

PREVENTION AND PREPAREDNESS IN Health Financing Systems



Preventive medicine operates within a vast health care enterprise - whether that be practicing clinical preventive and lifestyle medicine, or the application of prevention to health system administration, public health, health policy, and other areas. The skills and tools deployed by preventive medicine physicians in public and private health care financing organizations can help those organizations make the transition to value-based care models, improving care quality and efficiency, and realizing the bountiful positive externalities of prevention.

The future of our healthcare system depends on us being able to move the needle to re-prioritize our **“pay for action” (treat more, get more money) system to “pay for outcomes” (better health particularly at lower cost)**. The current dominant system of fee-for-service care has led to spiraling costs, and the COVID-19 pandemic has shown how a lack of attention on upstream preventive care that addresses personal, family and community resilience has taken a terrible economic and human toll.

Implementing a culture of prevention and transforming private and public health care systems to be value-based, global population-based, risk-adjusted payment models that prioritize prevention at all levels is not a process that will happen quickly. Proving the worth of prevention will take time and a mammoth effort.

The good news for the necessary transformation of our healthcare system is that this process is underway, and action can be taken to accelerate it. States are pushing payers to develop and contract providers in any number of “value-based contracts or programs.” These programs seek to pay for better outcomes through metrics that outline certain measures of illness, follow up by the provider, or care management work. Examples include HgA1c measures, medication adherence, well-child visits, discussions with adolescents regarding substance abuse, etc. Value-based financing can be used to move the paradigm to a value/quality and outcomes-based perspective, with an emphasis on preventive services and chronic disease management.

The Center for Medicaid Services can be a powerful force in influencing this change. Once CMS deems a procedure, diagnosis, or treatment as payable under Medicare, commercial payers take note and begin to incorporate them into benefits packages. Likewise, recommendations from the U.S. Preventive Services Task Force can also drive change in clinical practice, and reinforce CMS rulings.



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To accelerate the transition to value-based care and realize the full benefits of a health system that prioritizes health, federal and state policy must prioritize prevention/preventive services and have a long-term perspective. Currently, budgets tend to focus primarily on the budget year costs and savings, with small attention or allowances for longer-term patient outcomes, costs and savings. This undercounts the value of prevention, preventive services, and chronic disease management, and limits the investment in prevention.



The Private Sector Realizes the Systemic Benefits of Prevention

Beyond keeping people healthy before they get sick, prevention has immense positive externalities. Many businesses and employers are already well in-tune with the benefits of a healthy workforce – that human capital and global sustainability are and must be linked strategically and practically. The private sector is seeing the necessity of aligning personal/family/community health, safety and performance with stewardship of the earth and “good business.” Leading business groups have pioneered reference-based pricing, account-based consumer-driven health plans with greater price transparency and direct contracting to name a few key innovations. Federal and state-level policy could simplify and standardize payment and transactional systems such that all delivery systems could use and commit to greater transparency of cost and provide quality information in a digestible form, empowering employers to further transform the system to create value.

What Role Does Preventive Medicine Play in Transforming Our Health Care System?

Unlocking the potential of a value-based, prevention-focused health system that improves care quality and efficiency will require physicians trained to put prevention first. Health care professionals must be taught about prevention, preparedness and resilience early in their training – integrating learning experiences in the undergraduate and graduate level that provide knowledge about the impact of upstream prevention in building healthy and resilient communities. The COVID-19 pandemic unfortunately has shown how underinvestment in training and preparedness results in devastating effects when health systems do not have the necessary physician resources with expertise in public health and prevention.



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Preventive medicine residency programs already incorporate many of these fundamental population-health skills into core training modules. Supporting current residency programs and expanding funding for additional programs is low hanging fruit in preparing our nation for a transition to value-based care.

Further work can be done to expand components of the preventive medicine skillset to all specialties through a systematic change in the medical school curriculum that includes courses such as epidemiology, biostatistics, behavioral health, and clinical prevention that are core to population health and value-based health care.



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