

Clarify Health scoops up Embedded Healthcare amid growing momentum for value-based care

Article

The news: Healthcare cloud company **Clarify Health** acquired provider-focused behavioral science platform **Embedded Healthcare** to scale value-based care (VBC) for health plans.

More on the two companies:

- **Clarify Health's** AI-powered cloud analytics platform optimizes VBC contracts between providers and payers by analyzing metrics like provider performance and real-time population health insights.
- **Embedded Healthcare's** platform uses data and incentives to nudge physician behaviors toward making higher-value care decisions. For example, incentives like increased bonus size for positive performance and peer-to-peer comparison of performance led to better quality of care, [per](#) Embedded Healthcare's research studies.

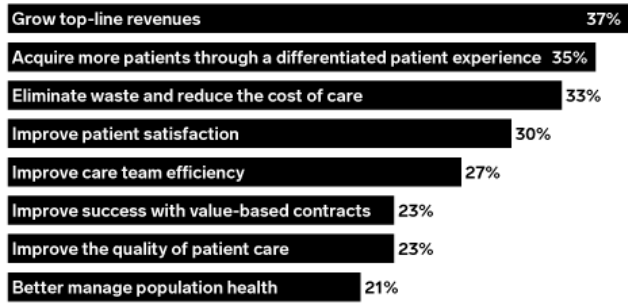
Why it's worth watching: Clarify Health and Embedded Healthcare's combined solution could motivate more providers to take the leap into VBC.

- VBC can help both providers and payers reduce costs in the long term—but providers take more upfront risk in making the shift to VBC. Implementing a VBC payment model wouldn't offer as much financial reliability as fee-for-service, so it makes sense that providers are hesitant to take on the risk of VBC contracts.
- **94% of healthcare execs expect VBC contracts to grow** in coming years, but **70% of them have 25% or less of their revenues tied to VBC contracts**, [per](#) a 2021 Lumeris-Porter Research survey.
- While 25% or less is low compared with fee-for-service revenues, value-based reimbursements have been slowly increasing since 2015, [per](#) The Healthcare Association of New York State's analysis of national data from Health Care Payment Learning & Action.

The bigger picture: More and more insurers have been tapping digital health solutions to make the shift to VBC easier. It wouldn't be surprising to see more of them team up with Clarify Health after its Embedded Health acquisition since its physician-centered design would probably make it easier to get providers on board with VBC contracts.

Leading Strategic Business Goals* of US Healthcare Organizations According to US Healthcare Leaders, June 2021

% of respondents



Note: n=81; chart shows consolidated rank of top 3 goals; top 8 responses shown; *in the next 3 years

Source: Lumeon, "2021 US Research Report: The Future of Digital Transformation in Healthcare" conducted by Sage Growth Partners, July 29, 2021

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