

3 surprising ways to help reel in success in downside risk

In the first quarter of 2021, Advisory Board surveyed a sample of 225 providers in various value-based payment (VBP) arrangements from across the country. The survey asked about their readiness for risk and their most effective support resources. We found that plans are still operating on outdated strategies that were formed when value-based payment was in its infancy. **We've highlighted three lessons providers in downside risk learned on their path to value-based payment that all health care leaders should consider as they attempt to get providers into downside risk arrangements.**

Providers in downside risk...

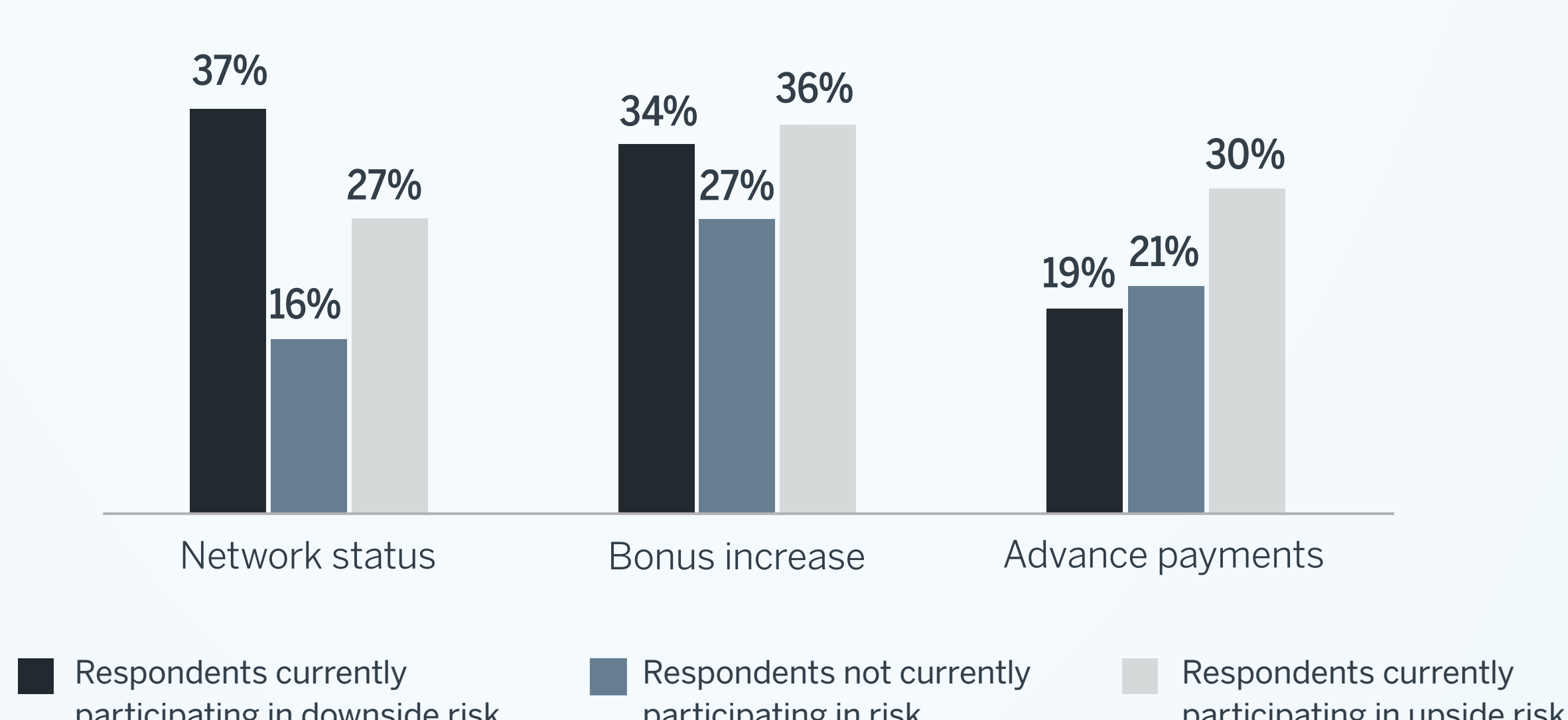
1 ...learned there's more to VBP than just a bonus increase

We asked providers what incentives health plans could offer that would make downside risk more appealing. Providers already under VBP contracts said network status was most important.

Providers in downside risk know that a successful risk relationship cannot be built on bonus increases and advance payments alone. In other words, there's no reason for a VBP arrangement if large financial investments are necessary for it to succeed. Preferred network status, however, helps high-quality providers succeed financially while still reducing total cost of care under VBP arrangements.

Successful providers in downside risk value unexpected incentives

We asked: Which of these resources would make you willing to participate in more downside risk with private payers?
n= 176 providers on total, 46 providers in upside risk only



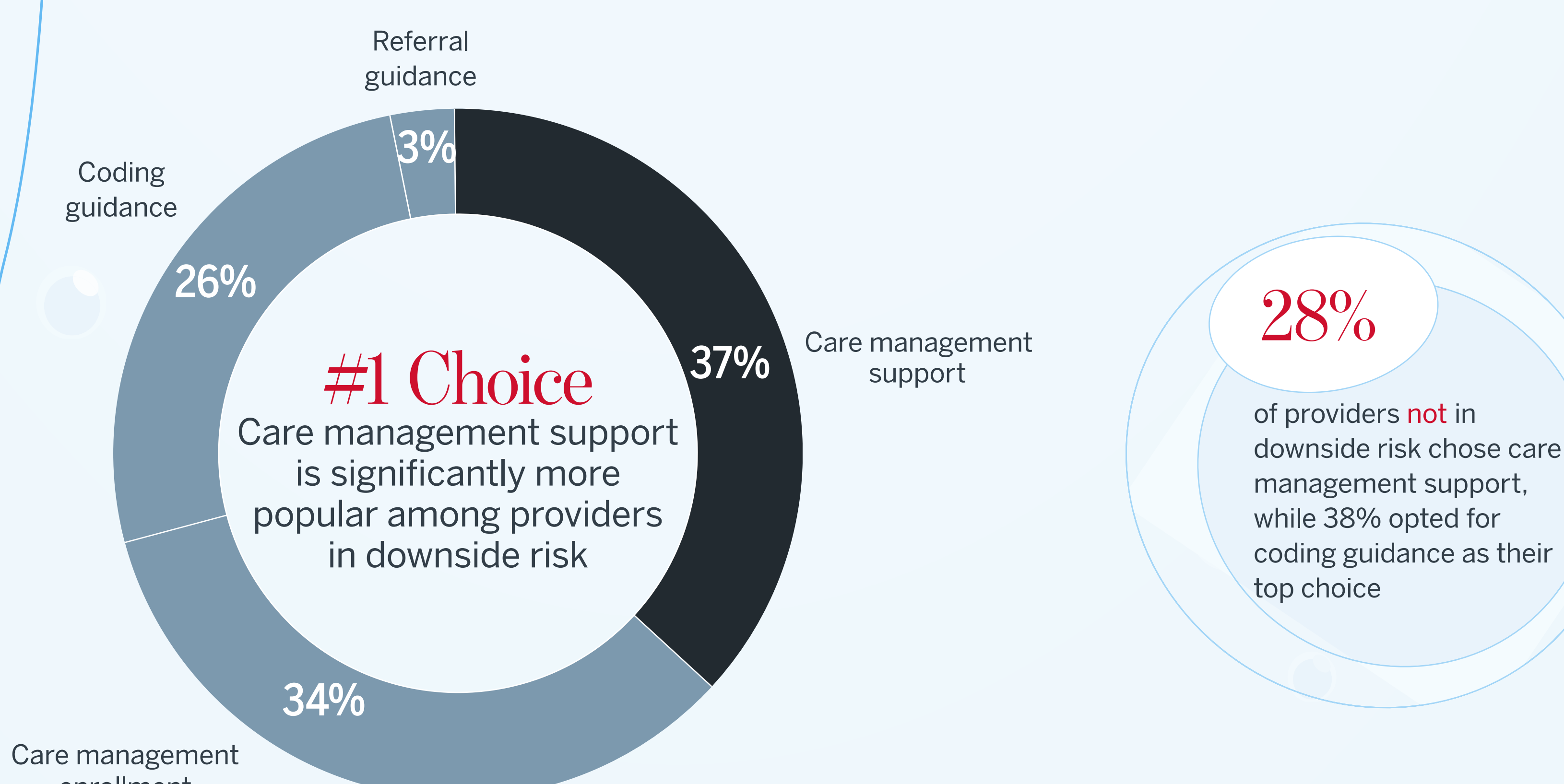
2 ...value care management support over administrative support

Differences exist between what providers in downside risk find effective versus the support services valued by other providers. For example, the average provider wants embedded staff support for coding guidance, but providers in downside risk prefer embedded staff support for care management guidance.

These preferences align with the traditional path to risk for providers. In the beginning, when providers are taking on upside risk, they may struggle with functional questions like HCC coding. But once providers are progressive enough to take on downside risk, they are focused on care delivery transformation.

Assuming downside risk shifts provider priorities

We asked providers in downside risk arrangements: Which type of embedded staff support would be most helpful to you?
n= 62 providers in downside risk

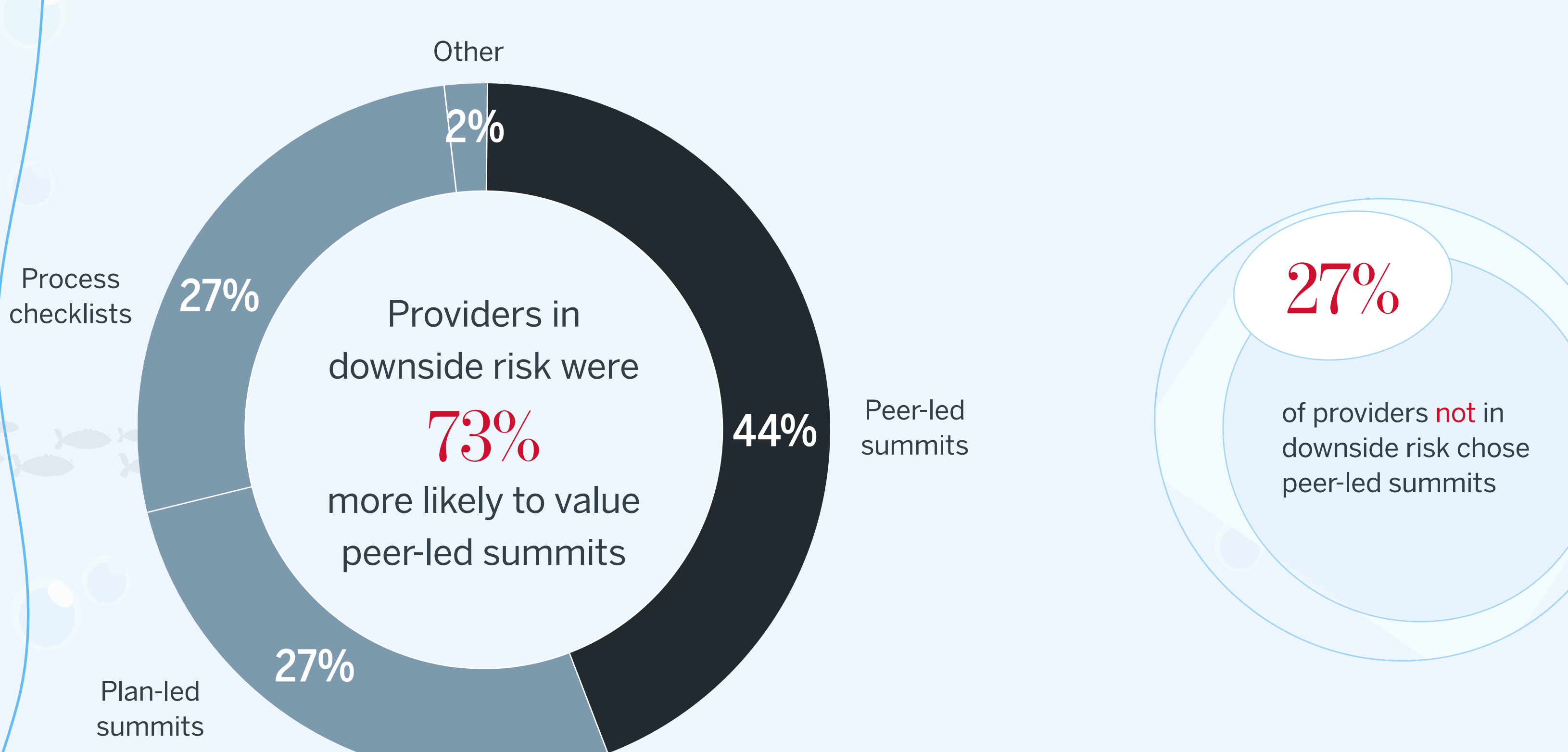


3 ...want to learn how to fish

Providers in downside risk are more likely than providers not in VBP arrangements to want educational and informational resources. Specifically, they find peer-led summits about adapting to downside risk particularly appealing.

Providers in downside risk far more interested in peer learning

We asked providers in downside-only risk arrangements: Which type of informational resource would be most helpful to you?
n= 62 providers in downside risk

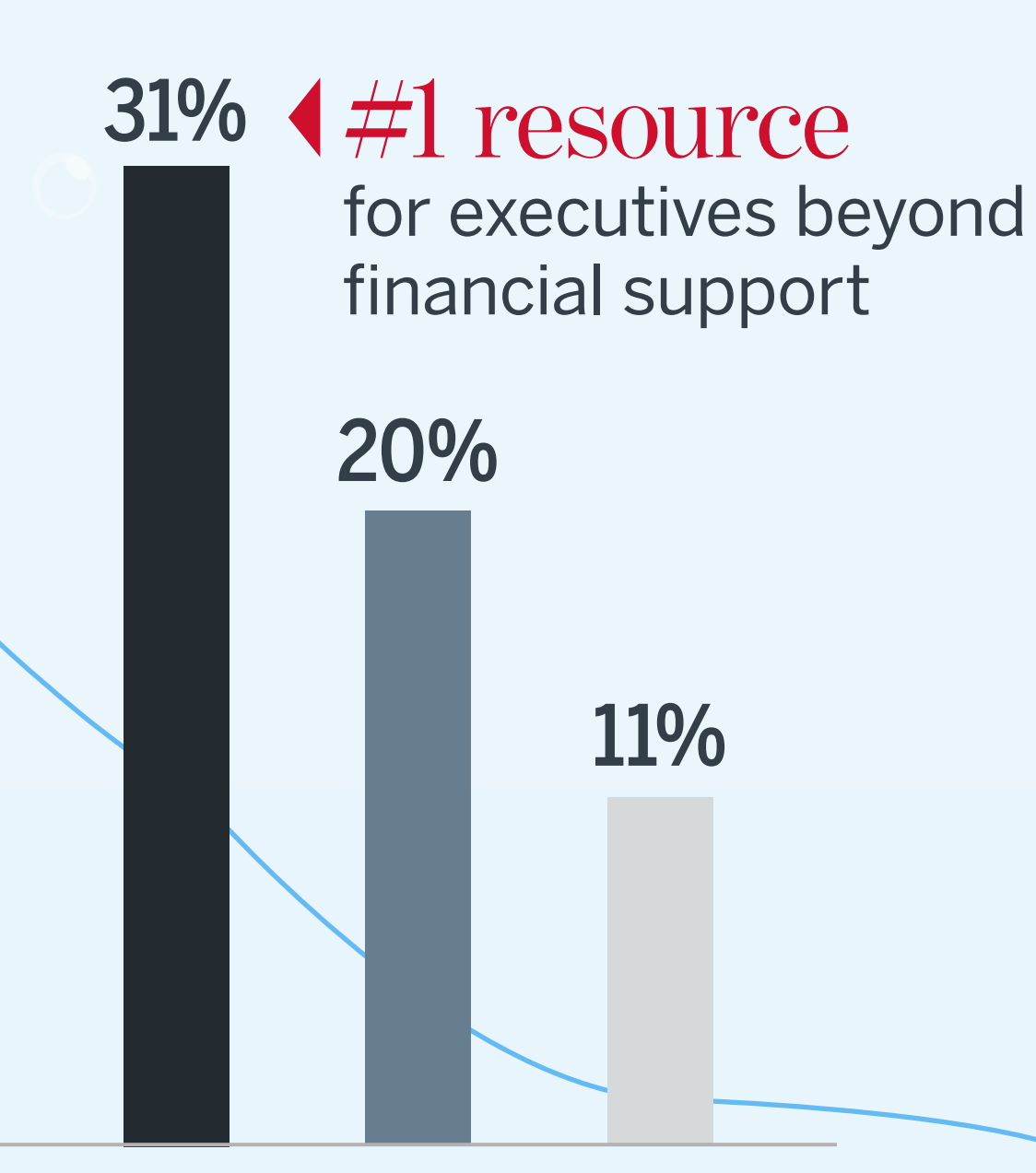


Provider executives are eager to learn as much as they can about downside risk before signing a contract. In fact, such education is the top non-financial resource to encourage them to participate in downside risk.

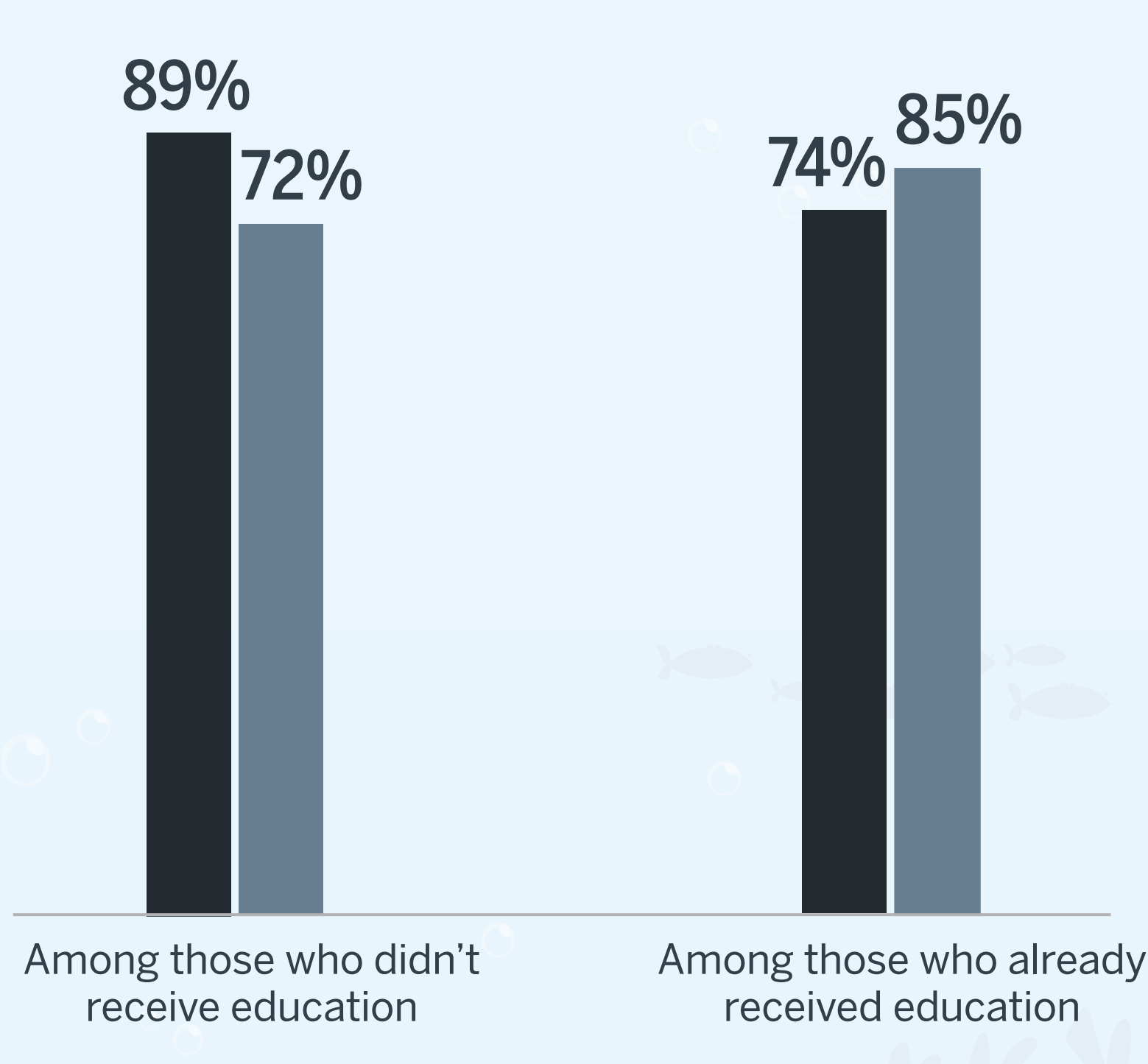
But the story flips once a provider organization has signed on for downside risk and has begun receiving educational resources. Then, frontline physicians value education more than executives. Learning about VBP arrangements can entice provider executives to participate in downside risk and impress frontline physicians once they have direct experience with these sessions.

Showcase education to get your foot in the door

Percentage of respondents saying that education would make them more willing to participate in downside risk
n= 48 executives, 36 specialists, 92 PCPs



Percentage of respondents who would find education effective
n= 59 executives, 166 physicians*



For more information on the path to value, visit: advisory.com/PayerProviderValueGaps



*PCPs and specialists were combined here because their results did not vary.