

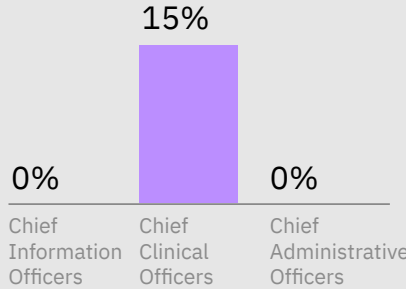
Six steps on the road to value-based health

Perspectives from US health plans and providers

1. Break down silos to build support for analytics

Leaders across plans and providers are aligned on the value of analytics but further effort is needed to close the administrative burden gap.

Some clinical leaders feel that analytics will add administrative burden:



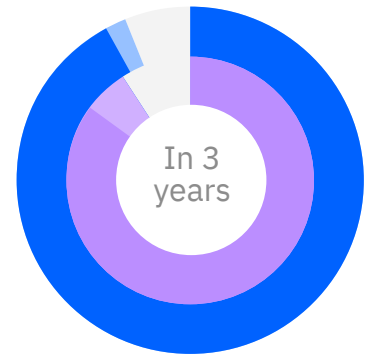
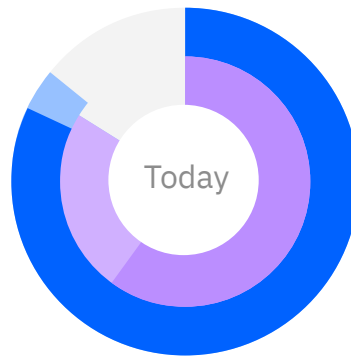
But overall, Chief Information Officers, Chief Clinical Officers, and Chief Administrative Officers believe lab and imaging analytics will:

- 80%+** Improve quality and cost
- 91%+** Help identify and measure value
- 100%** Be effectively used

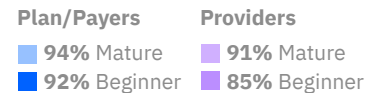
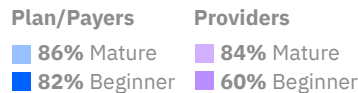
2. Consult the consumer

Consumers are an integral stakeholder today—and the stakeholder that will most positively impact tomorrow's healthcare ecosystem.

Executives believe that consumers are the number one stakeholder in the value-based care ecosystem.



Mature: Organizations that self-define as further along in their transition from volume- to value-based care.
Beginner: At the beginning of their transition to value-based care.



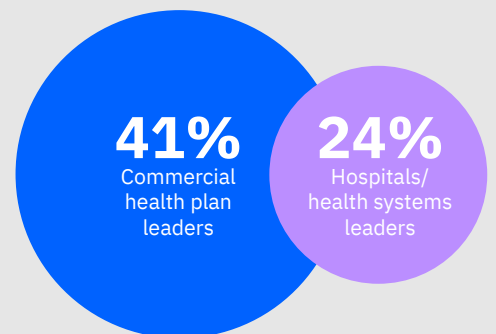
3. Connect the value equation

Value-based health is a reality today, but it is going to take much longer to realize true alignment between health plans and provider organizations.

$$\text{Value} = \text{Quality} / \text{Cost}$$

The first priority of commercial health plan leaders is to lower costs in a way that does not negatively impact quality and drives value.

Is your organization's approach one in which you focus on lowering costs in a manner that does not negatively impact quality?



4. Deliver faster results, drive greater value

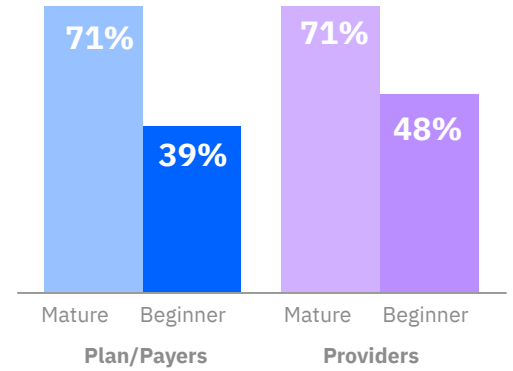
“Analyzing data on quality, costs, and utilization allows us to identify opportunities to improve care and lower costs.”

CFO, Healthcare Plan/Payer, US

Mature leaders are investing more heavily than their beginner peers in technology to increase efficiency, such as advanced analytics that drive insights from their data.

They are adept at pivoting employee skills quickly and taking analytics from the back room to the front line.

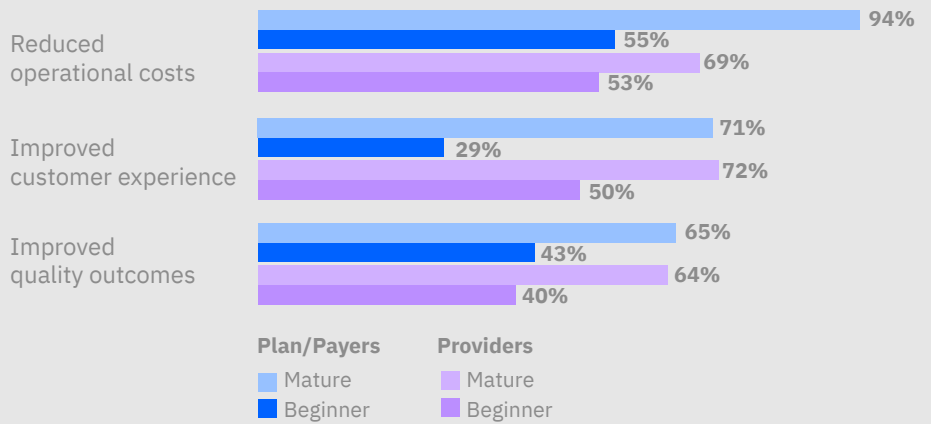
To what extent do you plan to invest in advanced analytics to drive insights from data in the next 3-5 years?



5. Embrace automation

Automation reduces costs and improves quality. It also enhances customer experience, potentially driving higher net promoter scores (NPS) that may improve member retention and growth.

Mature leaders value the benefits of increased automation both inside and outside their organizations.



6. Overcome innovation barriers

Build out the ecosystem to overcome interoperability issues, meet regulations, and develop a workforce with the skills to drive value-based health.

The biggest challenge for mature leaders was interoperability across the ecosystem of partners.

- 1** Interoperability across the ecosystem
- 2** Regulatory approval
- 3** Adequate skills in the workforce
- 4** Unproven or untested technology
- 5** Reliability of technology

Value-based health focuses on the determinants of health, rewarding stakeholders for the effectiveness of health outcomes. It requires the capture, aggregation, and analysis of local and regional data to uncover value.

Check ibm.co/ibv-healthcare for our full report on value-based health in Q3 2019.