Opportunities to improve value in health following the COVID-19 pandemic

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October 8th, 2020
🐦VUHealthPol
Dramatic effects of the pandemic on care use

Source: Mehrotra et al., *The impact of the COVID-19 pandemic on outpatient visits: Practices are adapting to the new normal* (Commonwealth Fund, June 2020)
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Learning from this dramatic change in care delivery

- COVID-19 presents unique opportunity for natural experiments
- What are the consequences of stalled routine & elective care?
- How can we rethink the way we allocate funds to providers or services?
First, stop paying for things that are known to be low-value

- Expenditures for low-value care exceed $300 billion per year
- With low-value care, risk of disease transmission > potential clinical benefits
- Solutions involve both
  - Demand side (e.g. cost-sharing, eliminating reimbursements)
  - Supply side s (e.g. site neutral payments, capitation)
Exploit **temporal** variations in pandemic severity & public health orders

- Researchers may track health of populations over time
- Identify overall changes associated with pandemic

**Limitations:**
- Difficult to parse out effects of treatment from effects on the economy, mental health, etc.
- Cannot make causal claims regarding particular types of care

... or **spatial** variations

- Burden of COVID-19 is unequally distributed across geography
- State policy responses also varied in timing, length, and breadth
- Plausibly exogenous to specific disease processes
- Event study & synthetic control designs may identify effects on short- & long-term outcomes

Exploit **temporal** variations in pandemic severity & public health orders... ... and **spatial** variations

Source: Courtemanche et al., *Strong social distancing measures in the United States reduced the COVID-19 growth rate* (Health Affairs, May 2020)

Source: Lyu & Wehby, *Community use of face masks and COVID-19: Evidence from a natural experiment of state mandates in the U.S.* (Health Affairs, June 2020)
Utilize novel data sources on individual responses to COVID-19

• Much early COVID-19 research leveraged large existing databases
  o Cross-sectional & potential for ecological fallacies

• New survey data are now available or forthcoming:
  o Medical Expenditure Panel Survey
  o Census Bureau Household Pulse

• Careful analyses could isolate and study health effects in households
Use integrated health systems as comparison groups

• Finding a control group during a pandemic is hard
• Integrated health systems may provide useful targets
  o E.g. Kaiser Permanente, Veterans Health Administration (VHA), Intermountain Healthcare
  o Comparisons of telemedicine versus in-person care
  o Financial stability of different care models
• Bonus: Robust electronic health records, VHA integration of data from Medicare & Medicaid
Capitated payments encourage value in health & pandemic resilience

• Under capitation, provider revenue is tied to the number of enrolled patients
• Low-value care is disincentivized
• Hospitals losing billions in revenues, health care employment declining
• Capitation payments are less sensitive to demand shocks

Image credit: Post Carbon Institute (resilience.org)