Value-based care approach helps keep doors open during pandemic

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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.

In 2020, primary care practices lost approximately $15 billion when community shutdowns were put in place to slow the spread of the virus. By midyear, almost 16,000 practices had closed their doors due to the fiscal losses caused by the pandemic.

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.

As non-value-based practices suffered amid restrictions that forced cancellations of procedures and traditional care delivery, those in value-based agreements who 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.

"Having our revenues tied to total cost of care contracts was definitely positive when our fee-for-service revenue fell so substantially," said Stephen Nuckolls, chief executive officer for Coastal Carolina Health Care. "When the pandemic hit last year, we, like many other provider organizations, had to curtail operations and we saw demand for our services fall substantially. We were able to rapidly transition to telehealth."

Contributing to quality patient outcomes drives the approach of every healthcare practice. The financial stability of the operation is just as vital.

The pandemic reinforced value-based care's strengths in financial stability, infrastructure and collaboration.

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. Most of that money was paid in April 2020, up to three months earlier than it would have ordinarily been issued.

Already dealing with stress of the health emergency, those payments allowed providers to deliver care without the added stress of financial strain on their practice.

Many providers who were on the fence about value-based care, or whose practice had a mix of contracts with payers, began switching 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.

Piedmont HealthCare, a value-based provider in central North Carolina, had infrastructure for alternative care delivery 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.

Coastal Carolina, for instance, leveraged resources it had built over time to identify patients eligible for the COVID-19 vaccine when it first became available.

"We were able to use our population health communication program to identify those eligible for vaccination and notify them in an order so that those at greatest risk for developing complications were vaccinated first," Nuckolls said. "This would not have been possible without the infrastructure we invested in to be successful in value-based care."

Just ask Piedmont HealthCare, which focused on interdepartmental collaboration and coordination, and developed a remote patient monitoring platform that's now widely used across the local group.

"We utilize (this monitoring) under a standing order for all patients with a high-risk hospital discharge," Durham said.