

Value-Based Payments: Scaling Up for Success

Paving the Way for Value-Based Care

While adoption in the commercial sector lags, [McKinsey](#)¹ projects a potential trillion-dollar enterprise valuation for payers, providers, and investors as value-based care (VBC) models gain traction. Overcoming obstacles to widespread adoption and leveraging technology to expedite implementation are crucial. A collaborative, data-driven approach between payers and providers is pivotal for success, guiding the healthcare industry toward a more efficient and value-oriented future.

There's a notable shift away from traditional fee-for-service payment models towards Value-Based Payment (VBP) models as healthcare organizations and governments look for innovative ways to contain costs and improve outcomes. According to a report by [Coherent Market Insights](#),² the global value-based healthcare market, estimated at \$12.18 billion in 2023, is projected to reach \$43.39 billion by 2031, with North America leading this evolution.

Accountable care organizations and alternative payment models are driving growth in the U.S., while the Asia Pacific region and Europe are following suit due to rising healthcare costs.

Facing the challenge: the need for an enterprise-strength solution

The concept of VBP models is not new. In the past decade, many healthcare payers have initiated VBP contracts with their providers. Initially, this was on a modest scale, and payers relied on simple, custom solutions to support their VBP administration, often more than one and sometimes even relying on nothing more than spreadsheets and a handful of

¹ <https://www.mckinsey.com/industries/healthcare/our-insights/investing-in-the-new-era-of-value-based-care>

² <https://www.coherentmarketinsights.com/industry-reports/global-value-based-healthcare-market>

dedicated resources. But in the past years, the number and financial impact of value-based contracts have increased at a high rate, placing significant strain on payers' administration systems. Today, the sheer volume of VBPs demands an enterprise-strength platform that is up to the task.

A perfect match: Oracle Health Insurance Value-Based Payments

Oracle Health Insurance Value-Based Payments offers a powerful platform to streamline non-fee-for-service payment payments into a single cloud-based solution. It combines Oracle's deep experience and expertise in the health insurance domain, with the latest cloud technology to provide a secure, scalable, automated, and state-of-the-art solution. It also delivers the convenience and efficiency of rapid implementation and effortless upgrades, and the peace of mind that comes with a mature and financially sound brand.

An automated API-Driven solution

Oracle Health Insurance (VBP) enables payers to configure, rather than code, new payment models—empowering them to design new ways of reimbursing providers.

Given that the accuracy of any payment model is directly dependent on the accuracy of provider, member, and enrollment information, payers require extensive external and internal interoperability of VBP systems. Oracle Health Insurance (VBP) provides the solution through a powerful API that enables payers to connect it to third-party systems (or other Oracle solutions), accepting source data through well-defined integration points. It enables continuous real-time data synchronization and can handle file-based integration when integrating with legacy systems.

Handling payments

As the volume of VBPs grows, payers will have to rely on automated features that ensure accuracy and proper controls. Oracle Health Insurance Value-Based Payments offers the capability to funnel transactions through a single robust and consistent payment pre-process that applies a payer's validations and checks before any payment message is sent to accounts payable. Oracle enables organizations to configuration of a wide variety of rules to ensure accurate payments, including rules to append, call out to other systems, and bundle the payments per provider.

Automated corrections

A common challenge for VBP models is that the inputs for determining the payment amounts, and provider and member records, are highly volatile. These records change constantly, and it takes time for these updates to reach the healthcare payer, almost always retroactively. So, as a matter of course, payers are constantly sending out payment corrections. Oracle addresses this problem by automatically detecting changes to member and provider records that warrant corrective calculations. It— then calculates the corrective delta as soon as the next calculation run for the contract is started. No human intervention is required.

Designed for performance and built to scale in the Cloud

Oracle Health Insurance VBP is designed to handle large volumes, supporting calculations for millions of members and providers. When the application calculates payments for a specific contract, it breaks down the unit of calculation to the most detailed level: per provider per member. This not only allows for detailed analysis but also enables the application to efficiently run multiple calculations simultaneously, ensuring scalability. Its cloud-based implementation enhances scalability and cost efficiency, accommodating the increasing transaction loads in healthcare.

Oracle enables payers to streamline data and processes into a single controlled flow, which, through automation, accelerates speed-to-market and allows operational staff to focus on one solution.

Get Ready for the Future

With Oracle Health Insurance Value-Based Payments, payers can efficiently manage and secure the benefits of VBP, reducing errors and manual involvement, and, ultimately, supporting better patient outcomes. As healthcare evolves, Oracle remains essential for boosting operational efficiency and helping payers embrace evolving payment models.

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