

# Value-based Care Report

Physician progress and patient outcomes



## Physicians in value-based agreements with Humana are evolving and seeing results.

This report details three key areas of data—prevention, outcomes and utilization, and cost and payments—for Humana individual Medicare Advantage (MA) members seeking care from primary care physicians in value-based agreements.

Humana shares these results annually to spotlight physicians' progress and highlight how the company supports them in helping their patients achieve their best health. As with the previous six years' results, the 2019 statistics cannot be directly compared year over year due to multiple demographic changes in Humana's member population.

Healthcare Effectiveness Data and Information Set (HEDIS®) scores reflect Humana's administrative data only, as the Centers for Medicare & Medicaid Services (CMS) advised health plans to stop collecting hybrid data due to the COVID-19 pandemic. Additionally, CMS did not give overall HEDIS Stars scores or thresholds for 2019 Medicare Advantage and Prescription Drug Plans.

The Humana logo is displayed in a bold, green, sans-serif font. The word "Humana" is followed by a registered trademark symbol (®).

[digital.Humana.com/VBCReport](https://digital.Humana.com/VBCReport)

# Table of contents

## Introduction

- 01. Value-based care (VBC) provides value in times of crisis
- 03. Breaking down the value-based primary care continuum

## Prevention

- 05. Prevention insights from VBC settings
- 07. Pandemic makes telehealth a primary care tool going forward
- 08. Opportunities, challenges exist for screening social determinants of health

## Outcomes and utilization

- 09. Outcomes and utilization insights from VBC settings
- 11. Interoperability helps physicians keep patients healthy
- 12. Home support connects patients to effective care
- 13. Parkview Care Partners pilot targets emergency care utilization

## Cost and payments

- 14. The cost of care in value-based settings
- 16. Value-based practices achieve financial stability during pandemic
- 17. Alternative payment programs offer value-based approach for specialists
- 18. Proactive pharmacy work supports care plans during COVID-19 uncertainty

## Conclusion

- 19. A look ahead
- 20. Citations



### USING THE INTERACTIVE TOOL

Look for the + icon throughout the report, then click for the videos, extended stories and more.

# Value-based care provides value in times of crisis



**William Shrank, M.D., MSHS**  
Chief Medical and Corporate Affairs Officer

*As Humana's CMO, Dr. Shrank is dedicated to putting the company's integrated care delivery strategy into action. His work emphasizes consumer-friendly, evidence-based, technology-enabled approaches to personalized health improvement.*

*A former practicing physician and assistant professor at Harvard Medical School, his research has focused on the use of chronic-care medications and making sure such prescriptions are as effective as possible.*

Months into the coronavirus outbreak, the likelihood of a return to pre-pandemic normalcy for the health care industry is unlikely.

The pandemic has changed how U.S. consumers view the health care system. We're now in a world where we welcome the adoption of virtual and in-home care as the standard, instead of the exception. It's a world where there is meaningful pressure on providers and payers alike to collaborate, ensuring that the system is better positioned to combat future pandemics.

The last several months have been unlike any other in our lifetime. However, I believe we'll emerge stronger and better prepared to meet the needs of patients.

So where does value-based care fit into all of this? Ensuring preparedness to face whatever the future holds starts with shoring the health of the populations we serve. The pandemic sped up many of our efforts to provide access to care where, when and how patients desire it most.

**Humana's commitment is to listen, learn and identify the most important needs of our members—and the ones who care for them—then address those needs head on, providing no-nonsense solutions that enable a better health care experience for everyone. We call it human care.**

The pandemic created an unexpected, yet important opportunity to put human care into action. This meant extending coverage, removing financial barriers to treatment, even sending masks to members to help protect them.

As we've worked vigorously to protect the most vulnerable among us, the coronavirus has also exposed weaknesses within the health care system.

**These vulnerable populations make up most of Humana's individual Medicare Advantage population, with 91% having at least one chronic condition.<sup>1</sup>**

Thanks to processes such as integrated care delivery and social determinants of health screenings, Humana has a clearer view of each patient's very personal barriers to their best health. Our integrated approach allows us to address the physical, behavioral and social factors that all play such a critical role in promoting better health outcomes.

While this annual report typically focuses on data from the previous calendar year, it would be an oversight not to address the impact of the coronavirus on the value-based space through much of 2020.

The first thing we realized is that we need to support providers in new ways as they struggled with remarkable new challenges caring for patients during the pandemic. We also rapidly appreciated that our members, too, were facing new challenges—many born out of the social distancing required to reduce transmission of the virus. That's why we eliminated administrative requirements for providers involving all of our members with COVID-19 or in markets where capacity was

strained and removed all cost sharing for the treatment of COVID-19 for our members.

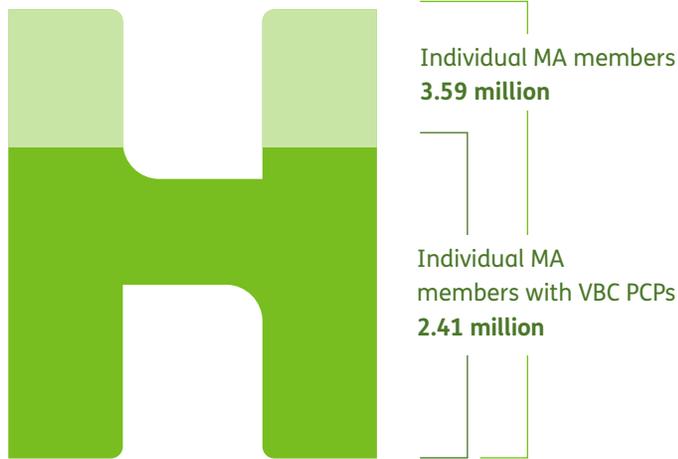
In the midst of these actions, we saw incredible transformation and an acceleration of many of the changes that need to occur within our current system of care delivery.

Take telehealth, for instance. During 2019, use of Humana's two national telehealth platforms—MDLIVE® and Doctors On Demand®—was growing, but members still were slowly adapting to the idea of interacting with a physician by video. Eventually, members saw telehealth as a convenient way to communicate with their physicians and also kept them from physicians' offices where there is greater chance of virus exposure and transmission.

**In fact, a few weeks after the pandemic declaration in March, leaders of Humana-owned and -allied primary care providers reported that their physicians were delivering approximately 95% of their care via telehealth, and most physicians were doing it from their own homes.**

Those numbers would have been unimaginable just a couple of months prior. As we now experience how agile, convenient and patient-centered these types of visits are, would we expect care to revert completely to a traditional care delivery model once the threat of COVID-19 is behind us? I don't think so.

COVID-19 has accelerated innovation across the health care system. We must recognize and preserve those innovations, especially as they relate to value-based care. Changes we have seen—and continue to see—make it unlikely that we'll ever return to pre-COVID-19 status quo. ■

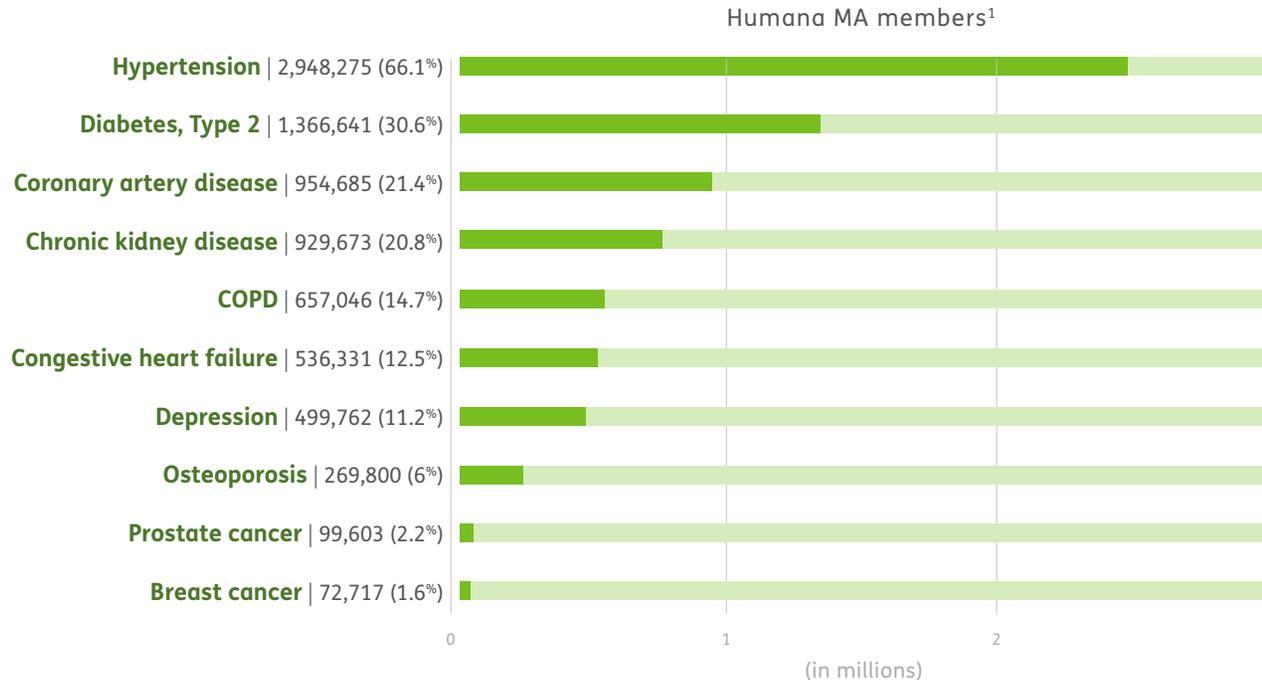


## Humana at a glance

As of Dec. 31, 2019, 61,900 primary care physicians (PCP) have value-based relationships with Humana. Those affiliations include more than 1,000 agreements in 43 states and Puerto Rico.

As of Dec. 31, 2019, Humana's total MA membership was approximately 4.11 million members, including roughly 3.59 million individual MA members and 525,300 group members.<sup>1</sup>

Of Humana's individual MA membership, **67%, or 2.41 million,** seek care from primary care physicians in value-based agreements.



## Chronic conditions

**91.2%** of Humana MA members have at least one chronic condition.<sup>1</sup>

**85.1%** of Humana MA members have at least two chronic conditions.<sup>1</sup>

The graphic to the left shows common conditions that existed among all Humana MA members during calendar year 2019. Figures include both partial- and full-year members. The numbers exceed the total Humana MA membership due to co-morbidities.

## Breaking down the value-based primary care continuum



**Meredith Williams, M.D., MBA**

Market Vice President, Edge Innovation

*Dr. Williams is an executive health care leader with both health plan and clinical expertise. She has led teams in contracting and network, clinical analytics and provider engagement while continuing to practice medicine as an emergency physician.*

### Humana's primary care continuum provides a pathway to value-based care from the traditional fee-for-service approach.

Sixty-seven percent of Humana-covered individual MA patients receive care from primary care physicians who have value-based agreements with Humana.

Within that space, 36% receive care from physicians, earning a bonus plus shared savings, which is an upside-only agreement where they receive a combination of fees for services, quality bonuses and limited shared savings for Medicare Parts A, B and D.<sup>1</sup>

While the percentage distribution of members across the continuum has remained relatively similar in recent years, the actual number

of Humana individual MA members who seek care from physicians in value-based care arrangements has increased by nearly 774,000 individuals since the beginning of 2016.<sup>1</sup>

**Why it matters:** The health care industry is continuing to place more emphasis on quality of care as opposed to quantity. Accordingly, incentives are given to providers who can deliver on quality and efficiency standards. The continuum serves as a roadmap for physicians to improve the physical health of their patients and the fiscal health of their practices.

With value-based care, physicians receive quality incentives, regardless of where they may reside on the continuum. However, those incentives increase as one moves further along the continuum's path. Incentives are based on improvements in quality, outcomes and cost-effectiveness—the three of which are commonly referred to as the “triple aim.”

The health care industry experienced less care usage during the coronavirus pandemic. While the crisis kept hospitals and other facilities from performing most procedures for several months, providers in global risk agreements continued to generate revenue, receiving a portion of the member premium for the care they provide to the member.

**The takeaway:** Humana's value-based primary care continuum is not designed to advance all primary care physicians to global value (or full accountability), but rather to meet them where they are on the path to value by supporting successful transitions to a new care model. That support comes in sharing actionable data that provides an expanded view of patients' health, helping develop population health management capabilities and collaborating on preventive care methods that help improve health outcomes. ■

## The value-based care journey

Value-based care continues to gain traction within America's health care system. In the eyes of many physicians, administrators and patients, the focus on quality and efficiency over quantity makes it a more viable approach to improving outcomes and lowering costs.

However, value-based care isn't simply a different approach. It's a revamping of processes; and an investment in practices and people. It's a mindset.

As more practices shift to this way of doing business, they often report that it exposes the inefficiencies and ineffectiveness present in a traditional fee-for-service model.

Value-based care takes place in practices of all shapes and sizes across the country. Here, three such practices share their stories, best practices and advice for colleagues looking to change their approach to care delivery.

 **Bellin Health**   
Green Bay, Wisconsin

90 PCPs | 29 Locations | 4,149 Humana MA members

 **HealthStar**   
Morristown, Tennessee

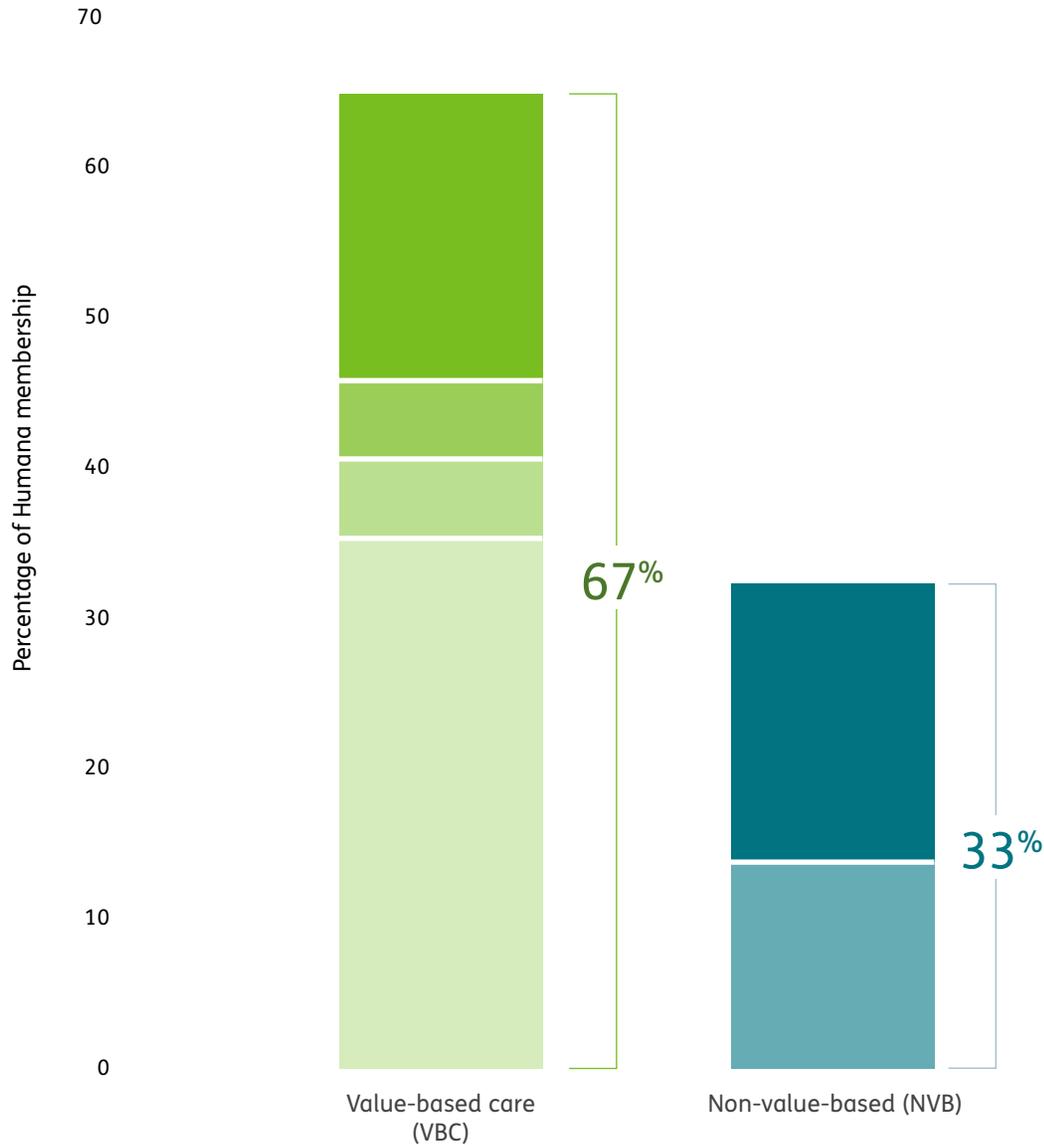
49 PCPs | 21 Locations | 3,800 Humana MA members

 **Summit Medical**   
Bend, Oregon

40 PCPs | 7 Locations | 932 Humana MA members

# Higher risk, higher reward

As of 2019, two-thirds of Humana’s individual MA members seek care from primary care physicians in some form of value-based care agreement with Humana, with nearly 20% assigned to PCPs participating in a global value model.<sup>1</sup>



## The continuum explained

To support value-based care, Humana has developed a continuum of programs that offers financial rewards for improvements in quality, outcomes and cost. The percentages below represent Humana individual MA members seeking care from physicians in each category of the continuum.

- **Global risk – 19%**  
 Full responsibility for Medicare Parts A, B and D through monthly capitated payments
- **Full risk – 5%**  
 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 – 7%**  
 FFS + bonus + care coordination payment + higher portion than bonus + shared savings in Medicare Parts A, B and D
- **Bonus + shared – 36%**  
 FFS + bonus + potential for limited shared savings (upside only) in Medicare Parts A, B and D

---

- **Bonus – 19%**  
 FFS + additional compensation for meeting quality measures
- **FFS – 14%**  
 Pays for the services a patient receives

# Prevention insights from VBC settings



**Maycie Elchoufi, M.D.**  
Medical Director,  
Medicare Retail Market

*Prior to joining Humana, Dr. Elchoufi founded a private practice specializing in evidence-based, multidisciplinary care for the treatment of patients with obesity, with an emphasis on lifestyle interventions to help prevent and manage chronic medical conditions.*

Physicians in value-based agreements continue to emphasize both the value of preventive care and the need for patients to adhere to prescribed medication regimens—and it resonated in 2019.

In all HEDIS scores last year, preventive, quality and medication adherence measures rated higher for Humana MA members seeking care from value-based clinicians than those in non-value-based settings.

**Medication adherence for hypertension, diabetes and statins remained strong throughout Humana's individual MA population, but patients of value-based physicians were 4% more adherent in those areas than those of non-value-based care physicians.<sup>1</sup>**

Quality measures for 2019 changed slightly by CMS to more accurately reflect the needs of MA members. Charting of in-patient readmissions for all causes was retired and replaced with post-discharge medication reconciliation, statin therapy for patients with cardiovascular disease, and statin use in persons with diabetes. Prevention in those new areas was strong among Humana's MA value-based population.

Due to the COVID-19 pandemic, CMS did not issue overall Stars scores for 2019. Additionally, as CMS did not release

thresholds or scores for 2019, HEDIS results reflect Humana administrative data only.

Health plans also were directed not to conduct the traditional records collection season to prevent contact with those in provider offices. Humana's HEDIS scores typically see a 5% lift annually from those efforts.

**Why it matters:** Prevention represents the foundation of value-based care, serving as the basis for annual care plans and often helping lead to positive outcomes.

Preventive care routinely uncovers issues, often catching problems early. Prevention and medication adherence are both pivotal aspects in the management of chronic diseases.<sup>2</sup>

**The takeaway:** Humana's prevention and adherence results reflect activity prior to the coronavirus pandemic. Since the outbreak, which restricted access to providers, members turned to other means of care access, most often telehealth.

The volume of preventive screenings has fallen sharply across the MA population during the coronavirus outbreak, despite the surge of alternative approaches for care delivery. Patients largely remained in their homes at the height of the pandemic, and many—still with concerns—are slow to return to in-person visits.

In fact, 87% of patients listed safety as the primary reason they continued to defer care, according to a late-July survey of health care leaders by the Medical Group Management Association (MGMA).



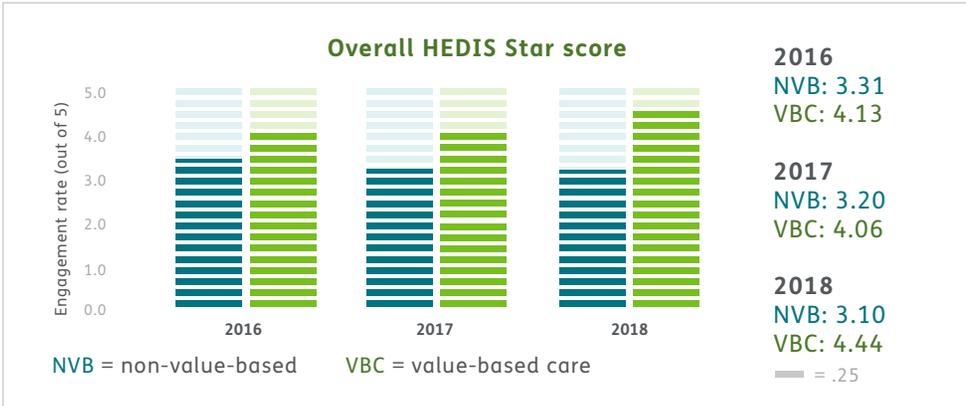
Preventive screenings:  
Value-based PCPs compared  
to non-value-based physicians

8% | more screenings  
conducted overall

19% | more colorectal and  
diabetic eye exams

22% | more post-discharge  
medication reconciliations

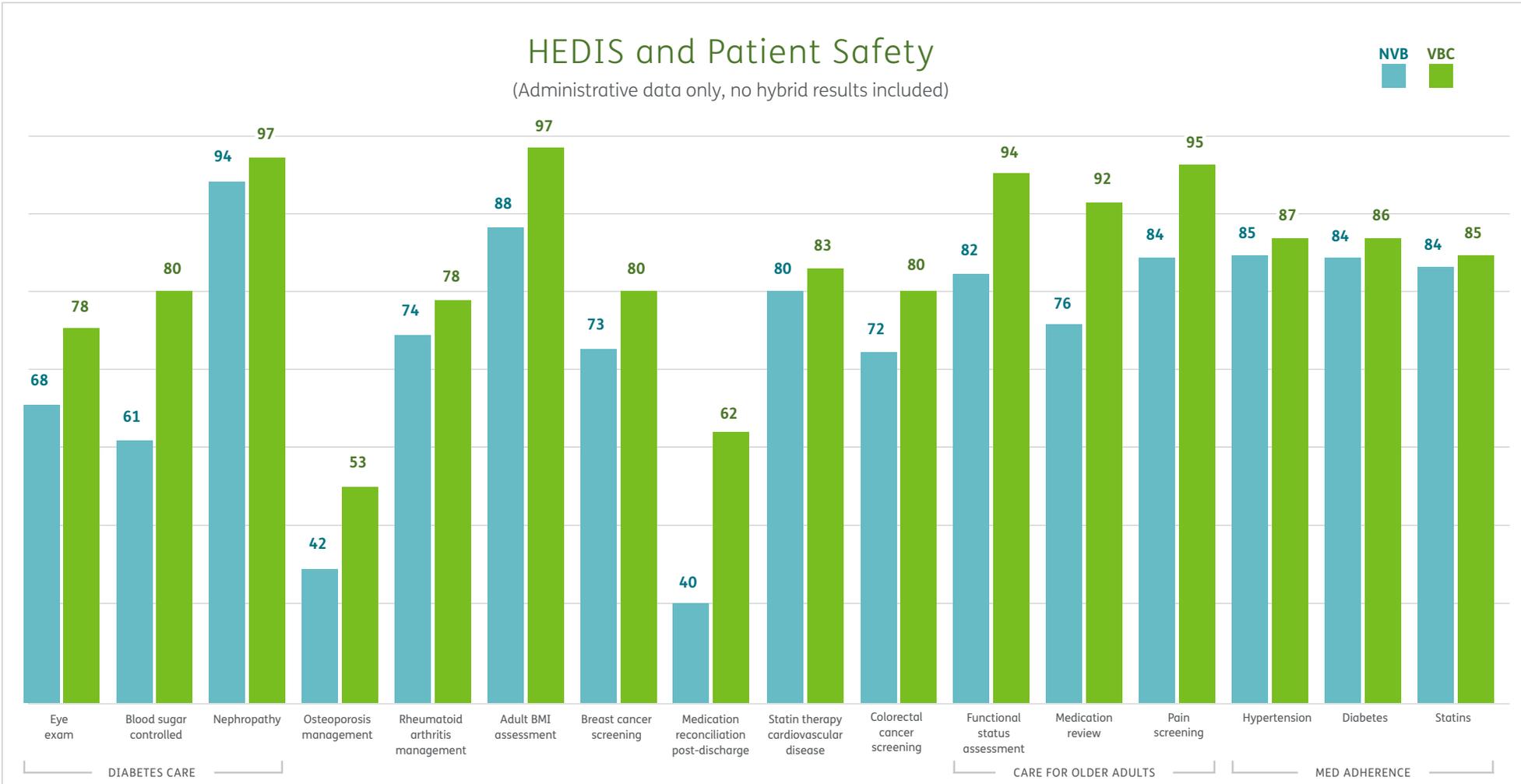
**To bridge care gaps, Humana this spring mailed 1 million home test kits to MA members needing certain screenings—all at no cost to those members. The easy-to-use kits targeted colorectal, A1c and nephropathy checks, allowing them to provide samples without having to go to a clinic or lab. Results will be sent to members' primary care physicians. ■**



Across nearly every care category, physicians in value-based care arrangements have scored higher than those in non-value-based (NVB) models, based on HEDIS scores.<sup>1</sup> The chart below shows the survey results for select measures among 2019 continuously enrolled Humana MA members, of which 873,836 were in non-value-based

physician agreements vs. 2,099,454 in value-based physician agreements. These figures reflect administrative data only, as CMS did not issue thresholds or scores for 2019.

To the left are overall HEDIS Star results for MA patients continuously enrolled during 2016, 2017 and 2018. CMS did not issue a score for 2019.





## Pandemic makes telehealth a primary care tool going forward



**Paul Mikulecky, M.D.**  
Associate VP,  
Care Management

*Dr. Mikulecky is an internal medicine physician who, prior to joining Humana, worked in primary care for four years and as a hospitalist for 10 years. He is a member of the operational team responsible for commercial care management teams and population health initiatives.*

### Many providers and payers intended 2020 to be a year in which they built upon their virtual care platforms.

However, the coronavirus pandemic rocketed the pace of telehealth implementation and adoption, as practices were forced to reduce hours, minimize regular access and cancel preventive screenings. By default, telehealth became the primary means of patients and physicians connecting with each other.

**Value-based providers like Ochsner Health, Louisiana's largest nonprofit health system, saw activity on its virtual care network jump from 3,000 primary care visits a year to 3,000 a day.**

Since the start of 2020, Humana's MA members have logged more than 3.2 million telehealth visits through July, many of those coming in April. Those numbers spiked in April, topping nearly 60,000 daily virtual visits and continued at more than 50,000 a day through much of May.<sup>1</sup>

**Humana telehealth visits totaled fewer than 1,000 a day pre-pandemic.**

"Like many health systems, the platform was in place," said Dr. Philip Oravetz, chief of population health for Ochsner Health. "We just needed a catalyst to jump-start it."

**Why it matters:** Telehealth has been a central piece of the U.S. COVID-19 response, helped by a host of regulatory flexibilities from Medicare and broader reimbursement for the service.

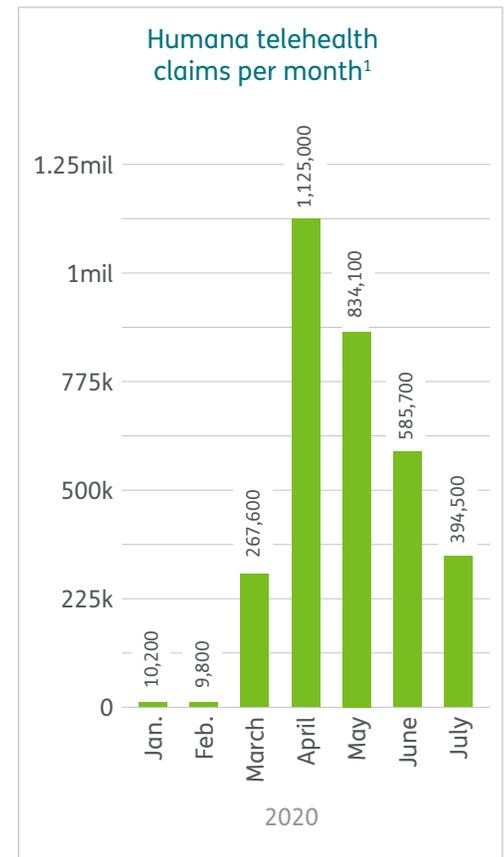
An executive order was signed in early August by President Trump to permanently extend coverage after the emergency ends.

Telehealth has proven to be a vital care link for Humana MA members. Those such as Eva Saddler feared venturing into the crowded waiting room of a doctor's office. Believing her ailments put her at high risk for contracting COVID-19, the 82-year-old Houston resident considered the best prevention was simply staying away and isolating herself in her home.

But Saddler knew that approach might only make matters worse. She reached out to her Humana At Home care manager, who suggested telehealth to help her connect with her doctors and keep her distance from others. "It really worked for me," she said.

**The takeaway:** Experts agree that telehealth has secured a foothold in care delivery going forward, with the future approach likely being a hybrid of in-person and virtual visits. Pre-visits, follow-ups and remote monitoring are considered ideal for electronic encounters. Humana continues to identify and invest in opportunities to solidify the virtual platform for senior members to ensure they stay connected with their physicians and community resources. For example, Humana is piloting programs, consistent with CMS guidance allowing special supplemental benefits for chronic illnesses, such as one that secures home internet access, provides a tablet to securely connect to the care team and, perhaps most importantly, teaches members how to use the technology.

"There's still a lot of work we need to do to work through the barriers that providers have in using telehealth," said Dave Icke, vice president of digital health and analytics products for Humana. "We need to improve the member and provider experience as rapidly as we can." ■





**Andrew Renda, M.D., MPH**  
Associate VP, Office of Population Health

*Dr. Renda's work includes leading insights, strategy, interventions and informatics for Humana's Bold Goal population health strategy. He is a published author and speaker in the fields of population health, social determinants of health and chronic disease.*

### Pinpointing the connection between social factors and individual patients' health remains a hurdle in medical practices across the country, according to a study by the Medical Group Management Association (MGMA).

The research, conducted in partnership with Humana, found that organizations incorporating a value-based approach spend considerable effort deciding which social factors to screen for—despite the availability of screening tools specific to social determinants of health (SDOH).

**Why it matters:** The report, "Painting a Bigger Picture of Patient Well-Being: Opportunities and Challenges in Screening for Social Determinants of Health," examines how practices screen for SDOH, collect data and build connections with nonclinical community resources to help patients address issues that influence their health.

**Some medical practices began their work in SDOH by addressing a specific issue they noticed in their patient population.**

This could include patient transportation needs or the effects associated with homelessness, food insecurity, loneliness, domestic violence or other issues. Recognizing the issues facing patients is a starting point for determining how to gather important health information from them.

**The takeaway:** According to the study, staff and providers who administer SDOH screenings need to be adequately trained to effectively communicate why accurate SDOH information—and the ability to connect to services—is important for the practice's ability to provide better care for the patient.

For a practice to be successful in tracking SDOH factors, they must be able to gather data from patients and ensure that key staff can effectively engage patients, track referrals to community resources, quantify longer-term outcomes and act upon this data, the study showed. ■

## Additional SDOH initiatives

Value-based care models that integrate SDOH enable physicians to create a more holistic picture of a patient—positioning them to provide guidance and resources for better health outcomes. Because the mix of influences is varied—and now includes the effects of the COVID-19 pandemic—Humana's support for physicians in SDOH spans several areas.

### Far From Alone loneliness and social isolation initiative

Partnering with Humana, Uber Health, Papa, the Coalition to End Social Isolation and Loneliness and the NASA-funded Translational Research Institute for Space Health, the Far From Alone public health awareness campaign looks to address health-related social needs and promote understanding of loneliness and social isolation, which have both been exacerbated by the pandemic. Far From Alone partner organizations encourage consumers, health care professionals and community leaders to leverage and share educational materials, which are available on the campaign website, FarfromAlone.com.

### Combating food insecurity

Before the pandemic, approximately 37 million Americans struggled with food security issues, including a large number of older Americans.<sup>8</sup> COVID-19 proliferated this issue, making it harder for many to access and afford food. In April, the Humana Foundation began deploying \$50 million in short- and long-term funding, with part of it designated to regional food banks, delivery services and pantries across the country that are experiencing increased demand for basic food needs. Funds are helping sustain food bank operations and expand food resources to families nationwide.

### Lessons in 21st century care delivery

In 2019, Humana deepened its partnership with the University of Houston to bolster clinical training that includes the use of nonmedical experts in solving for health-related social needs. The Humana Integrated Health System Sciences Institute, which focuses on advancing population health, improving health outcomes and expanding value-based payment models, welcomed its first class of 30 medical students this summer. Those future clinicians will work in teams and develop a fluency for assessing SDOH. Eventually, they'll be able to connect—not just refer—patients to resources that can help them.

### Broadening value-based care's reach

Humana has teamed with the University of Houston and Coursera to create a publicly available online training platform that prepares clinicians and administrators for innovative population health delivery strategies. The Value-based Care Certificate Program, with pilot testing this fall, is composed of six courses and a capstone project and can be completed in 15 weeks. The content provides health care professionals with tangible tools for success, allowing them to participate in collaborative work groups and receive instruction based on real-world clinical examples.

# Outcomes insights from VBC settings



**Preeti Jois, M.D., MBA**

Medical Director,  
Value-based Strategies

*Dr. Jois is an emergency physician with more than 16 years of clinical expertise and leadership experience. She leads Humana's Southeast health care operations.*

Patients seen by physicians in value-based care arrangements with Humana collectively spent 211,000 fewer days as hospital inpatients and less time seeking care in emergency rooms in 2019 compared to those in non-value-based care models.

Humana value-based MA patients experienced 29.2% fewer hospital admissions (165,000 reduced admissions) and visited ERs 10.3% less often (90,500 fewer visits), when compared to patients with Original Medicare plans.<sup>10</sup>

**Not only did patients in value-based practices outperform those with Original Medicare, but among all Humana individual MA members, those in Humana MA value-based agreements were admitted to a hospital at a rate of 6.3% less (35,500 reduced admissions) and visited an ER 8.6% less often (75,900 fewer visits).<sup>10</sup>**

Spending less time in an urgent care setting tended to translate to greater patient satisfaction.

Although CMS did not release 2019 Consumer Assessment of Healthcare Providers and Systems data this summer due to the pandemic, internal Humana surveys of members asking similar questions showed those seeking care from value-

based physicians felt they received more effective care coordination, got better and quicker access to care, and received needed prescriptions more frequently than those seeking care from non-value-based providers. That satisfaction also translated into higher ratings for value-based providers when it came to overall quality of care (by 1%) and overall rating of the health plan (by 2.1%). Those percentages are significant because a difference of one point can represent as much as a 1-star difference in performance on these measures.

**Why it matters:** Outcomes largely define quality. Healthier people rely less on emergency rooms for care and spend considerably fewer days in hospitals compared to those who are chronically sick. They also tend to be more satisfied with the type and level of care they receive.

Preventable utilization of critical care settings is among the largest financial drivers of an already-burdened health care system. It also represents an opportunity for change and continues to be addressed by clinicians in the value-based space.

A value-based design equips physicians with tools, data and resources to assist in developing a more holistic approach to care. In turn, physicians can provide more targeted education, monitoring and assistance to their patients.

While emergency rooms and hospital admissions are necessary parts of care delivery, figuring out how best to supplement primary care so those settings do not unnecessarily serve as sources of primary care for some patients is key.

## Better patient outcomes

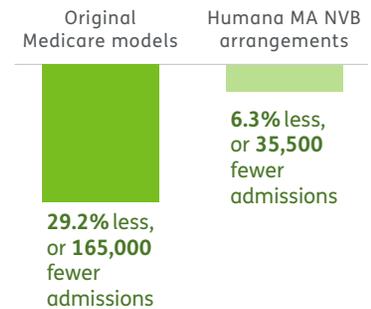
Humana MA members who sought care from physicians in value-based care arrangements during 2019 experienced fewer hospital admissions and ER visits, both when compared to patients in Original Medicare models and patients in Humana MA non-value-based arrangements.<sup>10</sup>

**211,000 FEWER DAYS**

as hospital inpatients for Humana individual MA members seeking care from physicians in VBC arrangements compared to those seeking care from NVB physicians.<sup>10</sup>

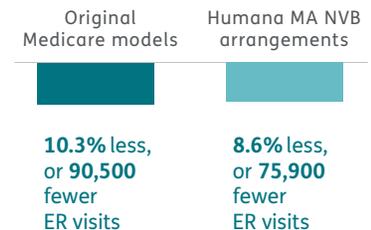
### Hospital admissions

(compared to VBC arrangements)



### Emergency room visits

(compared to VBC arrangements)



Data derived from Humana 2019 value-based membership of 1,892,865 and non-value-based membership of 893,593.

The adage that an ounce of prevention is worth a pound of cure rings true for value-based care: It's easier to stop something from happening in the first place than to repair damage after it has happened.

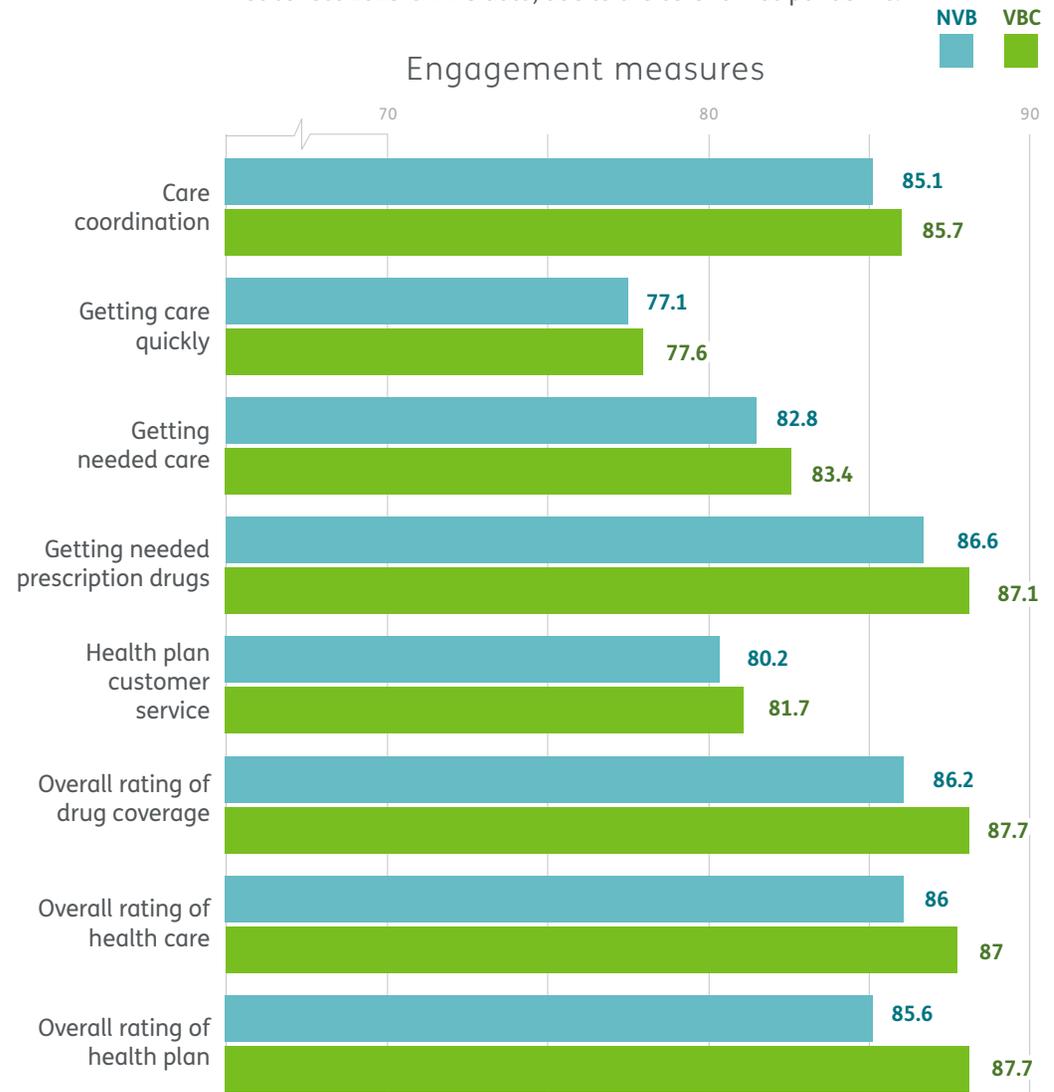
**The design of value-based care is to establish a broader view of a patient—both inside and outside the clinical setting—and incorporate a steady regimen of preventive care aimed at keeping the patient healthy. That means keeping them out of hospitals and emergency rooms and keeping them where they want to be most, which is at home.**

“While emergency department providers are always happy to provide care to anyone who comes in, it’s really much more rewarding for them when they can take care of patients who need an emergency department level of care,” said Dr. Joseph Kline, chief medical officer for Parkview Care Partners in Fort Wayne, Indiana. “And we can keep patients who don’t need an emergency department level of care in a more appropriate, more cost-effective care setting.”



## Engaged physicians make an impact

Patients clearly recognized physicians’ efforts in care coordination and effective care management. In 2019, continuously enrolled Humana MA members with physicians in value-based agreements (36,784 surveyed) rated their physician higher (3.3 Stars out of 5) than those 13,762 surveyed who were with physicians in Humana MA non-value-based agreements (2.9 Stars out of 5).<sup>1</sup> A difference of one point is important and in general represents as much as a 1-Star difference in performance on these measures. Scores reflect the fact that CMS did not collect 2019 CAHPS data, due to the coronavirus pandemic.





## Interoperability helps physicians keep patients healthy



**P. Nelson Le, M.D., MBA**

Associate VP, Digital Health & Analytics

*Dr. Le is a senior executive with a background in pediatric cardiology. He has more than 20 years of health care, business and digital experience. His career has been driven by a dedication to improving health care through process-driven, solution-oriented, innovative strategies.*

During the COVID-19 pandemic, clinicians were hampered by a lack of easy access to patient records and information. Knowing as much as possible about an ill patient—quickly—is important for efficient and accurate diagnosis and treatment, and determining hospital referrals.

“The most obvious and simple example during COVID-19 is test result interoperability,” said Dr. Steven Lane, who serves as a primary care physician with Sutter Health in California and researches clinical informatics.

“People are getting tested all over and in all kinds of places. And, then, they show up somewhere else for care or when they get sick. Allowing that data to be accessible across the care continuum is really important.”

Interoperability is not a new discussion, but the pandemic has brought urgency to the issue. The ability to see the full picture of a patient’s health—the physical, mental and social factors that contribute to their well-being—helps physicians determine the best course of treatment.

**Why it matters:** It’s important for value-based physicians to have a complete and nuanced understanding of each patient and their needs. This aids in identifying issues, managing chronic conditions and connecting with community resources when warranted. Experts assert that a standardized informational system with wide accessibility produces clear benefits.

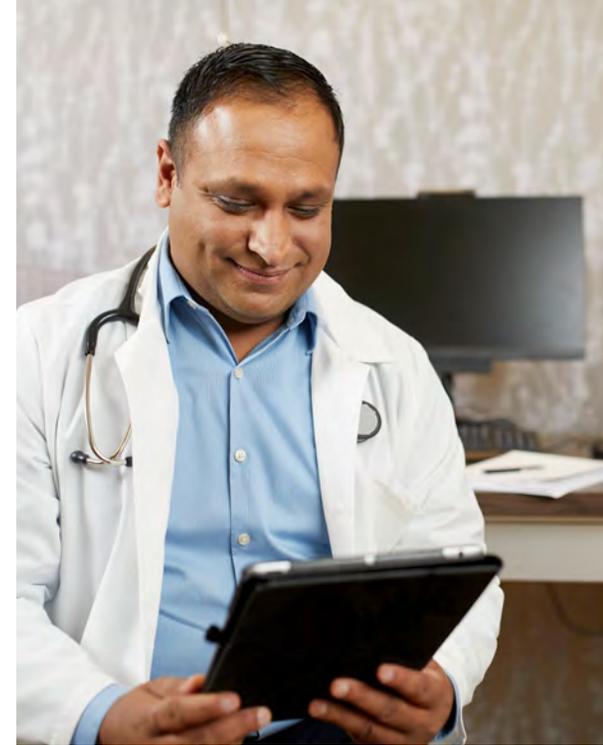
The pandemic has amplified the role of public agencies in patient well-being, Lane said.

**Clinical reports are important for laying the foundational details. But the ultimate success of interoperable platforms will depend on consistency in adding follow-up information based on provider referrals.**

With a pathogen as new and fast-evolving as COVID-19, current and accurate health care data is critical for advancing epidemiological and scientific investigations. Monitoring disease clusters as they develop and fade can help localities more effectively limit outbreaks. Furthermore, patient data can help identify effective treatments and fast-track innovative solutions.

**The takeaway:** U.S. payers and providers have until Jan. 1, 2021, to adopt open systems allowing the exchange of data. But due to the pandemic, CMS will not enforce those requirements until July 1, 2021. Despite the enforcement delay, Humana plans to meet the January timeline as interoperability has shown to be more important in the setting of the pandemic. The administration also finalized rule changes in March that require payers, providers and hospitals to give patients easier access to their digital records through smartphone apps.

Humana’s interoperability efforts began more than a decade ago, establishing early standards for data exchange, payer-agnostic administrative clearinghouses and direct-to-EMR partnerships. More recently, Humana has influenced Fast Healthcare Interoperability Resources (FHIR) standards for application programming interfaces (APIs) that facilitate the exchange of data between parties. ■



People are getting tested all over and in all kinds of places. And, then, they show up somewhere else for care or when they get sick. Allowing that data to be accessible across the care continuum is really important.



DR. STEVEN LANE



## Home support connects patients to effective care



**Kathy Driscoll, RN, MSN, CCM**

Chief Nursing Officer

*Ms. Driscoll oversees Humana's strategy of improving the experiences of the company's 10,000 nurses, care managers and social workers. Her efforts focus on promoting a culture that engages, values and inspires clinical professionals while impacting health outcomes.*

As more patients seek care in their homes, home health services have ramped up their efforts to deliver a more seamless connection between the patient and physician.

As part of their COVID-19 outreach, Humana At Home (HAH) representatives contacted more than 1 million of Humana's most vulnerable members and helped to deliver them nearly a million meals as of August.<sup>1</sup> Humana care managers also completed social determinants of health screenings, helping to connect members with needed plan benefits and community resources such as food, social connectedness and transportation.

**Collaboration between HAH, Humana's telephonic support, and Kindred at Home, Humana's in-home care support, helps ensure dedicated teams are available to transition MA members from inpatient care to their home within 48 hours of discharge from a hospital or an acute care facility.**

Kindred at Home, of which Humana owns 40%, supports physicians of discharged patients by documenting all hospital, primary care physician, lab and specialist care instructions and verifying the patient has a clear understanding of his or her home care plan.

**Why it matters:** In-home services satisfy two critical needs within value-based care: Providing care for patients where they need it most; and supporting physicians' care plans when the patient can't—or won't—visit their office.

The increasing availability of home care for MA members reflects the cyclical nature of care. Although once traditionally delivered in the home, care moved to dedicated doctors' offices in the last century. Now, new resources and technology have positioned providers and the health care industry as a whole to embark on something of a renaissance, again providing effective in-home care.

Physicians know that cracking the code on which patients need to return to the office and which don't requires a delicate balance. Patients must be confident that office visits are safe in the age of COVID-19. They also want the peace of mind of knowing their treatments and medicines are covered through their health plan. Furthermore, they have to understand the steps necessary to care for their conditions. These elements are integral to value-based care.

Together, HAH and Kindred at Home are able to provide additional support to MA members and their physicians.

**The takeaway:** Members who received HAH services outperformed patients who did not participate across nearly all Star measures. They also were more likely to fill prescriptions for their diabetes medicines, and they demonstrated improved chronic



HAH representatives personally contacted more than

**1,000,000**

of Humana's most vulnerable members and helped provide them with nearly a million meals.<sup>1</sup>

obstructive pulmonary disease (COPD) medication refill adherence.

Kindred at Home patients experienced a 24% lower admission rate than CMS's Home Health reported national benchmark for 2017.<sup>11</sup> ■



**Nisha Patel, M.D.**  
Regional VP,  
Health Services

*Board-certified in internal medicine, Dr. Patel was a founding partner and owner of a private hospitalist group for several years. The group grew five-fold during this period of leadership, and was later acquired by a national corporation.*

Emergency departments are lifelines for many patients. They also can be sources of inefficiency, leading to redundant or unnecessary care that results in financial waste within the health care system.

With visits increasing and costs rising in its own ED, Parkview Health, a 10-hospital health system in northeast Indiana, saw an opportunity to drive better outcomes and enhance value for both patients and the operation through its physician-led care management organization, Parkview Care Partners.

**An analysis found that two of the top three reasons patients sought emergency care were migraines and urinary tract infections (UTIs).<sup>18</sup>**

Both of these conditions, officials said, are more appropriate for treatment by primary care physicians than ED doctors. In fact, many of these patients had been seen for the same issue at a Parkview walk-in clinic the day before their ED visit.

Researchers focused on figuring out why so many patients were visiting the ED—at almost \$5,000 per trip. They targeted one location that had an average of seven migraine and UTI diagnoses each month.

**The finding:** Patients lacked information about their diagnoses and treatment plans, and this drove them to the ED.

## **PARKVIEW** CARE PARTNERS

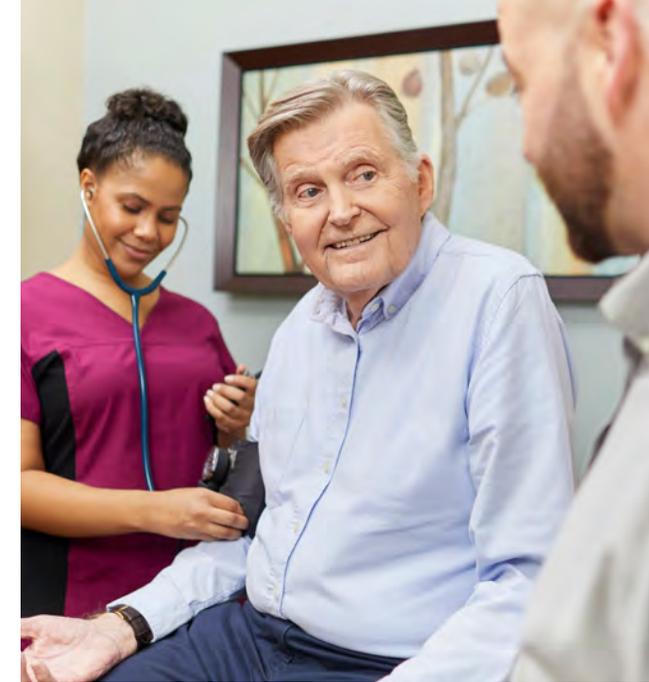
**Parkview launched a pilot program aimed at helping patients avoid unnecessary trips to the ED.**

**They succeeded in reducing visits for migraines and UTIs to four or fewer each month with a few changes to protocol that entailed:**

- Providing patients with detailed information about the impact of medications
- Outlining and explaining realistic timelines for physical improvement
- Communicating and coordinating care between clinic physicians and patients' primary care providers

These steps had the added benefit of increasing patients' satisfaction because patients were confident they were receiving the right care at the right place.

**After a few months, Parkview expanded the pilot's approach from a single location to all 11 of its walk-in clinics. ■**



With visits increasing and costs rising in its own emergency department (ED), Parkview Care Partners saw an opportunity to drive better outcomes and enhance value for both patients and the operation.

# The cost of care in value-based settings



**Tich Changamire, M.D., MBA, PHD**  
Regional VP,  
Health Services

*Dr. Changamire is a board-certified family physician and former professor of family medicine. He serves as board director for a global health nonprofit organization that provides accessible and affordable health care in developing countries.*

The proactive care provided by physicians in value-based settings is helping to keep their MA patients from spending time in a hospital, whether for acute care at an emergency room or through an admission. This kind of care translates into considerable industry savings.

Lower utilization in the form of hospital admissions and emergency room visits contributed to an estimated plan-covered medical cost savings of 18.9% for members in Humana's Medicare Advantage value-based care programs over expenses associated with Original Medicare's fee-for-service model.<sup>10</sup>

**That percentage amounts to a \$4 billion reduction in estimated plan-covered medical costs that would have been incurred by value-based members during 2019 had they been enrolled in Original Medicare.**<sup>10</sup>

The difference in total medical cost between Humana's value-based and non-value-based providers was 0.4%. Physicians in value-based contracts with Humana also received more of the overall health care dollar—encompassing medical claims and capitation, bonus and surplus payments—than their non-value-based counterparts. Physicians in value-based arrangements with Humana received 15.6 cents of every dollar spent, while physicians in non-value-based settings received only 6.6 cents of every dollar spent.<sup>1</sup>

Despite the margin between Humana value-based and Humana non-value-based, both per-dollar shares rank above the 4.88 cents of total Medicare spending that is dedicated to primary care nationwide, according to a RAND Corp. study.<sup>14</sup>

**Why it matters:** Emergency room visits and hospital admissions contribute to driving costs within America's health care system. Unnecessary and avoidable usage further stresses an already strained provider network.

Extensive preventive screenings, coordination with care teams, and effective management of chronic conditions and adherence correlate to lower utilization rates.

**The takeaway:** Part of the philosophy behind value-based care is that healthier patients require less-costly acute and emergency care, resulting in a smaller financial hit to the health care system as a whole.

Physicians in value-based arrangements are incentivized in large part for the quality care they provide. The healthier their patients, the higher their earning potential. That also contributed to the small financial gap between value-based and non-value-based physicians, despite considerable differences in utilization among their patients. Savings realized through successful clinical efforts to reduce unnecessary utilization is shared with those value-based providers. Some 64% of value-based physicians received a shared-savings incentive in 2019.<sup>1</sup>



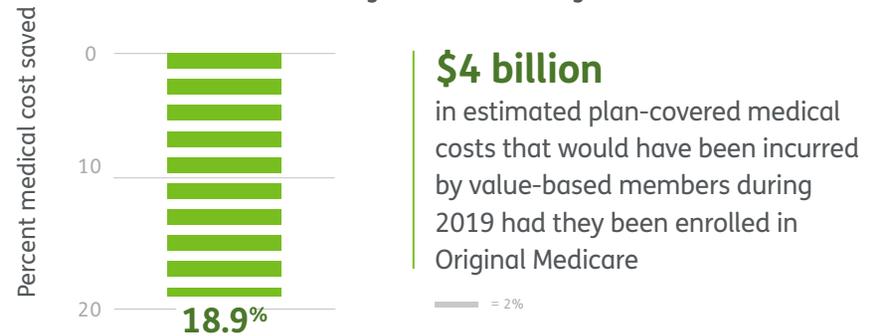
**Overall, physicians in value-based agreements with Humana earn 2.5 times on average more than Medicare's fee schedule. Those physicians in the most advanced stage of Humana's value-based primary care continuum—global value—earn on average four and a half times more than Medicare's fee schedule.**<sup>1</sup>

The results—lower ER visits and hospital admissions—meant members stayed out of these settings, which often have higher member financial responsibility. Health plan savings also were invested in part toward lowering future plan premiums, and adding and enhancing services and programs. ■

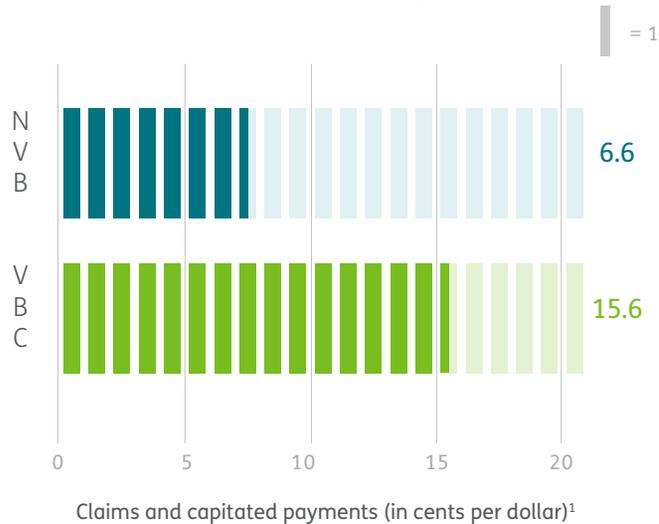


## Value-based care reduces costs and increases savings

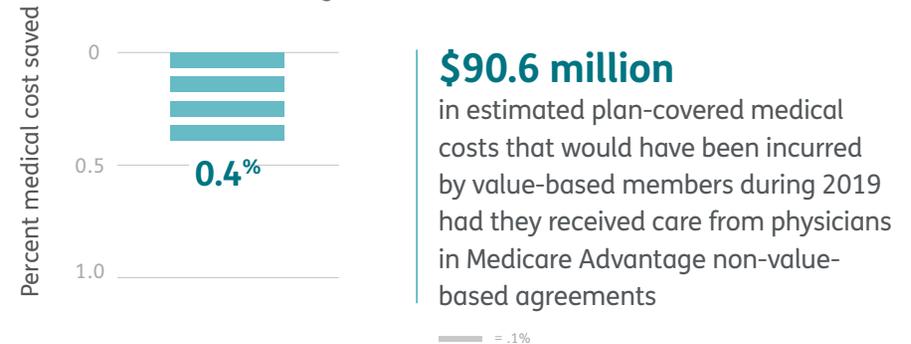
Medical cost savings relative to Original Medicare<sup>10</sup>



Proportion of health care spending paid to primary care physicians



Medical cost savings relative to Humana MA non-value-based<sup>1</sup>



Data derived from Humana 2019 value-based membership of 1,892,865 and non-value-based membership of 893,593.



## Value-based practices achieve financial stability during pandemic



**Mona Siddiqui, M.D., MPE, MSE**

Senior VP, Enterprise Clinical Management

*Dr. Siddiqui is the former chief data officer for the U.S. Department of Health and Human Services. She also previously served at the Centers for Medicare & Medicaid Innovation working toward implementing rapid cycle testing for payment models.*

Health care practices and hospitals relying on fee-for-service payments were hit hard, and quickly, by the coronavirus pandemic. Cancellations of in-person sick visits and elective surgeries caused revenues to plummet, forcing many practices to reduce hours, close facilities and lay off staff.

Meanwhile, providers in value-based agreements continued to compensate employees, pay bills and provide care to their patients. Monthly payments for the population of Humana members they serve yielded a predictable, consistent cash flow that enabled most of those practices to keep their modes of operation largely unchanged.

“COVID has had a minimal effect on OSH revenues, given our value-based contracts,” said James Chow, chief managed care officer for Chicago-based Oak Street Health.

“Our bottom line is healthy,” said Mike Redmond, chief financial officer for Florida-based ChenMed.

**Why it matters:** The health care industry collectively lost 1.4 million jobs in April as the pandemic escalated, according to the U.S. Labor Department.<sup>15</sup> Relaxed lockdowns and increased utilization between mid-May and mid-June spurred a slight rebound, with close to 360,000 positions added during that period.<sup>15</sup>

In recent months, organizations with value-based care models have been able to focus not on generating revenue, but on managing their patients’ chronic conditions and better understanding their basic needs and challenges.

As financial turmoil forced many provider organizations to scale back and reverse growth strategies for 2020 and beyond, many value-based provider organizations, such as ChenMed and Oak Street, are expanding.

**Coming off a year in which the company grew nearly 30%, ChenMed is experiencing the largest expansion of its 30-year existence. As of August 2020, it has opened 10 new health care centers across the eastern United States. ChenMed launched in five cities this summer—Cleveland, Cincinnati, Memphis, Orlando and St. Louis.<sup>16</sup>**

Oak Street is extending its footprint too, with plans for a new center in Jackson, Mississippi, and New York by year’s end.<sup>17</sup>

**The takeaway:** Steady income lessens the value-based providers’ reliance on volume of care and enables them to concentrate on quality of care.

As the coronavirus pandemic subsides and in-person office visits slowly ramp up, value-based providers continue to turn to virtual care not only for sick visits, but to check and track the well-being of all of their patients.



**If I can manage their conditions safely, or even just check up on them by phone, we’ll take a virtual visit over not seeing them at all.**



**DR. GAUROV DAYAL**

“We believe that today, the best care for the senior population is done on-site in clinics with a physician, though the future may be different,” said Dr. Gaurov Dayal, president of new markets and chief growth officer for ChenMed. “Seniors are scared due to COVID, and we are making a trade-off decision. If I can manage their conditions safely, or even just check up on them by phone, we’ll take a virtual visit over not seeing them at all.” ■

## Alternative payment programs offer value-based approach for specialists



**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.*

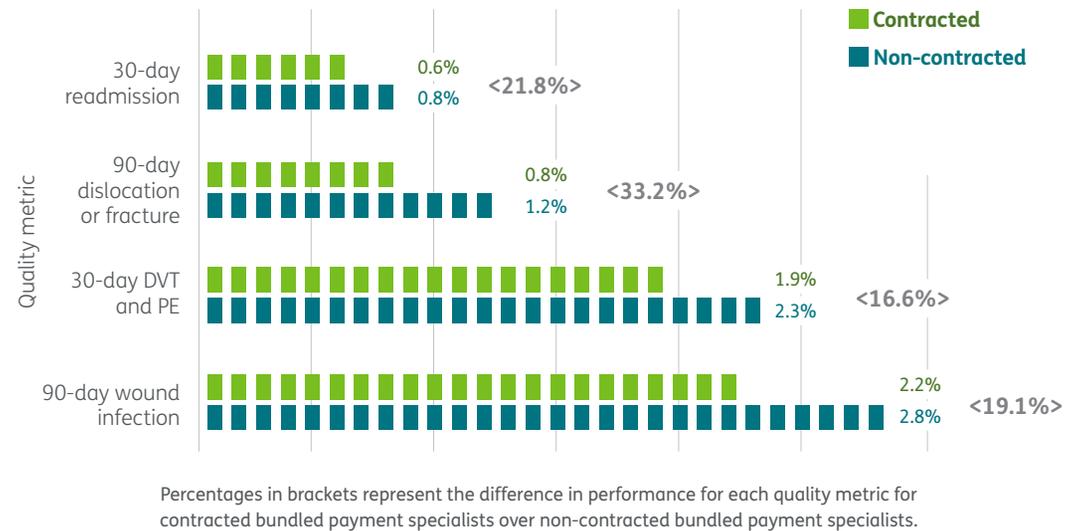
A successful value-based approach to patient well-being often encompasses more than primary care physicians. Humana's models also focus on certain specialists, providing opportunities to further improve outcomes and reduce costs to the health care system.

Alternative payment programs—specifically bundled payments—recognize providers for the quality and efficiency of the care they deliver. Humana's bundled payment programs are retrospective, episodic, total cost-of-care models that offer a value-based opportunity to specialists. The care arrangements focus on improving quality outcomes and reducing costs across a patient's entire episode of care, offering the potential for providers to share in the savings they create. All bundles are offered with no risk obligation. If the cost of the episode of care exceeds an allotted amount, the practice absorbs no financial penalty.

**In 2019, Humana's bundle providers saw considerable success integrating a value-based structure, which led patients to better outcomes while lowering care costs.<sup>1</sup> As specialists saw their volume of elective procedures—the centerpiece of their operations—nearly disappear during the coronavirus pandemic, Humana accelerated its annual payout for 2019's success by expediting the administrative process and issuing shared-savings payments weeks ahead of schedule.**

### 2019 total joint replacement quality outcomes

(contracted vs non-contracted bundled payment participants)<sup>1</sup>



The total joint replacement (TJR) bundle represents Humana's largest bundled payment effort, accounting for more than three quarters of procedures performed in Humana's bundled payment space. As of July 2020, the TJR program includes 138 participating providers in 26 states who continue to see better quality outcomes for their patients than those providers who do not participate in bundled payment programs.<sup>1</sup>

Patient outcomes among bundled-contracted physicians were as much as 33% better than those experienced by patients whose procedures were performed, and follow-up care managed, by non-bundled-contracted specialists.<sup>1</sup> TJR participants are measured on 30-day readmission and contraction of blood clot rates and 90-day dislocation/fracture and wound infection rates.

As of July 2020, the total joint replacement program includes:



**138 participating providers in 26 states**

...who continue to see better quality outcomes for their patients.

Success of the TJR program paved the way for the creation of a commercial maternity bundle in 2018, two spinal fusion bundles in 2019 and a coronary artery bypass grafting (CABG) bundle in 2020. The TJR, spinal fusion and cardiac bundles are Medicare Advantage-only offerings. ■

**Proactive pharmacy efforts support care plans during COVID-19 uncertainty**



**Scott Greenwell, Pharm.D**  
Senior VP & President,  
Humana Pharmacy  
Solutions

*Mr. Greenwell manages existing Humana Pharmacy Solutions capabilities while working to develop new initiatives that support improving health outcomes. He has been integral in preparing Humana for the launch of the Medicare Part D benefit, opening Humana's Mail Order and Specialty Pharmacy offerings and leading the creation of Humana Pharmacy Solutions' clinical program.*

Appropriate medication is critical in managing chronic health conditions. From the outset of the pandemic, Humana's pharmacy benefits organization has been collaborating with physicians to make it easier for members to stay focused on their health at home.

Efforts focused first on ensuring prescriptions didn't lapse and members were able to get their medications without going to the pharmacy. Humana allowed early refills—a benefit that the data shows was needed.

**Roughly 1 in 10 Humana individual Medicare Advantage members had their prescriptions refilled early in March and April.<sup>1</sup>**

**Other measures designed to help members safely receive uninterrupted treatment include:**

- Prescribers could switch patients to therapies requiring less in-person monitoring, which helped decrease trips to labs and medical offices
- Providers were able to waive certain tests normally required to start a new medication—if risk for complications was low and the drug could be safely prescribed

**Why it matters:** Adhering to medication regimens is important to the success of the value-based care model.

**Compliance among Humana's individual MA membership was 85% or higher in each of four areas factoring into quality ratings from CMS related to diabetes, hypertension and statin use.<sup>1</sup>**

Medication adherence is as much as 4% higher among patients of VBC physicians as compared to patients of non-VBC physicians.<sup>1</sup>

**The takeaway:** The COVID-19 pandemic pushed the government, Humana and its network providers to adapt processes to ensure patients were able to stay safe with minimal disruptions in treatment.

However, these actions aren't unprecedented. Early and extended refills were allowed in other times of crisis or potential access challenges for members.

Many of the chronic conditions experienced by Humana MA members are life-threatening, "so physicians are understandably concerned that patients follow their care plans," said Lilian Ndehi, associate vice president of Humana Patient Safety and Pharmacy Stars. "We need members to be healthy in their homes and want to make it easy to get the prescriptions they need so they can worry about other things that are important to their health and well-being." ■



**Maintaining adherence with early refills<sup>1</sup>**



# Value-based care: A look ahead



**Brian Powers, M.D., MBA**  
Deputy Chief  
Medical Officer

*Dr. Powers is a practicing internist who focuses on physician engagement and clinical rapid learning. He previously led population health strategy and analytics for CareMore and Aspire Health.*

Though we continue to mourn the losses and suffering caused by COVID-19, we also have reason for optimism—the ingenuity, resolve and camaraderie we’ve seen across the health care system in response to the crisis have been astounding.

Our health care system stepped up to the challenge. Stakeholders across the system worked together—with unprecedented pace, flexibility and collaboration—to expand testing, develop and test new treatments, and find new ways to deliver care to patients when and where they needed it most.

These bright spots share a common theme: the power of value-based care. During the pandemic, Humana and other organizations with a value-based focus were well positioned to uncover innovative ways to deliver high-quality, high-value care.

**Humana made great strides this year in value-based care payment and delivery; but our work is far from finished.**

We will continue to focus on long-term member engagement. From physician groups to community organizations, Humana has built deep partnerships across the country aimed at better engaging members and addressing their holistic needs. Our ultimate goal is to help members spend more healthy days at home.

We will continue to engage providers. When value-based arrangements bring together a diverse set of providers, we see the greatest benefit for their Humana-covered patients. Humana is working to better engage specialists and drive multidisciplinary team member engagement to harness the full potential of value-based care.

Value-based care helps keep patients out of the hospital, generating savings for the system.

**These savings should be reinvested upstream to help reduce the burden of disease and poor health, creating a virtuous cycle. Humana’s Bold Goal population health strategy is showing how this is possible.**

We will continue to build the infrastructure to support value-based care. Humana continues to invest in efforts to improve interoperability so that important health data is readily accessible, helping give providers the insights they need to deliver the right care at the right time.

As Humana continues to move toward a more value-based system, we will work closely with clinicians to shape our path. Partnership is critical for our goal of delivering care that is patient-centered, effective, efficient and coordinated.

Delivering a better health care experience for members demands collaboration. By finding new means of working together, we can better understand our members’ needs and personalize our care to address what’s most important to them. That’s human care in action, and it’s never been more important. ■

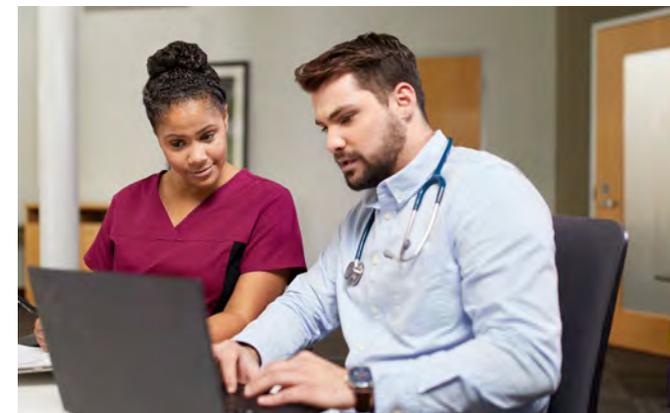
## Additional resources

When it comes to increasing the frequency of preventive screenings, improving patient outcomes and reducing costs to the health care system, opportunities abound within value-based care.

There is no single blueprint for success. There are, however, a multitude of ideas, innovative approaches and supportive payers aimed at increasing the value of value-based care.

The links below cover efforts being made to make the path to success and well-being easier for physicians and, more importantly, their patients.

- + A Flower Blooms in the Bitter Soil of the Covid-19 Crisis:** The pandemic offers many lessons and reaffirms the value of innovations we had been reluctant to pursue. (from NEJM Catalyst)
- + Innovation in Home Care:** Time for a new payment model (from the Journal of the American Medical Association)
- + Clinical and Social Risk Adjustment:** Reconsidering Distinctions (from The New England Journal of Medicine)



## Citations

- <sup>1</sup> Figures derived from internal Humana data; 2019 year-end financial release
- <sup>2</sup> “Payers, Employers Report 30% to 40% Drop in Healthcare Use Amid Pandemic, Aon says,” Health Payer Specialist, April 27, 2020, [https://www.healthpayerspecialist.com/c/2732313/334553payers\\_employers\\_report\\_drop](https://www.healthpayerspecialist.com/c/2732313/334553payers_employers_report_drop)
- <sup>3</sup> Bellin Health Partners July 2020 data
- <sup>4</sup> Healthstar Physicians July 2020 data
- <sup>5</sup> Summit Medical Group-Bend Memorial Clinic July 2020 data
- <sup>6</sup> Magnan S. “Social Determinants of Health 101 for Healthcare: Five Plus Five.” The National Academy of Medicine. Available from: [bit.ly/2V4A7TQ](https://bit.ly/2V4A7TQ).
- <sup>7</sup> Porter S. “What to Expect in 2020: An Even Greater Focus on Social Determinants of Health.” HealthLeadersMedia. Available from: [bit.ly/2V1A9fe](https://bit.ly/2V1A9fe).
- <sup>8</sup> Coleman-Jensen, A.; Rabbitt, M.P.; Gregory, C.A.; and Singh, A. (2019). “Household Food Security in the United States in 2018.” [https://www.ers.usda.gov/publications/pub-details/?pubid=94848&\\_sm\\_au\\_=iVVNqQWjvJ0FJN5WTW4vK0p3MfCO](https://www.ers.usda.gov/publications/pub-details/?pubid=94848&_sm_au_=iVVNqQWjvJ0FJN5WTW4vK0p3MfCO)
- <sup>9</sup> Ochsner Health July 2020 data as of July 2020
- <sup>10</sup> Humana Medicare Advantage member health results were limited to medical claims incurred during the 2019 calendar year. Humana compared members seeking care from 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 2018. Estimates of cost, admission and emergency department savings are subject to restatement with the availability of more current data.
- <sup>11</sup> Kindred at Home data as of July 2020
- <sup>12</sup> Shrank, W.H.; Rogstad, T.L.; Parekh, N. “Waste in the US Health Care System: Estimated Costs and Potential for Savings.” JAMA Network, 2019 [jamanetwork.com/journals/jama/fullarticle/2752664](https://jamanetwork.com/journals/jama/fullarticle/2752664)
- <sup>13</sup> Parkview Health Partners data as of July 2020
- <sup>14</sup> “Primary Care Spending in the Fee-for-Service Medicare Population;” RAND Corp., 2019, [https://www.rand.org/pubs/external\\_publications/EP67843.html](https://www.rand.org/pubs/external_publications/EP67843.html)
- <sup>15</sup> U.S. Bureau of Labor Statistics. (Sept. 4, 2020). “Employees on nonfarm payrolls by industry sector and selected industry detail.” Retrieved from <https://www.bls.gov/news.release/empsit.t17.htm>
- <sup>16</sup> ChenMed July 2020 data
- <sup>17</sup> Oak Street Health July 2020 data
- <sup>18</sup> Parkview Care Partners July 2020 data



[digital.Humana.com/VBCReport](https://digital.Humana.com/VBCReport)