

8 in 10 Hospitals Stand Pat on Population Health Strategy, Despite Uncertainty Over the Affordable Care Act's Future

National survey of healthcare executives reveals strong support for strategy of managing health across populations

More than 80 percent of healthcare executives say the effort to repeal and replace the [Affordable Care Act](#) has not caused them to pause or otherwise change their approach to [population health management](#), a cornerstone of the Obama administration's strategy to address the quality and cost of healthcare.

Healthcare leaders also expressed strong faith in the future promise of population health management (PHM), despite continuing uncertainty over the fate of the federal healthcare program under the Trump administration, according to a July survey of US healthcare executives by [Health Catalyst](#). Sixty-eight percent of healthcare executives surveyed report that PHM is "very important" to their healthcare delivery strategy during the next two years, while fewer than 3 percent assign it no importance at all.

Those responses from 199 executives within hospitals, health systems, physician groups and insurance companies from across the country indicate widespread agreement that the underlying factors driving PHM growth, such as the move to [value-based care](#), will persist no matter what happens with the Affordable Care Act. Value-based care policies, which reward doctors and hospitals for patients' health outcomes rather than for each service they provide, has broad bipartisan support in Congress. Population health management, a key enabler of value-based care, equips providers to monitor and improve the health of large groups of patients such as those with a particular chronic disease or combination of disease states.

The survey results are the first to reveal the impact of the current political unrest on healthcare organizations' willingness to commit to a long-term PHM strategy. The results coincide with recent studies showing growth in the use of PHM technologies, including a July 2017 study from [Signify Research](#) that predicted the number of lives managed by PHM solutions in the US and Canada will rise to 245 million in 2021, up more than 80 percent from 135 million lives in 2016.

82 Percent of Respondents on Course: 4 Percent Accelerating PHM Plans

Eighty-two percent of survey takers indicated they are continuing with their PHM strategy in spite of uncertainty over the future of ACA. Four percent of respondents said their organizations were actually accelerating their PHM plans.

When asked to clarify why they were accelerating their plans, survey takers generally mirrored the answer of a physician leader at a large multispecialty physician group near Boston, [who wrote](#), “Accelerating your PHM strategy has never been more important given uncertainty and expanding hurdles to achieving quality care and outcomes.”

Another 4 percent of respondents answered that they were “pausing” their PHM plans in response to the current political situation. 10 percent of survey takers said they were undecided on the question.

Fewer Organizations than Expected Taking on Risk-based Contracts

While enthusiasm for population health management remains high, relatively few organizations have taken on PHM contracts with payers that put them at risk of a financial loss if they fail to meet goals such as improving the health of their patient population.

When asked how soon they expect to have more than 30 percent of their patient population covered by such risk-based contracts, most survey takers (37%) said achieving that level of risk would take between 3 and 5 years. The next largest group put the date within the next 1 to 2 years. Fourteen percent estimated it would take 6-10 years.

Only 13 percent of respondents—the smallest share for this survey question—said their organizations have already achieved the threshold of having 30 percent of their patients covered by contracts with downside risk.

Top Barriers to PHM Success: Financial and Data Issues

The survey revealed that the most common impediment to starting a PHM program or succeeding with an existing program is “financial issues” such as “getting paid for our efforts” and “balancing competing contract incentives.” That answer, selected by 37 percent of survey takers, reflects the pressures that healthcare organizations face as they attempt to operate under the dominant fee-for-service reimbursement model while simultaneously transitioning to value-based care.



The next most significant impediment to starting or realizing success from PHM, according to the survey, is access to [high-quality data](#) and analytics (17%). Data access also figured into the fifth most commonly selected barrier to PHM, “risk evaluation issues” (9%), including “access to the right data useful to evaluate at-risk contracts.”

Healthcare experts have identified [several sources of data that are critical for success with PHM](#), including insurance claims data; electronic health record (EHR) clinical data; socioeconomic data about the social determinants of health; patient-generated health data; and data on prescription medication adherence. Most healthcare organizations lack electronic access and integration of these data sources, which must be collected from payers, hospitals, primary care providers, specialists, pharmacies, public health organizations, and patients themselves.

Additional Barriers: Care Models, Leadership, and Governance

Other impediments to PHM success identified by the survey were “care model issues” (16%), such as getting buy-in for change and driving meaningful improvements once changes are made; and “leadership and governance issues” (12%), including lack of a cohesive strategy, prioritization and accountability.

“The big picture takeaway from this survey is that healthcare executives view the move to value-based care as inevitable, regardless of the current political situation, and population health management is seen as critical to their success in transitioning to the new reimbursement structure,” said Marie Dunn, MPH, vice president of population health strategy for Health Catalyst. “Despite the momentum, basic competencies related to data aggregation and analysis are still a barrier. Organizations in the pilot phase need to ensure that their investments are not just one-off efforts, but helping them to build a foundation for a broad base of future efforts.”

[Amy Flaster, MD, MBA](#), vice president of population health management and care management for Health Catalyst, added, “The bottom line is, providers see population health management as something they need to do and that they want to do to provide better care for patients, but they are struggling with the economics of operating in both the fee-for-service and value-based care worlds—having one foot in each canoe.”

Methods

Survey results reflect the opinions of 199 healthcare executives who responded to an online survey in June and July, 2017. Respondents included CEOs, chief information officers, chief financial officers, and chief medical or nursing officers, as well as a variety of other executive leadership roles. They work for organizations ranging from some of the nation’s largest integrated delivery systems to national health insurers and independent physician practices.



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