

Creating a Sustainable Future for Value-Based Care: A Playbook of Voluntary Best Practices for VBC Payment Arrangements

AHIP, the American Medical Association (AMA), and the National Association of Accountable Care Organizations (NAACOS) partnered to develop this playbook of voluntary best practices related to value-based care (VBC) payment arrangements titled [Creating a Sustainable Future for Value-Based Care: A Playbook of Voluntary Best Practices for VBC Payment Arrangements](#).

Created for both current and future participants in VBC arrangements, the playbook is intended to advance the adoption of VBC payment arrangements in the private sector that could improve the quality, equity, and affordability of care, and ease participation by offering voluntary best practices for aligning around key payment domains.

While this playbook recognizes that there is no single recommendation for the best VBC payment arrangement, it identifies several voluntary best practices sourced from the direct experience of physicians, VBC entities, and health plans. The insights are organized into seven domains:

- 1. Patient Attribution**, i.e., the process by which patients and their associated medical costs are assigned to a physician or entity.
- 2. Benchmarking**, i.e., the financial target in a VBC payment arrangement with which performance year expenditures are compared.
- 3. Risk Adjustment**, a statistical method that converts the health status of a person into a relative number.
- 4. Quality Performance Impact on Payment**, i.e., rewarding VBC entities for strong performance on quality of care as measured by a set of predetermined quality metrics.
- 5. Levels of Financial Risk**, i.e., assessing and assuming some level of accountability for improving the care outcomes and costs of managing patient populations.
- 6. Payment Timing & Accuracy**, i.e., structuring how and when funds flow in VBC payment arrangements.
- 7. Incentivizing for VBC Practice Participant Performance**, i.e., considering if and how each individual participant will be engaged to cascade the goals, objectives, and advantages of the VBC payment arrangement.



These key domains within payment arrangements can support alignment and allow stakeholders participating in VBC to focus their time and attention on the work of improving health outcomes, equity, patient experience, and overall health care spending.

The playbook identifies several key themes across best practices — collaboration, flexibility, and transparency — that correspond with the experiences of VBC entities, participating practices, and health plans. It also acknowledges that rural geographies, multi-payer alignment, and health equity represent additional points of consideration across best practices. Alignment does not mean uniformity: Experience from our workgroup participants reinforces that achieving the delicate balance between alignment and flexibility can be best supported by sharing and exploring lessons learned from implementation. We intend these voluntary best practices to support continued growth and new participation by improving awareness of what works.

Read more in [Creating a Sustainable Future for Value-Based Care: A Playbook of Voluntary Best Practices for VBC Payment Arrangements](#). (Previously, our collaborative produced [The Future of Sustainable Value-Based Payment: Voluntary Best Practices to Advance Data Sharing Playbook](#), an in-depth playbook to advance data sharing.)

AHIP is the national association whose members provide health care coverage, services, and solutions to hundreds of millions of Americans every day. We are committed to market-based solutions and public-private partnerships that make health care better and coverage more affordable and accessible for everyone. Visit www.ahip.org to learn how working together, we are Guiding Greater Health.

The American Medical Association (AMA) is the powerful ally of and unifying voice for America's physicians, the patients they serve, and the promise of a healthier nation. The AMA attacks the dysfunction in health care by removing obstacles and burdens that interfere with patient care. It reimagines medical education, training, and lifelong learning for the digital age to help physicians grow at every stage of their careers, and it improves the health of the nation by confronting the increasing chronic disease burden. For more information, visit ama-assn.org.

The National Association of ACOs (NAACOS) represents more than 8 million beneficiary lives through Medicare's population health-focused payment and delivery models. NAACOS is a member-led and member-owned nonprofit of more than 400 ACOs in Medicare, Medicaid, and commercial insurance working on behalf of health systems and physician provider organizations across the nation to improve quality of care for patients and reduce health care cost. For more information, visit naacos.memberclicks.net.