

ARTICLE

A Flower Blooms in the Bitter Soil of the Covid-19 Crisis

Jaewon Ryu, MD, JD, Kristin Russell, MD, MBA, William Shrank, MD, MSHS

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Covid-19 has forced us all to innovate at every level. We would be wise to take the time to recognize and preserve those innovations — especially as they relate to value-based care.

The rate of innovation in health care during the Covid-19 crisis has been extraordinary. The percentage of physicians using telehealth has soared from less than 20% 2 years ago to almost 50%¹ today and an estimated 1 billion visits will occur virtually this year.² When the need arose, clinicians quickly learned how to sterilize personal protective equipment and the U.S. Food and Drug Administration rushed to approve the technique. Ventilators have been rigged so they can be shared while research studies are completed — from ideation to publication — within weeks. And we are caring for patients where they are — in their homes — with remote monitoring, triaging health bots, and in-home hospital care.

Examples abound, and the remarkable pace of progress has been a bright spot amidst the tragedy. In addition to celebrating this, we should think proactively about whether there are lessons that we can apply to other health care challenges. Although the need to decrease costs and waste in the health care system lacks the drama and immediacy of the current crisis, it is more essential than ever that we do this, and that we do it quickly. Solving these issues has been a formidable challenge that will require the type of rapid and robust innovation we have seen during this crisis, and understanding the conditions that created such fertile ground may help us cultivate these similar conditions post-crisis.

What Has Enabled This Rapid, Highly Impactful Innovation?

Alignment and Urgency

The primary driver of innovation during this crisis has been the urgency and common enemy that mobilized and united us. At the outset, reputable models projected millions of deaths would occur if we did not intervene. There was an urgent need to act and we responded by implementing

unprecedented public health measures that resulted in 95% of Americans being subject to stay-at-home orders.

Similarly, there have been crises in the past that have mobilized the world to innovate in surprising ways. The desire to beat the USSR during the space race in the 1960s mobilized the country to achieve something that would have seemed impossible, and the Internet was invented as a contingency plan if phone lines were destroyed by the USSR during the Cold War. Urgency with shared purpose are indeed powerful forces.

Flexibility

The massive infusion of flexibility into the traditionally rigid health care industry removed barriers to innovation. The policy changes that were made by the federal government had immediate and cascading impact. Some of the most transformative included the sweeping Centers for Medicare and Medicaid (CMS) waivers that expanded access to telehealth, provided flexibility for member cost-sharing, facilitated advanced payments to providers, and loosened regulatory requirements for skilled nursing facility coverage. Similarly, state governments added additional flexibility with actions like modifying licensure requirements to allow providers to cross state lines to meet surging capacity demands quickly. Providers themselves raced to offer flexible care options, many moving to telehealth-only practices within days and some offering “porch visits” as a halfway step between in-office and in-home visits to decrease transmission and need for personal protective equipment.

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Finally, health plans made far-reaching changes like waiving utilization management and covering all costs related to Covid-19 testing and treatment. At Humana, an interesting benefit of this action was the ability to retrain nurses who had been doing utilization management to make proactive outreach calls to members to address their crisis-related needs. Likewise, at Geisinger, nurses who had been doing preventive screening outreach calls were able to shift gears to also perform outreach check-in calls to those patients who tested positive for Covid-19 and were recovering at home, and by monitoring disease symptoms and advising if in-person evaluation appeared necessary.

By necessity, we have also seen another type of flexibility during the crisis: an increased tolerance for creative solutions that are imperfect or untested. Entrepreneurs encourage principles like “test and learn” and “fail fast” to spur creativity and speed, yet we rarely see these principles evoked on such a large scale and with such high stakes as we have seen with the Covid-19 crisis. It has been remarkable to witness the numerous examples of makeshift and unorthodox solutions that have been applied to truly complex problems — from creating a hospital in New York’s Central Park to repurposing empty hotels to house the homeless. Innovations have led to important learnings;

for instance, when CMS began allowing audio-only telehealth interactions, we learned that many seniors much preferred this option as it avoided the embarrassment they felt at the idea of providers seeing inside their homes.

Collaboration

While the absence of systems-based thinking among stakeholders in the industry has stalled progress in the past, this crisis has highlighted the critical importance of collaborating and has spurred surprising new partnerships that should give us hope. The entire Covid-19 genome was sequenced in a day and published online through a large-scale international collaboration, and the “Accelerating Covid-19 Therapeutic Interventions and Vaccines” partnership between National Institutes of Health and multiple pharmaceutical companies has provided a compelling example of the public-private partnerships that have been a prominent theme of this crisis.

We are also seeing remarkable examples of competitors who are now collaborating, such as Apple and Google combining forces to develop a contact tracing platform. Another striking example arose when New York essentially merged all 200 hospitals in the state into a single operating body to enable supplies and capacity to be rationally and nimbly allocated.

Public Health Lens

Covid-19 is the quintessential example of the way that public health interventions can extend the reach and efficiency of our existing health care system. Months ago, it would have been hard to imagine a situation that could have mobilized millions of Americans to pay avid attention to key epidemiological principles. Yet, phrases like “flatten the curve” and “slow the spread,” are now part of our everyday vocabulary and our children are playing “social distancing” with their dolls. Millions tuned in every night to watch the White House task force (including the infectious disease expert turned cult-hero Anthony Fauci) use slides and pointers to explain the intricacies of hospital capacity, testing algorithms, and risk stratification. Laser-like focus on the allocation of scarce resources has required us to think about the needs of the whole population more than ever before.

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We are seeing this public health influence throughout the system, from sophisticated models that predict the impact of prevention measures to a sharper focus on allocation of scarce resources like personal protective equipment and ICU beds using robust, new risk stratification and triage processes. We have been forced think about the needs of the whole population more than ever before and that has drawn attention to these issues and helped us develop the vocabulary to discuss them. It is this population-level lens that will be required to truly transform our health care system.

Table 1. Innovation Catalysts in Covid-19 and Value-Based Care Models

Catalyst	Covid-19 Crisis	VBC Models
Alignment	Common enemy increased collaboration	Shared risk aligns stakeholders
Flexibility	Regulatory relaxation had cascading impact	Incentives and predictable income encourage innovation
Population-Level Lens	Laser focus on prevention, risk stratification, scarce resources	Reimbursement based on health of whole population

Source: The authors.

Value-Based Care Models Cultivate These Conditions

Alignment, flexibility, collaboration, and a public health lens have enabled rapid progress (Table 1). As important as this progress has been, many more changes are still needed, and we must be deliberate about how to achieve them. It is notable that the conditions that allowed for this rapid change to occur overlap substantially with the conditions created by value-based payment models. In fact, in many ways, these models are specifically designed to create these dynamics.

Alignment Is Inherent

In addition to the urgency, part of what made the Covid-19 crisis such fertile ground for innovation was the shared mission. One of the issues with the legacy fee-for-service model is that it fails to align stakeholders. Fee-for-service providers are reimbursed based on the volume of care they provide.

Providers benefit by increasing volume and, as a consequence, payers (whether employers, health plans, or the government) lose. Despite the best of intentions, this design inadvertently thwarts innovations that decrease waste by impacting volume. In contrast, providers in value-based care arrangements share risk with payers, and both benefit when high-quality care can be provided for a lower cost.

Flexibility to Innovate

Value-based payment models provide stability and predictability in income, offering providers far more flexibility than the traditional fee-for-service models. Because providers in value-based payment environments are not constrained by the need to maximize the volume of care, they have the freedom to experiment with novel ways to reduce costs and improve outcomes. For the most part, providers can choose how to do this, which encourages creativity and allows for a “test and learn” mentality that is necessary for innovation. The money saved can increase take-home compensation and can also be invested into the practice in ways that can further increase efficiency, creating a virtuous cycle that further fuels innovation

Collaboration Is Necessary

Participants in value-based payment relationships must collaborate to be successful. For example, payers can help providers identify which patients have social challenges like food insecurity and loneliness and connect them with resources that help close these gaps. In this elegant arrangement, both payer and provider benefit when patient outcomes improve.

Population Health Lens

To enable true transformation of our health care system, we must shift to thinking about whole-person health on a population level. By design, this thinking is required in value-based payment relationships where providers are financially responsible for the health of their entire panel, or “population,” of patients. As such, providers must think about how to engage patients who are coming for care, and also those who may not be. Because social determinants like food insecurity have such an impact on health outcomes, providers are more attuned to the “whole patient” in these models.

Specific Recommendations

Motivate

We must accelerate our efforts to reduce costs while improving care, and value-based payment models are best positioned to do this. Models that provide predictable payment may be particularly appealing to providers struggling in the current environment. There is both urgency and opportunity right now, and it is critical that we seize this opportunity and act quickly to prioritize policies that encourage and enable value-based care relationships.

Modify

As we have seen with telehealth policy, tactics that increase flexibility can rapidly accelerate positive change. Now is the time to consider which changes (e.g., telehealth waivers, state licensing modifications, etc.) should become permanent and to think proactively about adding new flexibilities that might drive change, particularly in areas like social determinants of health and behavioral health where there are immediate, pressing needs. Other high-priority policy areas include figuring out how to reimburse for remote monitoring, considering the idea of adding social risk scores to risk adjustment methodologies for payment and quality measurement purposes, allowing STARS performance measures to be attained virtually, and removing outdated anticompetitive barriers like state certificate-of-need laws.

Measure

The trends that emerge from this crisis will define health care for many years, and our ability to anticipate and shape these trends is essential. To do that effectively, we need to be avidly collecting, analyzing, and sharing data now. For instance, by measuring the shifts in utilization during this crisis (e.g., telehealth utilization by patient demographics and provider type), we can better understand the impact of type and site of care more generally. Correlating utilization with health outcomes is also critical; for instance, many providers were reluctant to adopt telehealth before the crisis because of fear of decreased quality of care, and understanding telehealth-related outcomes can help address this.

The Covid-19 crisis has caused morbidity, mortality, and worldwide economic and social disruption that will impact us for generations. Even before this, with costs soaring, waste rampant, and

the increasing prevalence of chronic conditions, the health care industry was in dire need of transformation. Pre-crisis, the animosity and sense of futility amongst stakeholders in the health care system created real barriers to change. The urgency of the current crisis has mobilized the United States to align and cooperate in new and flexible ways that leverage public health principles. The collaboration and ingenuity we have seen during this crisis should give us hope that we can make progress on issues that have seemed intractable, and transitioning to value-based payment models will help to create the conditions and alignment we will need to act.

Jaewon Ryu, MD, JD

President and Chief Executive Officer, Geisinger

Kristin Russell, MD, MBA

Medical Director, Humana Inc.

William Shrank, MD, MSHS

Chief Medical and Corporate Affairs Officer, Humana Inc.

Disclosures: Kristin Russell is employed by Humana. Jaewon Ryu is employed by Geisinger. William Shrank is employed by Humana and is a board member for GetWellNetwork.

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