



Value-based Care

Winning a new game

There is a strong consensus among the entities that finance U.S. healthcare that we are moving from a volume-based system to one that is value-based. There's less consensus about how to make the new system deliver on its promise of lower costs and improved quality.

New networks and alliances, acquisitions, partnerships, and collaborations will likely be major drivers of the value-based shift. A first-mover advantage is certainly possible—but only if you have the right strategy to create new business relationships across the care continuum, new integrated economic relationships, and new business and technology capabilities. It may be difficult for health care organizations to win if they approach these changes without a well thought out strategy that creates sustainable competitive differentiation.

To make smart choices on a winning timetable, health care organizations should prepare now to excel at managing clinical and financial risk. They should create new business and economic relationships across the full continuum of care. And they should harness new business and technology capabilities to support these new relationships.

How we can help

Deloitte is guiding clients across all sectors of the industry and across all dimensions of the volume-to-value transformation – strategy, financial, clinical, operations, technology, and change management. Gaining a clear understanding of the changing health care environment and plotting a winning path forward is part of the challenge. Bringing the right experience, tools, and transformation leadership to carry out that strategy is the other part. As the world's largest health care consulting team, we can see you all the way through—and help you successfully navigate the biggest hurdles.

Winning the Market Shift



From patients to consumers. From volume to value. The ground is shifting under the world's largest industry—and the players left standing will be the ones that embrace innovation with confidence right now.

Let Deloitte help you win the shift in critical areas like:



Value-based care



Provider-health plan integration



Customer transformation



Therapeutic area transformation



Margin Improvement



1. Proactively define your strategy. Winning the volume-to-value transition often requires local-market strategies that enable competitive differentiation. Securing new business relationships across the continuum of care may be necessary, but it will likely take more than that to manage risk and drive incremental market share effectively.

2. Develop financial flexibility. Fee-for-service will not go away entirely, and the economic transition will likely occur over a multi-year time horizon. The financial flexibility to address changes in reimbursement, the revenue cycle, investment needs, and overall capital position could potentially be keys to winning the volume-to-value shift.

3. Control your own destiny. Beware of the impulse to quickly move to long-term outsourced models. The market is shifting quickly, and population health in particular may become a future core competency. The potential for long-term vendor hostage risk is real.

4. Make the most of existing assets. The volume-to-value shift does not require starting from a blank slate. Most organizations possess assets they can use for volume-to-value strategies today – EMR, HIE, data warehouses, collaboration models, patient engagement tools, and current business relationships.

5. Fortify the physician-patient relationship. The role of the consumer is advancing. But with the right strategies, this should only strengthen the physician-patient relationship. Strengthening existing physician and clinician workflow models can improve the consumer experience and promote stickiness.

6. Minimize transition risk. Starting with existing assets and physician engagement models can help to de-risk the volume-to-value transformation. Dedicated resources, leading program leadership, and change management capabilities will likely be necessary to lead the transition.

Potential bottom-line benefits

- Establish a strategic vision that can guide your organization through the post-reform era.
- Reduce the downside risk of lost share, disintermediation, and reduced market relevance.
- Proactively capture the economic rewards of the new market model.
- Build the capabilities that can open the doors to profitable outcomes in population health.
- Unlearn the volume habit and generate greater margin through a change in service mix.

Join us.

The health care industry, and indeed the entire country, has devoted five years to forging, understanding, and implementing the Affordable Care Act. It could spend at least as long digesting the volume-to-value shift. That race is in its early stages, but there's no question it has already begun, and it will likely continue over the next decade. Call your plays. Win. *Carpe diem.*

Contacts

Brian Flanigan

Value-Based Care Leader
Deloitte Consulting LLP
bflanigan@deloitte.com

Mitchell Morris, MD

Vice Chairman and US/
Global Health Care
Provider Lead
Deloitte Consulting LLP
mitchmorris@deloitte.com

Neal Batra

Principal
Deloitte Consulting LLP
nebatra@deloitte.com

Dorrie Guest

Director
Deloitte Consulting LLP
doguest@deloitte.com

James Whisler

CT HC ARAA
Principal
Deloitte Consulting LLP
jwhisler@deloitte.com

Robert Williams, MD

Chief Medical Officer
Deloitte Consulting LLP
rbrwilliams@deloitte.com

This publication contains general information only, and none of the member firms of Deloitte Touche Tohmatsu Limited, its member firms, or their related entities (collective, the "Deloitte Network") is, by means of this publication, rendering professional advice or services. Before making any decision or taking any action that may affect your business, you should consult a qualified professional adviser. No entity in the Deloitte Network shall be responsible for any loss whatsoever sustained by any person who relies on this publication.

As used in this document, "Deloitte" means Deloitte Consulting LLP, a subsidiary of Deloitte LLP. Please see www.deloitte.com/us/about for a detailed description of the legal structure of Deloitte LLP and its subsidiaries. Certain services may not be available to attest clients under the rules and regulations of public accounting.

Copyright © 2015 Deloitte Development LLC. All rights reserved.
Member of Deloitte Touche Tohmatsu Limited