Executive Summary: Value-based Payment Incentive Programs

A value-based payment program is an arrangement with health care providers that rewards for lower costs, better quality and greater efficiencies. A value-based environment pays for value and holds providers accountable for the outcomes of the care they provide.

Why? Our decades of experience researching, analyzing and deploying different payment models show that paying for value yields positive health outcomes and financial results. It is how we are doing business to support our customers going forward.

We believe value-based payment programs can transform how health care is reimbursed and delivered. Today, more than $27 billion, or over 25 percent, of our health care spend is tied to performance-based payments. This is expected to grow to $65 billion over the next few years.

How it works

There are several value-based payment models that compensate providers for meeting key performance measures. We measure cost and quality across the full population attributed to the provider for the specific value-based program.

- **Primary care incentive models** pay a bonus based on a share of savings for specific clinical programs.
- **Patient-centered Medical Home (PCMH) models** pay providers a fee per member per month for additional services that focus on prevention and care coordination, and they also share in the savings when overall costs are reduced.
- **Accountable Care Organizations (ACOs)** assume more risk and receive a bonus that is a share of savings for exceeding specific medical cost targets and quality goals.

Success requires real change and your partnership. Your investment in these programs is your share of the incentive payments paid to providers, generally 50 percent of the savings. There are no additional administrative costs for this program.

UnitedHealthcare provides regular summary and detail payment and savings reports of these payments so you know exactly how your money is allocated.

The benefit to you and your employees

- **Solid performance** – UnitedHealthcare’s ROI is 2:1 or greater for ACO programs, and 3:1 or greater for PCMH. This is for comprehensive care and not for a slice of the services provided.
- **Employer savings in real time** – Employers reap savings as they occur throughout the year based on improved performance and quality initiatives.
- **No negative impact to members** – Members are not required to do anything differently. Members will see more interaction and engagement and improved support, particularly at the primary care level.