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Joint Task Force on Universal Health Care

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Designing a health care system

Who pays?

What services do you pay for?

How do you pay?

What we want

High quality health care

Prevention

Population health

Appropriate utilization of health care resources

... at the lowest possible cost to the individual and society

What we get from our payment system

Fee-for-service rewards:

- Volume
- Acuity
- Interventions

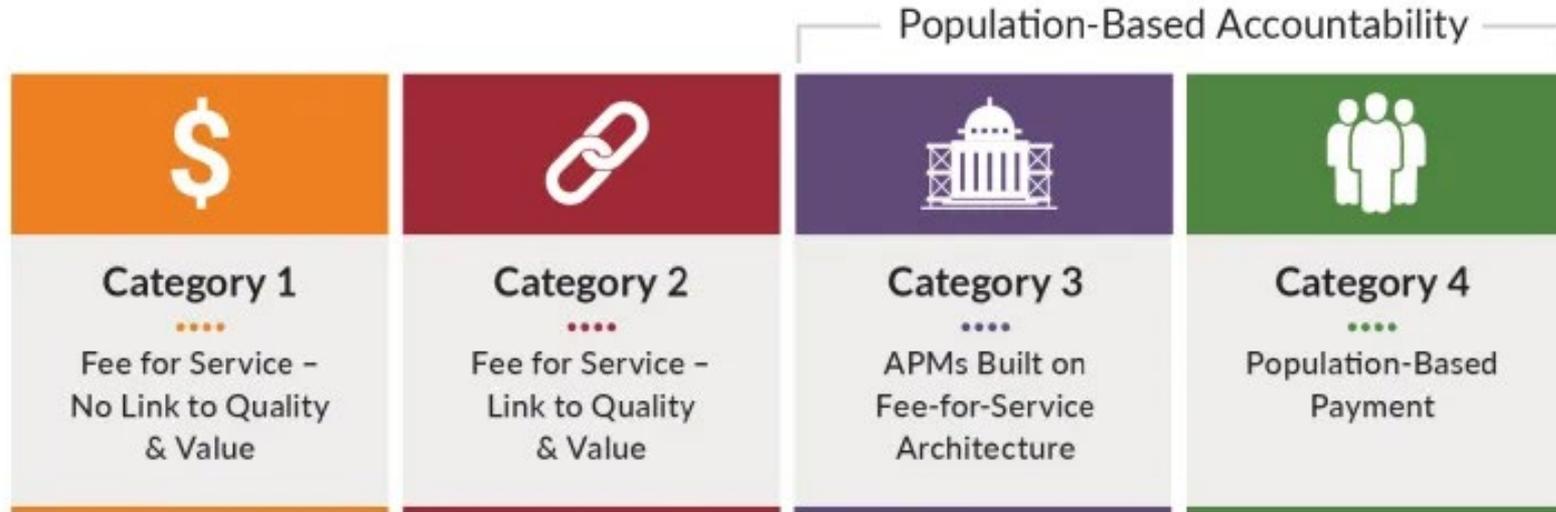
Why does our current payment system incentivize sick care when we want health care?

Incentives are misaligned

The way to get what we want out of our health care system is by aligning incentives and paying differently for health care.

That's value-based payment.

What is value-based payment?



Source: [Alternative Payment Model \(APM\) Framework and Progress Tracking Work Group](#)

Moving to value

- Moving from a system that rewards quantity to one that rewards outcomes
- Fundamentally changing the business model of health care
- Operating two systems at once as we make this transition

This requires health care providers to take huge risk and make massive operational changes.

**We must
choose**



Navigating the transition



TIME



RESOURCES- AND
SOMETIMES INITIAL
INVESTMENT



ORGANIZATIONAL
CAPACITY FOR
CHANGE



STABILITY IN THE
EXTERNAL
ENVIRONMENT



SHARED PUBLIC-
PRIVATE
COMMITMENT

To wrap it up...

- Regardless of who pays, how you pay matters.
- We should pay for the outcomes we want, which means moving to value-based payment.
- Moving to value is a huge transition with significant operational implications.
- We need to give the delivery system the time and runway to make this transition.



Thank You