

During the waning hours of November 8, 2016, a feeling unique to the city of Washington, D.C. was evident - agreement. There was near universal agreement that the election of President Donald Trump was a surprise - political gurus, consultants, pollsters, pundits, and every day citizens didn't see it coming.

In the days since then, there has been much speculation around what healthcare will look like under the Trump Administration. The unexpected shift in power has given Congressional Republicans the long-awaited opportunity to take the reins on healthcare reform, though coalescing around a unified agenda has been trickier than expected. President Trump remains vague with his plan, while Health and Human Services (HHS) Secretary Designate Dr. Tom Price, the person who will likely lead the charge on any healthcare reform, has yet to be confirmed. Healthcare providers, payors, and patients are bewildered and puzzled as to how to plan for their healthcare future. Amidst all the questions and uncertainty, there is one thing that Republicans, Democrats, President Trump, Dr. Tom Price, and the healthcare community can agree on - **value-based care is here to stay.**



The transformation away from the traditional fee-for-service model, which pays doctors and hospitals based on the number of medical services delivered, toward value-based care, which pays based on a coordinated set of services structured around patient needs, is traditionally a bipartisan issue. Most recently steered by the Affordable Care Act (ACA) and resulting regulations, the undertones of value-based care rings strongly of largely conservative principles - accountability, controlled spending, and capitation as the end goal. In fact, the shift toward value-based care began well before the Obama Administration and the ACA, originally proposed by conservative leaders. Even if the specific vehicles used to implement [payment reform](#) change slightly, the bipartisan momentum surrounding value-based care will continue to march onward, growing and expanding in the process. Follow **naviHealth Essential Insights**, the new thought leadership arm of naviHealth, as we discuss the different players in this 2017 healthcare reform game, and their perspectives on value-based care.

## **President Donald Trump**

Since the election, President Donald J. Trump has remained tight-lipped on the details of his healthcare agenda. While repealing the ACA was a major campaign talking point, the new healthcare frontier is now absent from [WhiteHouse.gov](http://WhiteHouse.gov), the official website of the White

House. Payment and system delivery reform were rarely, if ever, addressed on the campaign trail or in his [campaign healthcare position paper](#). Since the election, Trump has declined to reveal any specifics of a possible ACA replacement plan, only stating that he will wait for his nominee for Secretary of Health and Human Services, Representative Tom Price, to be confirmed before releasing any further details. Though certain aspects of value-based care are tied up within the ACA, Trump has not indicated any interest in unravelling payment reform or lessening the focus on reducing costs and improving quality. Further, his promise of “insurance for everybody” and lower costs for consumers bode well for a program that has [proven](#) to decrease costs and improve care.

The Outlook: President Trump has been outspoken on a wide variety of issues, but he has not taken a hard line on value-based care. Trump is likely to support innovative approaches to value-based care as long as they continue to lower costs and work well for patients - check and check - count him in.

## **Congress**

Many members of Congress are still reeling from the surprising results of the election. With Republicans controlling both the House and the Senate, they had hoped to quickly repeal the ACA - after all, they had also campaigned on this promise. Not only are they facing strong resistance from the Democrats, many in their own rank-and-file are also having trouble agreeing on the best way forward. Once again, however, value-based care is the one area on which nearly all Republicans and Democrats can agree. The shift away from fee-for-service has wide and deep bipartisan support, as evidenced by the passing of the Medicare Access and CHIP Reauthorization Act of 2015 (MACRA), during an otherwise quite partisan time. MACRA was a bipartisan, bicameral agreement that aims to transform our delivery system by creating financial incentives for clinicians to move away from the traditional volume-based services to new value-based and coordinated-care models. And even amidst this changing healthcare landscape, MACRA has continued to maintain strong support.

The members of Congress also recognize that this shift towards value-based care will require innovation and experimentation, necessitating a vehicle for such demonstrations. Since 2010, the [Center for Medicare and Medicaid Innovation](#) (CMMI), created under the ACA, has served as this vehicle. CMMI has run, financed, or collaborated with states to conduct demonstration projects, testing dozens of different ideas, with 61,000 providers. Until recently, CMMI has generally held long-standing support from both sides of the aisle. However, the introduction of mandatory, nationwide models, such as the Part B Drugs Payment Model, led some Republicans to begin to object to what they perceived as “overreach.” Still, there remains widespread [agreement](#) that innovation and the piloting and expanding of new programs is both necessary and inevitable for value-based care success.

The Outlook: Value-based care produces improved quality outcomes for patients and positive incentives for physicians at a lower cost - and is popular with the members’ healthcare constituents - count Congress in.

## **Representative Tom Price**

As the nominee for Secretary of HHS, Rep. Tom Price may be the one best suited to carry

out the next phases of payment and delivery reform. An orthopedic surgeon from Georgia, he has previously raised questions about the burden that some of the legislative and regulatory changes place on clinicians and patients. He also, like several other Republicans, strongly opposed the mandatory nature of some [bundled payment](#) programs initiated under the Obama Administration. Since Trump announced Price as his HHS Secretary, however, Price has been more optimistic about CMMI.

During his confirmation hearings in the [Senate Health, Education, Labor, and Pensions \(HELP\) Committee](#) and [Senate Finance Committee](#), Price remained coy, refraining from divulging too much about his planned policy agenda. When asked directly about CMMI, however, he offered a bit more detail. Providing insight into the Center's potential future, Price stated that he sees "great possibility and promise for CMMI," even if it had "gotten off track a bit," and noted that he "hopes that we can move CMMI in a direction that actually makes sense for patients." He also affirmed in both hearings that he was a strong advocate of innovation at every level as "only through innovation will you expand opportunity for improvement." Though he maintained that he is adamantly opposed to mandatory models, he did admit that bundles "make sense" for certain populations and types of episodes.

The Outlook: The models may be scaled differently, the specifics may shift, but the wheels towards a full value-based care system will continue rolling. Price, an early and outspoken critic of CMMI, now has the opportunity to shape Medicare and direct its innovation vehicle toward physician- and patient-focused care - count him in.

## **The Participants**

The providers, payors, and patients are those that truly experience the inadequacies of the fee-for-service system on a day-to-day basis - and should have the best sense of how value-based care is faring. Across the spectrum of stakeholders, the move towards value-based care has been received with open arms. Propelled by both private-sector initiatives and CMMI demonstration projects, stakeholders have seen significant improvements in the cost and quality of care in the value-based programs, particularly in bundled payments. Based on this, participants are [calling](#) for the introduction of bundled payment programs to the commercial health market, expanded access to the current payment programs, and increased experimentation. Healthcare stakeholders are also bringing their support to Washington, D.C., with a group of leading healthcare organizations [urging](#) the White House and Congress to continue the bipartisan effort towards a value-based, patient-centered payment model just last week. Led by the Healthcare Leadership Council, the coalition was joined by both Cardinal Health and naviHealth. They are [not alone](#).

The Outlook: The persons whose opinion should matter most - the patients - have been voiced loud and clear. Count us in.

While apprehension may be the only thing that currently outweighs uncertainty within the healthcare world, we can rest assured about one thing - value-based care remains. Join us here at **naviHealth Essential Insights** to gain insights on healthcare reform, regulatory changes, breaking news summaries and other resources to better prepare for the journey toward value-based care.