The goal of population health management is to manage the health of a defined population optimally by providing the right intervention(s) to the right people at the right time, thereby striving to provide interventions that are effective, efficient and focused.

McKesson has identified 10 strategies that the most successful health care organizations are taking to adopt this vision of population health management in a value-based world.

1. **Think like a payer.** Much of the value-based care model centers on risk sharing between providers and payers. So, the better you can understand the payer’s perspectives and drivers, the more effectively you will be able to negotiate contracts with them.

For example, recent McKesson research shows that the majority of payers (68%) are currently using tiered provider pricing (which is defined as a network structure geared toward encouraging patients to use higher value, lower cost providers). Of payers that
aren’t using tiered provider pricing, about half expect to be doing so in two to three years. (See chart at right)

2. **Understand globally, empower locally.** Global information about the needs of specific populations can drive a deeper understanding of who in your local community may be in need of different offerings. Use this information to determine the best uses of your programs and resources and you will serve your local populations more effectively and efficiently.

You want your health system to be considered a continuous, trusted and valued part of the community it serves rather than a service commodity to be used episodically or only in case of emergency. Work with stakeholders in education, housing, labor and other relevant areas to understand the issues that affect individual populations and develop interventions and solutions that will be readily appreciated and embraced.

3. **Negotiate the rewards of better managing risk.** As your population health management abilities mature, seek and develop the most beneficial shared savings contracts you can negotiate with strategic payers in your market. Shared savings contracts shift perspective from a fee-for-service model to a value-based reimbursement model. Within that shift, however, it is important to determine where to employ a traditional gain sharing model (in which patient care requirements may limit risk but erode margins) or a risk-sharing model (in which you take on more risk but are better rewarded for managing it). The better you can manage risk, the higher percentage of savings you should earn.

4. **You focus on patient care. Find a business partner to support the rest.** Many clinical leaders want to be actively engaged in the development of strategic plans, business processes, analytics and other technology implementations. Such an approach is both valid and sensible. However, it is valuable to leverage alliances with experts that have the proven experience and knowledge to help you pursue key business and clinical-support objectives. The right partner will distill and focus key information, providing the reports, metrics and best practices you need to measure improvements, recommend budgets, minimize disruptions and help you achieve desired results.

5. **Recognize and embrace the necessary shift from treatment to prevention.** Health care organizations must be prepared to embrace the value-based systems that incentivize wellness care over illness treatment. If they don’t, the discrepancies inherent in the fee-for-service model will
6. **Think of your providers in terms of teams, not individuals.** Integrated care is an essential component of population health management because special populations (e.g., those with diabetes, arthritis, heart disease and other illnesses with multiple co-morbidities) require the care of multiple providers who must work together. Organization and reinforcement of “the team culture” must be continual.

7. **Embrace consumerism.** The prevalence of health care spending accounts, the easy accessibility of health information websites and the popularity of mobile health monitoring devices are not going to reverse themselves. In turn, health care organizations should identify ways to become trusted sources of health care information and education, leveraging online systems and patient-reported technologies. Developing relationships with less expensive outpatient facilities, satellite clinics and other alternative resources can position your organization as a flexible resource with multiple options for cost-minded patients.

8. **Leverage “care extenders” to achieve better value.** As you seek the greatest possible benefit from the value-based care model, you should seek opportunities to leverage lower-level care providers for patient outreach, interaction, care coordination and follow-up, as well as for predictable, low-acuity cases. Health care organizations should also seek to implement technology to enable patients to manage their own care without having to tie up the time of expensive practitioners.

9. **Turn data into decisions.** The time is now to invest in strong analytic technology and resources to help ensure statistically sound information and actionable steps. The right technology can help you distinguish between correlation and causation as you make key decisions about care.

Also, look across your data sources (e.g., electronic health records, population registries, etc.) and automatically aggregate and integrate the clinical, patient experience, demographic, financial, administrative and other data you have. Once aggregated, the data can be presented in a way that enables actionable decisions.

10. **Measure outcomes.** Measure the financial, clinical and experiential impact that your actions are having on your...
populations. And adjust based on your findings. It sounds obvious and elementary, but it must not be discounted as something that an organization will get around to doing later. Payers care about outcomes — and your ability to negotiate gain sharing contracts will depend on your ability to demonstrate quality of care. Likewise, patients — thinking as consumers — will increasingly want to use these metrics in their own decision-making processes.

Many of these strategies are bold and may require support both to ingrain them within established organizations and deliver success across multiple criteria — including financial. However, to be included among a list of innovative and leading organizations, you have to stay true to the vision of providing effective, efficient and focused interventions across your populations.

For additional support along your journey, McKesson has developed a step-by-step playbook to help hospitals and physicians build and manage a cost-effective, high-quality accountable care delivery model. Explore the ACO Playbook, which is based on our more than 15 years of working with hospitals and physicians nationwide.

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**About the Author**

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Jeb Dunkelberger is Executive Director of Corporate Partnerships for the McKesson Business Performance Services division, with his core focus in accountable care services. In this role, Jeb integrates a plethora of health care stakeholders in revolutionary care delivery models designed for the evolving complexities of today’s health care sector.