



Moving parts

Fee-for-service isn't over yet. Value-based care isn't everywhere yet. But the shift is happening. How will you adapt?

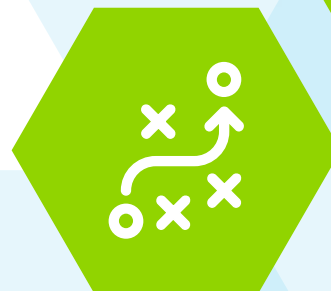
The consensus is clear: US health care is shifting from a system that pays for volume to one that pays based on value.

From the outside, it's one change. Inside your organization, many things will need to change over time. **Medicare Access and CHIP Reauthorization Act** of 2015 (MACRA) and other key drivers are going to accelerate those changes.

The shift will affect different systems at different times. It will vary by industry and even by geography. To effectively manage clinical and financial risk, it will be crucial to integrate across health care sectors.

What should you consider doing differently to win in this value-based world?

Deloitte Consulting LLP has identified six critical decision areas that health care and life sciences organizations should address as they navigate the market shift.





1
Strategic planning

Winning the shift from volume to value will require new business relationships, new economic relationships, and new capabilities. Aligning all these will take preparation—and a willingness to recognize new priorities. How quickly will you be able to make the move?

The capabilities that delivered results yesterday aren't the same ones you'll need to win tomorrow. Do you have the alignment necessary to deliver on your strategy?



2
Financial planning

You're building an outcome-based system for tomorrow, but today's volume-based system is still paying the bills. MACRA is poised to drive payment and delivery reform across the payer mix for the foreseeable future. How will you manage risk, share risk across your relationships, and measure performance against those new standards?

How much risk is too much, too fast? How can you reach a competitive price point without underutilizing your existing fixed assets? Can you measure and demonstrate the value you provide?

Value won't replace volume in a single moment. You need to find the right pace of change, and accept that you'll be in a mixed model for the foreseeable future.

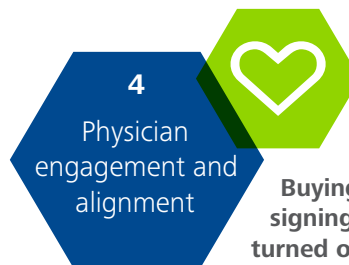
You have to balance risk, pricing, performance measurement, and asset use. On a moving platform. On a bumpy road. Keeping your eyes on the horizon can help.



Care delivery and management are changing. Coordinated care is the future—but to keep it effective and eliminate wasteful variations, communication, timing, and transitions have to work smoothly.

How do your services and offerings interact across the care continuum? Might you have to blend capabilities with partners who are also competitors? Do your different clinical and disease area stakeholders have the tools and capabilities to collaborate in delivering evidence-based care, and even more importantly, do they have the mindset?

How do we think about care over the patient journey? How do you engage patients so they contribute more actively to improving their own health outcomes? Remember: Quality, cost, and outcomes start with the ways you operate.



4
Physician engagement and alignment

Buying up practices and clinics and signing affiliation agreements may have turned out to be the easy part. Making the new networks pay off is trickier. Employment doesn't equal alignment, and the network you build must follow new clinical and operational rules—so your financial assumptions don't just stay on paper.

Physicians in your network are "co-owners" of its results. They need to be engaged from the exam room to the board room, not just consulted when it's time to execute against decisions. And as clinicians are evaluated under MIPS from MACRA on a transparent basis, you'll likely have to manage a significant amount of change.

Patients have to use these networks. So will practitioners. Will the network you build work for them? How will you measure their efficiency and help them benefit from what you discover?



5
Organization transformation

Winning the shift from volume to value will require integration. Across sectors. Across models of care. And within the organization. These changes will require deliberate organizational transformation to make the shift effective.

Is your culture ready to make the shift from volume to value? Do you have the right skills, talent, and people to win the shift? What do you have to do to prepare for the shift and close any gaps in readiness?

How much alignment is there between your executive team and your board of directors, and what will it take to improve it? How comfortable is your organization with significant change management, and what will it take to drive a fundamental enterprise change program?

Silos are yesterday. Integration is tomorrow.



6
Technology and analytics

Do you have a good handle on the technology capabilities you'll need to effectively manage clinical and financial risk? What will you need to automate data aggregation, risk stratification, and clinical intervention? And how can you make the most of the investments you've already made in existing assets?

To manage populations, diverse systems need transparency, interoperability, and stakeholders who know how to use data. But first you should have a plan to collect it—from traditional systems, from wearables, from patient reporting. From sources we haven't seen yet. And you should have a plan to share it effectively—across departments, among organizations, along the patient journey.

Do you have what you need? Should you build what you don't? Or buy it? Which kind of vendor is the right fit?

These are difficult questions to answer. But if you can take on these six critical focus areas and use them as the building blocks of a coherent strategic vision, you can guide your organization to and through this period of uncertainty.

The game is changing. The stakes are high. Are you ready?

Contact us

Mitchell Morris, MD

Vice Chairman
 Global Life Science &
 Health Care Industry Leader
 Deloitte LLP
mitchmorris@deloitte.com

Brian Flanigan

Principal
 U.S. Value-Based Care Practice Leader
 Deloitte Consulting
bflanigan@deloitte.com

Anne Phelps

Principal
 U.S. Health Care Regulatory Leader
 Deloitte & Touche LLP
annephelps@deloitte.com



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