The shift from a volume-driven delivery model to one that largely hinges on value places new demands on hospitals and health systems to curb rising health care costs by providing clinically appropriate, high-quality care. Yet, as changes unfold in reimbursement, hospitals are challenged by the reality of still doing business in a fee-for-service world, all the while trying to figure out what values — and when — they’ll migrate to value-based payments. Although it is unclear when true payment reform will come into play and how it will take shape, there are steps organizations can take to participate under new payment structures.

The first step is admitting to being part of the problem. “Hospitals have to be forthcoming and recognize they are a significant driver of health care costs,” says Harold Miller, executive director of the Center for Healthcare Quality and Payment Reform. “They need to identify opportunities for savings and make a transition to lower utilization and spending in a viable way.” For one thing, Miller asserts, “hospitals need less capacity. They need to ask, ‘How many beds do we need? How many MRIs?’”

The focus should be on providing care at the right time, in the right setting at the least cost. That will require a deep dive into the organization’s operations, both administratively and clinically, and will require new payment structures.

To succeed under payment reform, hospitals must build a strong culture of collaboration and accountability, says Richard Gundling, vice president of health care financial practices for VHA. In 2013, the series will focus on organizations that are demonstrating high-value health care with measurable results. Follow the Fiscal Fitness series in our magazine, in our e-newsletter H&HN Daily and on our website at www.hhnmag.com/fiscalfitness.

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Care should be as clinically and financially accountable as it is socially responsible. Care should have adequate funding to give people the information and knowledge they need to be responsible about their health. Providers should have adequate funding to help educate individuals on wellness and prevention, appropriate use of services, and self-management of chronic conditions.

Care should be quality-focused and reflect available scientific evidence and best practices. Care should promote continuous improvements in the standards of delivery.

Care should be guided by collaboration and consultation among patients, health care providers, and the community. Care should be clinically coordinated as possible given local conditions.

Adequate funding for health professionals is essential, including the training of physicians and other health care providers in sufficient numbers to care for everyone and to provide effective education to patients and their families.