

A Review of Value-Based Care in California

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Introduction

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Why Value-Based Care Is:

- Right for the patient
- Right for the health care delivery system
- Right for the economy

California Statistics

- Commercial HMOs, which typically rely on integrated networks, delivered higher quality at a lower cost than PPOs
- HMOs outperformed PPOs by an average of 22% across 10 clinical quality measures
- If all commercially insured members received care at the HMO rate, an additional 127,857 Californians would be screened for colorectal cancer
- HMO total cost of care was \$383 per member per year lower than PPOs
- Though HMO emergency department visits and inpatient days were higher than PPO, overall cost to the system was lower
- HMO member out-of-pocket cost was \$769 per member per year lower than PPOs
- HMO members avoided paying over \$7 billion in out-of-pocket costs, compared to PPO

Source: Integrated Healthcare Association, 2015

At the Medical Group/IPA

- Value-based care has components of capitated/risk-based care
- Using an economic term, value-based care is "on the margin" to risk-based care
- Risk-based and value-based care is a belief system

Conclusion

- Questions?
- Comments?

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