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Virginia moving toward value-based health care payment system, report shows

By BRIDGET BALCH Richmond Times-Dispatch Oct 24, 2018



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A higher than average percentage of health care providers in Virginia are using a payment system that incentivizes quality outcomes rather than payments based on the number of medical services a patient receives, according to one of the first state reports to set a baseline for so-called payment reform.

Sixty-seven percent of payments the commercial sector made to Virginia providers in 2016 were tied

to value compared with 40 percent nationally in 2014 (the latest data available).

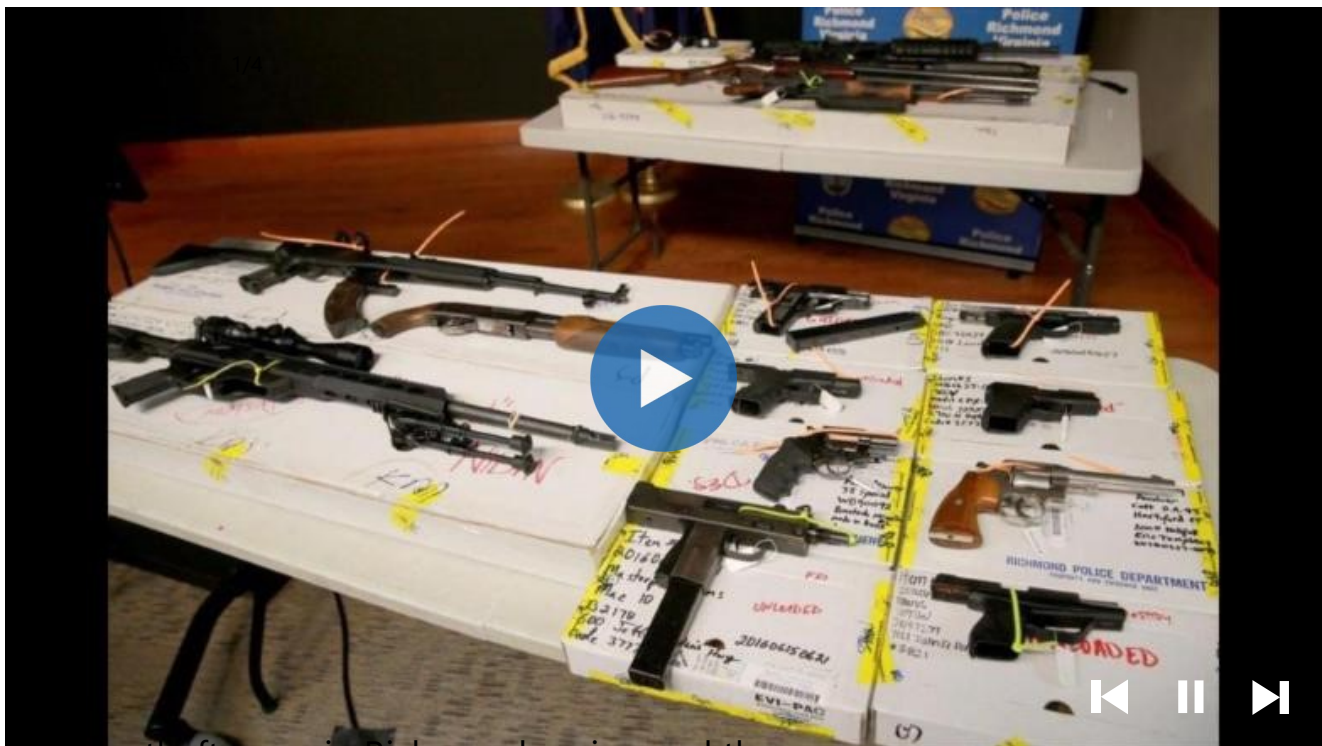
Thirty-seven percent of payments in the Medicaid sector in Virginia in 2016 were value-based, compared with 32 percent nationally in 2014, according to an analysis by Catalyst for Payment Reform, a California-based nonprofit focused on research and analysis of the health care market.

The results of the report were presented to a gathering of stakeholders at the Virginia Hospital and Healthcare Association headquarters Tuesday.

Virginia was one of three states in a pilot program CPR launched with grant funding from the Laura and John Arnold Foundation and the Robert Wood Johnson Foundation to produce "scorecard 2.0," which measured where each state was in its delivery of quality and affordable health care.

"It's good to have a baseline to look back to," said Doug Gray, executive director of the Virginia Association of Health Plans, which co-sponsored the report with the Virginia Center for Health Innovation. "I suspect we'll see even more movement. ... That being said, we still have a long way to go."

The report found that Virginia rates were similar to the national average rates for many of the value-measuring metrics. For example, 14 percent of patients reported fair or poor health and 88 percent of patients reported receiving information on home recovery.



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"On a number of the items, the report shows that we're in line with national standards," Gray said.

"The challenge is that the national standards are not where they should be."

Notably, Virginia ranked below the national average on children ages 1.5 to 3 years who had received all recommended immunizations — 66 percent in Virginia in 2016 versus 71 percent nationally in 2014 — and Medicaid patients with poorly controlled diabetes — 47 percent in Virginia in 2016 versus 43 percent nationally in 2014.

Also, 29 percent of women with low-risk pregnancies had cesarean sections in Virginia in 2016, a percentage on par with other states that CPR has analyzed, but far higher than what is considered best practice.

"There's no reason to have an elective C-section," Gray said. "Through putting [in] the right processes and procedure and incentives, we should be able to eliminate them."

The purpose of the CPR report was to "give Virginia data analysis with actionable information," said Andréa Caballero, program director for the report. "Scorecard 2.0 is the first attempt to see if value is working ... are payment reforms having the intended effect?"

She said she hopes the results of the report created for Virginia will encourage other states to participate in an analysis.

"The scorecards provide useful baseline information for the commonwealth and show that Virginia is on its way toward a health care marketplace that financially rewards value," said Beth Bortz, president and CEO of the Virginia Center for Health Innovation, in a news release. "Not just volume of services provided."

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