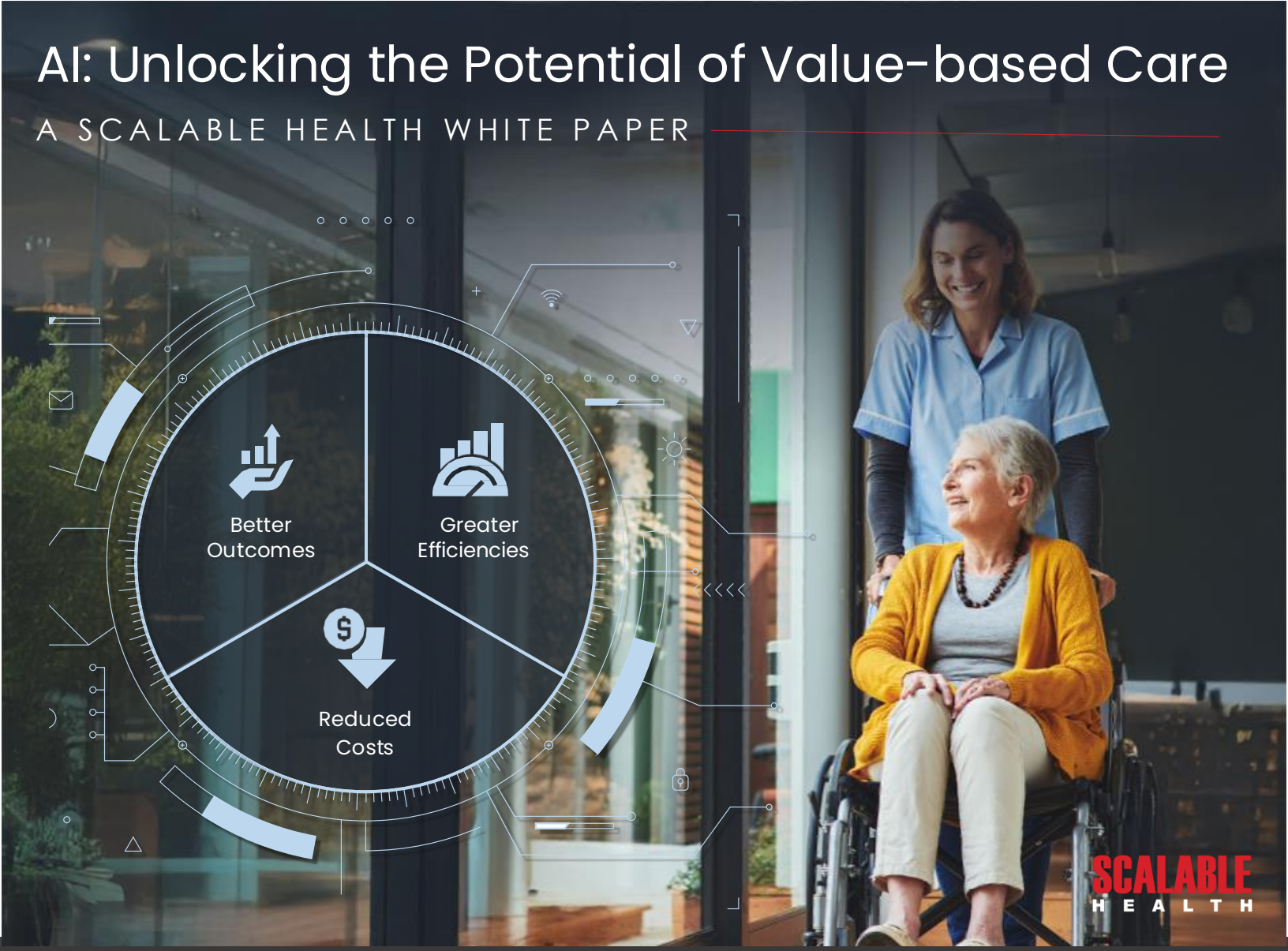
AI: Unlocking the Potential of Value-based Care

A SCALABLE HEALTH WHITE PAPER



CONTENTS

EXECUTIVE SUMMARY

Lately, there has been a major shift in the healthcare domain globally. The value-based care (VBC) is replacing the fee-for-service model, where physicians receive payment for each completed procedure. This strategy prioritizes cost-effectiveness and patient outcomes. Value-based care places a strong emphasis on better patient participation, chronic illness management, and preventive interventions. The objective is to provide the appropriate care at the appropriate time to improve health outcomes and keep expenditures under control. According to a 2020 report, by the end of 2025, 70% of healthcare payers said they preferred VBC models. A 2023 Grand View Research report forecasts substantial growth for the value-based care (VBC) market. After reaching a value of USD 822.2 billion in 2022, the market is projected to expand at a 14.2% compound annual growth rate (CAGR) from 2023 to 2030, ultimately reaching USD 2,727.2 billion by 2030.

While the VBC model holds immense promise, implementing it effectively comes with challenges. Some of the major challenges in implementing VBC are in the field of data integration and analysis, Predictive Analytics, personalized care plans, and also in areas of patient engagement.

This is where Artificial Intelligence (AI) steps in as a game-changer. AI's ability to process vast amounts of data, identify patterns, and make predictions can significantly enhance VBC implementation. AI-driven risk stratification tools, AI-driven chatbots, and Machine Learning Algorithms are some of the important AI-based solutions. The combination of value-based care and AI offers a promising future for healthcare, enabling a more efficient, cost-effective system with better patient outcomes.

INTRODUCTION

The healthcare industry is under increasing pressure to lower costs, improve patient outcomes, and enhance the patient experience. Data analytics and AI are revolutionizing how stakeholders harness insights. Data analytics focuses on extracting knowledge from data, while AI encompasses building intelligent systems that learn, reason, and make decisions. These advancements in decision-making are driving the core principles of Value-Based Care: improved care outcomes, operational efficiencies, and cost reductions.

However, many healthcare organizations struggle to unlock the full value of their data, causing them to miss out on the benefits of these technologies. This includes missed opportunities to enhance patient care through data-driven decision-making, streamline operations through automation and real-time analytics, and boost patient engagement with digital tools and services.

At Scalable Health, we specialize in helping healthcare organizations overcome these obstacles in their digital transformation journey and successfully implement value-based care initiatives. By identifying adoption barriers, developing customized strategies, and providing tailored solutions, we empower organizations to enhance patient outcomes, reduce costs, and improve efficiencies.

HARNESSING THE POWER OF AI FOR ENHANCED DECISION MAKING

The healthcare industry is confronted with numerous challenges today, including staffing shortages, burnout, equitable access to healthcare, cost control, population health management, medical research advancements, care outcome improvements, addressing health disparities, ensuring patient safety, and integrating technology effectively. Moreover, there is increasing pressure to meet consumer expectations for high-quality service, comparable to other industries. This has led to a shift towards a more patient-centric approach.

To tackle these challenges, healthcare is undergoing significant transformations, such as embracing value-based care, leveraging technology, prioritizing patient engagement, evolving healthcare delivery models, addressing social determinants of health, and addressing workforce shortages.

The COVID-19 pandemic has further accelerated these changes, emphasizing the need for flexible and resilient healthcare systems capable of responding to crises and emergencies.

Artificial Intelligence (AI) emerges as a key driver of these initiatives. AI mimics cognitive functions like learning, problem-solving, reasoning, & decision-making. AI systems process vast amounts of data, identify patterns, & provide actionable insights that empower stakeholders to make better decisions. AI encompasses techniques such as machine learning, deep learning, natural language processing, computer vision, & robotics.

CURRENT BARRIERS TO VALUE-BASED CARE ADOPTION

VALUE-BASED CARE DRIVES EFFICIENCIES, REDUCES COSTS, AND DELIVERS BETTER CARE OUTCOMES

Value-based care is a healthcare delivery model that focuses on providing high-quality, cost-effective care that leads to improved health outcomes. It aims to shift the focus of healthcare from volume-based care (i.e., providing more services) to value-based care (i.e., providing the right services at the right time), which can lead to improvements in several healthcare challenges:

STAFFING SHORTAGES AND BURNOUT

By focusing on providing high-quality, cost-effective care, value-based care can reduce the need for unnecessary services and procedures, which can lead to a reduction in staffing needs and reduce the workload for care teams.

ACCESS TO HEALTHCARE

Value-based care models can focus on providing care in the most appropriate and cost-effective setting, such as telemedicine or community-based clinics, which can increase access to care for under-served and rural communities.

CONTAINING AND REDUCING HEALTHCARE COSTS

By focusing on providing high-quality, cost-effective care, value-based care can reduce the need for unnecessary services and procedures, which can lead to lower healthcare costs.

MANAGING AND IMPROVING POPULATION HEALTH

Value-based care models can focus on identifying and addressing social determinants of health, leading to improved population health and reduced healthcare costs.

ADVANCING MEDICAL RESEARCH AND DELIVERING BETTER CARE OUTCOMES

Providing high-quality, cost-effective, and value-based care can lead to improved patient outcomes and a greater understanding of what works in healthcare.

ADDRESSING HEALTH DISPARITIES AND IMPROVING HEALTH EQUITY

Value-based care models can focus on identifying and addressing health disparities and social determinants of health, leading to improved health equity.

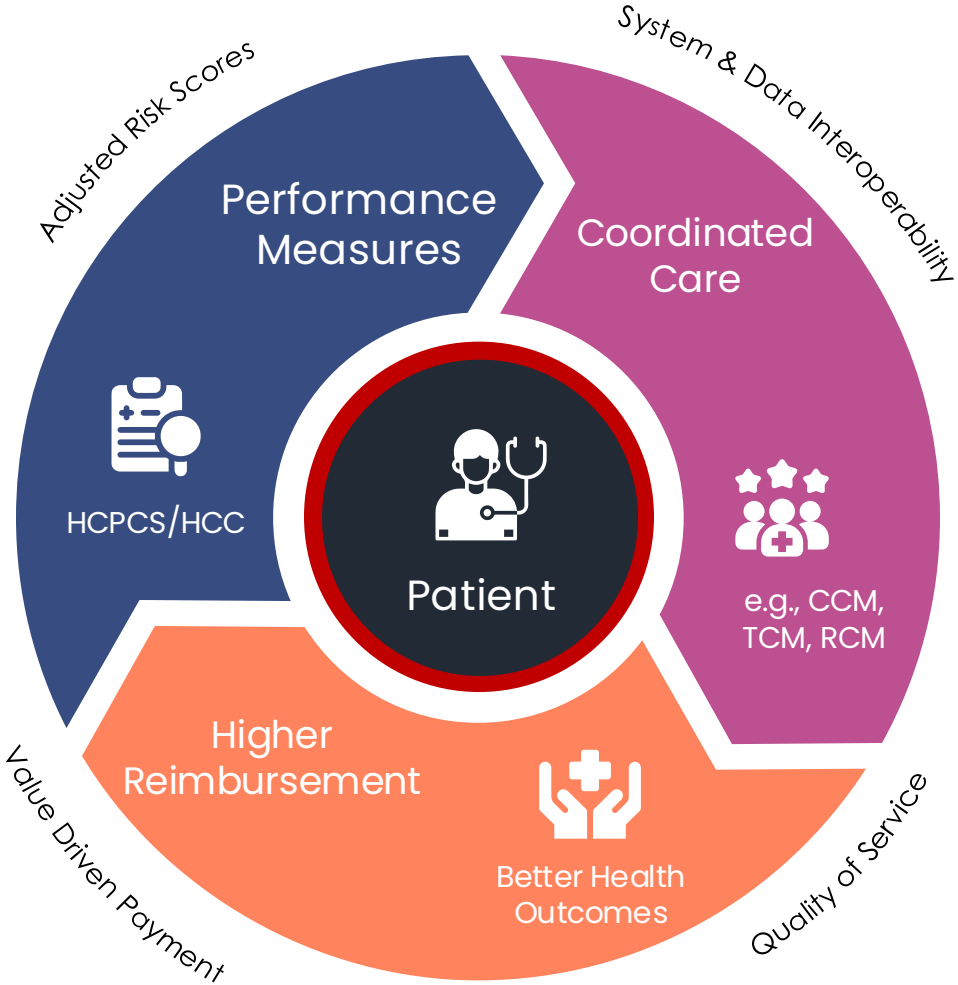
ENSURING PATIENT SAFETY AND REDUCING MEDICAL ERRORS

By providing high-quality, cost-effective care, value-based care can lead to fewer unnecessary services and procedures, reducing the risk of medical errors.

MANAGING AND INTEGRATING TECHNOLOGY IN HEALTHCARE

Value-based care models can focus on utilizing technology to improve care coordination, reduce costs and improve outcomes, leading to more efficient care delivery and better outcomes.

VALUE- BASED CARE MODEL



AI IS THE KEY TO DELIVERING VALUE-BASED CARE

AI is increasingly seen as a key technology in delivering value-based care, as it can help to overcome some of the major challenges that healthcare organizations face. AI can support value-based care by:

IMPROVING CARE COORDINATION

AI-powered tools can enable data to be shared seamlessly across different systems and organizations, improving care coordination, and reducing inefficiencies.

IDENTIFYING HIGH-RISK PATIENTS

AI-powered tools can analyze patient data to identify individuals at high risk of adverse health outcomes, enabling care teams to intervene early and prevent complications.

PERSONALIZING CARE

AI-based algorithms can analyze patient data to identify individualized care plans that consider the patient's unique needs, preferences, and health history.

PREDICTIVE MODELING

AI models can be trained to predict future health outcomes using historical data, enabling care teams to intervene and improve outcomes proactively.

ENHANCING DATA ANALYSIS

AI-based algorithms can analyze large amounts of data quickly and identify patterns and insights that might be missed by human analysts, supporting clinical decision-making, and identifying opportunities for care improvements.

AUTOMATING DATA MANAGEMENT TASKS

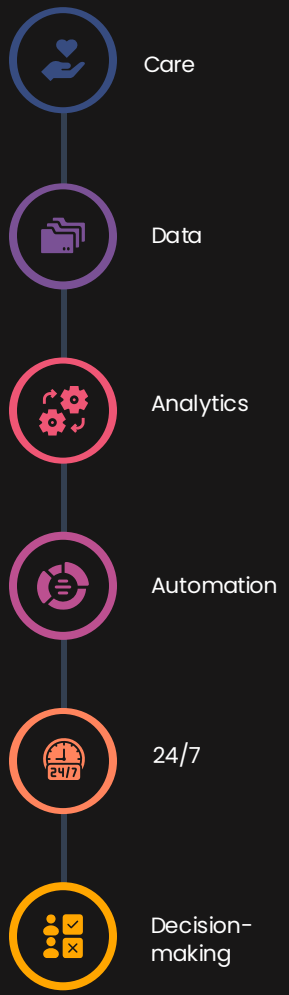
AI-powered tools can automate tasks such as data entry, validation, and cleaning, reducing the burden on staff and improving data quality.

IDENTIFYING & ADDRESSING HEALTH DISPARITIES

AI-based algorithms can analyze patient data to identify health disparities and social determinants of health, which can inform targeted interventions to improve health equity.

IMPROVING PATIENT ENGAGEMENT

AI-powered chatbots and virtual assistants can provide patients with 24/7 access to care and information while also helping to reduce the burden on care teams.

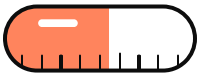


Nearly half

(48%)

of payer/

provider say they are looking to switch to a value-based model.

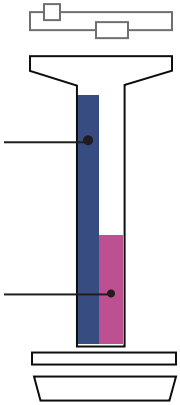


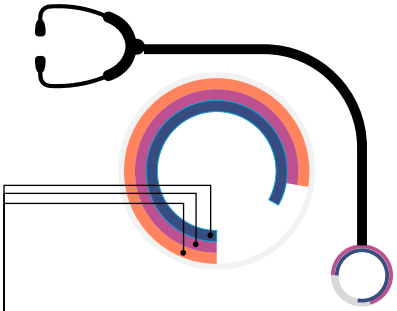
88%

Say less than 50% of their current portfolio is made up of value-based contacts

43%

Say less than 50% of their current portfolio is made up of value-based contacts





83%

are concerned about how they will measure healthy outcomes

81%

are concerned about containing costs

80%

Are concerned about the inability for providers to make the journey

Payers/providers need a lot of additional support to manage value-based care contracts in areas including:

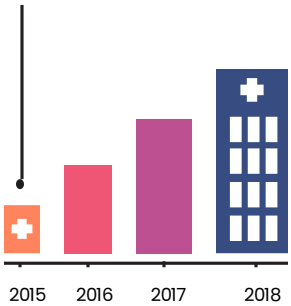
34%	35%	32%
Analytics	Technology	People-based

of payer/providers are taking a "wait and see" attitude as to which value-based model to adopt

Believe consumers need to take more control under a value-based model

6% of payer/provider

already have 50% of their contracts as value-based.

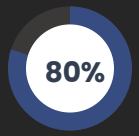


Believe they will have 50% of their contracts as value-based by 2018

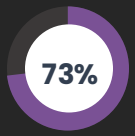
THE STATE OF VALUE-BASED CARE

Medical costs are going down, while patient satisfaction and engagement are increasing, according to a Change Healthcare Survey of 120 payers.

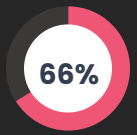
What's working:



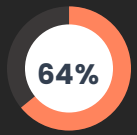
Reported improvements in the quality of care



Saw improved patient engagement



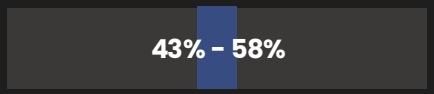
Hired more staff to offer more value-based care programs



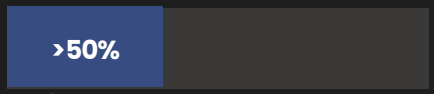
Had better relationships with healthcare providers

Average medical cost savings

What's still a work in progress:



Find it very or extremely difficult to get doctors on board



Are unhappy with their analysis, automation and reporting capabilities

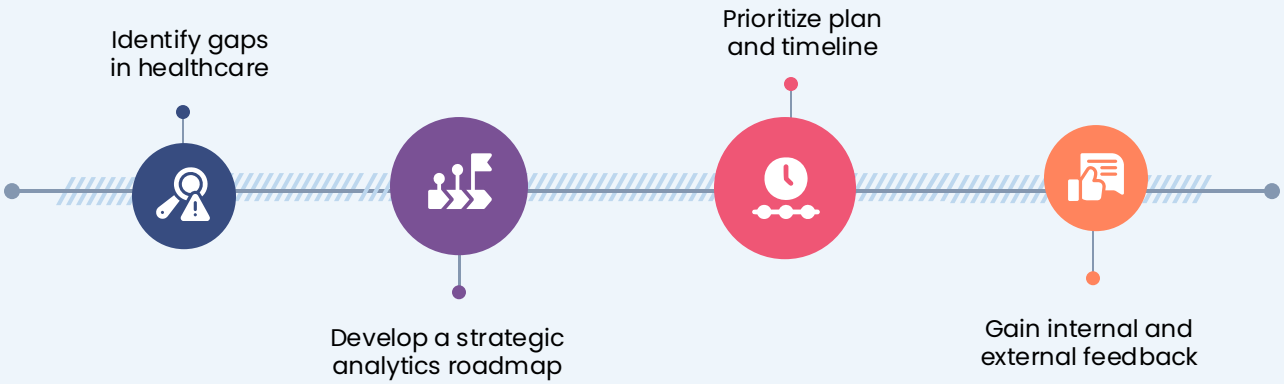
Source : Change Healthcare International

SCALABLE HEALTH HELPS DELIVER VALUE-BASED CARE

At Scalable Health, we recognize that healthcare data challenges cannot be solved with a cookie-cutter approach. Instead, we work closely with our clients to tailor solutions that meet the unique needs of their organizations. Our process involves collaboration and customization to ensure we address your specific challenges and requirements.

- Scalable Health's healthcare analytics platform offers providers the right data at the right time providing actionable insights to improve outcomes, increase efficiencies, and reduce costs.
- Scalable Health's healthcare analytics platform provides payers actionable insights to reduce costs, mitigate risks and improve outcomes resulting in fewer acute incidents and readmissions.
- Scalable Health's healthcare analytics platform provides pharmaceutical companies with actionable insights into patient behaviors and treatment outcomes, improved targeting and marketing, and increased efficiency and cost savings.

Scalable Health's healthcare analytics platform delivers the right data at the right time to derive actionable insights through intuitive dashboards and easy-to-use features to improve patient outcomes, increase clinical efficiencies and reduce operational costs.



About Scalable Health

Scalable Health is healthcare division of Scalable Systems focused on providing innovative products and solutions in healthcare and life sciences market.

www.scalablehealth.com

About Scalable Systems

Scalable Systems is a Data, Analytics & Digital Transformation Company focused on vertical specific innovative solutions. By providing next generation technology solutions and services, we help organizations to identify risks & opportunities, achieve sales and operational excellence to gain an innovative edge.

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