



**Title**            **Transferring Managed Care Principles to VHA:  
A Summary and Discussion of the Evidence for the Effectiveness  
of Managed Care and Managed Care Practices**

**Agency**        **VATAP, VA Technology Assessment Program**  
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**Reference**      VA Technology Assessment Program Report, July 1996

## **Aim**

To identify managed care principles and practices that enable the U.S. Department of Veterans Affairs (VA) to improve its efficiency and effectiveness while providing quality primary healthcare.

## **Conclusions and results**

Three critical areas of managed care were: 1) the overall performance of managed care organizations, 2) the effectiveness of practices for changing physician behavior, and 3) interventions to increase the quality and the efficiency of primary care. Other areas addressed were the organizational structures that support primary care within managed care and the potential reductions in healthcare costs associated with health promotion and disease prevention. The results identified the following primary managed care principles: focus on primary care with the goal of improving the health of the enrolled population; aligning incentives to the well-being of the enrolled population; and practicing evidence-based clinical medicine. The managed care practices needed to implement these principles included careful selection of the numbers and types of physicians in relation to the needs of the population served, use of primary care physicians as gatekeepers, incorporation of utilization review, and management and use of education and feedback to influence physician behavior and bring about change.

## **Recommendations**

VA has already begun to adopt managed care practices, but would benefit from addressing specific areas such as the ethical dilemmas that may be associated with managed care, effective healthcare services and delivery mechanisms, quality management, and explicit change management strategies.

## **Methods**

A synthesis of research findings and contacts with staff- and group-model health maintenance organizations were used. Literature searches of the empirical

research were conducted using databases maintained by the VA Health Services Research and Development Service Management Decision and Research Center and the National Library of Medicine. Search strategies addressed the effectiveness of managed care, specific managed care practices, and managed primary care. The synthesis relied heavily on existing systematic reviews of the analytic literature. Three high-quality systematic reviews and two of slightly lesser rigor were identified.

## **Further research/reviews required**

Suggested areas for research are discussed in detail in the report.