

2021 Risk-Based Healthcare Market Trends

A Guidehouse Center for Health Insights analysis of an executive survey conducted by the Healthcare Financial Management Association (HFMA)

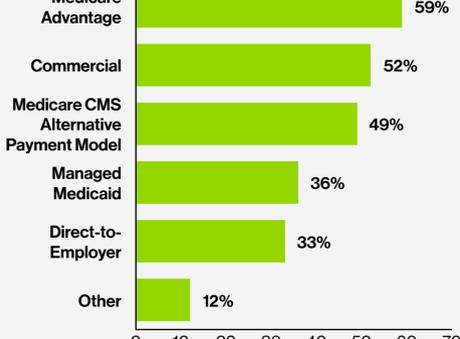


A Guidehouse/HFMA survey of more than 100 health system chief financial officers and finance and managed care executives, from July – August 2021, points to health system trends in risk-based payment models, payer/provider partnerships, and budget outlooks.

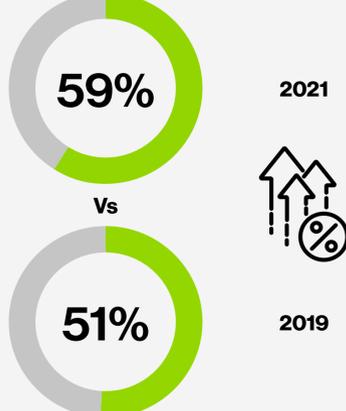


Health systems have diversified their risk-based payment strategy with a broader array of business lines.

Which lines of business is your organization planning to advance into upside/downside risk, professional capitation, or global capitation in 2022 (select all)?



Medicare Advantage

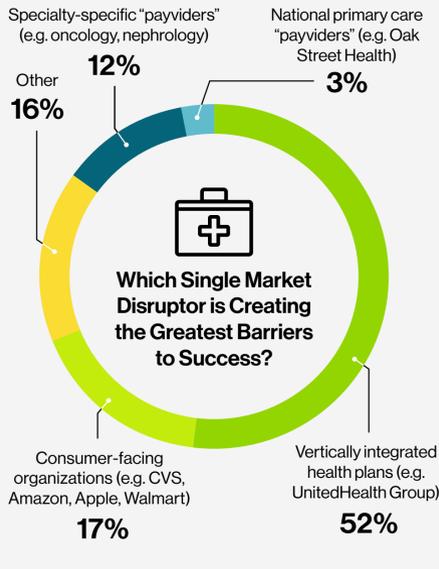
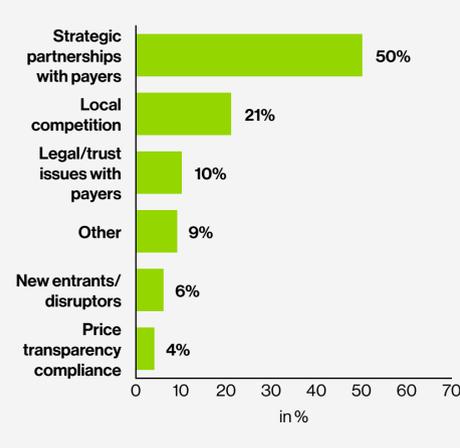


There has been increased interest from providers to own the premium dollar through risk-based arrangements. On the other hand, large payers have been more aggressive in building and even investing directly in primary care assets to gain control over the flow of care and better manage services delivered to members, compounding the need for payers and providers to align closely on market strategies. These moves have led health systems to gravitate toward programs more favorable for risk-based collaborations – or **payvider models** – such as Medicare Advantage, managed Medicaid, and self-insured models.



Strategic partnerships with payers are the top external challenge for health systems.

What is your top external challenge with pursuing payvider models or increased levels of risk/capitation/joint venture arrangements?

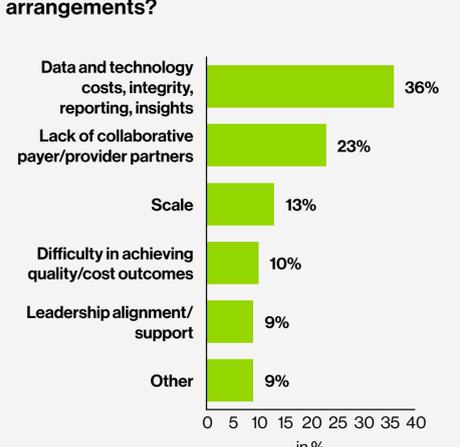


While traditional payer and provider relationships have taken a hit in this evolving market, the ones that Guidehouse sees working are payvider models that create value for both entities. The one-size-fits-all, 'I-win-you-lose' approach is no longer a good business model. Industry disruption has created new opportunities for health systems to rethink the structure of their payer and provider partnerships, reassess their markets for new entrants with a willingness to innovate together, and readjust their network strategy to align with where their market is going.

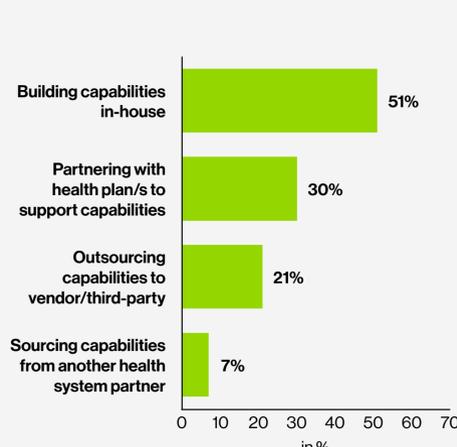


Data integrity, reporting, and the cost of technology is the No. 1 internal challenge for health systems pursuing increased levels of risk.

What is your top internal challenge with pursuing payvider models or increased levels of risk/capitation/joint venture arrangements?



What steps is your organization taking to build the capabilities necessary for "payvider" model success (select all)?



Key to knowing which organizations to partner with and achieving meaningful results is using data to both understand local markets and better manage care. Unfortunately, many well-intentioned payer and provider partnerships never come to fruition due to challenges with operationalizing and implementing risk-based models. Organizational commitment, a cohesive governance structure, and adequate investment in a strong data-driven infrastructure is required to overcome these obstacles and achieve success.



Nearly half of health system leaders are unsure they will meet budget in 2021.

How would you characterize your level of confidence with your budget for the year?



With survey results suggesting that 43% of health system leaders are unsure they will meet budget in 2021, reassessing investments, partnerships, and business models for 2022 has become more important than ever.

The survey was produced by the **Guidehouse Center for Health Insights**, which provides a complete view of healthcare payment, operational, and consumer disruption insights and solutions.

Ranked the third **largest healthcare management consulting firm** in 2021 by Modern Healthcare, Guidehouse is helping hospitals and health systems, government agencies, life sciences and retail companies, and payers solve their most complex issues, overcome unique market challenges, and deliver innovative services to their communities and customers.

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