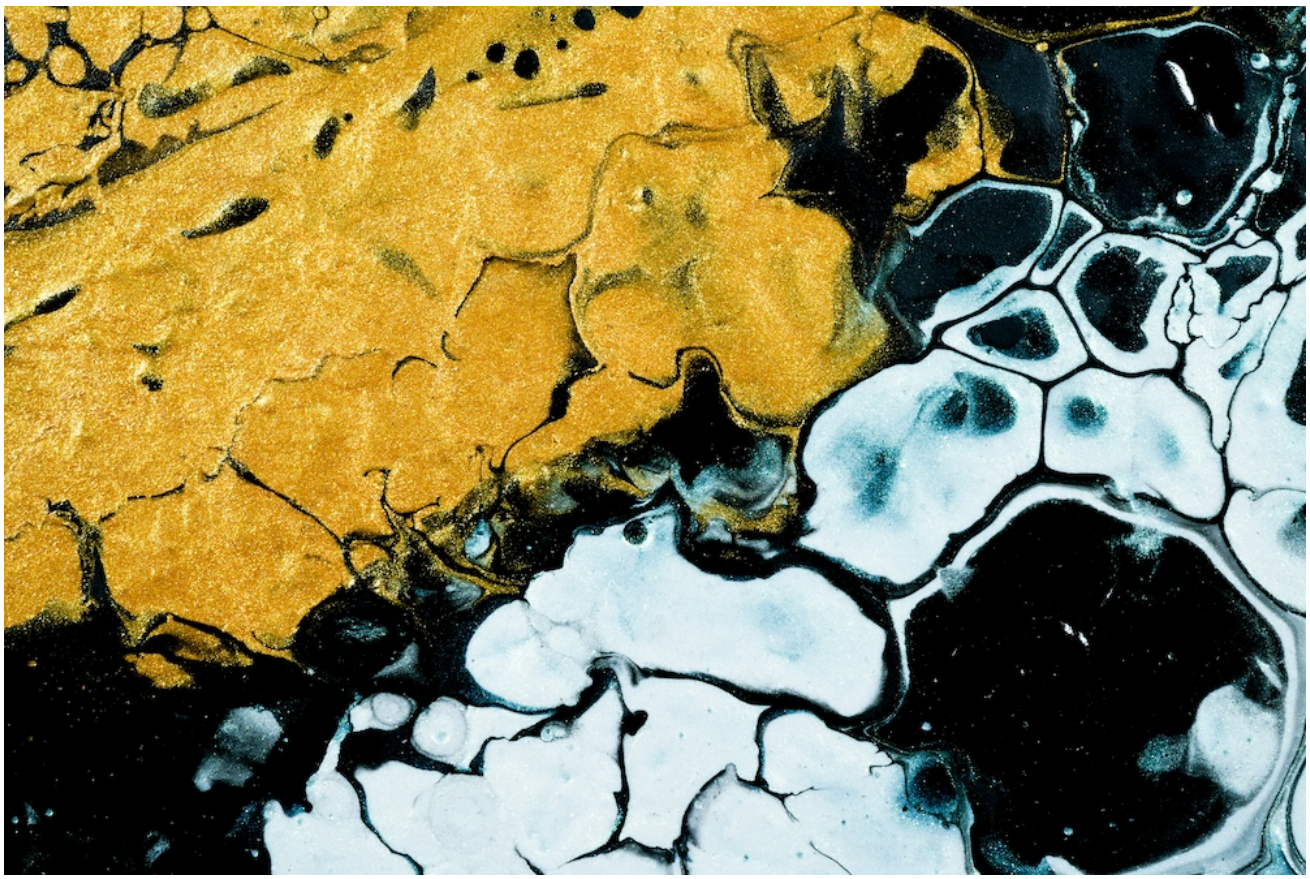
These Five Trends Are Steering Your Future Path to Value-Based Care

written by Theresa Hush | January 25, 2024



Buckle your seat belt. Health care is changing at warp speed. The Value-Based Care movement and leaps in technology and Artificial Intelligence are rapidly generating advances that will transform the health care environment. These factors will redefine health care providers and services, and how consumers access them. How you respond strategically will determine your survival as a health system, ACO, and health care provider.

All of this rests on one essential fact: Value-Based Care in 2024 has graduated from a voluntary movement into certainty. There is arguably no one in health care who believes that there is an "out." While some participants in the health care system are furiously working to get as much as possible out of the elapsing Fee-for-Service engine, everyone understands that time is limited.

To successfully navigate your organization through the turbulence, you must understand these major transitions and take steps to secure your future position in a system driven by value-based revenues. Roji Health Intelligence is committed to helping providers transform health care through data-driven and well-executed Value-Based Care strategies. In future articles, we'll examine how important trends are reshaping health care and provide options to advance your own services and growth. Let's start with an overview of those trends.

Key Trends that Dictate Your Future

1. Corporate health care will expand its reach and build strength.

The pace of corporate acquisitions continues. Optum became the largest employer of physicians in 2023, and more physicians are

now employed by corporate health care than by traditional providers. Capital is flowing into private-equity-backed practices and ACO enablers like Aledade, which commands a large lead over other ACO companies. CVS Health and Amazon both completed major physician group purchases in 2023. Why does it matter? These groups have business models rooted in Value-Based Care and Risk. They are poised to align with payers, but they are also more apt to invest in data and AI tools. They have a history of direct consumer marketing and sales. They want consumers to choose them, and they know how to attract them.

2. Megamergers between traditional health systems will intensify.

Consolidation in health care is not a new story, but the scale is bigger. Health systems that reach coast to coast are emerging, such as the Kaiser Permanente and Geisinger deal that marries a large staff-model health plan from California with a major health system in Pennsylvania. The venture will create a new Risant Health brand, the nation's biggest healthcare network delivering Value-Based Care. Other provider-payer entities are likely to follow. Expect to see large provider systems maneuver for territory in similar multi-state arrangements, because global risk payments and their predictable revenue stream is a huge revenue draw for organizations familiar with risk. Even more important, large organizations' investments in data, AI and other technology over the past several years gives them strength to better manage resources.

3. Data expansion for AI Adoption will surge.

The decades-long digitization of health care data is beginning

to mature. Epic has cornered the largest part of the market; expect many smaller EHR systems to fold in coming years. CMS has mandated that ACOs require participating providers' systems to be certified in the future, but consolidation among providers as well as development of ACOs will also accelerate the trend. Major health systems see health care data as an important asset, and some are experimenting with applying NLP (Natural Language Processing) to turn unstructured data into useful sources for SDOH and other needs. Epic and other large EHRs are already integrating NLP and other AI applications. Another CMS requirement for ACOs requires reporting quality for all patients. Although a Medicare patient-only option has now been allowed for 2024, ACOs are increasingly eager to take advantage of the AI opportunities and coming to realize that it will require data.

4. Physician supply will shrink more, especially in key specialties.

Even in geographic areas with historically dense medical services, shortages are spiking at a time when physician specialties face increasing demands by growing populations of patients with metabolic disease, cancers, cardiovascular diseases, and advanced age. Wait times of up to six months or more are not uncommon, even with insurance benefits backed by a large provider network. The consumer experience is exacerbated by consolidated health systems that have created bureaucratic barriers for patients, like call centers between patients and their existing practices. In response, expect patients to accelerate the trend toward use of retail clinics and urgent care, further deteriorating the bond with and among traditional health care providers.

5. The burgeoning consumer health care market will galvanize consumers to demand value.

Consumers have been vocal about their frustrations with health care for years but had no voice at the table. That’s all changing. Amazon, Walmart, CVS, and Walgreens are already marketing health care services directly to consumers. The consumer wearables market has blossomed, especially demand for fitness trackers, smart watches, condition-specific wearables, and applications to monitor fitness and health, used by more than 22 billion consumers in the U.S. As consumers begin making choices based on corporate health care services and communications, expect traditional health systems to improve communications with patients. Providers will also become interested in data from wearables to improve patient data and relationships.

How Do Your Value-Based Strategies Address These Trends?

If you’re ignoring your market, it will be difficult to compete and appeal to consumers. More important, you won’t have the tools to make value-based payments fruitful. In future articles, we’ll explore connections between market trends and your strategies, including these:

- Do you have the data needed to fuel Value-Based Care initiatives like quality, cost control, and health equity, and is the data strong enough to support Artificial Intelligence?
- Are you participating in new value-based payment models, and how are you including physicians and other clinicians in your value-based care development and execution?

- Are your patient communications, cost transparency, and population health activities really addressing consumer needs?
- Are your initiatives on cost control, outcomes, and health equity showing measurable results?
- How are you addressing practice transformation and enabling physicians to provide better care?

Founded in 2002, Roji Health Intelligence guides health care systems, providers and patients on the path to better health through Solutions that help providers improve their value and succeed in Risk.

Image: FlyD