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3M Health Information Systems

# 10 questions payers must ask when choosing a value measure



# Value-based care: It's here to stay

As a commercial or public payer, you're well aware of the fast changes happening in healthcare payment. Care models that reward high volume are becoming the exception rather than the rule, and they're giving way to value-based models that align payment with quality. Consider these statistics:

**45%**

of hospitals are already part of an accountable care organization (ACO).<sup>1</sup>

**40%**

of all commercial in-network payments are value-oriented.<sup>2</sup>

**59%**

of providers anticipate becoming part of an ACO in the next 5 years.<sup>2</sup>

## What do these changes mean for you?

When sharing risk, it's critical to have a reliable and accurate way to assess the care your providers deliver so that you can fairly link payment to performance. You also need to show providers how their care stacks up against what's expected and exactly which actions they can take to reach the shared goals of the ACO.

# What's wrong with existing quality measures?

It's likely you already use several quality measures. But today's value-based care models require a different kind of measure. They call for a way to capture not only processes and quality, but also healthcare *value*—a picture of performance that complements cost.

Current quality measures don't account for costs, shared accountability or the impact of the health system. Instead, they tend to be:

**Process-focused**, assessing quality against a checklist of tasks. Tracking only processes doesn't account for patient outcomes, disease severity or quality of life. Process and outcome measures should work side-by-side.

**Expensive and burdensome** because they require data collection outside of a normal workflow. Extra work means less frequent measurement and fewer opportunities to make changes.

**Disease-specific**, which means a person's overall health isn't considered. This limits your ability to look beyond the examination room to see practice or system factors that may be affecting outcomes.

Payers and providers want to **lower the total cost of care**. To do this, they need a single measure of value that can be broken down into specific actions they can take to **improve performance**.



# Ten questions to ask about value measures

We understand you have lots of choices when it comes to measuring provider performance.

When considering which measure to use, focus on those measures that give an objective picture of the actions that lead to healthy patient outcomes.

To cut through the clutter, start by asking yourself these ten questions:

- 1. Will it impact the Triple Aim?** The measure should capture the provider actions that lead to the goals of the Institute for Healthcare Improvement's Triple Aim: improved population health, better patient experience of care and reduced per capita costs.
- 2. Is it consistent with the principles of good primary care?** This means that the measure tracks person-focused care (instead of disease-focused) that is comprehensive and coordinated.
- 3. Does it measure and support system change?** Good value measures examine performance across the entire spectrum of care, from hospital stay to discharge to follow-up.

4. **Does it minimize administrative burden?** Measures based on easily-collected claims reduce the workload for providers and health systems, making it easier to collect performance data more often.
5. **Does it support continuous care improvement?** Effective value measures give frequent feedback for improvement, both over time and across the entire care continuum.
6. **Is it a composite score?** Instead of using separate scores from multiple measures to assess value, an effective measure gives you a single number to represent overall provider and system performance.
7. **Is it risk-adjusted?** The measure should account for differences in illness burden among patient panels so providers can be compared on an “apples-to-apples” basis.
8. **Can it be influenced by providers?** Value measures should track elements of care that providers can affect, such as potentially preventable ER visits.
9. **Does it connect quality with cost?** The measure should show a connection between better performance and total cost of care so you can reliably link payment to your program’s cost goals.
10. **Is it supported by evidence and is it reliable?** A good value measure is well-researched and yields consistent results across different time periods when provider performance has been consistent.



## What is total cost of care?

Total cost of care (TCC) is the sum of all medical expenditures for a patient or group of individuals. It’s the total dollar cost of all services in the delivery of care, including what is paid by the insurers plus any co-payments or deductibles paid by the patient.



# Ready to start paying for value instead of volume?

Implementing a value-based care program can get complicated. How can you and your providers know if you're accurately setting, measuring and achieving your quality goals?

The **3M<sup>SM</sup> Value Index Score** is a composite score that represents the quality of care a provider delivers, regardless of patient health status (i.e., healthy or chronically ill).

It's like a GPA for healthcare quality.

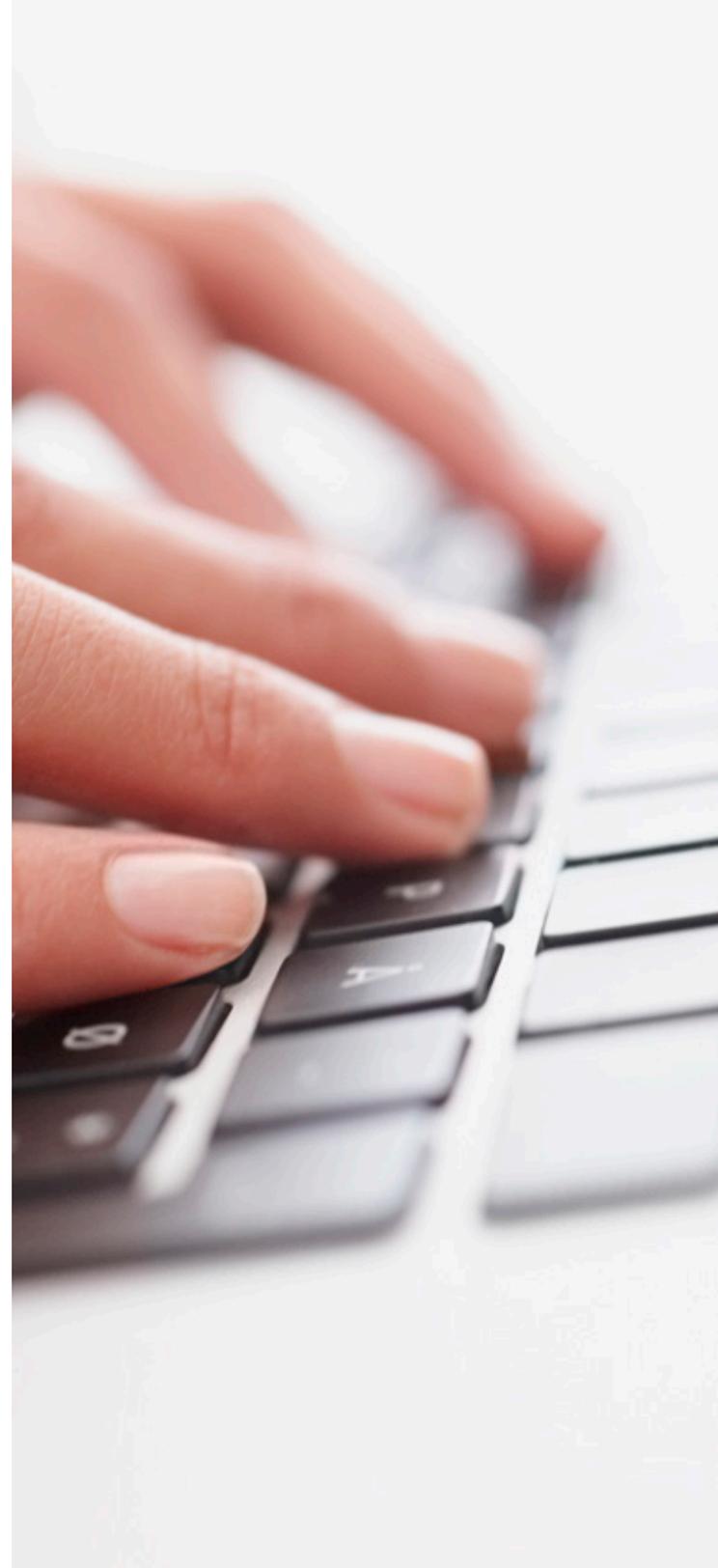
Unlike traditional process measures that represent only small, individual parts of primary care, the 3M Value Index Score **summarizes performance in multiple areas**, making it ideal for guiding and rewarding healthcare improvements within an ACO.

3M provides the consulting, analytics and software tools to support you with your value-based initiatives. Our solutions start with a foundation of timely and accurate data analytics, which use the 3M Value Index Score to **reliably link performance and payment**.

Learn how 3M's innovative approach can help you successfully measure provider performance and effectively implement pay-for-performance programs.

[Click here to request a consultation with one of our healthcare experts today!](#)

Or call your 3M sales representative at 855-293-0780.



# References

<sup>1</sup> Catalyst for Payment Reform & The Commonwealth Fund. “National Scorecard on Payment Reform.” Copyright 2014, Catalyst for Payment Reform. Available as of July 2015 at <http://bit.ly/1CJtmZ9>.

<sup>2</sup> McKesson Corporation. “The state of value-based reimbursement and the transition from volume to value in 2014.” Copyright 2014 McKesson Corporation. Available as of July 2015 at <http://bit.ly/1zDzzBK>.

For more information on how 3M software and services can assist your organization, contact your 3M sales representative, call us toll-free at **800-367-2447**, or visit us online at [www.3M.com/his](http://www.3M.com/his).



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