

Fee For Service and Value Based Care Physician Recruitment

Marjorie Alexander
Managing Director Physician Recruitment
ChenMed
Marjorie.Alexander@ChenMed.com



IMPORTANT

Why is this subject important?

- Covid pandemic disrupted financial security of 97% of health systems
- The 2 main healthcare models in the US: FFS and VBC
- The healthcare revolution is here:
 - Current shift from fee-for-service models to value-based care system
 - In 2020: 97% of all physicians relied on FFS
 - Jan. 2021: 67,800 PCPs have seen patients in a VBC type model
- VBC is a critical part of any health care org long term strategy
- Recruiters need to be able to speak to the different models

What is



- Traditional US healthcare model
- Physician comp emphasizes volume (not value)
- Assigns reimbursements based on what services a healthcare org provides (# of tests, procedures, visits ordered often in the more expensive hospital setting)
- Volume based care that encourages high-cost services and products.
- Physician patient panel: 3,000+ patients
- Little focus on preventive care

What is Value Based Care



- Reimbursement is contingent upon the quality of the care provided and the outcomes achieved
- Physician patient panel: <450
- Quality of Care/Patient outcomes/improved health
- Patient Satisfaction
- Patient affordability/access to healthcare
- Reduce hospitalizations
- Providers take group-based approach to patient care (care coordination)

Traditional FFS Recruitment:

Patient outcome:
physician payment
remains same regardless
of pt health outcome

Recruit a
Physician

Physician
sees patients
as
needed (when
sick) (1 – 2
times a year)

Physician bills
insurance
companies

Physician gets
paid (the
more
illnesses, the
more pay)

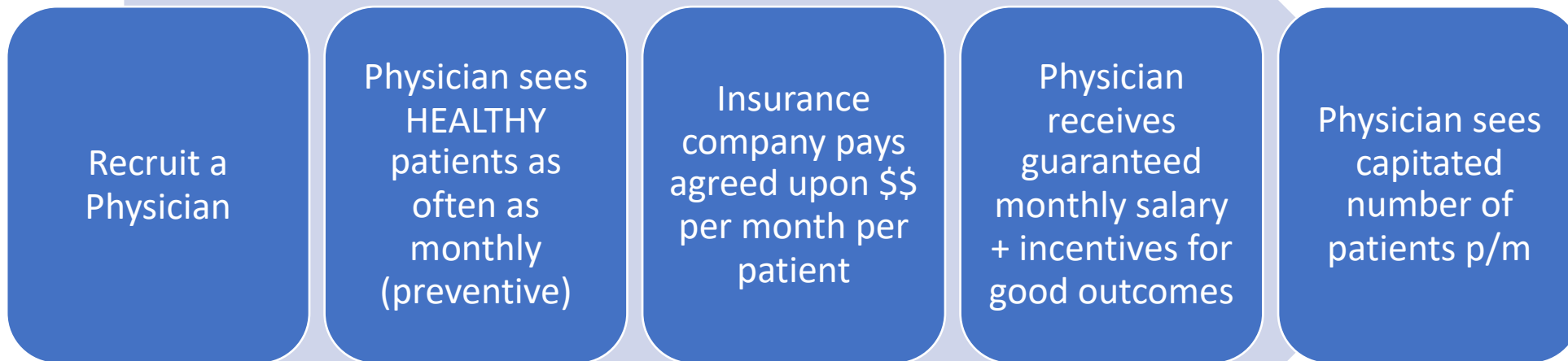
The more
patients the
physician
sees, the
more he/she
gets paid

Result: out of control
healthcare costs



Value-Based Care Recruitment:

Result: more patients have access to VIP healthcare due to lower healthcare cost



Result: improved patient outcomes, improve physician/patient relationship and restore trust

Q: Do other countries have VBC?
A: Norway and UK Governments play important role in adoption of VB payment models

Cost of Healthcare in the US

Q: What is the cost of healthcare p.p. in U.S.?

A: In 2020: \$11,945 (**double** compared to any other high-income nation).

***US** = highest spending country in the world when it comes to health care.

In 2020, total health expenditure in the U.S. exceeded four trillion dollars

Q: Why is US healthcare so expensive compared to other countries?

A: Hospitals and providers charge more in U.S. than other countries.

Q: Are physicians aware of the costs of treatments they select?

A: Only one in two (51%) physicians are aware and only 48% are comfortable discussing costs with patients.



Types of Value-Based Care

Q: what are the elements of Value-based healthcare?

A: 6 components:

- Clear, shared vision
- Patient centered
- PCP leadership
- Robust IT infrastructure
- Broad access to care
- Reward quality improvement

There are 4 main forms of supporting value-based care:

- Shared Risk
- Shared Savings
- Bundled Payment
- Global Capitation

As the body of observable evidence increases, VBC models will continue to progress.

Q: Who benefits the most from value-based care system:
Patients, as they will experience better health outcomes

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Fee-For-Service

Vs.

Value-Based Care

Larger patient panel size (quantity)

Physicians paid on RVUs (# of patients seen)

Physicians are incentivized to send patients to hospital

Emphasis on more procedures and treatments

Uncoordinated care that relies on specialists

Higher profit is valued

FFS is popular payment method but unsustainable

Each patients seen approx. every 6 months

Smaller patient panel size (quality)

Physician compensation incentivized by good outcomes and performance

Patients only to hospital when medically necessary

Emphasis on prevention and lifestyle changes

Care focused on clinical integration and primary care

High quality medical care is valued

VB reimbursement is innovative, affordable and sustainable

Each patients is seen monthly at a minimum

Q: What is ACO healthcare (Accountable Care Organization):

A: ACOs are groups of doctors, hospitals, and other health care providers, who come together voluntarily to give coordinated high-quality care to their Medicare patients.

Source: ChenMed.com



Recruiting for FFS vs VBC

FFS:

- 2-year income guarantee
- Then “eat what you kill” (WRVUs)
- Get paid for quantity of care
- Might refer and admit to hospital (lack of preventive treatment)
- This model is known to mostly all physicians (through residency)
- Physician profile....

VBC:

- Guaranteed base pay
- Discuss social determinants of health
- Get paid for quality of care
- Physician is Quarterback of care in preventive model
- This model is unknown to a large % of physicians as they “grew up” with FFS
- Physician profile.....

Q: How does value-based care affect physicians?

A: VBC is in line with physicians intrinsic motivation to deliver the best care to their patients. As it drives improvements in quality, outcomes and patient experience.



In conclusion, ...

- Covid exposed many shortcomings of the healthcare system, relying on seeing a certain number of patients each day.
- In 2020: Primary care practices lost approx. \$15 billion, almost 16,000 practices closed
- As health care costs continue to rise, payment system is moving to VBC models.
- Quality and cost outcome will be critical part of any health care organization's short- and long-term strategy to create revenue and contain cost.
- Shift the balance from care and treatment → prevention and sustaining well-being.
- Elevate the physician's role as the steward of physical, financial and population health.

Moving forward: providers who were on the fence about VBC are now ready to decrease healthcare costs and improve patient outcomes. Get ready to discuss this topic...

