

# Plan-Provider Partnership Models Enable High-Value Care

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Growth in U.S. healthcare spending continues on an unsustainable trajectory. Partnerships between health plans and high-value care providers can help reduce low-value care, a form of waste that contributes to the growing cost of healthcare in the U.S.

## Problem

### Spending

Overall healthcare expenditures have reached \$3.6 trillion annually.<sup>1</sup> An estimated \$760–\$935 billion of annual health care spending is wasteful (e.g., duplicative care, excess administrative burden). Of that, \$76–\$226 billion is considered low-value care.<sup>2</sup>



### Low-Value Care

Services rendered by clinicians that are unnecessary or potentially even harmful for patients.<sup>3</sup>



The use of branded drugs when generic equivalents are available.



Diagnostic tests for low-risk surgery, such as metabolic screening or cardiac testing for cataract surgery.



Vitamin D tests when results will not be used to inform clinical decision making.

## Landscape

### Awareness

Major strides have been made in awareness of low-value care. Yet providers continue to deliver these services, often due to non-clinical reasons or because of missing medical information.



Physicians believe that about 20% of care may be unnecessary.<sup>4</sup>



50% of employers think that a portion of healthcare is wasteful.<sup>5</sup>



30% of consumers feel that a trip to the ER or hospital was unneeded.<sup>6</sup>

### Reasons physicians provide low-value care:<sup>7</sup>

Fear of malpractice lawsuit	85%
Patient pressure	59%
Unaccessible medical records	38%
Lack of medical history	37%

## Landscape

### Interventions

Reducing the use of low-value care has been challenging despite efforts such as new value-based payment models and consensus-driven initiatives designed to discourage use of low-value services.



#### Consensus recommendations

were developed by 80 medical societies under the *Choosing Wisely* campaign—despite identifying over 500 services to avoid, **their impact remains limited.**



#### Value-based care models

such as Accountable Care Organizations (ACOs), are designed to reduce waste—but **ACOs may reduce low-value services by less than 2%.<sup>8</sup>**



#### Prior authorization

has been shown to be an effective tool—but **it is important to ensure that approval processes are efficient for providers.<sup>9</sup>**

## Opportunities

### Prior Authorization

Prior authorization can be an effective tool to reduce low-value services while ensuring consumers' access to needed care.

#### Address waste



Identify and address areas of waste for the **healthcare system.**

#### Reduce burden



Technology-enabled solutions can minimize administrative burden for **providers.**

#### Improve outcomes



Improve outcomes and promote better health for **consumers.**

### Partnerships

The Prior Auth Pass program is a partnership between Anthem's affiliated health plans and providers in value-based care arrangements with demonstrated success in quality care.

400+



The number of treatments and tests where prior authorization is no longer required.

50%+



The reduction of administrative burden which frees up capacity for high-value care.

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