.2% higher, respectively.¹

CAHPS percentages are significant for three reasons:

- A difference of one point can represent as much as a 1-star difference in performance on these measures.
- CAHPS makes up 24% of the overall Stars Rating.
- CAHPS data is member-reported, coming directly from the perspectives of those being treated.

Humana collaborates with and supports its community of healthcare professionals through extended coverage. Emphases include SDOH, removing financial barriers to treatment and helping keep members safe, particularly during the pandemic, by sending them safety kits that included masks. This support of members and their doctors also contributes to member satisfaction.

Satisfaction is also critical because it directly translates to retention. Some 93% of Humana MA members remained with their value-based primary care physicians in 2020, compared to 91% with non-value based providers.¹

**Why it matters:** The healthcare experience tends to be defined as much by quality interactions as quality of care. Experience can outshine—and certainly overshadow—the total care delivery system. Patient satisfaction leads to stronger trust in their clinicians, which, in turn, develops greater long-term therapeutic relationships.

Physician satisfaction is just as pivotal, leading Humana to remove prior authorization approvals during much of 2020 to help remove obstacles potentially in the way of patient care.

Beyond the pandemic, a value-based design equips physicians with tools, data and resources to assist in developing a more holistic approach to care. The creation of platforms, such as Humana’s Population Insights Compass, efficiently informs primary care physicians about their patients’ lives and medical histories outside the office in a way that is both easily understandable and actionable.

The tool houses supporting data beyond the direct medical and clinical, and also provides insights into social needs for a more holistic picture of the patient. Compass allows physicians to look out for their whole panel of patients and determine who needs more attention and resources, such as enabling practices to follow up on a missed wellness exam or check-up.

**The way forward:** Within the value-based space, support is a minimum expectation. Members and healthcare providers serving as a focus have driven several initiatives to help make navigating the healthcare system easier and the experience in a complex system more pleasant.

Data-driven research plays a critical role in helping payers like Humana build a foundation for identifying clinical programs that advance its human care commitment to identify members’ most important needs and address them.

Work continues to expand home-based offerings to complement physicians’ treatment in making care more accessible and targeted, and in bringing about increased interoperability. Streamlined, interoperable patient data, available to clinicians and members, can help enhance both the patient and physician experience for more efficient and effective care while reducing administrative hurdles and increasing technology usability.
Members experience the value-based care difference

Members clearly recognized physicians' efforts in care coordination and effective care management. In 2020, continuously enrolled Humana MA members with physicians in value-based agreements (53,625) rated their physician higher (3.1 stars out of 5) than those 19,239 surveyed who were with physicians in Humana MA non-value-based agreements (2.9 stars out of 5). The results are from internal patient experience surveys similar to the Consumer Assessment of Healthcare Providers and Systems, but not the official CAHPS results. Official CAHPS results do not provide member-level data. A difference of one point is important and, in general, represents as much as a 1-star difference in performance on these measures.

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PATIENT-PHYSICIAN EXPERIENCE

Initiatives aim to enhance patient experience

Providing care when and how a patient needs it most, especially in unprecedented times such as a pandemic, is crucial to one’s health and well-being. Recent investments in value-based programs and technology by Humana are designed to support physicians in providing personalized attention and help improve members’ healthcare experience.

Humana Care Support

Creating a personalized experience aimed at addressing members’ unique needs is the goal of Humana Care Support—a technology-enabled chronic care management platform. By leveraging data analytics and existing value-based agreements, the platform provides Humana MA members living with congestive heart failure and diabetes, along with other chronic conditions, access to nurses, pharmacists, social workers and behavioral health specialists.

In addition to serving the clinical needs of members, Humana Care Support addresses the social determinants of health that might be present in a member’s home, such as food insecurity. And because 61% of older adults prefer to age in their own home, having access to a multidisciplinary clinical team provides members access to care at home instead of being transferred to a facility.

The platform is available to MA members in Kentucky, Pennsylvania and West Virginia, with plans to expand to additional states through 2021.

Personalized healthcare through Author

Author by Humana is designed to meet the emerging expectations of digital-savvy seniors aging into Medicare.

The platform offers both members and healthcare providers direct access to a “navigator” to address their unique needs. Members can connect one-on-one with a care coordinator for non-clinical advice and benefit questions, while providers have access to assistance resolving prior authorizations and checking the status of claims.

Author has been launched in five South Carolina Humana MA plans, supporting about 13,500 members, with plans to scale into additional markets in the future.

Remote patient monitoring

Philips Lifeline medical alert service has partnered with Humana to provide telehealth kits to select MA members living with congestive heart failure (CHF). Kits include a weight scale, blood pressure monitor and pulse oximeter. The wireless devices all synch to an interactive tablet, also provided in the kit, to allow members to monitor their daily health while sharing real-time data with care managers.

It is estimated that CHF accounts for more than $30 billion in direct medical costs annually. The goal of the program is to identify members most at risk for readmission within 30 days after a hospital discharge. Monitoring the health of high-risk members allows Humana to help physicians make informed and proactive care decisions and provide interventions to help reduce unnecessary readmissions and keep members at home longer.
Home care helps value-based PCPs manage care and improve outcomes

The increasing emergence of in-home services satisfies two critical needs within value-based care: Providing care for patients where they want and need it most, and supporting physicians’ care plans when patients cannot—or will not, due to fear of COVID-19 transmission—visit their office.

Much of the recent focus in creating home-care opportunities has centered on primary care—the foundation of the value-based model—but has evolved recently to include advanced urgent care. The aim of the approaches is to drive improved access, experience, outcomes and quality of life.

Humana research has determined that 20% of its Medicare Advantage expenditures can be addressed via home-care services, and an even higher percentage in some areas such as prevention, care coordination, care management and assessments.

New partnerships with organizations focused on primary and urgent care home-based clinical visits provide complementary access points for care to members. These options are particularly suited for members where traditional primary care clinics are out-of-reach because of an inability to find a local physician practice or home-bound status.

Heal, one option, provides primary care services by way of house calls, telehealth and remote monitoring to patients in eight states. The company also works with health plans to assist in closing gaps in care.

DispatchHealth offers advanced urgent care in 38 cities. The organization focuses on treating medical conditions—COPD, heart failure, cellulitis and others—that require urgent intervention, but not necessarily hospitalization.

Why it matters: Dispatching clinicians directly to a patient’s home overcomes many of the barriers that tend to prevent some from seeing their physicians, such as a lack of transportation and now, amid the pandemic, a desire to limit exposure to groups of other people. It also adds to the patient experience.

“Home-based care can be a partner and support system to help PCPs and other physicians take the best care of their patients,” said Andrew Lynch, vice president of Home Solutions for Humana. “Whether it’s Medicare home care, advanced urgent care, hospital at home, etc., we believe all of these can help value-based physicians better manage their patients and improve outcomes.”

The way forward: Dr. Barron Taylor, a practitioner with Heal, says the ability to be present in a patient’s home gives valuable insight to an individual’s well-being he otherwise might never receive in a traditional physician’s office. He can use that information to pinpoint physical and mental health issues and develop care strategies.

“How can you truly make an evaluation if you’re not in the patient’s house?” Taylor asked. “That interaction and connection solidifies the patient-provider bond. That’s where the difference is being made.”

Home care delivery continues to evolve

20% of Humana’s MA expenditures can be addressed via home care services.1

DispatchHealth performs advanced urgent care visits at 80% less cost than a traditional ER visit.12

Humana MA members who received home health from Kindred at Home saw 11% fewer readmissions than those supported by other home health providers.1
Recent acquisitions continue to advance the evolution of value-based care for Humana MA members by emphasizing home-based treatment, with the benefit of care continuity and improved outcomes.

Purchases of Kindred at Home (KAH) and One Homecare Solutions (OneHome) by Humana add to the patient experience and are designed to offer care where members want it most—at home, where the need increased during the pandemic amid lockdowns and restricted access. Just as significant, the transactions further integrate primary care with home care to help improve outcomes and satisfaction for patients and providers and drive greater value for health plan partners.

The integration of the companies makes value-based home services available to more members nationwide while further developing a quality-focused model that improves outcomes and trims costs, said Susan Diamond, Humana’s chief financial officer who was president of home solutions during the transactions.

OneHome, focusing on the MA population, uses a value-based model to provide post-acute at-home services, including infusion care, nursing, occupational therapy and physical therapy. It also offers durable medical equipment at patients’ homes and sites-of-care placement through skilled nursing facility at-home programs.

The acquisition of OneHome helps further value-based home care capabilities on a national scale. OneHome serves roughly 1 million members—many of whom are Humana MA members—through its plan partners, and can provide an estimated 20% in savings through its care-delivery approach, according to OneHome.

Fully acquiring Kindred—the nation’s largest home health and hospice provider, of which Humana already owned 40%—further advances home-based clinical efforts. The companies collaborated over the last year to prove home-based care models’ impact on preventable events and assemble supporting clinical capabilities ranging from preventive to higher acuity, emergent, hospital-level care.

The work resulted in the development of a platform to share and analyze information between the health plan and home health agency, facilitating the delivery of proactive and individual care plans. The approach delivers personalized, more comprehensive whole-person care and supports care continuity by engaging in-home physicians and urgent care resources when a patient does not have immediate access to a primary care physician or if symptoms need immediate escalation.

PATIENT-PHYSICIAN EXPERIENCE

Building on home healthcare capabilities

Click the video icon for more information
Physician perspectives: How does your experience in value-based care differ from a non-value-based (fee-for-service) model?

**Dr. Greg Johnson**
Chief Clinical Integration Officer
Parkview Health
Fort Wayne, Indiana

“With a fee-for-service model, physicians often feel professionally unsatisfied, citing inadequate time to actually care for their patients. Physician reimbursement in the FFS model is often production-based, thus incentivizing volume rather than value (quality and service). This may lead to taking care of the administrative aspect of practice occurring ‘after hours,’ which begins to encroach on personal time and affecting work-life balance.”

**Dr. David Moulton**
State of Franklin Healthcare Associates (SoFA)
Johnson City, Tennessee

“Value-based care has led to SoFA’s investment in our Quality Improvement Team, which includes care coordinators, social workers and clinical pharmacists. This allows me to practice at a higher level and meet more of my patients’ needs. We will never go back to where we were. We have embraced a team approach to care and not an individual provider. The paradigm change of the provider becoming accountable for patient care has resulted in improved systems and resources to help patients.”

**Dr. Larry Blosser**
Chief Medical Officer
Central Ohio Primary Care
Westerville, Ohio

“Value-based care allows us as an organization to align the interests of the patient, physician and the healthcare system by rewarding improved patient care and outcomes that fee-for-service medicine cannot.”
In a fragmented healthcare system, interoperability is crucial in connecting systems that let clinicians see a variety of factors influencing their patients’ well-being. Interwoven systems of data foster integrated care delivery that enables value-based care practices to evaluate the right data at the right time within the right workflows to achieve the right outcomes.

In the United States, approximately 25% of all annual healthcare spending can be categorized as waste. This equates to an estimated range of $760 billion to $935 billion. And with healthcare spending approaching 18% of the national gross domestic product, there is an acute need to re-evaluate the system and eliminate inefficiencies that contribute to wasteful spending.

**Why it matters:** Interoperability is considered one of the levers that could address between $191 billion and $282 billion deemed as wasteful spending. The pandemic also increased the urgency for data-sharing in helping physicians determine the best course of treatment for their patients.

One of the largest domains of healthcare waste centers on administrative complexities between payers and providers, including inefficient billing and coding practices, authorization processes and administrative burden.

The prior authorization process, for instance, is considered among clinicians a daily frustrating and mundane task. Today, the process takes an average of 18 minutes and requires healthcare providers to disrupt their workflow and go outside of their electronic health records (EHR) system and into another system, such as a web portal or a phone call, to complete.

**The way forward:** As a solution, Humana partnered with Epic, the nation’s most widely-used EHR system, to develop new capabilities to allow physicians and clinical staff to complete prior authorizations within their own EHR workflows.

As part of the new authorization process, a series of automated events and application programming interfaces integrate the EHR with Humana systems to process the authorization, which allows healthcare providers and their staffs to stay within their workflow. If additional information or clinical documentation is needed, Humana questionnaires automatically appear in the EHR, allowing for convenient and easy collection of this information. Submission of authorization is automatically done directly from the EHR.

Humana plans to use standards-based interoperability, such as Fast Healthcare Interoperability Resources, to continue to deliver solutions to improve experiences and remove burden for members and healthcare providers alike, including patient access to data, payer-to-provider data exchange, attributed patient rosters, and quality measure reporting—all essential to value-based care.

**Humana’s approach:** Humana’s approach is to use standards-based interoperability to continue to deliver solutions to improve experiences and remove burden for members and healthcare providers alike, including patient access to data, payer-to-provider data exchange, attributed patient rosters, and quality measure reporting—all essential to value-based care.

**CMS interoperability timeline**

- **2019**
  - Draft exchange framework and common agreement developed
  - White House convenes executive forum on interoperability

- **2020**
  - CMS publishes Interoperability and Patient Access Proposed Rule
  - Healthcare providers required to use 2015 Edition Certified EHR Technology

- **2021**
  - Hospitals send event notifications regarding admissions, discharges and transfers to other healthcare providers
  - Public reporting of clinical or hospital data blocking and healthcare providers without digital contact information in CMS’ National Plan and Provider Enumeration System (NPPES)
  - Payer–provider directories made available through standards-based APIs
  - Hospitals send event notifications regarding admissions, discharges and transfers to other providers

- **2022**
  - Payers required on Jan. 1 to exchange patient U.S. Core Data for Interoperability data upon request
A single patient can generate a multitude of data—readings related to chronic conditions, gaps in care, time between visits, and various social factors that impact their well-being.

And for a practice that manages dozens or hundreds of patients, the challenge is not only to quickly assess all available data but also use it to develop a strategy focused on improving patient outcomes.

Physicians are in the difficult position of needing to not only react to change, as evidenced during the pandemic, but also anticipating it. That means tapping into information they can view and, most importantly, understand.

One important way Humana supports practices in their transition to value-based care—and helps them improve quality and patient outcomes—is through the creation and ongoing evolution of Population Insights Compass. A population health management platform, Population Insights Compass eases friction in care by steering healthcare teams around data silos, providing reliable insight into value-based care.

The tool allows physicians and their care teams to have a better understanding of their patients’ well-being by giving them access to patient information relative to activity taking place outside of their practice—information they may not be aware of, such as medical and pharmacy claims.

Easy to navigate and featuring multiple reporting options, Population Insights Compass can help physicians pinpoint what actions they can take to address unmet patient needs and improve outcomes.

The video link below spotlights the tool and the role Population Insights Compass can play in producing customizable, focused reports that assist practitioners in their decision making.

Click the video icon for more information on Humana’s Population Insights Compass.
The COVID-19 pandemic will forever be defined by intense struggle. That struggle, of course, runs the gamut of care delivery, from access to outcomes to satisfaction.

The financial struggle among healthcare practices became just as evident, but not for all. Not for those in value-based payment models, where capitated payments provided a steady source of income that enabled practices to fend off job cuts and shuttering businesses.

To help solidify the financial footing at the pandemic’s height in 2020, Humana accelerated value-based and quality recognition payments. Reducing fiscal concerns helped practices keep their focus on patient well-being, which is at the heart of any clinical approach.

Practices’ adaptability amid adversity to maintain critical connections and monitor their patients contributed to higher frequencies of preventive care and lower usage of acute-care services among Humana MA members cared for by value-based physicians. Additionally, value-based primary care physicians reduced avoidable hospitalizations (those that, without successful management, might require hospitalization) by 11% over their non-value-based colleagues, keeping such hospitalizations to 37 per 1,000 members.

The combination helped lead to an estimated medical cost savings of 13.4% compared to Original Medicare. That percentage amounts to a $3.1 billion reduction in medical costs that would have been incurred by value-based members during 2020 had they been enrolled in Original Medicare.

**Why it matters:** The financial trajectory of the traditional non-value-based care model is widely considered to be on a downward spiral. Its descent is driven by poor patient health, high-cost procedures to diagnose and treat often-preventable conditions, and operational inefficiencies. Those factors helped spur development of alternative payment models such as value-based care that emphasize quality over quantity of care.

The success of value-based care hinges on effective progression from one step in the care-delivery model to the next. Increased access leads to improved outcomes, which fosters satisfaction and drives down costs to the healthcare system as a whole.

In turn, savings are spread among members in the form of added primary care practice and plan benefits—such as home care, prescription delivery and healthy food cards—and lower premiums. Value-based physicians receive shared savings for the quality care they provide; 75% qualified for such payments in 2020.

Cost savings that both patients and VBC physicians enjoy

**Medical cost savings relative to Original Medicare**

$3.1 billion

in estimated medical costs that would have been incurred by value-based members during 2020 had they been enrolled in Original Medicare

13.4% medical costs saved
In fact, physicians in value-based contracts with Humana receive more of the overall healthcare dollar—encompassing medical claims and capitation, bonus and surplus payments—earning 17.5 cents of every dollar spent compared to 6.7 cents for non-value-based physicians. Just 4.88 cents of total Medicare spending is dedicated to primary care nationwide, according to a RAND Corp. study.

**The way forward:** The healthcare industry has seen value-based care in action throughout the pandemic. The crisis punctuated its need and relevance.

Now, a year and a half of turbulence has many practices reconsidering the path forward. Some that had wavered on entering into value-based agreements or had just begun their journey put that work on pause as the pandemic hit.

In recent months, and in light of how value-based practices navigated the public health emergency, a number have renewed efforts to convert their clinical models, according to the Medical Group Management Association, the nation’s largest organization of healthcare executives.
During the pandemic, value-based care helps keep doors open

The COVID-19 pandemic exposed many shortcomings of the healthcare system, especially the financial strain of operating a practice with a fiscal reliance on certain quantities of patients being treated each day.

As non-value-based practices suffered amid restrictions that forced cancelations of procedures and traditional care delivery, those in value-based agreements that relied on technology, infrastructure and support staff—and monthly capitated payments—pivoted quickly and adapted to a new way of caring for patients when they could not see them face-to-face.

Persistent income over time facilitated moves by practices to prepare for times of crisis. The continuing cash flow as crisis struck enabled them to remain connected with those they serve.

And when some of those practices’ coffers dwindled, those payer partnerships closed the financial gaps. Humana, for instance, accelerated value-based and quality recognition payments to value-based providers at the onset of the pandemic to solidify their footing. In 2020, various initiatives with healthcare providers helped move over 95,000 Humana MA members under value-based contracts.1

Piedmont HealthCare, a value-based provider in central North Carolina, had an alternative care delivery infrastructure in place so that when the pandemic hit, it shifted operations immediately.

“Our physicians were very nimble and highly engaged in the efforts that were taken at the pandemic’s onset. We saw everyone collectively coming together to do what needed to be done,” said Joy Durham, director of operations and quality. “We had teams in place to service both providers and patients in value-based care. Having this support structure in place allowed us to centralize our efforts on establishing new care and safety protocols, providing COVID testing and follow-up care, and educating patients on the telehealth offering. This allowed physicians to focus on their patients and, as a result, more quickly get them back in the door for care.”

As the long-term financial impact of the pandemic comes into greater focus, many value-based providers see a positive aspect related to their bottom lines. Because the stability of their value contracts sheltered them from the worst of the turmoil, many are able to continue the practices they had put in place in 2020 and invest in longer-term programs that would not have been possible under a traditional non-value-based arrangement.

Why it matters: In 2020, primary care practices lost approximately $15 billion15 when community shutdowns were put in place to slow the spread of the virus. By mid-year, almost 16,000 practices had closed their doors due to the fiscal losses caused by the pandemic.16

At the same time, the crisis reinforced the value of the value-based care model by spotlighting improved financial stability, strong infrastructure and technology, payer–provider collaboration and support to allow clinicians to keep their focus on their patients.

The way forward: Many providers who were on the fence about value-based care, or whose practice had a mix of contracts with payers, began switching some non-value-based contracts to value-based during the pandemic to solidify their footing. In 2020, various initiatives with healthcare providers helped move over 95,000 Humana MA members under value-based contracts.1

Oraida Roman, MHA
VP, Value-based Strategies

Ms. Roman supports successful value-based provider relationships, with a focus on improving the provider experience and achieving Humana’s path-to-value goals.

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MA members affiliated with physicians in value-based agreements filled more prescriptions in 2020 than those with non-value-based prescribers, but they spent less for those medications thanks in large part to the inclusion of generic drugs.

Members with value-based physicians had more than 10% higher utilization than non-value-based members, according to Humana internal data. But with their providers prescribing more generics than higher-priced name-brand medications, they spent an average of 35 cents less per month out-of-pocket, with that spending amounting to $234 for the year. The prevalence of generics in member medication regimens also translated to lower year-over-year cost increases for those with value-based practices, rising 11% compared to 14.5% for non-value-based.

Physicians in the highest risk arrangements showed more value than the total value population, with costs going up between 5.8% and 8.6% and utilization up only around 2%. Comparatively, non-value-based utilization was up 5.3%.

Contributors to the difference in use may be non-value-based members who received prescriptions but failed to fill them. Fewer prescriptions being written by non-value-based physicians due to them seeing their patients less frequently than value-based physicians also contributed to this number, according to an internal analysis.

Value-based physicians’ ability to successfully manage their patients’ chronic conditions meant their prescriptions collectively were dominated by maintenance medications and resulted in less reliance on costlier specialty drugs—those prescribed to help control complex diseases. That focus on controlling conditions and routinely reinforcing the value of adherence appeared to resonate with members.

Therefore, when it came to specialty medications, those in the value-based cohort used and spent less for prescriptions connected to a number of common chronic conditions than those in the non-value-based cohort. That included medications for diabetes, chronic obstructive pulmonary disease and rheumatoid arthritis.

**Why it matters:** Medication, and particularly adherence, is a critical element of patient care strategy and the value-based model. The use of generics, when appropriate, provides additional value to members and helps curtail rising pharmaceutical spending.

Compliance among Humana’s individual MA membership was 86% or higher in each of four adherence areas factoring into quality ratings from CMS related to diabetes, hypertension and statin use. Members with value-based physicians averaged 2.5% improved adherence in those categories than those with non-value-based physicians.

**The way forward:** Limiting disruptions in treatment is a key to patient safety. Humana and its network providers adopted processes during the pandemic to ensure patients had necessary medications. Pharmacists allowed for early and extended refills for Humana individual MA members, of whom 1 in 10 at the height of shutdowns in March and April 2020 refilled early.

### Several practices expanded their home services to include medication delivery.

Further improving the customer experience through convenience, Humana Pharmacy’s mail order service helps MA members facing problems with pharmacy, such as transportation and social distancing, overcome those hurdles.

The mail order service ranked highest in customer satisfaction in the 2021 J.D. Power U.S. Pharmacy Study for the fourth consecutive year, earning its highest score during that stretch amid the pandemic. The pharmacy received a 906 out of 1,000 in all four of the study’s mail order pharmacy categories: prescription ordering and filling process, cost competitiveness, prescription delivery and customer service experience.
Bundled payments offer a value-based approach for specialty physicians

Value-based payment programs increasingly lead to improved outcomes for patients and lower costs for the healthcare system. While the approach has centered on primary care, alternative models such as bundled payments offer a value-based approach for specialty physicians.

Integrating care coordination and delivery between primary care physicians and specialists, bundled payment programs provide considerable short- and long-term benefits to patients. Furthermore, success in both quality and efficiency measures has allowed the program to grow, covering more than 1,600 specialists operating in 27 states.

2020 proved to further illustrate the positive impact of bundled payments on quality of care. As compared to non-participants, bundle providers drove improved quality outcomes across the board in areas such as complication rate, wound infection rate and more. Readmissions, specifically, were 12% to 39% lower among MA bundle participants.¹

Humana launched its first bundle in 2016 around total joint replacements. Since then, the effort has grown to include two spinal fusion bundles and a coronary artery bypass grafting bundle within MA, along with a commercial maternity bundle.

Here’s how the bundled payment programs work:
• Humana’s bundles are upside-only, retrospective, episodic, total cost-of-care models that offer a value-based opportunity to specialists. The care arrangements focus on improving quality and reducing costs across a patient’s entire episode of care, offering the potential for additional payment for better outcomes.
• Bundle procedures are oftentimes performed at outpatient, lower-cost ambulatory surgical centers (ASCs). To that point, CMS added 11 codes to the ASC-covered procedure list—including total hip replacements—continuing the agency’s efforts to shift more inpatient hospital care to outpatient settings.
• Partners participate with no risk in the first year. If the cost of the episode of care exceeds an allotted amount, the practice absorbs no financial penalty. There is an option to take risk in future years.

²⁵

Integrating care coordination and delivery between primary care physicians and specialists, bundled payment programs provide considerable short- and long-term benefits to patients.
Value-based care reduces hospital readmissions
30-day readmission rate by specialty bundled payment program

Total joint replacement
- 30% ↓
- fewer readmissions
  Bundle: 0.7%  Non-bundle: 1.0%

Coronary artery bypass grafting
- 12% ↓
- fewer readmissions
  Bundle: 12.6%  Non-bundle: 14.3%

Lumbar spinal fusion
- 39% ↓
- fewer readmissions
  Bundle: 1.4%  Non-bundle: 2.3%

Cervical spinal fusion
- 30% ↓
- fewer readmissions
  Bundle: 1.4%  Non-bundle: 2.0%

Bundled payment participation
- 1,600 total physicians with bundled agreements in 27 states
- 14,000 Approximate number of Humana MA members undergoing surgeries performed by those physicians
- 33 Percentage of Humana total joint replacements performed by a bundle payment physician
It is overwhelming to think through all that has occurred since the winter of 2020. The toll of suffering has been vast, and the healthcare system has been stretched thin working to respond to the pandemic and ensure the health of patients.

Still, despite the adversity and suffering, there is cause for optimism. And even opportunity for celebration. The ingenuity, resolve, camaraderie and speed to action we have seen across the healthcare industry in response to the COVID-19 pandemic has been remarkable. We saw unprecedented teamwork among physicians, communities, agencies and payers. Hesitancy gave way to urgency and partnership.

Our industry answered the call.

The pandemic also clearly highlighted the value of value-based care, shining a light on many benefits long known to innovators in the field, but perhaps less obvious to policymakers and the public.

Value-based delivery organizations led at every turn of our response to the pandemic—providing critical staffing on the front lines, proactively reaching out to patients to ensure their safety, setting up testing centers. They were finding new ways to deliver care virtually and in the home, and ensuring equitable access to vaccines.

Looking back now, it’s important to pause and acknowledge the work that has been done across the healthcare system to support patients, especially those most vulnerable to the virus, and our country more broadly.

Looking ahead, we should expect to see value-based care remain an engine for driving the change and transformation needed to better outcomes and better value for patients and their communities—just as we’ve seen during the pandemic. Although the specifics will continue to evolve, the themes of flexibility, ingenuity and a relentless focus on doing what’s needed to keep patients healthy will remain as constant.

At least three areas will need to remain central guideposts as value-based care continues, each informed by lessons learned during the pandemic. The first is finding new ways to engage patients, where (and how) they want—virtually or in-person, in the office or in the home. The second is a commitment to reducing inequities, finding new ways to understand and reduce the drivers of unacceptable disparities in quality, value and access. The third is the speed of innovation, adopting, iterating and rapidly scaling new technologies that hold promise to enable value-based care, as we saw with telemedicine during the pandemic.

When there is a clear need and opportunity, we can move quickly. Across each of these dimensions, value-based organizations will likely lead the way, just as we have seen since the winter of 2020.

The COVID-19 pandemic, and our healthcare system, will continue to evolve rapidly, as they have over the past year. With value-based care as a constant, our system will be more resilient in the face of change, however unexpected.

Dr. Powers supports rapid learning and evaluation of Humana’s integrated care delivery strategy, leads research in payment and delivery innovation, and drives physician engagement, alignment, advocacy and education across the company. He is a practicing hospitalist.

Additional value-based care insight

VBC Specialization program
Humana and the University of Houston, through the Humana Integrated Health Systems Sciences Institute, have created a Value-based Care Specialization program. This online training, for which continuing education credit is available to physicians and nurses, teaches the fundamentals that healthcare providers, academics, and business and industry professionals need, with knowledge that is practical and actionable.

Participants can take any of the six courses independently and receive a certificate for each.

Participants must complete all six courses and a capstone project to earn the specialization designation.

To learn more about the program, visit www.coursera.org/specializations/value-based-care.

Population health website
As value-based physicians focus on the whole-person well-being of their patients, Humana’s population health website provides a number of resources to assist in those efforts. The site features tools to support coordination of care, specifically in connecting social resources to those patients who are most at risk.

Additionally, browsers can view the annual Bold Goal Progress Report that shares progress made in improving the health of communities through addressing social determinants of health and the health-related social needs of Humana MA members.

The population health site can be accessed at PopulationHealth.Humana.com.
Citations

1. Figures derived from internal Humana 2020 data.
2. Mankato Clinic July 2021 data.
3. Paxton Medical July 2021 data.
4. Intermountain Health Care July 2021 data.
10. Humana Medicare Advantage member health results were limited to medical claims incurred during the 2020 calendar year. Humana compared members affiliated with providers in a value-based reimbursement model agreement versus an estimation of original fee-for-service Medicare medical costs using CMS Limited Data Set Files from 2019. Estimates of cost, admission and emergency department savings are subject to restatement with the availability of more current CMS data.
12. DispatchHealth July 2021 data.

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