

# Trustee Insights

## WORKFORCE



## Keeping Value Front and Center in Health Care

Goals include lowering costs, improving outcomes and enhancing patient experiences

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**T**he need for value has never been more important. Each year, more and more hospitals and health systems take on value-based payment by participating in alternative payment models, contracting with employers to provide care on a capitated or shared-risk basis and agreeing to tie payments from commercial payers to performance on quality or safety metrics. Despite this movement, the health care field still has a way to go on its transition from fee-for-service to value-based payment.

The discussion around value, however, is broader than value-based payment. It encompasses health care providers, including hospitals and health systems, setting value as a goal or strategic priority and then working to create more value each day. That work includes implementing value-based strategies to deliver care that lowers costs, improves outcomes and enhances patient experiences.

We've seen value at the forefront of hospitals' responses to the COVID-19 pandemic. Many hospitals are relying on and expanding value-based strategies they previously

implemented to pivot and manage the needs of their COVID-19 patients. Such strategies include coordinating care, using interdisciplinary teams to deliver care and addressing societal factors that influence health. During the pandemic, even more hospitals implemented value-based strategies, including digital solutions like telehealth and remote patient monitoring, so they could continue providing care to all patients while complying with social distancing requirements and limiting the spread of the virus.

Focused efforts to lower costs, improve outcomes and enhance patient experiences will be critical as hospitals continue providing care during the pandemic and as they rebuild and redesign health care delivery afterward. As we move forward, hospital and health system trustees need to do their part in keeping value front and center, and they can take specific actions to promote value at their organizations.

### Making Value the Goal

According to a 2019 state of value survey by the AHA, a majority of hospitals include value as part of their mission or vision statement. This is a great first step, but trustees also must prioritize value when developing short- and long-term strategies. In addition, when reviewing budgets, ensure hospital leaders and staff have the resources needed to mobilize and implement

value-based strategies that improve outcomes, enhance patient experiences and lower costs.

It also is important to note that building a culture of value is critical. While support from the board and top leaders is essential, it is not enough. Value is a team sport: All individuals working in the organization must understand how they impact value. Trustees can help foster this culture of value by encouraging hospital leaders to openly discuss the role staff can play improving value. In addition, trustees can influence this culture by communicating the importance of value internally to hospital leadership and externally to those in the community.

### Examining and Measuring Value

An overwhelming number of CEOs responding to AHA's 2019 state of value survey indicated that trustees must be active participants in efforts designed to promote value.

## AHA's Value Equation

While there is no standard definition of value adopted by the health care field, through [The Value Initiative](#), AHA uses this definition of value and examines strategies and tactics that improve outcomes, enhance patient experiences and reduce cost.



Source: American Hospital Association, 2018.

Therefore, it is important to have conversations dedicated to value in the board room, where meaningful dialogue around value-based solutions can take place.

Trustees should ask questions and review data related to costs, outcomes and patient experiences in every conversation. And though challenging, evaluating the total impact on value of any given solu-

tion is important. This can be done by having conversations about data collectively — rather than separate conversations around quality metrics or overall costs of a specific project.

### Generating Value: Four Steps

Trustees can think creatively about how to generate value for their patients and communities. Here are

## Strategies That Generate Value

Across the U.S., hospitals and health systems have implemented a variety of strategies that generate value, some of which are highlighted here.

Redesign the Delivery System	Improve Quality and Outcomes	Manage Risk and Offer New Payment Models	Implement Operational Solutions
<ul style="list-style-type: none"> <li>• Coordination of care</li> <li>• Clinically integrated networks</li> <li>• Primary Care Medical Homes</li> <li>• Chronic care management</li> <li>• Telehealth</li> <li>• Community-based alternatives</li> <li>• Community partnerships including public health</li> </ul>	<ul style="list-style-type: none"> <li>• Improve health equity by addressing health disparities</li> <li>• Use evidence-based care/ analytics</li> <li>• Reduce clinical and operational variation</li> <li>• Eliminate unnecessary utilization</li> <li>• Apply advanced medical technologies</li> <li>• Use personalized medicine</li> </ul>	<ul style="list-style-type: none"> <li>• Move to value-based payments</li> <li>• Focus on population health management</li> <li>• Address societal factors that influence health</li> <li>• Employ high-need/high-cost approaches</li> <li>• Partner/own health plan</li> </ul>	<ul style="list-style-type: none"> <li>• Advance new process improvements</li> <li>• Further cost reductions</li> <li>• Utilize cost accounting and data</li> <li>• Support clinicians' practices to their level of education</li> <li>• Create a culture of value</li> </ul>

Source: American Hospital Association, 2021.

four steps trustees can take now during the COVID-19 pandemic and to thrive in the future.

**1. Think differently.** As a board, explore new value-based strategies to transform how and where care is delivered. For example, CHI Health and Creighton University Medical Center partnered to design and build [University Clinic](#), a new medical facility that brings together providers from different specialties in the same space. This team of clinicians

achieved a 18% reduction in hospitalizations, lower health care costs and improved patient satisfaction scores.

**2. Act differently.** Trustees can help hospitals “act differently” by embracing innovative high- and low-tech solutions that improve value. For example, hospitals are using robots to perform surgery, making progress on 3D printable organs and exploring gene therapy and breakthrough pharmaceuticals. They also are deploying artificial

intelligence to help deliver better care. Winona Health in Minnesota uses its AI-enabled [SmartExam](#) platform to diagnose and treat patients remotely. These patients, many of whom live in rural areas, complete an online survey about their symptoms; in less than an hour, they receive a summary of their visit, instructions and prescriptions they can fill at

a local pharmacy. Hospitals also employ [low-tech](#) approaches, such as checklists for complex tasks, group appointments and patient monitoring at home with smartphones and iPads.

### 3. Look beyond hospital walls.

[Only 20% of a person's health](#) is determined by access to quality health care. The remaining 80% is determined by a number of societal factors, including socioeconomic factors, health behaviors and the physical environment. There are a number of ways trustees can prioritize addressing these societal factors that [influence health](#). For example, hospitals can screen patients for social needs and develop processes to connect patients with community-based or hospital resources. They can form [partnerships](#) with other community stakeholders to address social determinants of health, such as food deserts or a lack of affordable, safe housing options. Hospitals also can begin to tackle the systemic causes that lead to poor health by collaborating to influence policy, system, environmental or cultural changes at the local, state and national levels.

### 4. Put consumer experience

**first.** The health care field sometimes focuses on offering economic incentives rather than improving consumer experience. Yet data shows that shifting the focus to making care more convenient and enjoyable can lower health care costs and improve outcomes. Trustees can help shift that focus by encouraging hospital leaders to ask patients what matters to them, including their specific health outcome goals and care preferences.

Trustees also can provide

## Additional Resources

- **Trustee Insights: Understanding Affordability and Value in Health Care** (<https://trustees.aha.org/disruptiveinnovation/articles/understanding-affordability-and-value-in-health-care>)
- **The Value Initiative Virtual Workshop Series** (<https://www.aha.org/value-initiative-virtual-workshop-series>)
- **Issue Brief, Case Studies and Webinar: Creating Value by Bringing Hospital Care Home** ([www.aha.org/hospitalathome](http://www.aha.org/hospitalathome))
- **Issue Brief: Team-based Care Creates Value** (<https://www.aha.org/system/files/media/file/2020/09/value-initiative-issue-brief-team-based-care-creates-value.pdf>)
- **AHA Framework: Societal Factors That Influence Health** (<https://www.aha.org/societalfactors>)
- **Screening for Social Needs: Guiding Care Teams to Engage Patients** (<https://www.aha.org/toolkitsmethodology/2019-06-05-screening-social-needs-guiding-care-teams-engage-patients>)
- **Video Series: A Trustee's Guide to Population Health: Building New Foundations Linking Care with Community** (<https://trustees.aha.org/trustees-guide-population-health-building-new-foundations-linking-care-community>)

includes behavioral health counselors, family medicine physicians, nurse practitioners, medical assistants, therapists and others working together to serve Omaha's inner-city population. This intentional focus on creating a team-based culture has improved value. Patients at University Clinic experienced a 17% reduction in emergency department visits, an

intelligence to help deliver better care. Winona Health in Minnesota uses its AI-enabled [SmartExam](#) platform to diagnose and treat patients remotely. These patients, many of whom live in rural areas, complete an online survey about their symptoms; in less than an hour, they receive a summary of their visit, instructions and prescriptions they can fill at

input that would lead to better convenience and accessibility that meets patients where they are. Some hospitals are literally meeting patients where they are by providing inpatient treatment in the comfort of their homes through the [hospital-at-home](#) model. For example, [Presbyterian Healthcare Services](#) offers this service to patients who are sick enough to need hospital-level care but stable enough to be treated at home. It has been especially important for older adult patients who may experience distress and declines while in the hospital. The model has helped prevent the onset of delirium, reduce fall risk, reduce the risk of infection and allow for increased mobility. While the model is grounded in improving patient experiences, it also has improved outcomes and reduced costs.

Hospitals and health systems have implemented a variety of strategies that generate value for

## TRUSTEE TAKEAWAYS

- Who are our organization's stakeholders — e.g., patients and their families, employers — and how are we assessing what value means to them?
- What strategies are currently being used to improve value for our patients and communities?
- What other strategies may be effective in improving value for our patients and communities?
- What steps have been taken to develop a culture of value within our organization?
- What organizations can we collaborate with to improve value?
- How will we assess progress on value?
- How should our board keep apprised of our organization's efforts to continue to improve the value of health care we deliver?

their patients and communities. Over the past three years, AHA's The Value Initiative has developed Members in Action case studies that offer real-world examples and data about how to lower costs, improve outcomes and enhance patient experiences. We invite you

to learn explore our [Members in Action library](#) to learn more.

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