

Humana

VALUE-BASED
CARE REPORT



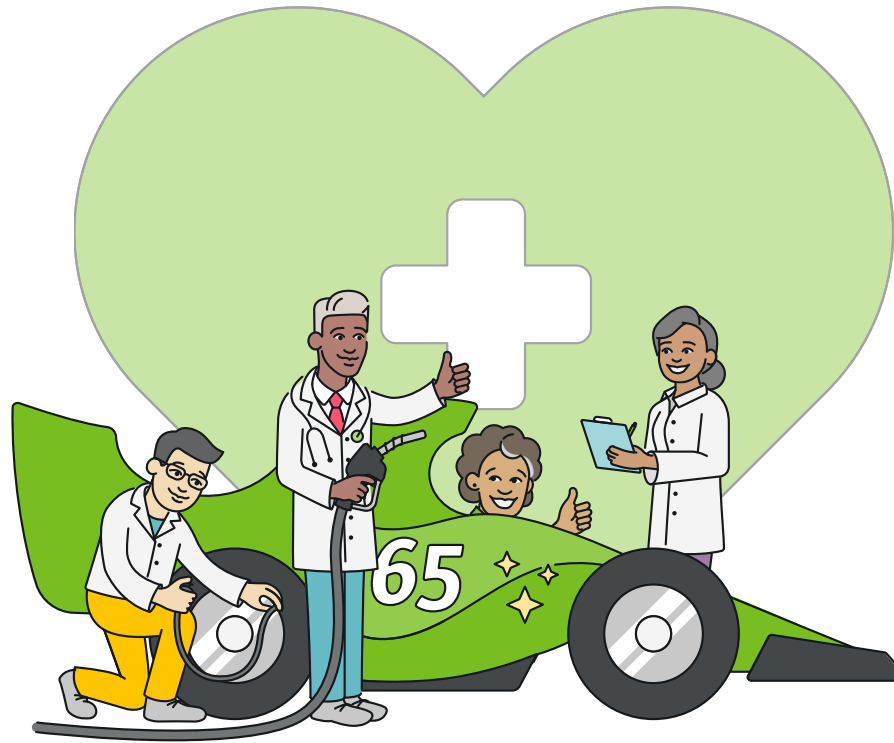
WHAT IS
VALUE-BASED
CARE?



WHY SHOULD
WE PRIORITIZE
VALUE-BASED
CARE?



HOW CAN
PRACTICES
SUCCEED IN
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CARE?



HUMANA'S 11TH VALUE-BASED CARE REPORT BACK TO THE BASICS: A PATIENT'S PIT CREW FOR BETTER HEALTH

For many patients, life isn't slowing down just because they've reached the age of Medicare. Seniors are still out there steering toward the future and the life they want, lap after lap. But whether a patient is a 65-year-old senior, a 65-day-old infant, or anywhere in between, regular maintenance is key to keeping the wheels moving—and preventing a minor health issue from becoming a harmful (and costly) setback.

At its core, that's what value-based care (VBC) can do for patients. It's a healthcare model focused on proactive, preventive care to address issues early and improve long-term outcomes. Instead of reacting to illnesses, VBC emphasizes prevention, communication, and trust to keep patients healthier and avoid costly treatments. In a VBC system, clinicians are like a trusted pit crew who know their patients' needs and deliver personalized care. This approach reduces stress for patients and providers alike while improving outcomes. By aligning healthcare incentives with resources, VBC creates a system where care is more efficient, sustainable, and focused on quality over quantity.

Just as regular car maintenance ensures reliability and longevity, VBC delivers a smoother healthcare experience. It's about getting back to basics while building a future where everyone benefits from better health outcomes, lower costs, and a more satisfying care journey.



VBC shifts the focus of healthcare from volume to outcomes, rewarding clinicians for improving patient health. Unlike traditional fee-for-service (FFS) models, which emphasize seeing more patients and delivering more services, VBC prioritizes prevention, chronic care management, and keeping patients healthy. This proactive approach not only improves outcomes, but also reduces costs and enhances the overall healthcare experience. VBC drives systemic transformation by aligning payment structures with patient outcomes, encouraging organization innovation, and enabling clinicians to deliver care that is both effective and sustainable. Through measurable outcomes and cost accountability, VBC offers a path to a healthier, more equitable healthcare system.

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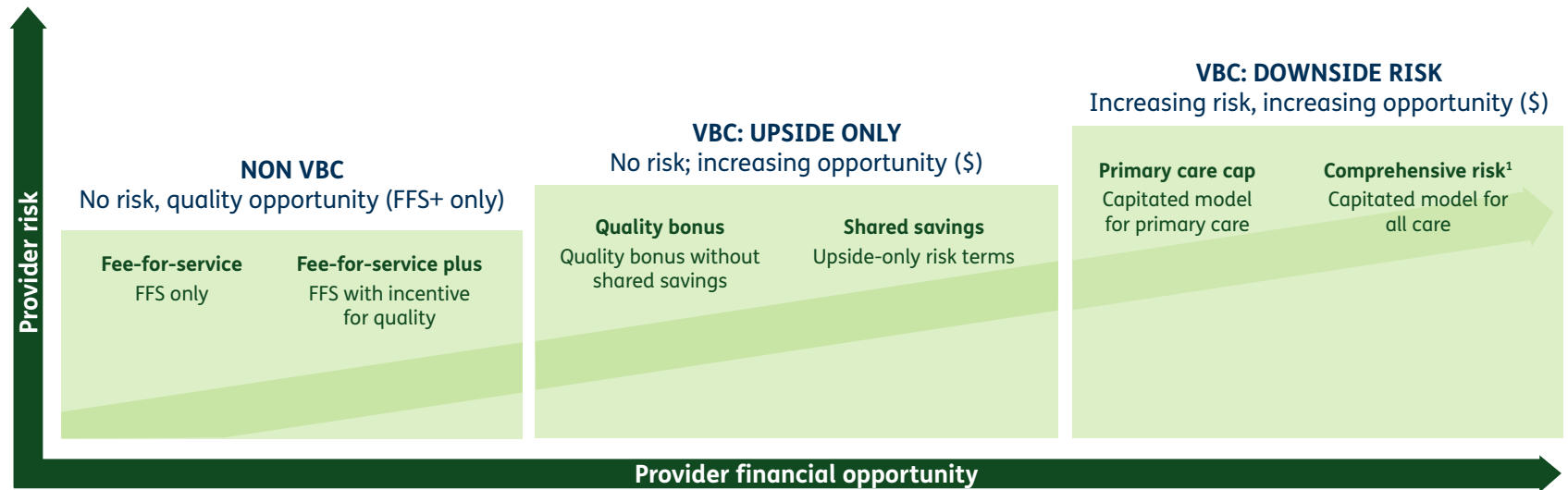
Fee-for-service

- Focus on quantity of patients and procedures
- Larger panel sizes, less frequent and shorter visits
- Clinician and healthcare facility compensation based on relative value units or the number of patients seen and procedures performed
- No incentive to avoid hospitalization
- Emphasis on more procedures and treatments
- Fragmented care, with reliance on specialists
- Incentives to provide care when patients are sick, in particular, severe acute care

Value-based care

- Focus on quality of care and patient experience, with deeper patient engagement
- Smaller panel sizes, more frequent and longer visits (“high touch care”)
- Clinician compensation based on performance and patient health outcomes
- Hospital care when medically necessary
- Emphasis on prevention and lifestyle changes to improve health
- “Integrated care,” with primary care coordinating all aspects of care
- Incentives to keep patients healthy and well, and to keep current medical conditions controlled and managed

The future of healthcare starts here: Navigating the value continuum



¹ Downside risk contracts may or may not include the quality programs within the upside-only portion of the continuum (medical home, model practice).

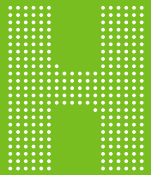
The journey from FFS to global VBC represents a progression in how care is delivered and financed, with increasing levels of provider accountability and financial opportunity.

- **Risk:** The financial exposure providers bear for patient care costs.
- **No risk (FFS):** Providers are paid for each service delivered, with no direct incentive for improving patient outcomes.
- **Upside risk:** Providers share in savings if they meet quality and cost benchmarks but are not financially penalized for overspending.
- **Downside risk:** Providers can share in greater savings when performance on cost and quality exceeds benchmarks, but also face financial risk if they are unable to manage costs of care.
- **Comprehensive risk:** Providers assume full or near-full financial responsibility for patient care costs (e.g., full capitation), incentivizing efficiency and quality at the highest level.

For more on VBC terminology, visit [Humana.com/VBC](https://www.humana.com/VBC).

As providers move rightward along this continuum, they accept more financial risk in exchange for greater potential financial rewards, aligning incentives with patient outcomes and cost efficiency. **At Humana, we want to meet you where you are and help you get to where you want to be. The next section will help your practice figure out what you might be ready for. Our contracts, support, and resources can help you get to where you want to be on this continuum.**





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BACK TO BASICS, FORWARD TO RESULTS: WHY VBC MUST BE OUR PRIORITY

VBC aligns with the quintuple aim of healthcare by optimizing outcomes for individuals, populations, and systems. By improving quality and health outcomes, reducing costs, enhancing the patient experience, supporting workforce well-being, and advancing equitable access, VBC drives sustainable transformation.

Medicare Advantage (MA) is a crucial enabler of VBC, with more than half of eligible Medicare patients currently enrolled. This makes MA a key driver of VBC's powerful benefits, including proactive care management, better resource allocation, and robust provider-payer collaboration. MA's success relies on stable, predictable funding and support for longer-term provider investments to perform well in these models. The [2024 HCP-LAN APM](#) Measurement Report further underscores how alternative payment models (specifically those in categories 3 and 4) thrive in MA, showcasing its pivotal role in advancing VBC.

VBC reduces unnecessary utilization, lowers expenses, and delivers measurable improvements in outcomes and satisfaction. By alleviating administrative burdens and fostering fulfilling care environments, it supports a healthier, more engaged healthcare workforce. With health equity as a cornerstone, VBC addresses social determinants of health (SDOH) to ensure care reaches all populations equitably.

Humana is a leader in VBC, with 70% of our individual MA members aligned to VBC providers—a testament to our commitment to the future of VBC. Building on this foundation, we are expanding VBC into Medicaid, applying proven strategies to deliver equitable, high-quality care for vulnerable populations. This next section highlights the data and evidence demonstrating VBC's value, reinforcing why continued investment in MA is essential to sustain and scale this transformative model.

70%

of Humana's individual MA members are aligned to VBC primary care providers

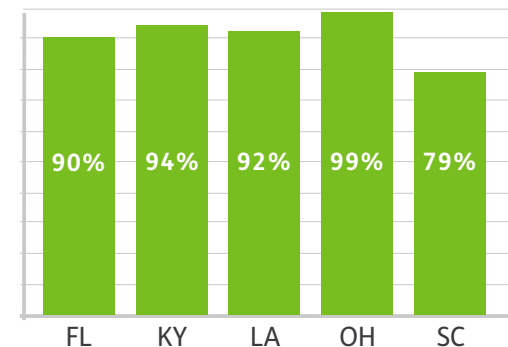
64%

of beneficiaries in MA are aligned to advanced payment model providers, compared with 42% of Original Medicare, according to industry data from the [HCP-LAN report](#).

The quintuple aim: a framework for understanding VBC benefits



Percentage of Humana Medicaid members attributed to VBC primary care providers (PCPs) in 2023



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Healthier tomorrows start today: How MA drives better outcomes and value

VBC delivers measurable improvements in quality, patient safety and health outcomes. In our MA population, VBC providers achieve higher Healthcare Effectiveness Data and Information Set (HEDIS®) scores, reflecting increased use of preventive services such as screenings and vaccinations, as well as better management of chronic conditions like diabetes and hypertension, compared to non-VBC models.

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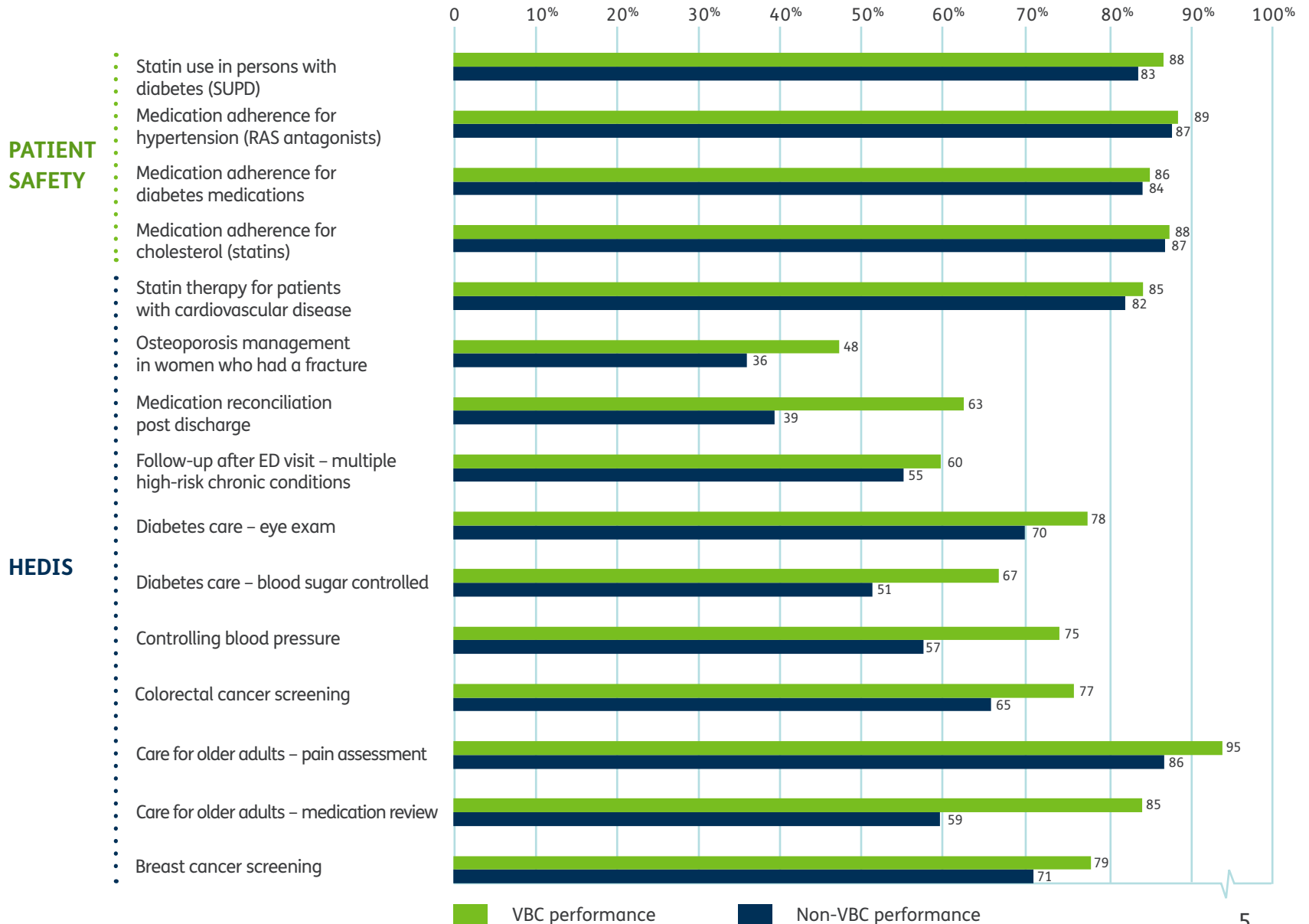


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HOW CAN PRACTICES SUCCEED IN VALUE-BASED CARE?

MA VBC outperforms FFS in multiple preventive care and chronic care management quality measures





Medicaid’s leap forward: Advancing population health among the underserved with VBC

Between 2018 and October 2023, Humana Medicaid overall membership grew more than 150% to exceed 1.2 million members. Our Medicaid programs in Florida and Kentucky show similar success, with VBC providers demonstrating improved health outcomes and proactive care management for their populations. These findings underscore the effectiveness of VBC in promoting preventive care and addressing chronic diseases, creating healthier communities across diverse patient populations.

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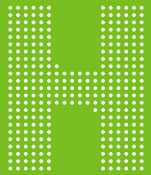
In 2023, Florida Medicaid VBC providers outperformed their non-VBC counterparts across more than 150 HEDIS measures with the following achievements:

6.7pts ↑	Higher adherence in asthma medication ratio (total)	9.1pts ↑	Higher adherence in pharmacotherapy for opioid use disorder
8.3pts ↑	Higher adherence in blood pressure control for patients with diabetes	7.1pts ↑	Higher adherence in diabetes monitoring for patients with diabetes and schizophrenia
8.6pts ↑	Higher adherence in breast cancer screening	6.3pts ↑	Higher adherence in patients with diabetes to receive statin therapy
8pts ↑	Higher adherence in controlling high blood pressure	8.4pts ↑	Higher adherence in cervical cancer screenings
10.2pts ↑	Higher adherence for lead screening for children	12.4pts ↑	Higher adherence in eye exams for patients with diabetes
10.8pts ↑	Higher adherence in weight assessment and counseling for nutrition and physical activity for children/adolescents—BMI percentile (total)	10.5pts ↑	Higher adherence in immunizations for adolescents (combination 1)

Similarly, Kentucky Medicaid VBC Healthy Horizons providers outperformed their non-VBC counterparts in various year 2023 Medicaid quality results

11pts ↑	Higher rates of breast cancer screening	5pts ↑	Higher rates of adult hemoglobin A1c control for diabetes management
10pts ↑	Higher rates of cervical cancer screening	6pts ↑	Higher rates of pediatric well-care visits
10pts ↑	Higher rates of colorectal cancer screening	6pts ↑	Higher rates of adolescent immunizations
6pts ↑	Higher adherence to adult high blood pressure control	7pts ↑	Higher adherence to weight assessment, nutrition, and physical activity counseling

“pts” = percentage points



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The future of affordability: Reducing unnecessary costs today to sustain healthcare for tomorrow

A key principle of VBC is focusing on quality and outcomes, rather than the volume of services provided. This often manifests as better primary care, care coordination, and less unnecessary utilization of procedures and hospital admissions. This, ultimately, lowers overall costs, with more appropriate use of healthcare services and reduction of services that provide little to no value to patients.

Primary care is often underutilized in an FFS system, whereas patients who see a VBC clinician receive more primary care with a focus on preventive care, patient education, coordination with specialists, and chronic disease management.

In VBC, patients have fewer unnecessary hospital admissions and emergency department visits, as this model prioritizes preventive care and managing chronic conditions. Providers are able to proactively address health issues before they escalate to the need for acute care.



85% of VBC patients vs. only 75% of non-VBC patients saw their PCP at least once in 2023

Regular appointments mean better prevention and healthcare maintenance

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Fewer admissions and emergency department visits

32.1% ↓

fewer inpatient admissions for VBC compared with Original Medicare (also known as traditional Medicare) in 2023, saving 278,000 admissions

7.2% ↓

fewer admissions than non-VBC MA, saving 63,000 admissions or 422,000 inpatient days

11.6% ↓

fewer ER visits than non-VBC MA, saving 159,000 visits

\$11 billion

Humana MA value-based arrangements saved an estimated **\$11 billion** in 2023, or **25.8%**, in **medical costs** that would have been incurred had the members been enrolled in Original Medicare. Humana invests these savings into more member benefits, like lower premiums, home care, prescription delivery and healthy food cards.



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Driving forward care journeys and patient experience

Patient experience refers to the overall quality of a patient’s range of interactions with their healthcare provider and is a critical component of VBC.

Patients aligned to providers in a VBC program report higher experience scores on the Consumer Assessment of Healthcare Providers and Systems (CAHPS) survey compared to those treated by physicians in FFS models. VBC allows physicians more time to engage deeply with their patients; time to educate them on their chronic medical conditions, create tailored care plans, and help them proactively manage their health.

By prioritizing a holistic understanding of each patient’s needs, VBC ensures that care goes beyond treating symptoms to improving quality of life as patients build trust for their provider.

Empowering providers for tomorrow: practice sustainability and clinician satisfaction

While physician burnout declined from 64% in 2021 to 48% in 2023, it remains a significant challenge, compounded by workforce shortages. Nearly half of the U.S. population resides in health professional shortage areas, particularly in rural communities. VBC offers a transformative approach to alleviate these pressures by enhancing clinician wellness, fostering professional satisfaction, and enabling sustainable practice economics. In VBC models, clinicians experience reduced burnout and greater job satisfaction by focusing on proactive, patient-centered care instead of the volume-driven demands of FFS models. With fewer patients per day, deeper patient relationships, and support from care teams and data analytics, clinicians can practice medicine as they envisioned during their training.

“VBC is the best model for clinician satisfaction. This absolutely makes me happier as a physician. It’s possible to love what you do and to get great results.”

– Dr. Snehal Parikh, Palmetto Pediatrics



In 2023, Humana’s Medicare Advantage (MA) VBC providers earned up to 241% above the Medicare fee schedule and in 2023, Humana Florida Medicaid providers in full-risk arrangements earned on average 200% above the Medicaid fee schedule. Specialists in MA earned 5%–30% more, depending on their arrangements. This financial stability that VBC helps provide to clinicians, supports practice growth, primary care expansion, and innovation.

3 pts ↑

Higher patient satisfaction CAHPS scores at +90 (out of 100) in VBC compared with non-VBC providers



Humana’s VBC physicians earned up to **2.4x** Medicare’s fee schedule

Equity in focus: Advancing access and serving the underserved for a healthier future

VBC is a powerful framework for improving access to care, particularly for underserved populations. VBC enables providers to focus on population health by tailoring interventions to bridge care gaps for underserved groups. This ensures all patients have access to the resources and support needed for better outcomes. Key operational strategies include leveraging data analytics to identify care gaps, addressing social determinants of health (SDOH), and fostering payer-provider collaborations to create scalable, inclusive solutions. Humana Healthcare Research (HHR)—a team of statisticians, economists, and health services researchers—publishes findings in peer-reviewed journals, examining the impact of VBC.

Enhanced access in VBC senior-focused primary care

A [recent study](#) published in Health Affairs highlights the transformative potential of VBC in MA. VBC population-specific primary care organizations deliver 17% more primary care visits, particularly benefiting underserved groups such as dual-eligible beneficiaries.

These organizations achieved better health outcomes, including fewer hospitalizations and emergency department visits, while improving chronic disease management.

17% ↑
more primary care visits

11% ↓
fewer ED visits

6% ↓
fewer hospitalizations

10% ↓
fewer 30-day inpatient readmissions

39% ↑
more primary care visits for Black beneficiaries

21% ↑
more primary care visits for low-income beneficiaries

Improved access to telehealth for low-income patients

An [analysis of MA telehealth use](#) revealed that low-income, disabled beneficiaries were more likely to use telehealth when attributed to providers in 2-sided risk arrangements. Telehealth supported continuity of care for underserved populations.

Low-income beneficiaries in risk arrangements were **18.7% more likely to use telehealth** compared to those in FFS.

More appropriate sites of care for underserved patients

MA beneficiaries attributed to 2-sided risk VBC providers experienced smaller race-based disparities in emergency department (ED) utilization compared to those in FFS models. [These findings](#) highlight how VBC fosters access to primary care and more appropriate sites of care for underserved populations.

While black patients consistently use the ED more than white patients, that gap is halved for 2-sided risk compared to FFS, from **20% to 10%**.



THE MAP TO TOMORROW: BUILDING OPERATIONAL EXCELLENCE IN VALUE-BASED CARE

Successfully transitioning to VBC requires more than strategic alignment—it demands operational transformation. While VBC includes many components, this report delves into two that are critical for success: building effective care teams and achieving data liquidity.

Care teams are the backbone of VBC, fostering collaboration among physicians, nurses, social workers and other healthcare professionals. By aligning roles, improving communication and leveraging each team member’s expertise, care teams enhance patient outcomes and streamline care delivery.

Data liquidity, the seamless flow of actionable data across systems, enables providers to make informed, real-time decisions. Interoperability and analytics are vital to identifying care gaps, tracking performance and supporting preventive care.

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Infrastructure

- Population health management tools
- Aligned physician incentive structure
- Sufficient staffing structure and panel management
- Effectiveness of electronic medical records
- Internal actionable reporting and tools

Examples of Humana support for value-based PCPs:



Engagement

- Health plan and physician collaboration
- Process for managing collaboration and metrics
- Patient communication and outreach
- Willingness and ability to share data

Population insights compass



Growth

- Established growth opportunity and strategy
- Physician’s engagement with health plan
- Clinic and physician growth capacity
- Joint marketing and sales activity with health plan

National provider management



Clinical operations

- Effective care coordination
- Increased PCP utilization among patient panel
- ER diversion plan
- Prioritizing focus on HEDIS and pharmacy quality measures
- Post-discharge care management

Provider engagement market resources



Performance

- Accurate and complete documentation process
- Monitoring and tracking utilization management
- Internal financial and quality performance reporting to identify drivers of performance

Quality and care management programs

Education and training

Together, these operational pillars empower organizations to deliver cost-effective, high-quality care. By focusing on team dynamics and data integration, healthcare systems can overcome barriers to VBC implementation and unlock its full potential for clinicians and patients alike. Humana has resources to help you implement them.

Learn how to connect with Humana and discover actionable tips, insights, and inspiration to help you succeed. Visit [Humana.com/VBC](https://www.humana.com/VBC).

From silos to synergy: Transforming care teams for a value-based world

Care teams: the foundation of value-based care

Roles within a VBC care team may include:

- **PCPs:** Coordinate patient care and health management.
- **Nurses:** Focus on patient education, chronic care management, and transitional care.
- **Social workers and care navigators:** Address SDOH and help patients navigate complex systems.
- **Behavioral health specialists:** Support mental health needs integrated into primary care.
- **Pharmacists:** Provide medication management and ensure adherence.



Antonio Calvo of Kinship Healthcare notes that “**Differences between VBC and FFS include scheduling, education and care coordination. Staff are empowered to educate patients on how referral systems work, which is something many patients struggle to understand. We have a referral coordinator who ensures patients understand how to schedule specialists, how to circle back with their PCP and what to expect from insurance. Educating patients, educating the staff to understand and anticipate patient needs, and careful coordination for follow-up scheduling are critical to finding success within a VBC contract.**”





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The data superhighway: Driving VBC success with seamless integration and insights

Data analytics, interoperability, and data liquidity are essential to the success of VBC, enabling providers to deliver more effective, coordinated and cost-efficient care.

VBC practices depend on population health management, requiring insights that go beyond individual encounters to address broader patterns of health and disease. A robust data infrastructure allows organizations to identify at-risk patients, close care gaps, and manage chronic conditions more proactively.

Interoperability is about facilitating seamless data exchange between payers and providers and it enhances the accuracy and completeness of patient records. By integrating clinical and claims data, both parties gain a comprehensive view of patient health, enabling better care coordination, reducing duplicative services and preventing medical errors. Tools, like those available in Humana’s suite of services, enable real-time data sharing to also improve the accuracy of quality metrics submissions, which directly impacts HEDIS scores, Star Ratings, and financial outcomes.

Humana has led the charge in interoperability, connecting over 750,000 providers and sharing more than 200 million clinical records across 5.6 million members.

View [this brief video](#) to learn more about Humana’s work in interoperability and our offering of a comprehensive suite of data tools and solutions to help our VBC practices.

More time for care: Humana interoperability



Reduces care delays



Improves patient experiences and satisfaction



Reduces administrative workload



Offers potential cost savings

"Having a comprehensive view of our patients' medical history and health insights allows our clinicians to dedicate more time to addressing health concerns and setting a course for treatment," said Philip Oravetz, MD, chief population health officer, Ochsner Health.



Data Guidebook Alert: AHIP, the American Medical Association, and the National Association of ACOs developed a guidebook with information on the role of data sharing for advancing VBC models.



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From small steps to big impact: A rural's clinic's path to VBC

Danville Pediatrics has undergone significant operational improvements, leading to notable pediatric care quality enhancements through VBC. They leverage comprehensive reporting data from Humana and partner with the Kentucky Primary Care Clinically Incorporated Network to connect to their population health management tool.

Through these efforts, Danville Pediatrics has delivered more patient-focused care while reducing low-value medical tests and treatments.

Danville has received coding education and assistance to improve EHR coding accuracy, and this has translated into better health equity in their clinic. Accurate coding ensures that clinicians are paid appropriately for taking care of more complex patients, thereby incentivizing them to take on these patients.

This overlaps with health equity goals as well, because underserved patients typically have more comorbid conditions. The focus on VBC supports the rural clinic's efforts to provide high-quality care, ultimately improving health outcomes for children in their community.

Danville Pediatrics now hosts mobile and dental clinics which have resulted in higher vaccination rates, early detection of developmental delays and enhanced preventive care.

To improve vaccination rates, Danville Pediatrics uses care gap data from Humana to identify children who are not up to date on their vaccinations and sends personalized reminders to parents. Educational materials about the importance of vaccines are provided during appointments and through the new appointment reminder system.

Childhood Immunization Status 10 scores improved from 21.1 in 2023 to 34.7 in 2024. The Immunizations for Adolescents 1 score increased from 64% in 2023 to 70.5% in 2024. These improvements protect more Kentucky children from preventable diseases.



As the Kinship Healthcare and Danville Pediatric stories demonstrate, adopting a VBC model is a process along a continuum. Humana helps optimize data collection and analysis to integrate VBC into contracts in manageable steps. From modifying schedules and better care coordination to special clinics and data-driven campaigns, any small steps you and your organization can take toward VBC are meaningful and can improve physician satisfaction and patient outcomes.



Check out the [Humana.com/VBC](https://www.humana.com/VBC) website to read more about rural Danville Pediatrics' VBC journey.



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The road ahead: Facing challenges, building a sustainable future together

Transitioning to VBC is no small undertaking. As Oraidia Roman, Humana’s senior vice president for provider experience, explains, **“The first few years can be tough as you build infrastructure and manage change within your organization to prepare for the initial transition. It typically takes 2–3 years to start experiencing rewards, and as you begin seeing success and realizing how fundamentally different, more sustainable, and more energizing practicing in VBC is than FFS, it’s hard to imagine why you ever practiced another way.”**

While the journey to VBC requires time, effort, and strategic planning, the long-term rewards are transformative. By year three, many practices report improved patient engagement, higher care quality, and stronger financial performance. Clinicians rediscover professional fulfillment in models that prioritize meaningful patient relationships and disease prevention over volume-based care.

Humana understands the industry headwinds and challenges of this transition. Yet, we remain steadfast in our commitment to VBC and to standing alongside providers as partners. From advanced data-sharing tools to personalized support, we offer the resources and guidance practices need to navigate these complexities and thrive.

The road to the future of healthcare isn’t without its obstacles, but together, we can overcome them and for many practices it is about going back to basics. By refining workflows, aligning incentives, and building systems rooted in quality, equity, and sustainability, we can create a future where VBC isn’t just a model—it’s the standard. As Roman reminds us, **“VBC is the best way to find success together while serving our patients and members.”**

Let’s embrace the challenges and move forward, shaping a healthcare system that delivers on the promise of better care for all.



For actionable insights, plus more tools and resources, visit [Humana.com/VBC](https://www.humana.com/VBC).

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Content curated by the Humana Office of the Chief Medical Officer.
All metrics, unless otherwise specified, are 2023 data.

