

Value-Based Purchasing: The Evidence

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Objective: This report presents evidence about “what works” in value-based purchasing strategies emphasized in national healthcare reform legislation, with a focus on service delivery integration, payment, and value-based insurance design. We review key findings to address the question: What is the evidence that a value-based strategy will improve health outcomes or reduce healthcare costs?

Study Design: This report is a review of peer-reviewed and field-based research associated with several value-based strategies purchasers can use to increase value in their healthcare market decision making: Accountable Care Organizations, Patient Centered Medical Homes, bundled payment methods and incentives, and value-based insurance designs.

Methods: Environmental scans and evidence reviews of value-based purchasing were conducted to inform this report.

Results: Many value-based approaches are new to the healthcare arena, and evidence of performance in improving health outcomes or reducing healthcare costs is limited but increasing as experience with these approaches grows.

Conclusions: Purchasers should be aware that evidence is contingent on market environment and study assumptions in considering specific strategies, and be cautious implementing them. The need for a new measurement paradigm for cost and quality that reaches across the care continuum is evident.

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