



In the World of Value-Based Care, Words Matter

A LEXICON FOR VALUE-BASED PURCHASING

Value-based care: A health care delivery model that reimburses for provider or therapy performance by expected or measured patient health metrics, real-world outcomes, or costs over a defined period of time.

Value-based purchasing: An adjusted payment for a medical intervention or a manufacturer's product that meets pre-determined metrics or payment milestones; the agreement aims to enhance the quality of care by rewarding decisions that improve patient health measures or other real-world outcomes.

Value-based program: A program that facilitates quality care by awarding incentive payments to providers that deliver evidence-based treatment decisions which drive better care for individuals, improve health for populations, lower costs, or enhance provider workflows.

Value-based contract: A performance-based contract among payer, provider, or manufacturer stakeholders in which reimbursement is tied to patient health measures or other real-world outcomes and costs for a defined period of time.

Outcomes-based contract: A contract between a payer, manufacturer, and/or health care provider that links payment for a treatment that meets, exceeds, or fails to meet expected patient health measures or other real-world outcomes over a defined period of time.

Risk-based contract: A contract that links reimbursement to the distribution of risk for a medical intervention or a manufacturer's product by measuring performance over a defined period of time.

Annuity-based contracts with outcomes: A multi-year agreement that ties reimbursement installments for a medical intervention or manufacturer's product to pre-determined outcomes or cost measures over a defined period of time.

Alternative payment contract: A payment approach centered on providing predictable costs and ties payment to provider or therapy performance over a defined period of time.

Subscription contract: A payment contract that provides a medical intervention or a manufacturer's product for a set fee to treat a certain proportion of patients or a set price per patient.

Warranty contract: A policy (typically through a third-party insurer) that reimburses treatment-related costs for suboptimal performance.

Annuity-based contracts over time: A multi-year contract that ties a biopharmaceutical manufacturer's reimbursement to installments at specified intervals.



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