

Research White Paper | Value-Based Care:

A Shared Mission in Need of a Shared Language

October 2021



EmblemHealth[®]

Shifting From Volume to Value for Patient Health

EmblemHealth is a health and wellness company that provides insurance plans, primary and specialty care, and wellness solutions in the New York tristate area. As one of the nation's largest nonprofit health insurers, we are committed to reducing health disparities, advancing health equity, and ensuring access to high-quality, culturally competent care.

One of the foundational aspects of this commitment is EmblemHealth's value-based provider reimbursement arrangements.

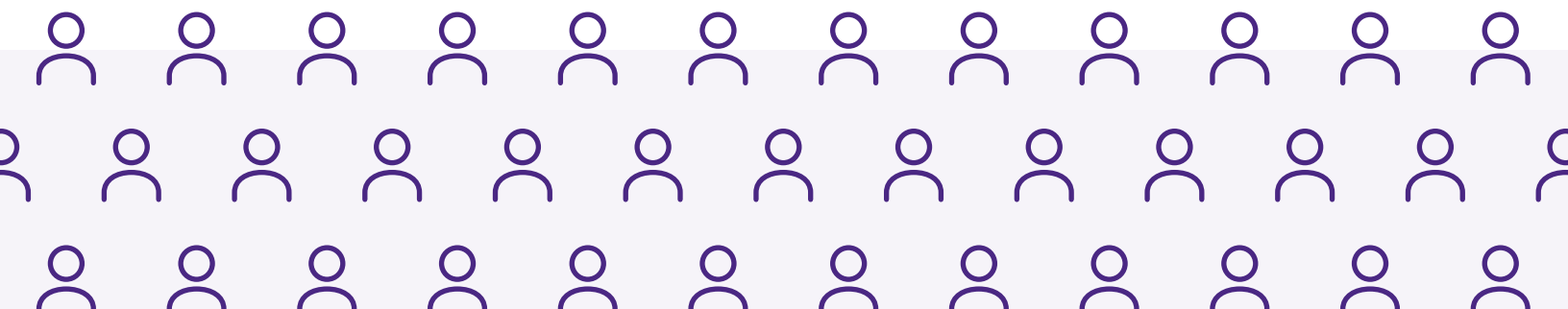
Value-based care is a model that aligns payers and providers by reimbursing providers for the **quality** of care provided to ensure better patient health outcomes. The model represents a shift from the fee-for-service model, which reimburses providers based on the volume of services provided, rather than by the outcome or the value. A key concept is that if prevention, early intervention, and care management succeed, individuals will remain healthy longer, and they will pay less for care, as complex care is mitigated. This is significant for population health, as well as for controlling costs of the entire health care system.

In the years following the enactment of the Affordable Care Act in 2010, the value-based model has gained prominence through federal programs administered by the Centers for Medicare & Medicaid Services (CMS), and it has continued to gain traction among commercial payers. While the widespread transition from “volume to value” of services signals a shift in the objectives of provider reimbursement arrangements, more understanding is needed to understand how consumers perceive the model.

Value-based care may be widely discussed in the industry, but are patients who benefit from the model sufficiently aware of it? Could increased awareness of value-based care influence a patient's perceptions of their physicians, health plan, and even their own health? Do consumers want to learn about value-based care, and if so, how and from whom?

EmblemHealth conducted a national survey in August 2021 to better understand the patient perspective and to answer these questions.

Nearly 1,000 consumers age 18+ were surveyed, including a nationally representative sample across legal sex, age, region, and an oversample of tristate consumers. Demographics such as age, ethnicity, and insurance type were examined to better understand if there are any key differences in consumer understanding.



Key Findings

The information from the research study lights a new path forward for providers and health plans to help patients understand the foundation of care decisions and the collaboration at work to help them live healthier, disease-free lives. Key findings include:

- **The term “value-based care,” while commonly used within the health care sector and throughout policymaking, is not commonly understood by consumers.**
- **However, when given the opportunity to have the definition of value-based care explained, consumers are very supportive of the mission and the intent to improve health outcomes, while reducing the cost of care.**
- **The opportunity is there for health plans and providers to help bring clarity, communication, and understanding about the transformation that value-based care offers to people in their everyday health.**

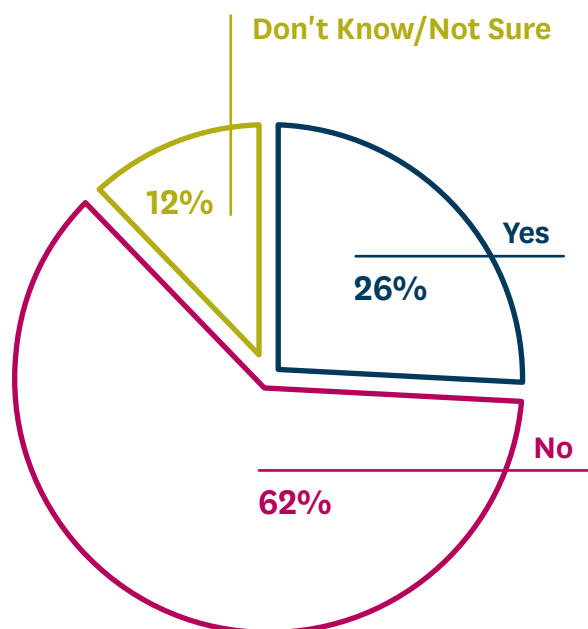


There Is a Fundamental Disconnect with Consumer Understanding of the Value-Based Care Model

While the industry is in transformation to value-based care arrangements, which directly affect people’s health care experience, only one in four consumers said they were aware of the term “value-based care,” and of those, only a quarter were able to accurately define it. Those familiar with the term highlight the model’s focus to improve the outcomes for patients and to replace the traditional fee-for-service model. Around half gave definitions that do not show understanding of the term, relating it to cost — whether that is getting care based on the price you pay into a system or speaking to a system in which patients receive affordable, quality care. And a quarter suggested they don’t know what it means, but have heard of the term.

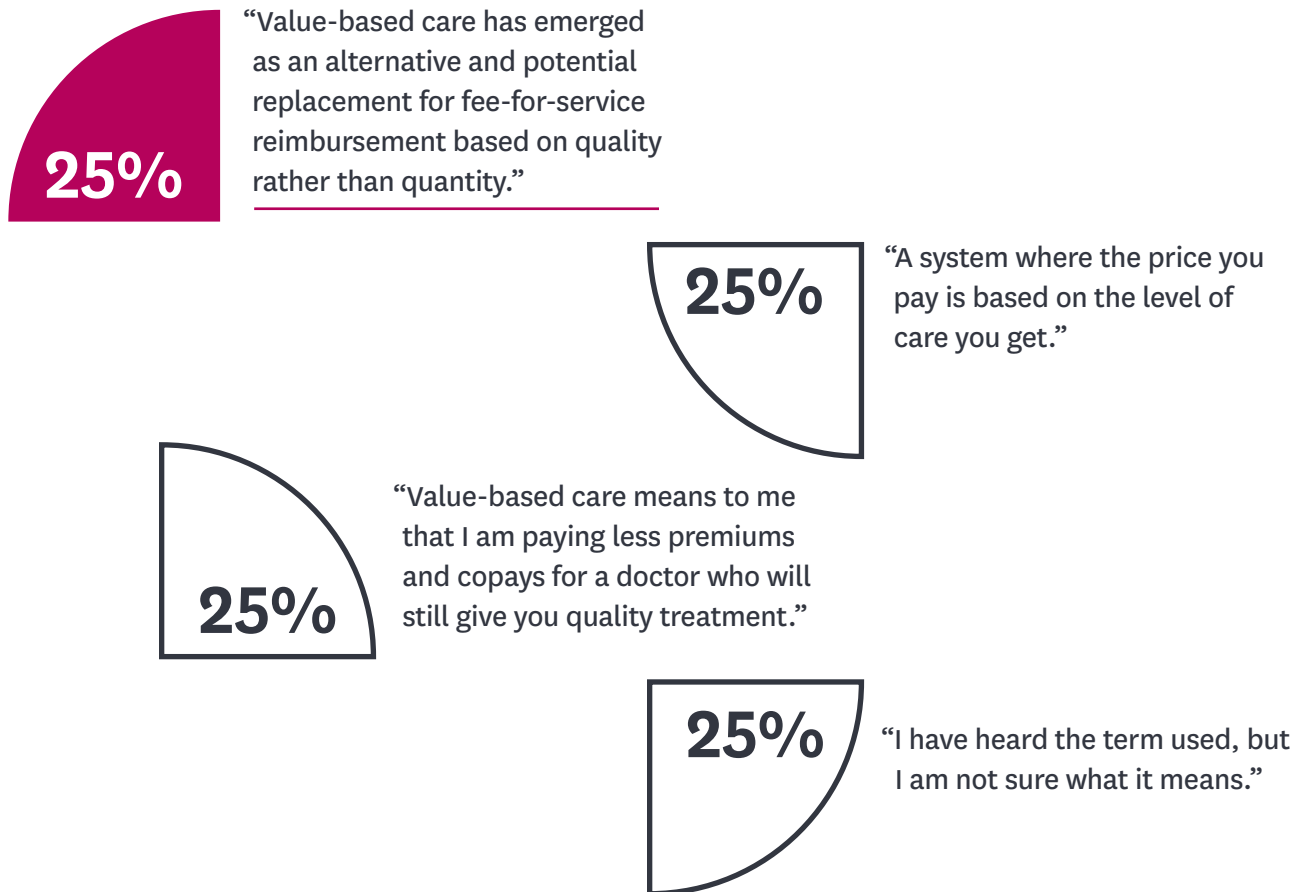
Self-reported awareness of the model is greater with younger age groups, Black and Latinx consumers, Medicaid and individual plans, and consumers with an HMO plan type compared to older age groups, White and Asian consumers, and consumers with Commercial, Medicare, and PPO plans. However, when asked to define value-based care, there is no one group that truly understands it, providing a universal need for clarity and understanding.

Have you ever heard the term, 'value-based care'?



What does value-based care mean to you?

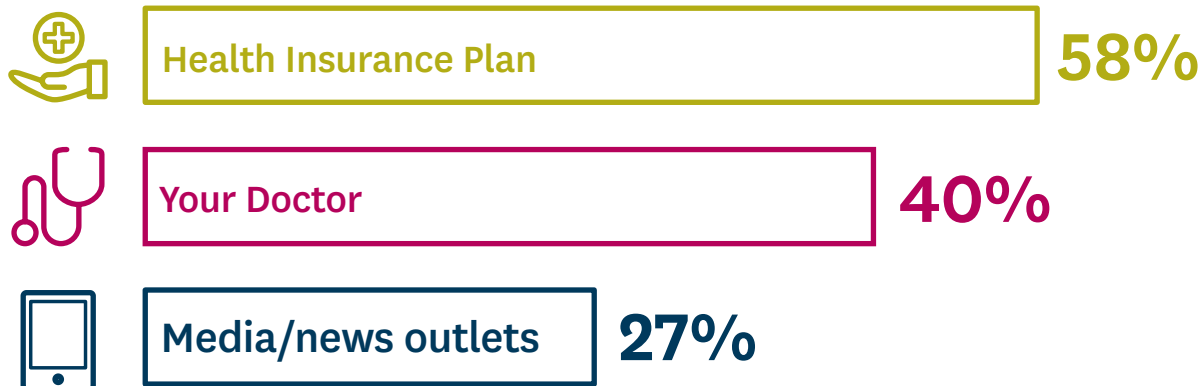
Of the 26% who said they are aware of the term "value-based care":



Of those who are familiar with the term, people recall it coming from health insurance plans most often, followed by doctors/providers and media/news outlets.

Who have you heard use the term “value-based care”?

Select all that apply.



Defining the Value in Value-Based Care

To the industry, the definition of value-based reimbursement prioritizes the health outcome of patients. Yet, “value” is a general term that consumers attribute with various connotations. The survey reveals that this is true when associated with value-based care. To understand people’s association and definition of value, the survey provided multiple approaches, including capturing people’s open-ended beliefs and through closed-ended multiple choice questions.

While affordability/cost is mentioned in the initial ask of defining value-based care, a closed-ended question asking which terms they most closely associate with “value” in their health care reveals that quality of care is most associated with value, followed by out-of-pocket (OOP) costs.

Consumers enrolled in a Medicare plan feel more strongly about quality of care when compared to costs. This group also places medical professionals working together to help manage your care as a top value association.

Which of the following do you most associate with value when thinking about your health care?

	National Total	Medicaid (A)	Commercial (B)	Individual (C)	Medicare (D)
Quality of care received	31%	33%	26%	27%	61% (B,C)
OOP cost	20%	17%	24%	18%	15%
Medical professionals work together to help manage your care	11%	6%	10%	9%	18% (A,B,c)
Your health improves	10%	7%	13% (a,D)	9%	5%
Doctor knows/cares about me	8%	8%	7%	7%	13% (b)
Availability of specific treatments and services	5%	7% (D)	5% (d)	12% (B,D)	1%
Convenience	4%	6% (d)	5%	2%	2%
Doctor includes you in treatment decisions	4%	5%	4%	7% (d)	2%

Quality of Care and Cost Resonate Most with Consumers When Thinking About Value-Based Care

To further bring clarity and understanding, consumers were shown various definitions. When prompted with different definitions of value-based care, people again indicated that quality of care resonates with them most when thinking about value-based care; this is closely followed by affordability/cost.

Please read through the following messages carefully and select the one that resonates with you most.

39%

Quality Definition 1:

Value-based care is the highest **quality of care** available that keeps costs down and meets my needs.

35%

Cost Definition 2:

Value-based care is **affordable care** that keeps me healthy without sacrificing quality and service.

14%

Service Definition 3:

Value-based care has a wide range of service options that are reasonably priced and offer quality care.

11%

Mixed Definition 4:

Value-based care is affordable, top-quality care with a variety of service options.

Interestingly, while quality of care is slightly preferred overall, consumers feel the cost definition is more relevant, shows the health plan and doctor working together, and helps them directionally better understand value-based care.

Based on the message you selected, how much do you agree or disagree with the following?

	Quality Definition 1	Cost Definition 2
This message makes me more likely to visit a doctor that follows the value-based care model.	81%	82%
This message tells me my health insurance plan and doctor are working together to help me stay healthy.	77%	82%
This message communicates the importance of value-based care.	83%	85%
This message helps me understand what value-based care is.	77%	85%
This message is relevant to me.	82%	87%



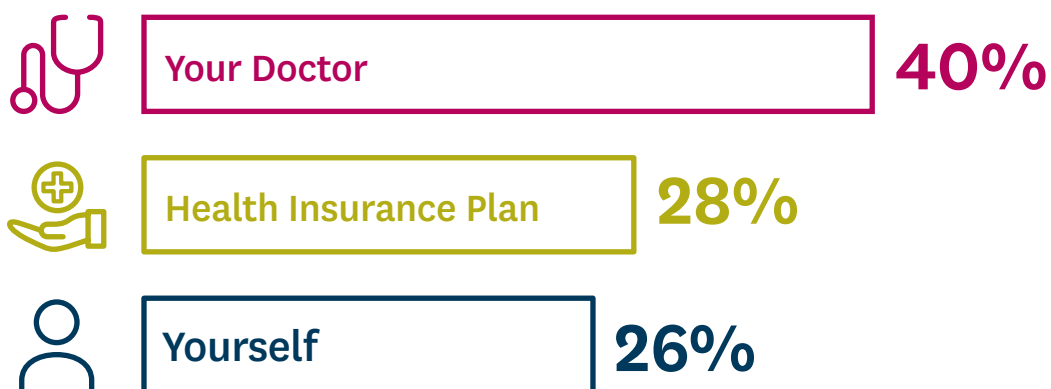
Different Perspectives on a Collective Responsibility

When asked who should be responsible for providing “value” in their health care encounter, people indicated that their doctor is most responsible, followed by their health insurance plan and themselves as the patient, which are nearly even with each other. A notable outlier are Black/African-American consumers, who are more likely to place a greater share of the responsibility on themselves, which would reveal a lack of trust in the health care system with significant disparities in care. Additionally, people enrolled in HMO plans rank their health plan as being the most responsible for delivering value, reflecting the focus on cost and the prominent role of the insurer in managed care plans.




After seeing the messages of value-based care, consumers feel it should be communicated by both the doctor and health insurer. As noted earlier, consumers most often hear this term from health insurers, which shows the opportunity and the importance of people wanting doctors and health insurers to work together.

Please provide the percentage you feel each party is responsible for when adding value toward your health care.

Representative National Sample (Mean Percentage)

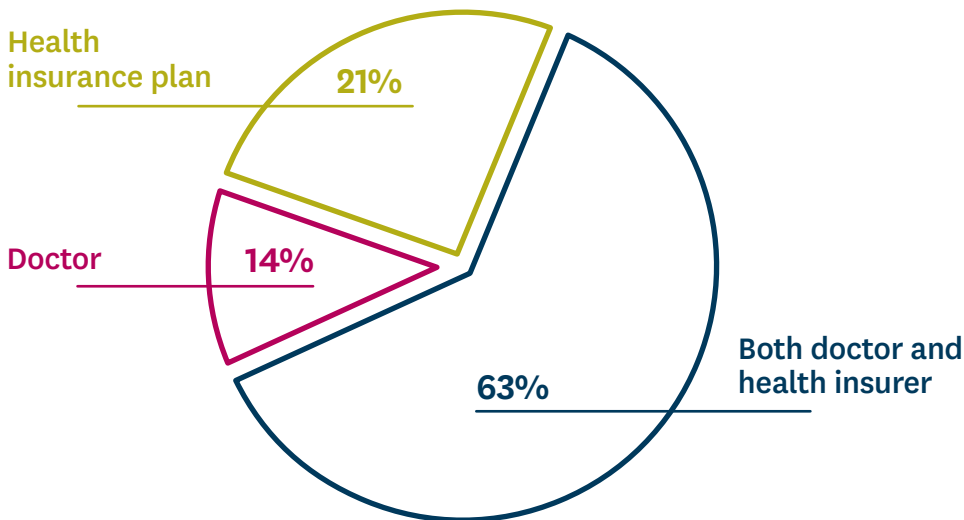


National Ethnicity Oversample

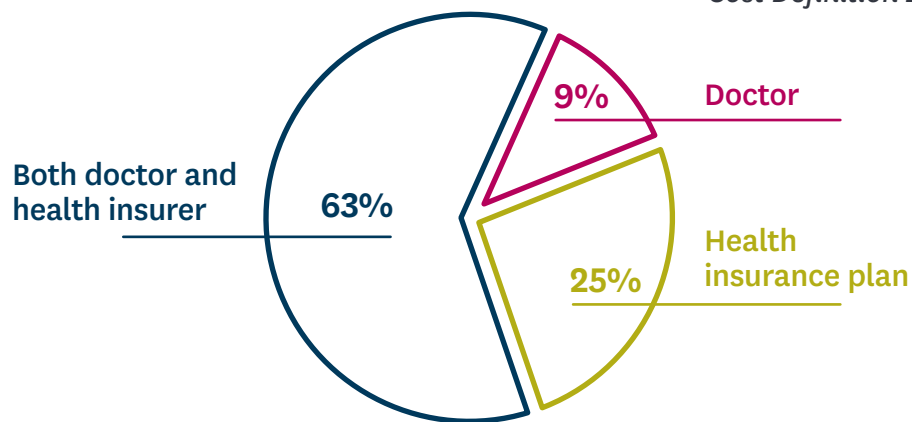
	White (A)	Black (B)	Latinx (C)	Asian (D)
 Your Doctor	41% (B)	35%	37%	41% (B)
 Health Insurance Plan	27%	27%	28%	29%
 Yourself	27% (D)	30% (a,D)	28% (D)	22%

Do you think this message should be communicated by your doctor, health insurance plan, or both?

Quality Definition 1



Cost Definition 2



Consumers Feel It Is ‘Extremely Important’ or ‘Very Important’ for Their Provider and Insurer to Utilize the Value-Based Care Model

After reading the provided definition of value-based care below, consumers were asked how important it was for their providers and their insurers to utilize this type of approach. Overwhelmingly, **three in four consumers** feel it is extremely important or very important for both providers and insurers to utilize this approach, with some variation among demographics, as indicated below. These demographics align largely with those who said they were aware of the term value-based care.

Definition: In a more traditional care model, health care professionals like doctors or hospitals were paid based on the number of services they provided to patients. Value-based care is a newer approach where health care professionals are paid for helping their patients improve their health. With a focus on areas like preventive care and managing chronic conditions, value-based care can help people stay healthier while also keeping health care costs lower.





How important do you think it is for your doctors/ health insurance plan to utilize this type of approach in your health care?

Which Groups Find the Value-Based Care Model Important from Doctors and Health Insurance Plans

	Most Important	Neutral	Less Important
Age	Younger groups 18-34, 35-44		Older groups 45-64, 65+
Ethnicity	Black, Latinx	White, Asian	
Group	Medicaid	Commercial, Individual	Medicare
Plan	HMO	PPO	
Awareness	Aware of value-based care		Unaware of value-based care

The Road Ahead: Creating a Shared Language to Drive Consumer Understanding

The cost and quality of care are cornerstones of the patient experience, yet many consumers lack a fundamental understanding of value-based care as a model that aims to move the needle on both of these factors. As insurers, like EmblemHealth, continue to transform their partnerships with providers to ensure access to quality, affordable care for members, it is crucial to remember that value-based care arrangements align insurers and providers with each other, and more importantly, put a shared focus on the health of consumers. To communicate this to consumers, insurers and providers should utilize a shared communication language that is best understood by consumers, as outlined in this study, to illuminate the path to better health at a lower cost to the larger system.



Survey Methodology

This survey was conducted online by Dynata and fielded August 12–22, 2021.
Length of Interview (LOI) = Average of 9 minutes

Audience Demographics

Total sample = 970

National representative sample: N = 612

Tristate representative sample: N = 224

- **New York: N = 141**
- **New Jersey: N = 58**
- **Connecticut: N = 25**

Age (National Sample)

- **18–34: N = 180**
- **35–44: N = 108**
- **45–65: N = 229**
- **65+: N = 95**

Ethnicity (National Sample)

- **White: N = 665**
- **Black/African American: N = 131**
- **Hispanic/Latinx: N = 101**
- **Asian: N = 105**

Line of Business (National Sample)

- **Medicaid: N = 113**
- **Commercial: N = 290**
- **Individual: N = 89**
- **Medicare: N = 120**

Ethnicity and geography (Tristate) were oversampled to obtain a larger number of completes. The National representative sample was balanced for age, legal sex, and region.

Significance testing was done at a 95% and 90% confidence level and is indicated in the white paper with capital and lower-case letters, respectively.



EmblemHealth is a health and wellness company that provides insurance plans, primary and specialty care, and wellness solutions. As one of the nation's largest nonprofit health insurers, we serve more than three million people in the New York tristate area. EmblemHealth's family of companies includes ConnectiCare, one of Connecticut's leading health plans; AdvantageCare Physicians, a primary and specialty care practice; and WellSpark, a digital wellness company.

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