



Moving the Needle on Value-Based Payment

PART 3 OF IMPLEMENTING HEALTH SYSTEM IMPROVEMENT

PREAMBLE

During the 2021 election season, the Council of Accountable Physician Practices (CAPP) urged political candidates at all levels to focus on three critical health policy issues to support a better health-care delivery system.¹ These issues should be at the top of every policymaker's healthcare agenda. They include:

- **IMPROVED AND HARMONIZED QUALITY MEASUREMENT AND REPORTING**
- **ROBUST AND COORDINATED USE OF HEALTH INFORMATION TECHNOLOGY**
- **VALUE-BASED PAYMENT**

In this brief, the third in a three-part series entitled "Implementing Health System Improvement," the physician leaders of CAPP provide more detailed insights and recommendations to elected officials, members of the administration, and other thought leaders about how to encourage the movement toward value-based payment.

KEY POINTS

- The predominant fee-for-service (FFS) health-care payment system in the U.S. rewards volume over value, working against population health management and high-quality, coordinated care. Furthermore, restrictive FFS policies that dictate specific care-delivery processes and locations stifle delivery-system innovation.
- Value-based payment models, which include bundled payment, accountable care organizations (ACOs) and global capitation (among others), promote a focus on health outcomes and enable strong population health management.
- Despite some challenges, existing public- and private-sector value-based payment programs have helped doctors see each care in ways that simply are not possible under FFS. They have allowed physicians to focus their attention and creativity on the total cost of care for all patients as a population, while continuing to meet individual patients' needs.