Everyone Wants Value in Healthcare, We Just Disagree on What That Means

By Chuck Dinerstein, MD, MBA — December 29, 2017

Value-based healthcare is the refrain for all the stakeholders, patients and their advocacy groups, physicians and their societies, payers both insurance and government. We must replace payment for volume or procedures with payment for value. As it turns out, like the blind men describing the elephant, what each stakeholder means by value varies tremendously. An online survey conducted by the University of Utah sheds light on our misaligned definitions of value. As they write,

“... stakeholders have been talking past each other, not fully understanding each other’s perspectives, experiences, and concerns. We are often using the same key words to mean different things.”

Patients and physicians were asked to rank concerns about quality, cost and service. (We will consider employers separately) It is no surprise that quality was the most important for both groups; cost was second for patients while service (or patient experience) was second for physicians. When the definitions of value were refined, 90% of patients described value very differently, in terms of priority and perception, then physicians.

Patients

Of the 5017 surveyed patients, 43% had no medical issues, 23% had one medical problem, the remaining patients had two medical problems – from this, we can surmise that we are talking...
about generally healthy individuals who interact with healthcare primarily electively and annually. [1] For patients, value included costs, convenience, and health outcomes. The number one patient concern was out-of-pocket costs (45%), improvement in their health was number eight (32%). Service and quality are both components of value, but patients frequently conflated excellent service with high-quality care.

**Physicians**

Of the 687 physicians surveyed 33% were primary care physicians and another 30% represented medical specialties. Surgeons represented 18% of the sample, hospitalists, anesthesiologists, radiologists and pathologists who typically have little direct patient exposure represented the remaining 18%. So the survey captures a good range of direct care physicians. Physicians were more clinically focused, their number one measure was “knowing and caring about the patient” (58%), their number five (49%) was inclusion of patients in choosing treatment options. Physicians made a greater distinction between care and service; service issues like waiting and convenience were far lower amongst their concerns.

**Payers**

521 employers who purchase group insurance were surveyed. Value for this group was not about the specifics of care. Employee satisfaction was their number one priority, followed by cost. I would characterize their view of value as what you might desire from Cost Co or BJ’s – high quality, ease of access and all at a low cost. Employers wanted productive, happy employees and they wanted it for the lowest price possible.

**Shared Decision Making**

In the reimagining of healthcare, physicians are no longer the sole authority figure, shared decision-making is critical, balancing the physicians’ knowledge with the patients’ goals. The survey looked at this balance in asking about who is responsible for assuring value. 75% of physicians, God bless their guilty souls, felt they were responsible for guaranteeing value. Patients were more split, 45% assigning responsibility to themselves, 44% attributing it to physicians. Neither group had any expectation of responsibility by employers; once the insurance was provided, they were out of the equation. Employers echoed that feeling, only 9% felt themselves responsible, assigning equal responsibility to physicians, patients and health systems. Interestingly, they felt that insurance companies had very little accountability in assuring value.

**Concierge Medicine**

Concierge medicine is a growing trend. You pay your physician an additional fee (in the $1,000-2,000 or more range), and in exchange, the physician accepts your insurance payment, restricts their practice size to provide individualized care – you have their cell phone number, and they are available 24/7/365. For the patients, it is about service; for the physicians, it is about having the time to provide a bespoke service.

The survey did suggest why such a practice is a value proposition for both physicians and patients. When asked, patients did not want to spend more money, believing, I suspect that physician payments were adequate. Physicians wanted higher payment for the additional time and
effort in customizing care or extending visits as well as communicating outside office hours – in a word, for what they perceived as service rather than health quality. When asked about getting “treatments they want,” 53% of patients were willing to pay more; and 63% of physicians would charge more to provide those requested services.

**Payment for outcomes**

Medicare has lead the way on paying for quality outcomes rather than merely the volume of care. Despite their protestations, physicians may be ready to move in that direction. About half of physicians stated they wish to be paid more when the patient’s health improved and that is coupled with 66% of patients who said they would pay more.

This survey is not without its flaws. It is small; the patients are not well characterized by their disease burden, the physicians are treated in aggregate rather than broken out by medicine and surgery. But the study does provide two critical insights

“For patients and employers who provide medical benefits, improving health is not the most important metric for value—suggesting that providers will need to prioritize access, convenience, service, and cost.”

“The distributive nature of how patients perceive and prioritize aspects of value in health care suggests that consumers are behaving like they do in almost every other industry—as individuals with different views of what comprises value.

[1] Most people do not develop significant health problems until late middle age or their senior years so that their experience of healthcare is delivering babies or maybe a hernia repair. This experience is not the same as those needing care quarterly or more often who might have different ‘values.’


Links
[2] https://uofuhealth.utah.edu/value/