

An Update on the Financial Impact of Value-based Care Innovations in North Carolina

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To the Editor—It has been three years since North Carolina gained national acclaim as a leader in value-based health care transformation, through payment model innovations that financially reward providers who achieve better population outcomes at lower cost [1-3]. We write to provide an update on the financial impact of these payment innovations, specifically for primary care practices and community health centers that participate in value-based contracting through partnership with Aledade. Independent practices were supported with technology and coaching to achieve quality and savings success, and smaller practices were aggregated into larger risk pools to participate in shared savings arrangements. Practice participation grew from 44 practices in 2019, to 136 in 2020, to 226 in 2021. Transformation started through the Medicare Shared Savings and Blue Cross NC “Blue Premier” programs, with United, Humana, and three of the five Medicaid prepaid health plans joining later.

From 2019 to 2021, partner practices generated over \$155 million in total health care savings for North Carolina across all payers. These savings came from fewer hospitalizations and emergency room visits, less wasteful spending, and better management of chronic conditions: the result of strengthening patient connections to comprehensive, informed, proactive primary care. We demonstrated better outcomes at lower cost in every population segment (Medicare, Medicare Advantage, commercial, and Medicaid), for both adults and children, in rural and urban settings, and across a wide variety of practices including solo practitioners, large multispecialty groups, federally qualified health centers, family medicine, internal medicine, and pediatric practices.

New practice revenue from shared savings allocations and quality bonuses has surpassed \$75 million. This revenue stream has proven critical to practice solvency and to maintaining access to care in many communities, with Aledade partners now serving 540 locations in 88 counties across the state, 85% of which are in federally designated Primary

Care Health Professional Shortage Areas.

Enthusiasm for alternative payment models continues to grow among independent physicians, who are not torn by the conflicting financial incentives that hospital-based systems face in transitioning from volume to value. Our success represents only the tip of the iceberg of what is possible. To realize the full potential of value-based health care reform, we call for a commitment from all payers to include independent practices in value-based payment modernization, with fair and equitable benchmarking methodology that endures over time. Payers can further accelerate success by improving access to timely data, boosting base primary care payment and relaxing administrative burdens for participants. **NCMJ**

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