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ONEcare SYMPOSIUM

The 2025 OPEN MINDS STRATEGY & Innovation Institute

# The Alera ONEcare Symposium Keynote: State Of Value-Based Care In The United States

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# Where Are We With Value-Based Care?

- Uneven - many models, adoption dependent on consumer type, provider organization type, and health plan contracting model
- 30% - health care organizations with at least a quarter of their revenue tied to VBC contracts
- 20% - half of their revenue from fully capitated or downside risk contracts
- CMS Innovation Center - May 2025 announcement - pilot model participants may be required to accept downside risk

➢ Behavioral health adoption of VBC has been low because assignment issues

# What Works? Results Of Recent Federal CMMI Analysis…

- **Bundled Payments for Care Improvement Advanced** – 90-day clinical episodes are "bundled" into a single payment – following inpatient discharge or outpatient procedure (upside and downside risk)
- **Accountable Health Communities Model** – provides SDOH screening, referral, and navigation services that help Medicare and Medicaid beneficiaries connect (no bonus payments)
- **Pioneer Accountable Care Organization Model** - an ACO model moving to downside risk in year three – bonuses and penalties based on spending corridor
- **State-based all-payer models** – setting rates across all payers in a state

# Where Is VBR Heading Depends On The Shifting Health Plan Landscape

1

## Increased Market Share & Market Consolidation

- 50%+ Medicare
- 70%+ Medicaid
- 90%+ commercial and employer

- 10 largest health insurers have 53% of insureds

2

## New Consumer & Service Segments

- LTSS including I/DD (30% of consumers with ASD have I/DD)
- Child welfare services (95% of children in foster care have mental health diagnosis)
- Justice-involved individuals
- Social services

3

## Payvider Repositioning

- United/Optum – Refresh Mental Health and more
- Centene – Denova
- Elevance/Carelon – clinic operations
- Cigna/Evernorth – new behavioral health provider group
- Risant Health (Kaiser Permanente, Geisinger, Cone Health) – insurer with own delivery system

## Digital/Virtual Service Delivery Platforms

- Contracting with digital first provider networks
- Building 'digital front doors' for consumers with consumer-directed AI-driven therapies
- Offering non-clinical resources to members – coaches, peers, etc.

## Capitated "Integrated" Primary Care/Behavioral Service Model With Consumer Assignment

- Denova (Centene)
- Oak Street (CVS/Aetna)
- Cityblock Health
- Amae
- Lee Specialty Clinic
- Cortica

# The Health Plan Focus: The 5% of Consumers With Behavioral Health Disorders Using 35% of Resources

- The **metabolic syndrome** rate in consumers with bipolar disorder and schizoaffective disorder are 22-30% and 42%, respectively
- People with schizophrenia have a 2.8 to 3.5 increased likelihood of being **obese**
  - The obesity rate (BMI ≥30) is 57.8% among those with severe depression
- The prevalence of **cardiovascular disease** in people with schizophrenia and bipolar disorder is approximately 2- to 3-fold the general population
  - In the SMI population, CVD is the most common cause of death
- The prevalence of the **hepatitis B** virus (23.4%) and hepatitis C virus (19.6%) in SMI consumers is approximately 5 and 11 times the overall estimated population rates for these infection
- 15% of those with schizophrenia and 25% of those with bipolar disorder had **chronic bronchitis**
- 16% of people with schizophrenia and 19% of people with bipolar disorder had **asthma**
- 3.6 million of the 13.1 million people with an SMI, 27%, also have a **substance use disorder or SUD**

**74%** of people with severe mental disorders have at least one chronic health problem

**50%** had two or more chronic health problems

**>1/3** had three chronic health conditions

**20%** had four or more chronic health conditions

# The Medicaid Conundrum

35% of Medicaid members have a mental illness (35%); 10% a serious mental illness

25% of Medicaid members with mental illness have SUD; 40% with SMI (5% of total population)

66% with mental illness have at least one other chronic condition (2x the rate of population)

76% with SMI have 1+ chronic condition.

Spending for Medicaid member with a mental illness is 2X —about $14,000 per year ($7,000 without)

$21,000 per year for adults with a serious mental illness

Medicaid spending for adults with any mental illness: 35% of total spend

This pattern is the same in Medicare and commercial health plans

# 80+ Integrated Care Service Delivery Models

Dominant model dependent on state and health plan preferences

The increased use of whole person care models and integrated delivery systems will drive an increase in value-based care

## Specialty care

- Specialty care – as tech-enabled referral partner
- Specialty care – co-located in primary care setting
- Specialty care – as part of collaborative care model
- Specialty care – as part of clinically integrated network

## Primary care

- Primary care – as tech-enabled referral partner
- Primary care – co-located in behavioral health setting
- Primary care – as part of collaborative care model

## Care coordination/care management

- Whole person care (WPC) screening services
- Targeted case management services
- Navigator/CHOW (community health outreach worker) services
- Community care team services

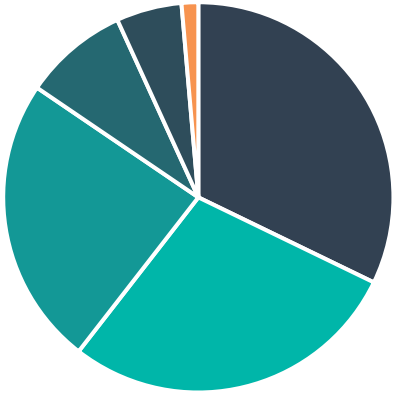
## Patient-centered medical home or health home

## Primary care and behavioral health services

- Behavioral health and primary care on-site
- Behavioral health on-site and primary care in-home
- Behavioral health on-site and primary care virtual
- Primary care on-site and behavioral in-home
- Primary care on-site and behavioral virtual
- Certified Community Behavioral Health Clinic (CCBHC)
- Federally Qualified Health Center (FQHC) or FQHC “Lookalike”

# The Community-Based Care Landscape For Serving Consumers With Severe Mental Illnesses

## Consumer population with SMI, by coverage



- **32.6%** Commercial/Tricare/ACA
- **28.7%** Medicaid
- **24.3%** Medicare
- **8.8%** Dual Medicare/Medicaid
- **5.5%** Uninsured
- **1.4%** Correctional heath care

**~78% of consumers with an SMI are in a managed care plan**

**Health plan services for SMI are delivered primarily by community-based provider organizations accepting Medicaid**

- Community mental health centers (CMHCs) are the majority
- Some private psychiatric practices and private-equity sponsored provider organizations
- Some FQHCs and CHCs

## Market Outlook

- Decrease in operating margins of community-based provider organizations (currently 2-3%)
- Termination of SAMHSA funding will destabilize many
  - Definition of 'CMHC' and clinic services will begin to vary widely
- Continuity of care and medication adherence likely to decrease
- Ability to participate in new health plan integrated contracts limited
- Financial capacity to serve likely increasing number of uninsured in question
- Increase in consolidation likely

# New Business Models Emerging For Provider Organizations Serving Consumers With Behavioral & Cognitive Disorders

## Emerging Business Models

1. Payvider (at-risk delivery system)
2. Bundled rate/case rate services
3. Capitated community-based integrated services with member assignment

**Hybrid, value-based outpatient service delivery models – in clinic, in home, virtual, and/or remote monitoring**

- Changing model for best practice – What can be done by telehealth? What needs to be done “face to face”? Clinic vs. home vs. community? Remote asynchronous?
- The rise of hybrid service bundles - bundled/case rates for outpatient therapy and services
- Capitated rates with consumer assignment for primary/behavioral health care

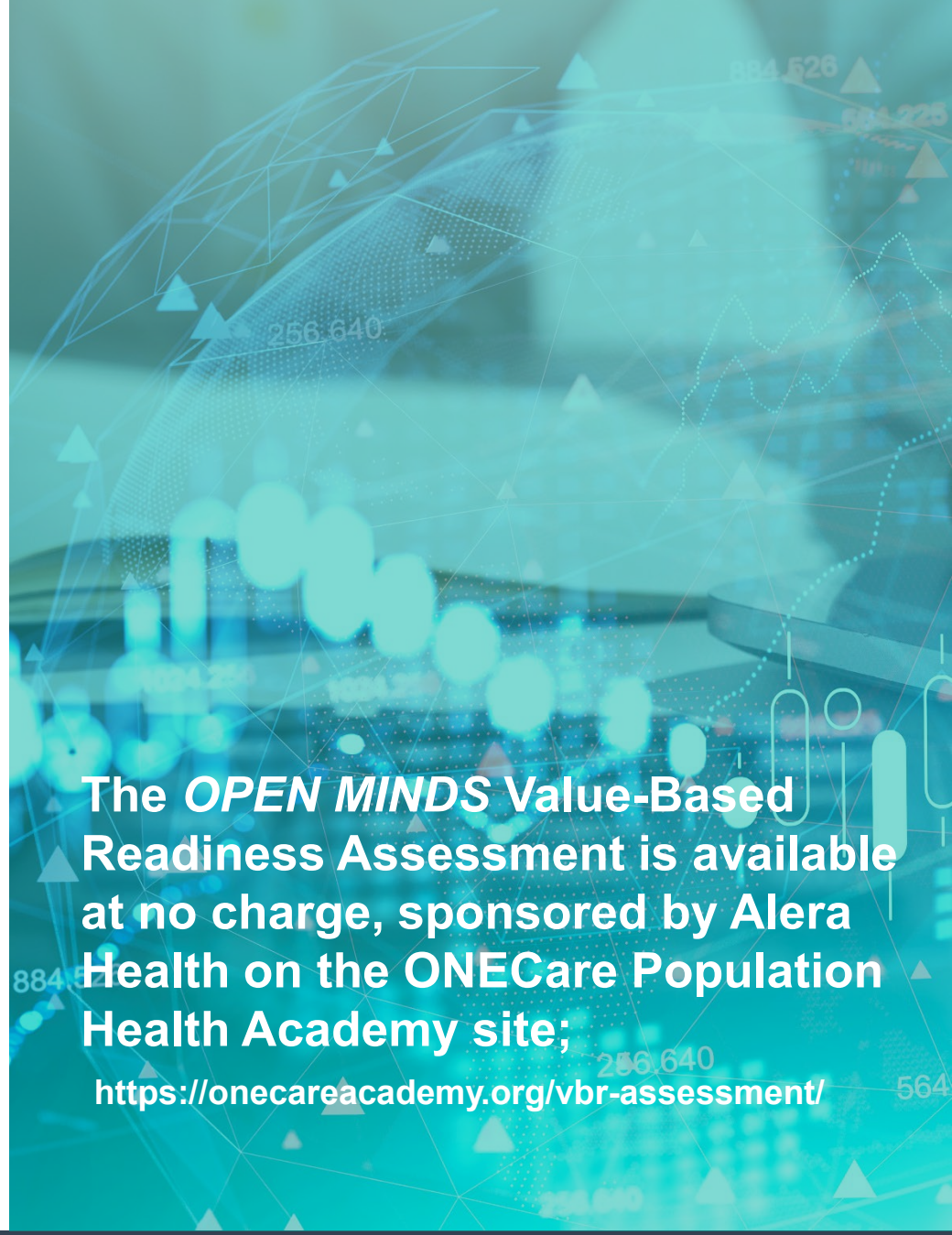
**Facility-based services moving to hybrid longitudinal continuum of care models with bundled rates**

- Home-based/virtual addiction treatment and eating disorder treatment
- Home-based/virtual long-term care and in-home supports
- SNF at home
- Hospital at home

# Why Is Value-Based Care On The Increase

- Growing spending differential of ‘complex’ consumers - behavioral and cognitive conditions with additional chronic health conditions
- Whole person care in integrated care systems work better in non-fee-for-service reimbursement models
- New federal policy
- Health plan MLR issues

✓ Every provider organization needs a strategy to participate in an integrated care ecosystem



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