

## **Value-based Care Principles and the North Carolina State Health Plan**

The North Carolina State Health Plan should promote and support good health for state employees and retirees, while also achieving efficiencies to reduce costs to both the plan and taxpayers. The following are value-based care principles identified by North Carolina healthcare providers that could be applied to achieve those objectives.

### **Principle 1 – Design a member-centered State Health Plan (SHP) that improves overall value and affordability. Incentivize and pay for better health for members.**

- Employees and retirees of North Carolina deserve the highest quality care, guided by evidence and shared decision-making with their healthcare providers.
- The plan should pay for health, incentivizing better health among the members to avoid high-cost care settings.
- The plan should encourage broad provider participation by sharing risks and rewards.
- The plan should achieve identified financial savings.

### **Principle 2 – Provide current, full-picture data on cost and quality to all parties, including to healthcare providers and enrollees.**

- Implement real-time benefit applications/software that allow patients and providers to see costs at a moment in time.
- Commit to provide price transparency through strategies such as a price estimator for services provided by participating hospitals.
- Plan should provide financial navigation as a dedicated service to all members.
- Take into consideration provisions to mitigate any unintended harm to members.
- Provide comprehensive historical data on trends in high cost services, to better design a plan to address those trends through partnership between providers and the plan.

### **Principle 3 – Create benefit design that improves clinical quality and decreases the total cost of care.** This can be achieved through:

- A comprehensive, but reasonable in number, catalog of quality measures, with validated benchmarks, which span the spectrum from prevention to acute care to chronic care to advanced illness planning.
- Provider financial upside/downside tied to the above, adjusted for risk and quality metrics.
- Services (e.g. complex care management, care coordination, and navigation) that allow providers to nimbly focus on decreasing avoidable utilization. Such services, when rendered by the provider, should be compensated and be accounted for in medical spend.
- Parity for mental health services, that have demonstrated benefit to patient outcomes that may decrease short -and/or long-term medical spend.
- A prescription drug benefit that focuses on generics/lower cost, equally efficacious alternatives; adherence; and stewardship of high-cost and other drugs (e.g., antibiotics)

- Ongoing inquiry testing and validation of models of care and payment that capitalize on the innovative spirit in North Carolina. Examples include technology-enabled platforms that bring care to the member, especially those in rural or underserved areas.

**Principle 4 – The third-party administrator of the SHP must be obligated to partner with the provider community and the State and also share in performance risk.** For example, the plan should implement:

- A model that not only has clinical quality and cost thresholds for the provider, but also administrative metrics with up/downside for the third-party administrator.
- Absolute data-sharing requirements, including eligibility files, claims, and other data that providers need to drive value.
- Reduction in utilization management concepts and penalties, as they will be unnecessary and counterproductive in a value-based setting.
- A reasonable timeline to test assumptions, correct errors, and educate patients and providers to develop durable and sustainable solutions. To execute this principle, the SHP should partner with the constituent communities in NC to bring academic and actuarial rigor to any analysis and anticipated modifications to the plan.

**Principle 5 - Clinical Innovation: The SHP should commit to engaging in quality programs that improve care delivery and reduce total cost of care to meet population needs.**

- Investments in behavioral health, including integrated behavioral health, management of severe mental illness and innovative solutions for family and community support of mental illness.
- Designating statewide high-quality centers of excellence such as for opioid use disorder treatment, with enhanced financial models to support.
- Support virtual health platforms to extend services to rural communities and to limit the impact of specialty coverage gaps in communities that have a limited scope of services.
- Co-create enhanced financial models to incentivize reducing cost for highly complex care.