

# BIG BETS ON VALUE-BASED CARE

WHAT HIT VENDORS NEED TO DO TO INCREASE THEIR ODDS OF SUCCESS IN A VBC WORLD

**Value-Based Care (VBC)** initiatives are capturing a lot of attention, and in some cases capturing scarce IT budget allocations, as health industry stakeholders prepare for what some believe is an inevitable shift in the way care will be financed and delivered. For Health Information Technology (HIT) vendors, this shift presents a double-edged sword of both new opportunity and risk.

VBC represents a change in market behavior and subsequently core processes and procedures requiring HIT solutions to manage effectively. Vendors must therefore determine how VBC will impact their portfolio and invest accordingly to capitalize on new market demands. However, the market is still maturing and early movers must plan thoughtfully to grow with the market while avoiding burning valuable resources developing solutions that may later need to be reworked. Additionally, vendors must avoid overreaching on requirements by creating an unsustainable business model dependent on clients committing to technologies and functionality beyond their current needs. Finding the right balance will be critical to evolving with the market and emerging as a successful VBC solution provider.

In this article, we outline a strategic framework for finding such a balance. Key elements include:

- **Understanding how your solution fits into the broader Health IT ecosystem**
- **Anticipating how customer needs will evolve in the near-term, mid-term, and long-term evolution towards VBC**
- **Building a VBC Strategy based on a clear conception of how your value proposition and positioning aligns with those evolving customer needs**

## The Transition to Value-Based Care

The healthcare industry is undergoing a dramatic shift, largely fueled by the Affordable Care Act (ACA), to manage individuals and populations in a far more coordinated manner than historically independent healthcare providers have achieved. One specific way the ACA has served as a catalyst for change has been by providing incentives for the adoption of HIT and the digitization of health records.

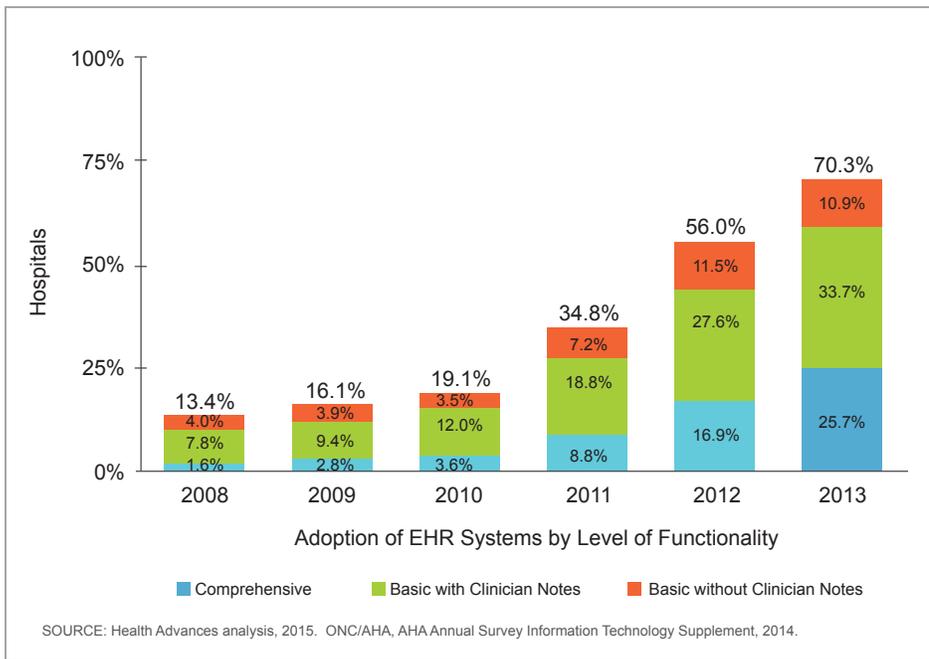
From 2008 through 2013, US hospitals experienced a fivefold increase in the use of electronic health records (EHRs). As illustrated in [Figure 1](#), 70% of acute care hospitals in 2013 had achieved at least some level of EHR technology adoption with over 25% implementing comprehensive EHRs at their facility.<sup>1</sup>

Physicians' offices experienced similar trends in technology adoption over this period and 78% reported adoption of EHRs in 2013.<sup>2</sup>

<sup>1</sup> Dustin Charles, MPH; Meghan Gabriel, PhD; Michael F. Furukawa, PhD, "Adoption of Electronic Health Record Systems among U.S. Non-federal Acute Care Hospitals: 2008-2013," ONC Data Brief No. 16, May 2014, on Health IT

<sup>2</sup> "More physicians and hospitals are using EHRs than before," Press Release, August 7, 2014, on HHS.gov website, <http://www.hhs.gov/news/press/2014pres/08/20140807a.html>.

**Figure 1: US Hospital EHR Adoption**



The widespread adoption of EHRs has resulted in an explosion of digital health data, from which opportunities have emerged to consider innovative ways to drive more efficiency, improved outcomes, and higher patient satisfaction across the healthcare ecosystem. One of the most promising of these opportunities is VBC, which represents the management of clinical and financial risk for populations,

with the goal of improving clinical outcomes and efficiency through active coordination of care across settings and over time. Population Health Management is often used to describe the methodologies followed by practitioners to achieve related VBC goals.

Traditional relationships and workflow between industry stakeholders are evolving as a result of the new focus on VBC,

and the natural response from the market is to look to HIT for solutions that capitalize on foundation EHR investments to facilitate efficient management of new care models. Several key changes from this shift in our traditional healthcare model are highlighted in Table 1.

## Rational Exuberance

Many industry stakeholders intuitively see the value in the shift to VBC. The intent behind VBC is to align provider incentives around cost and quality in ways that will optimize health outcomes per dollar spent within a given population. In order to affect this alignment of incentives, the ACA introduced the concept of the Accountable Care Organization (ACO), a health delivery network that is designed to coordinate care for patient populations and to take on the financial risk of doing so.

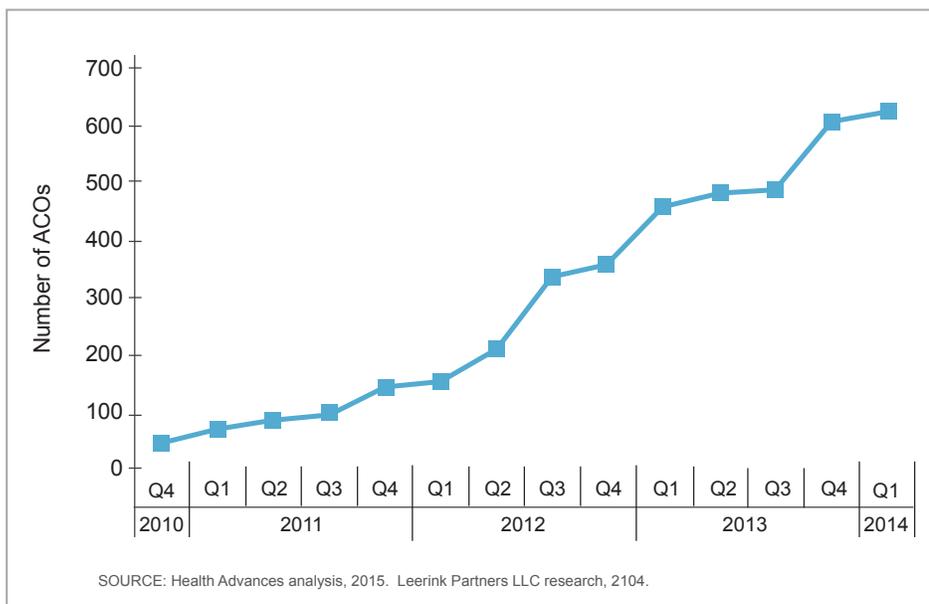
Since the Centers for Medicare and Medicaid Services (CMS) formalized ACO contracting in 2010, commercial payers have also begun engaging providers in this model and adoption has been steady. Market analysts and health industry experts believe that the transformation to VBC is well underway and that with over 625 formal ACOs and approximately 20 million lives managed under ACO contracts, market growth has been robust (Figures 2 and 3)<sup>3</sup>. These statistics and ubiquitous references to value and population health management in trade journals would lead many vendors to believe that VBC is the next land rush for which they must immediately stake a position.

<sup>3</sup> Gupte, Ana, PhD, "Paradigm Shifts to Value-Based Care Are Real: Takeaways from Recent Services RT," (2014, October 9). Leerink..

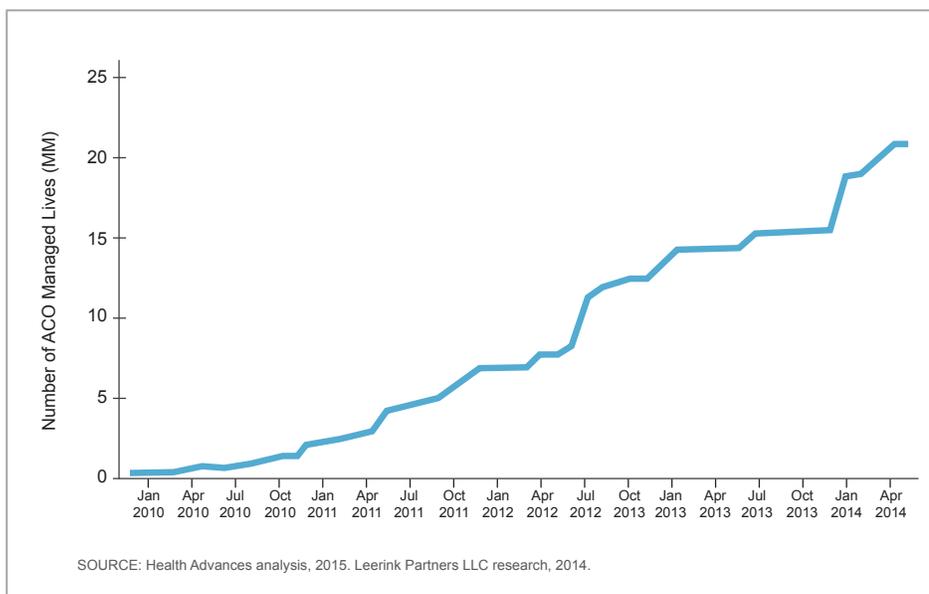
**Table 1: Key Changes of Market Shift from Traditional Healthcare Models to Value-Based Care**

Traditional Healthcare Model	Value-Based Care Model
Care focused on illness	Care focused on the whole patient or population at risk
Coordination of care focused on clinical event setting	Team-based care coordinated across multiple settings and events
Volume driven reimbursement models (Fee for Service)	Value-Based reimbursement models with incentives for positive outcomes and efficiency (Fee for Value)

**Figure 2: Increase in Total ACO Entities from 2010 to 2014**



**Figure 3: Increase in Total ACO Managed Lives 2010 - 2014**



## Intelligent Planning

Amidst these exciting steps towards VBC, it is important to recognize that this transformation will be gradual and may require 15 years or more to unfold<sup>4</sup>. According to one estimate, only 17% of provider reimbursement is linked to VBC today, and that figure will

only rise to 34% by 2020<sup>5</sup>. The gradual nature of this transformation is a critical consideration for HIT companies seeking to take advantage of opportunities created by VBC.

While the anticipated slow uptake of VBC is attributed to a number of factors, two notably stand out.

First, the pressure to shift from Fee-for-Service (FFS) payment models to Fee-for-Value (FFV) will be alleviated by the bolus of newly insured Americans who will now be covered under another program within the ACA. These 30 to 40 million newly insured individuals are, at least initially, being covered in FFS models, alleviating health system financial pressures by increasing access to providers for insured patients while reducing the amount of bad debt absorbed from the uninsured who cannot cover their bills.

Second, following the frantic investments to implement foundational EHRs that meet regulatory requirements and incentives, providers are still addressing low end-user satisfaction, technical challenges of enterprise wide system integration, and normalization of process and procedure to report on related requirements. This delay and the specific implications of the two noted factors, however, do not mean that HIT vendors can ignore VBC until systemic issues are resolved.

By planning intelligently now, vendors can ride the wave of interest in VBC through this stormy period and establish themselves as leaders in the transformed ecosystem. However, vendors need to first align the value proposition of what they offer to meet target client needs today with their vision for delivering

<sup>4</sup> Francis, David & Rastogi, Himanshu, PhD, CFA. The Birth of the Healthcare 'Consumer' and the Evolution of PopHealth. HCIT Industry at "tipping point"; new CHIT opportunity more than doubles market (2014, February 13). RBC Capital Markets Equity Research

<sup>5</sup> HCIT: What We Talk About When We Talk About Population Health (2014, March 4). U.S. Healthcare Distribution & Technology. Barclays Equity Research.

continued value as market demands evolve and mature.

As with most strategic business decisions, the old adage of follow the money certainly applies for VBC solutions. The key takeaways here are: truly understand target client requirements and avoid overreaching with solution capabilities. Solution development

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### Health Advances

teams may love the prospect of developing advanced care coordination analytics driven off social media data streams, but more than likely the market interest for them will be limited at least in the near-term.

Health Advances advises articulating three horizons for solution development planning: near (1-2 years), mid (3-5 years), and long-term (5+ years). To the extent possible, these horizons will be guided by anticipated market requirements. The degree of clarity on market size and client demand for solutions should align with these horizons to determine if investment to meet emerging trends is sound. There is always an element of risk associated with these decisions, but having a firm understanding of the near-term market need will increase the odds of having the momentum to reach long-term goals, or at least have an opportunity to course correct from a position of strength.

For VBC solutions, there is a common set of solution components that will need to be in place to both manage contracts today and evolve as system requirements mature. Requirements will be influenced by where in the continuum of care the solution will be placed (e.g. wellness and prevention, episodic care, chronic care management). Many solutions will be applied across continuum of care management needs, but additionally there will be a demand for more targeted offerings. Clear articulations of the solution's value proposition, including the boundaries of the needs it will and will not address, are critical to VBC success. This solution domain can be wide reaching, and overstepping one's capabilities can quickly destroy one's credibility with clients.

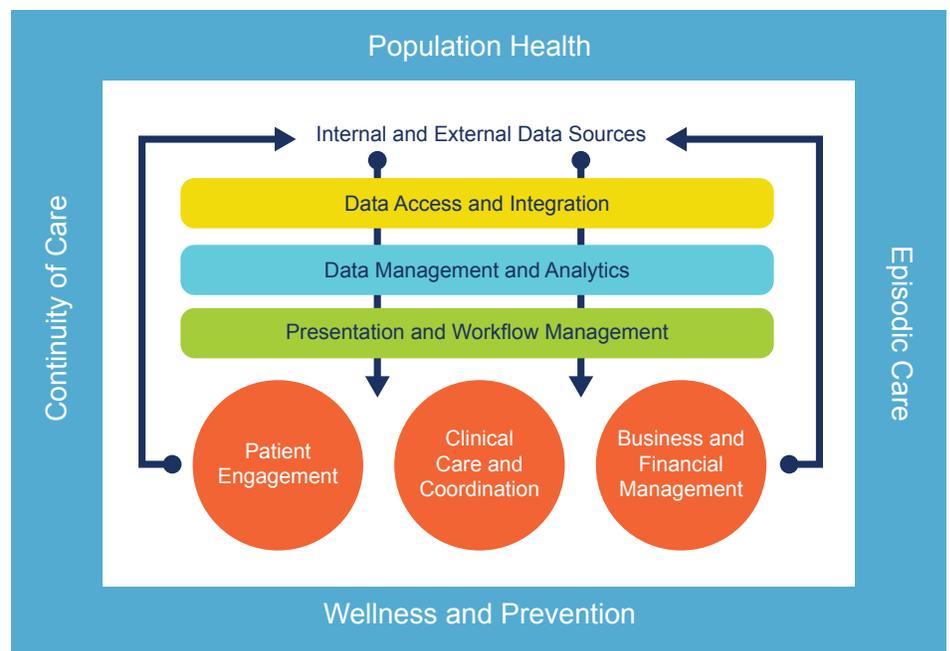
### Foundation Capabilities

Part of the challenge in advising solution development

investments is aligning perceived priorities with market demand. With VBC, the rule is the same but because market dynamics are evolving inconsistently across provider types and geographies, the challenge can be easier understood than solved. Considering a solution in the context of a common architecture model helps.

Once solution development boundaries are defined, they can next be related to other components or functions in the ecosystem. Identifying boundary areas early helps guide strategic decisions about how the offering will relate to upstream, downstream and complementary components. And because many HIT infrastructure investments have already been made by providers, understanding and being able to clearly communicate how a new solution fits into clients' existing environments is critical in the sales process.

*Figure 4: Health Advances Common Model for Health IT*



**Table 2. Common Model for Health IT Core Functionality**

<p><b>Data Access and Integration</b></p>	<p>A basic tenet of VBC is that patients and the risk populations they align with can be monitored and managed over time and multiple settings. To do this effectively, stakeholders will need to:</p> <ul style="list-style-type: none"> <li>■ Define a universe of care (e.g. Geographic, employee group, disease population).</li> <li>■ Determine which care team members will be interacting with them.</li> <li>■ Consider what will be the optimal solutions to access data on their well-being/care.</li> <li>■ Plan for how best to integrate available data to support contractual commitments.</li> </ul>
<p><b>Data Management and Analytics</b></p>	<p>Once target data is literally or virtually connected, it will likely require some degree of management to convert into a format usable for other systems, or require analytics to distill data to the desired information and insights necessary to effectively manage VBC commitments. Configuring robust data management and analytics tools specifically for healthcare’s unique lexicons and processes is typically the differentiator for successful offerings.</p>
<p><b>Presentation and Workflow Management</b></p>	<p>No amount of data manipulation is useful if it does not add value to a key process or support decision making. The presentation and workflow aspects of VBC solutions enable stakeholders to effectively improve efficiency, outcomes, or patient satisfaction. For VBC solutions, they are stratified as tools for:</p> <ul style="list-style-type: none"> <li>■ Patient Engagement: To manage patients’ experiences, interactions with their care team, and success with care plans.</li> <li>■ Clinical Care and Coordination: To support care team coordination of care including identifying patients at risk, setting appropriate goals, managing workflow, and receiving alerts and decision support when status changes occur.</li> <li>■ Business and Financial Management: To efficiently manage administrative and financial requirements of VBC contracts.</li> </ul>

A common model used at Health Advances illustrated in [Figure 4](#), includes components which are further detailed in [Table 2](#):

This architecture construct is generic by design and intended to orient solution planners to their relationship with overall

industry needs. Specific solution features should be planned with this architecture and the strategic horizons as guides to prioritizing investments. [Tables 3, 4, and 5](#) highlight likely priorities within the common architectural components. While

specific clients may push for more advanced capabilities because of local market drivers or unique organizational goals, most stakeholders should follow a path to maturing need similar to the horizons depicted on the following pages.

Table 3. Near Term Priorities for Core VBC Architecture Components

NEAR TERM	1-2 Years (2015-2016)
<p><b>VBC Environment</b></p>	<ul style="list-style-type: none"> <li>■ Most contracts feature limited financial risk and are opportunities<sup>7</sup> to organize around managing target populations at risk, and building out care coordination capabilities.</li> <li>■ Incentives are primarily for achieving savings from historical average costs with little or no penalties for not hitting targets.</li> <li>■ Fee-for-Service still dominates industry behaviors.</li> </ul>
<p><b>HIT Solution Characteristics</b></p>	<ul style="list-style-type: none"> <li>■ Providers and payers are most interested in population health management tools that allow for high-level cohort management, patient-care team communications, and performance reporting. An emphasis on outcomes guides most priorities, but only in very mature managed care markets is detailed cost accounting linked to VBC contracts</li> <li>■ Life sciences (bio-pharma, med devices, etc.) begins exploring how best to engage with advanced systems.</li> </ul>

**Examples of Solution Characteristics in Core Component Focus Areas**

<p><b>Data Access and Integration</b></p>	<ul style="list-style-type: none"> <li>■ Access to clinical documents from across the health system (interoperability remains elusive).</li> <li>■ Ability to easily aggregate and exchange electronic clinical documents for longitudinal views of individuals' health histories, and aggregate data measures for contract reporting.</li> </ul>
<p><b>Data Management and Analytics</b></p>	<ul style="list-style-type: none"> <li>■ Merged views of target data elements from primary EHRs across care settings.</li> <li>■ Clinical decision support for continuity of care management.</li> <li>■ Retrieval, calculation, storage and reporting on basic population health data primarily organized around federal ACO reporting parameters.</li> <li>■ Predictive analytics influencing care plans at disease level.</li> </ul>
<p><b>Presentation and Workflow Management</b></p>	<p><b>Patient Engagement</b></p> <ul style="list-style-type: none"> <li>■ Patient portal with administrative self-management and navigation tools.</li> <li>■ Secure email with care team.</li> <li>■ General knowledge management for disease.</li> </ul> <p><b>Clinical Care and Coordination</b></p> <ul style="list-style-type: none"> <li>■ Dedicated care coordination tools with capabilities for patient referral, program enrollment, activity tracking, and continuity of care management.</li> <li>■ Program orientation around care coordinator workflow.</li> </ul> <p><b>Business and Financial Management</b></p> <ul style="list-style-type: none"> <li>■ Performance tracking against contracts, aggregated cost management and high-level population/risk group attribution.</li> </ul>

Table 4. Mid Term Priorities for Core VBC Architecture Components

MIDTERM	3-5 Years (2017-2019)
<p><b>VBC Environment</b></p>	<ul style="list-style-type: none"> <li>■ Managed risk becomes more prevalent as VBC contracts include larger incentives for meeting outcomes targets, but penalties are equally pervasive for not meeting performance commitments.</li> <li>■ FFV no longer a novelty and becomes a driver for enterprise business decisions in conflict with FFS models.</li> <li>■ More rigorous economic models drive strategic decisions.</li> </ul>
<p><b>HIT Solution Characteristics</b></p>	<ul style="list-style-type: none"> <li>■ Care coordination and outcome management tools must directly support financial management.</li> <li>■ Population management now in context of full value equation.</li> <li>■ Remote access and monitoring tools gain traction for managing high risk populations at most appropriate acuity level.</li> <li>■ High-level life sciences integration across solutions becomes an expectation.</li> </ul>
<p><b>Examples of Solution Characteristics in Core Component Focus Areas</b></p>	
<p><b>Data Access and Integration</b></p>	<ul style="list-style-type: none"> <li>■ Enterprise wide health information exchange among EMRs and other target systems.</li> <li>■ Early integration with non-traditional/non-healthcare sources of data.</li> <li>■ Integration made easier by advances in standards.</li> </ul>
<p><b>Data Management and Analytics</b></p>	<ul style="list-style-type: none"> <li>■ Analytics decoupled from core applications to run against enterprise wide data.</li> <li>■ Ability to attribute individual episodes of care and cost to unique care teams.</li> <li>■ Predictive analytics influencing care plans at a personalized level.</li> </ul>
<p><b>Presentation and Workflow Management</b></p>	<p><b>Patient Engagement</b></p> <ul style="list-style-type: none"> <li>■ Care management and more customized knowledge management tools available to patient.</li> <li>■ Personalized basic decision support based on individual’s health data.</li> <li>■ Secure communications with care team.</li> </ul>
	<p><b>Clinical Care and Coordination</b></p> <ul style="list-style-type: none"> <li>■ Bi-directional integration of data and communications across care settings.</li> <li>■ Entire care team can manage patient through a common platform. Patient input enabled for annotating care plan directly or receiving remote monitoring inputs.</li> </ul>
	<p><b>Business and Financial Management</b></p> <ul style="list-style-type: none"> <li>■ Reporting on cross system leakage.</li> <li>■ Attribution of patients to specific care teams and services/interventions provided.</li> </ul>

Table 5. Long Term Priorities for Core VBC Architecture Components

LONGTERM	5+ Years (2020 and beyond)
VBC Environment	<ul style="list-style-type: none"> <li>■ Managed risk contracts represent the majority of contracts, with some health systems assuming full capitation for defined populations. Patient influence over care decisions increases as individual contributions to insurance rises and transparency on quality and cost become more ubiquitous.</li> <li>■ Fee for Service exists primarily for specialty services and care settings.</li> </ul>
HIT Solution Characteristics	<ul style="list-style-type: none"> <li>■ Integrated clinical, business, and financial management solutions drive HIT spending. Patient and physician engagement tools are critical to managing volume needed to meet business commitments. Use of remote access and monitoring is the norm in managing acuity at the most efficient level possible, while keeping patient and care team coordinated.</li> <li>■ Life sciences partnerships include deep integration at process and data levels to collaborate on optimized patient care and business goals.</li> </ul>
<p><b>Examples of Solution Characteristics in Core Component Focus Areas</b></p>	
Data Access and Integration	<ul style="list-style-type: none"> <li>■ Interoperability with target systems.</li> <li>■ Standards-based exchange of information with external data sources.</li> <li>■ Advances in data access and integration, and mobile device monitoring lead to explosion of data to manage (big data challenge: volume, variety, velocity).</li> </ul>
Data Management and Analytics	<ul style="list-style-type: none"> <li>■ Predictive analytics, including 'omics (genomics, proteomics, etc.), influencing care plans at a personalized level.</li> <li>■ Big data challenge necessitates greater dependence on prescriptive and predictive analytics.</li> </ul>
Presentation and Workflow Management	<p><b>Patient Engagement</b></p> <ul style="list-style-type: none"> <li>■ High risk patients have ability to fully engage with care team around care plan, options, and activities.</li> <li>■ Patients have tools and dashboard for self-monitoring, with input from care team, devices, and other environmental sources.</li> </ul>
	<p><b>Clinical Care and Coordination</b></p> <ul style="list-style-type: none"> <li>■ Care team has access to fully integrated care record from across health system.</li> <li>■ Workflow at all locations is managed in the context of the longitudinal record.</li> <li>■ Care team is aware of and provided incentives for clinical and financial performance against VBC contracts.</li> </ul>
	<p><b>Business and Financial Management</b></p> <ul style="list-style-type: none"> <li>■ Advanced cost accounting systems in place.</li> <li>■ Attribution of individual patient's outcomes and cost to specific practitioner's inputs.</li> <li>■ Actuarial tools enabled.</li> </ul>

## Building a VBC Strategy

When an industry is undergoing a transformation that has the potential to impact all segments and numerous core processes, it can be hard to determine where to begin with strategic planning. Additionally, as is often the case, organizations that are busy with their legacy business may have a difficult time devoting attention to planning for where the market will be, when immediate pressures are around where the market currently is.

However, VBC is shaping up to be a fundamental environmental change

Figure 5. Value-Based Care Strategy Development Methodology



that is propagating disruptive solutions to meet healthcare's need for improved quality, efficiency, and patient satisfaction. Therefore, not having a plan now may mean not being able to catch up when this market shift accelerates (or having to spend a lot more to do so).

For vendors that believe VBC offerings will be strategic to their future success, there is a methodology (Figure 5) that they can follow to effectively position their organization to meet VBC goals.

## Strategy Development Methodology

### Articulate VBC Vision

In times of market change, vendors must actively communicate with clients. With the shift to VBC, clients of HIT vendors will be planning their own strategies and wondering how their vendor community will support their future needs. It is best for vendors to clearly articulate how they see themselves adapting to changing markets, and how they will do business in the anticipated future state.

In these situations, Health Advances advises vendor clients to start with a basic evaluation of their business and the market segments they compete in, to answer the question, "What is our Vision for VBC?" This question should precipitate consideration of the organization's mission, guiding principles, and core strengths (in the context of how a VBC market shift will impact them), and how they will pursue new opportunities that will emerge from market change.

Developing a Vision that is the right fit may, of course, require additional investigation to answer related strategic question, e.g.:

- How will our solutions support market trends and customer needs related to the VBC transformation?
- How will we adapt our current solutions to keep pace with evolution in the needs of our customers?
- Which customer segments and needs can we address today?
- Which new customer segments and needs can we aspire to meet in the future?

Answering these questions, ideally based on thorough market analysis and direct customer input, will help HIT companies map out how they will evolve in step with the evolving customers they serve. Communicating this to clients is critical because as they prepare for market changes themselves they will be evaluating vendors for their ability to meet today's needs and anticipated future requirements.

### Determine Priority Offerings

Clarifying a VBC Vision allows vendors to next decide what features and/or capabilities to prioritize in the offerings they will bring to market. Evaluation of options to prioritize should include consideration of how to best compete and differentiate offerings in target markets. With a vision in place for how solutions will deliver value in a VBC environment, vendors can answer questions that will guide their prioritization of resources, e.g.:

- How tightly can we define our target markets and customer segments?
- How specifically can we describe the key needs and purchasing behaviors of our target segments? Which features will they buy first, and why?
- Who are/would be our competitors? Who are the incumbents? What new entrants do we need to be concerned about?
- What will most influence buying behaviors (quality, cost, access, integration, etc.)?

- How can we quantify our value proposition? Which of our customers' performance metrics do we expect to impact? How could we access data on those metrics in order to quantify our impact?
- What partnerships could facilitate market access?

In an emerging solution space, it will be difficult to differentiate against competitive solutions that are also evolving. Dedicating resources to become expert in the market's dynamics will allow vendors to more confidently prioritize unique solution characteristics. Such resource dedication includes closely following behavior patterns of potential clients and competitors, as well as key market influencers. Vendors should define who in their organization will be responsible for those insights and assure they have the right level of support to be successful.

With confidence in the market insights derived, prioritized offering features are ideally based on what clients are asking for, but can be based on attributes the market is gravitating toward. Either way, in this step, vendors should be aiming to leave less to guesswork, and to the extent possible, to make decisions on how to allocate resources based on regularly monitored market feedback.

## Defining Solution Roadmap

The roadmap is the solution development plan that factors in timing, resources, and dependencies of related workstreams to meet capability milestones driven typically by client demand or regulatory deadlines. Defining a solution development roadmap is a core competency for experienced vendors, and they should be in their comfort

zone doing so in mature markets. However, in markets experiencing significant transformation, vendors need to regularly reevaluate roadmap plans to assure they will still achieve their desired competitive market position. As with preceding phases the roadmap should be evaluated against strategic questions, e.g.:

- Do we really understand our target client requirements for our next solution release?
- Do we have a good feel for what they will want moving forward? Are we prioritizing the right things?
- Can we draw a tight connection with likely buying patterns of clients? Do we have a feel for price sensitivity of what we will be delivering?
- Are we fully aware of dependencies with other internal development efforts? Are we optimizing resources? Are we consistent with guiding design principles of other offerings?
- Is there a solution component we could buy, or skill we should partner for, to expedite how quickly we can get our solution to market?

By regularly questioning and reassessing the roadmap, appropriate adjustments can be made to stay attuned to inevitable updates to needs, preferences, and clarifications of requirement details.

## Execute Roadmap

Where the rubber hits the road is with the commitment of resources to develop and offer solutions to meet client needs. With VBC, organizations should plan to closely and frequently monitor roadmap progress against market developments to assure they are staying aligned with goals. Basic principles of solu-

tion development apply here, but several special considerations for the VBC environment include:

- Keep deliverables tightly defined, and budget time to collect and factor in formal feedback from stakeholders. This should include clients and internal teams with dependencies to the solution.
- Institute a process for capturing and managing external feedback. It may sound obvious, but busy teams can get closed off from external inputs. Once launched, solution team leaders need to stay closely aligned with marketing and sales activities, implementation teams, and other trusted sources of market preferences to get feedback.
- Resist the urge to 'open' requirements once a deliverable has been defined and resources committed. Updates can be planned in subsequent releases, but if requirements are never locked down, odds increase that quality outputs will never be delivered. This may seem counterintuitive to the first consideration, but it is critical to advancing goals. Feedback should be directed at the deliverables in the planning phase, not those in development, to keep progressing through the roadmap.
- Consider support services with the client environment in mind, not just from the perspective of a stand-alone solution. Most HIT solutions today are going to be implemented in concert with other applications and technology. The very nature of VBC solutions almost guarantees a need to interact with or at least send/receive information to other solutions. Plan to help clients optimize the solution in the likely context of other systems with which it will be in contact.

## Conclusion

Value-Based Care is already profoundly impacting the US health-care system. While the overall transition to VBC will take a decade or longer, it is moving forward much more quickly within some customer segments, particularly among leading health systems. VBC opportunities exist today for HIT companies and will only become more important over time.

HIT companies that have been early movers in VBC should plan to actively monitor and reevaluate

progress with solution development to assure they are tracking to market needs and likely updates to VBC requirements. HIT companies that have yet to wade into the VBC market should waste no time in defining their VBC strategy.

For both groups of vendors, the most significant risk is misplacing resources following requirements that are not maintained against maturing market needs, resulting in additional costs to course correct, and in opportunity lost when deals

avail themselves but solutions are not well aligned to meet them. The good news is that the window of opportunity is still open to embrace the structured strategic approach we have outlined. Such an approach will help HIT companies avoid risk with smart investments that maximize their chances for success. As VBC and the industry find a new equilibrium, there will be winners and losers, but those who do not place bets soon will not be in the game.

### About The Author

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