Develop a straight-forward strategy to determine where your health system is today – and what you need for tomorrow.

Prior to COVID-19, health systems were already facing substantial financial challenges. The pandemic has only accelerated these issues, illustrating how sensitive the current health care system is to reduction in care volume, since fee-for-service (FFS) is still the primary payment model.

As the pandemic recedes, health systems and providers must address the needs of non-COVID-19 patients and the community at large by rescheduling canceled procedures and services, while also pursuing a long-term plan for value-based models that can provide stability amid uncontrollable events.

As health systems start their road to recovery, it will be essential to:

- Focus on driving financial stability
- Grow appropriate service volume as organizations re-establish their network
- Expand capacity to accommodate demand

At the same time, health systems must consider diversifying their portfolios with value-based care delivery models, in a way that offers economic incentives for outcomes while providing resiliency from shifting service volumes.

1. **Deliver across all lines of business with a PHSO**
Many organizations are moving toward value-based models. Some have only created a strategy, while others have also invested in technology and analytics. Yet many do not have a comprehensive road map to full maturity, or they have not gained traction in their efforts.

Furthermore, many health systems don’t have experience in most of the complex functions necessary to take on financial risk or tie their revenues to predictable outcomes, like:

- Aligning the leadership and organizational structure
- Providing change management processes
- Building the right provider network and incentives
- Negotiating favorable payer contracts for value-based risk arrangements
- Developing and operating high-performing care delivery programs and capabilities
- Deploying an advanced analytics infrastructure and the associated analytic processes
- Operating a provider-sponsored health plan (where applicable) as part of a broader market strategy

One strategy to move toward downside risk is to manage the spectrum of value-based care managed services through a Population Health Services Organization (PHSO). A PSHO can help simplify managing current COVID-19 recovery FFS business while transitioning to a value-based approach in the future by providing the resourcing, infrastructure and operating models necessary to deliver sustainable clinical and financial outcomes.

2. Transform through collaboration

Building a PHSO is easier said than done and typically an enormous undertaking. Health systems and providers that have little or no experience with value-based contracts face a steep trial and error learning curve. One recommended option is to collaborate with an entity that has a credible track record of building population health management infrastructures using proven operational methodologies augmented by innovative technology. An experienced operating entity can help newcomers — as well as those wanting to further advance their capabilities and transform their business — to reduce bumps and missteps along the way that would otherwise hinder the process.

A collaborative operating entity must do more than create an implementation plan. It should work shoulder-to-shoulder with a health system to help implement the strategy, including technical, clinical and operational activities required to support that strategy. It should also aid in creating the PHSO organizational structure and help train leadership, providers and staff with the skills necessary for success in population health management.

Health systems that decide to form an operational collaboration should look for an organization with:

- Full-scope capabilities in strategy development and execution
- Proven outcomes in areas of strategic interest
- A deep operating bench
- Scalable technology solutions
- Established provider and consumer engagement playbooks
Motivation to align incentives to drive continuous improvement

3. The path forward
Entering an operational collaboration with an entity experienced in PHSO development and implementation can ease the transition to a PSHO model and provide a level of experience not often found on your own. Regardless of where you are in the process, a strong collaborator will meet you where you are, aligning your current FFS business and future value-based care goals.

However, sustainable change takes time, and delivery of value-based results doesn’t materialize overnight. Any operating entity should align incentives accordingly and commit to seeing the journey through. The result should be a mature organization that has internalized population health management in its infrastructure, incentives, programs, tools, operations and culture, and is committed to improving health outcomes.

Through Maestro™, Cerner and Lumeris are working together to provide end-to-end operational solutions, augmented by EHR-agnostic technology, that enable health systems to focus on today’s recovery efforts while preparing for future value-based models. The solutions focus on helping organizations improve financial, clinical and operational outcomes for new and existing value-based arrangements. For more information, visit www.MaestroValue.com/HealthLeaders or email info@maestrovalue.com.