

NAVIGATING THE SHIFT TO VALUE-BASED CARE

An unprecedented combination of changes within our health care system is driving a fundamental shift in how health care is organized, paid for, and received. Mercer can support employers through the transition to value-based care.

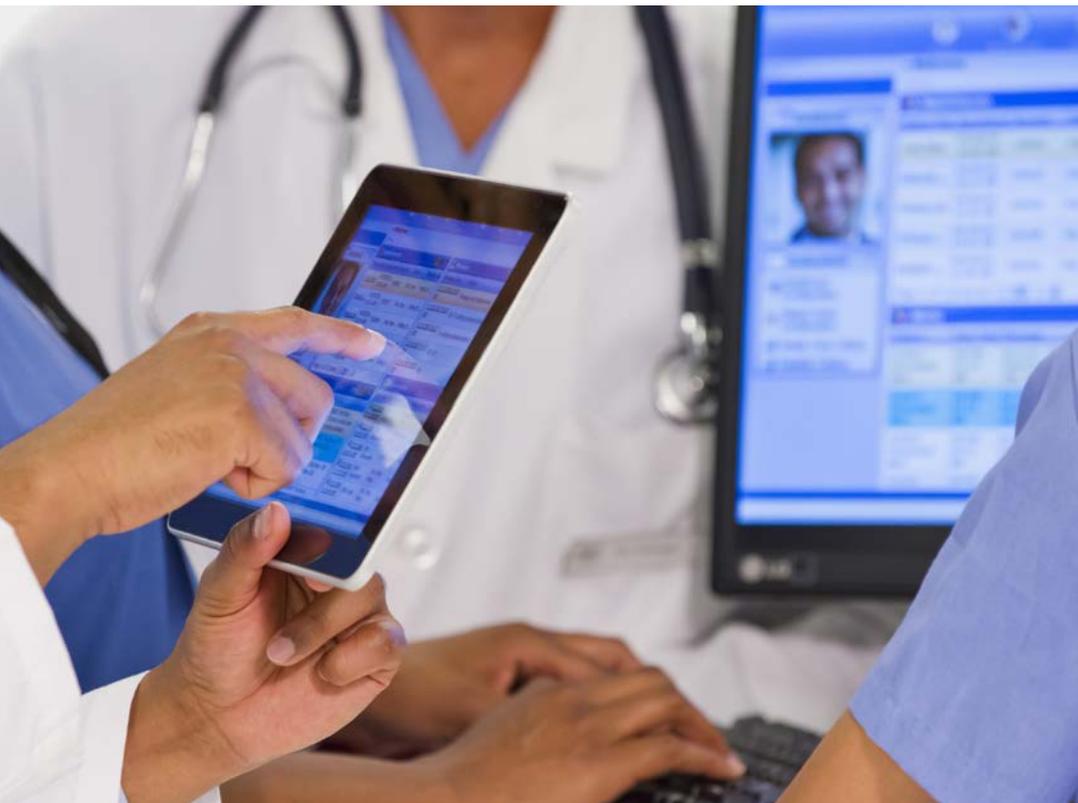
The US health care system is undergoing a dramatic transformation, driven by the need to control unsustainable cost increases and supported by changes on several fronts that when combined make a new health care delivery model possible. Consumer demands, regulatory changes, scientific advances, and access to data and analytics are paving the way for a new model of health care financing and delivery known as value-based care.

With the current fee-for-service system, providers are reimbursed based on volume, regardless of whether the services were unnecessary or inadequate. The emerging fee-for-value system rewards providers for their ability to manage total population health care costs while improving quality and patient satisfaction.

VALUE-BASED CARE IS HERE, AND GROWING

Millions of Americans already receive their health care through a value-based care model, while health care reimbursement related to value-based care is expected to more than double by 2020 (20% to 46%)*.

* Source: Proprietary Oliver Wyman analysis 2014



SUCCESS FACTORS FOR VALUE-BASED CARE

Mercer believes value-based care has the potential to achieve the triple aim of reduced costs, increased quality, and improved patient experience if appropriately structured and deployed. There are six critical elements, as well as two enablers on the provider side, needed for a successful value-based care model:

- Expanded and non-traditional access to care.
- Practice transformation.
- Integrated behavioral and physical care.
- Hospital case management.
- Pay for quality.
- Nurse care coordinators.

These elements must be enabled and supported by robust IT and data management capabilities and a strong delivery system governance structure.

IMPACT TO EMPLOYERS

As a result of the shift to value-based care, provider networks, fee structures, and contracts with carriers are changing. And that means that all employers are impacted by the shift to value-based care. Value-based care models come in many forms, and how an employer is impacted and how they choose to actively deploy and promote value-based care within their health benefits plan will vary based on their unique circumstances and objectives.

MERCER OFFERS RESOURCES AND SOLUTIONS

To help employers understand, evaluate, and implement the value-based care options that align with their organization, Mercer has developed a suite of solutions, including:

- **Mercer Health Care Value Finder™** – helps identify “hot spots” by market and available value-based care models to help clients define their opportunity market or markets.
- **Mercer Map Your Course™** – a Q&A assessment that helps map the value-based care starting point for a given employer.
- **Market Profiles** – market-by-market “deep dives” that describe the opportunities and challenges of implementing value-based care in a particular location in terms of care hot spots, macro-economic dynamics, and available care models.
- **Market Action Map** – an outline of activities needed to take place in order for an employer to finalize and execute a given value-based care strategy.

MERCER CONTACTS

DAVID FRAZZINI
david.frazzini@mercer.com

TAMRA LAIR
tamra.lair@mercer.com

MOLLY LOFTUS
molly.loftus@mercer.com

CHARLOTTE WEST
charlotte.west@mercer.com

ABOUT MERCER

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