

# 2024 Paying for Value Survey results: Executive summary

We asked health care plans and providers about their experiences with value-based payment (VBP) in the annual Paying for Value survey. VBP describes payment strategies that tie payment to care quality. VBPs try to contain or lower costs while improving patient care.

**The 2024 survey asked respondents to report on calendar year 2023.** The survey questions include quantitative reporting about VBP adoption and qualitative questions about designing and implementing VBP arrangements.

We received responses from 23 provider organizations, as well as responses from 11 payers, including:

- Five Apple Health (Medicaid) managed care organizations (MCOs)
- Five Public and School Employee Benefits Boards (PEBB and SEBB) carriers
- One commercial health plan not contracted with HCA.

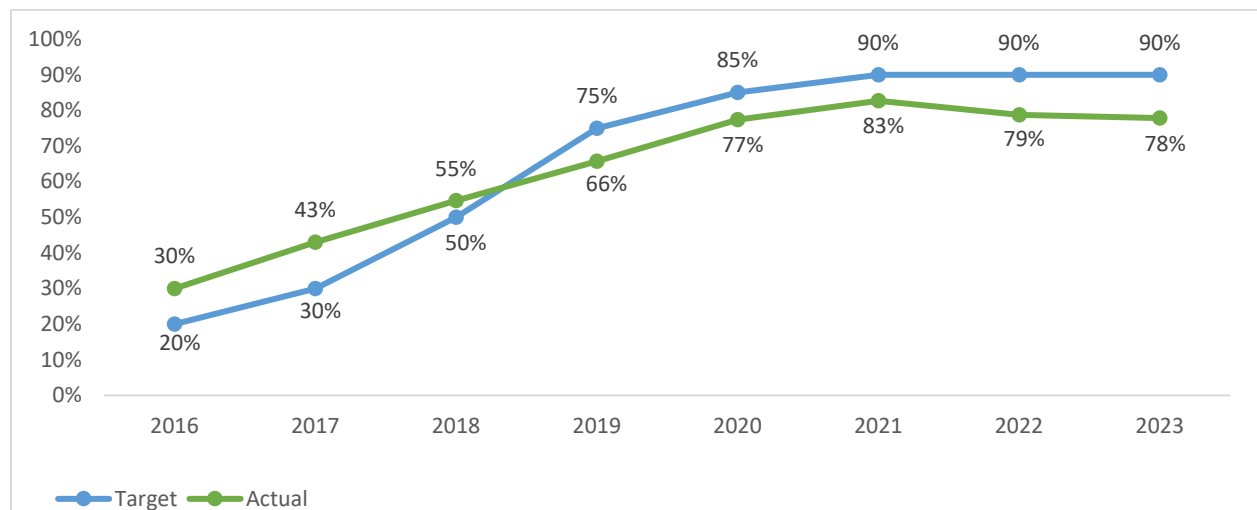
To measure VBP arrangements, we use the [Health Care Payment Learning & Action Network \(HCP-LAN\)](#) Alternative Payment Model Framework. We define Categories 2C through 4C as VBP, and Categories 3B and above as Advanced VBP.

When conducting and analyzing this year’s survey, we followed up on the themes discussed in the [2023 Paying for Value Survey](#). Read the [full 2024 survey results](#) for deeper analysis.

## Key learnings

### VBP adoption decreased slightly in 2023

**Figure 1: Total state-financed payments in VBP over time**



\*The 2021 target for MCOs was 85% rather than 90% due to COVID-19

- 78 percent of state-financed health care flowed through VBP arrangements in 2023. This represents a decrease of 1 percent from 2022 (see Figure 1).
- Spending in Advanced VBP arrangements increased slightly in Medicaid managed care and remained the same for PEBB/SEBB. Category 4 payments in Medicaid managed care increased slightly for the first time since we began measuring VBP spending.

## Most VBP payments are tied to primary care providers

- All payers reported that at least 40 percent of contracted primary care providers (PCPs) engage in VBP arrangements, and five payers reported that over 80 percent of PCPs are engaged in VBP arrangements.
- More than half of payers reported zero VBP participation from most specialty provider types, including behavioral health, perinatal providers, and medical oncologists.

## Providers shared mixed takeaways on VBP experience

- Some respondents shared that VBP participation resulted in significant improvements to their technology, outcomes tracking, and workflows.
- One provider stated that VBP participation did not lead to changes as they don't have the staffing capacity to monitor closely and contact patients to close care gaps.
- Some respondents expressed concern that VBP is only a cost savings tool, shifting risk from the insurance companies to providers. One provider stated that high quality health care sometimes costs, rather than saves, money. However, another stated that participation in VBP models has led to improved outcomes tracking and subsequent improvement in quality and cost effectiveness.

## Conclusions

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### VBP adoption levels remain consistent in Washington and are primarily tied to fee-for-service architecture

- VBP adoption rose steadily from 2016–2021. Since then, the overall percentage of health care payments tied to VBP arrangements has decreased slightly or leveled out.
- Most VBP adoption is in Categories 2C and 3A, which reward providers for quality care, but remain tied to fee-for-service infrastructure. These arrangements may not create sufficient opportunity, incentives, or resources for care coordination, reduction in unnecessary services, and patient-centered care.

### VBP adoption remains concentrated in primary care

- Few direct incentives motivate specialty providers to move towards advanced, quality-oriented payments.
- As we continue to incentivize meaningful VBP adoption, we should consider incentivizing payers to differentiate payment models by provider type.
- Almost half of providers indicated that less than five percent of practice revenue was tied to VBP arrangements. Provider organizations also had mixed viewpoints on the effectiveness of VBP. We will continue to gather input from provider organizations to inform changes to our value-based purchasing strategies.

### We continue to evaluate our VBP measurement strategy

- The 2024 survey built on many of the questions raised by the 2023 survey. New data collection methods for PEBB/SEBB and providers helped us better understand the breadth of VBP uptake in the state.
- As our purchasing strategy continues to evolve, we will also modify our evaluation strategies for a deeper understanding of the experience for Washington individuals and families.