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Building Better Bundled Payment Models in an Era of Value-Based Care

Purpose: The healthcare system in the United States is flawed and fragmented primarily due to misaligned, convoluted incentives in current healthcare payment models. In a transforming national health economy away from fee-for-service toward value-based care payment models, the Vanderbilt University Medical Center Episode of Care (EOC) office redesigns care delivery through innovative, direct to employer prospective payment models that improve quality of care delivery and provide predictable costs.

Structure: The EOC team partners with clinical teams embedded in care delivery to build ideal care pathways, unencumbered by payment rules dictated by third-party payers. Through comprehensive analysis of the claims, commercial and internal cost data, EOC subsequently designs transparent payment systems to support that care model. Across the institution, EOC is developing bundled payments programs in maternity care, spine surgery, cochlear implant, osteoarthritis and bariatric surgery with the goal of launching additional bundled episodes over time.

Outcomes: Partnering with commercial payers, such as employers facing rising healthcare costs, the EOC team aims to establish value-based care contracts. With a commitment to appropriateness of care delivery and transparency in pricing, the bundles program adds significant value for both the employer as the payer and the patients as participants in enhanced care pathways. Garnering wide institutional support, the EOC office has commitment from the administration to prioritize these value-based contracts.

Interpretation: The innovative care models championed by the EOC office are the future of value-based care delivery. The public outcry from both patients and payers for higher quality, affordable care demands that healthcare systems create innovative solutions to reclaim value in care delivery. Upsetting the current payment system presents complexity that the multidisciplinary EOC team must constantly creatively address. The task is monumental, but the promise of transforming our fragmented healthcare system motivates all stakeholders in the push toward value-based care.

