

## Creating the path to sustainable growth: The case for provider and health plan collaboration

Growth is an objective health plans and providers both share, though it takes different forms for each. It may be surprising to learn how much health plans can advance a provider's growth. And how much providers can do to create "stickiness" for a health plan's membership.

Are you pursuing a value-based model to lower care costs and increase the right growth for your organization? By collaborating strategically, providers and health plans can make significant and sustainable progress. This requires working together to overcome decades of tension around rates and denials. Together, providers and health plans can move toward common goals.

Think of collaboration as a way to create the most complete view of value-based opportunities. Health plans are limited in their ability to influence quality, cost-effective care at the patient level. Put simply, it's hard for them to see the individual trees. Providers on the other hand can be limited in their line of sight to the complexities of effectively managing risk — or to see the forest.

### What can success through collaboration look like?

Imagine a scenario in which providers, health plans and patients are more aligned. Working together, each can gain the perspectives they need to yield value for all.



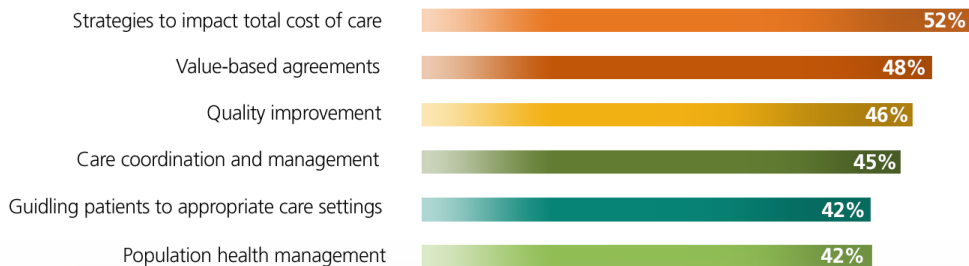
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## The deeper the collaboration, the wider the results

Past value-based model strategies were based on individual efforts. They rarely succeeded or proved to be sustainable. It's increasingly clear that collaboration is at the heart of a value-based model. A recent survey, conducted for Optum® by Modern Healthcare Custom Media, revealed shared interest among health plans and providers in collaborating to lower care costs and address other challenges.

## Where can health plan-provider collaboration accelerate value?

Health executives' top health plan-provider collaboration areas align to value-based goals.<sup>1</sup>



Each needs to understand the other organization's definition of value/growth. Then together, they can determine what knowledge they need to share to best influence quality of care, cost and patient satisfaction.

### It starts by building trust

Achieving success will take developing new ways of working together and building trust. Data sharing and integration is one tactic to start to identify and validate what each can achieve through collaboration.

Collaboration also requires thinking about the patient from the other's perspective. Health plans consider the clinical and patient view more than ever. And providers have evolved their ability to take ownership of lives, rather than episodes of care.

The conversation should lead to more than just a deeper mutual understanding of the other's objectives. Both stakeholders should develop an approach to the market that will fundamentally disrupt incumbents. They can do this by offering a more affordable and differentiated experience to employers and patients.

Below are some models commonly used to start taking on risk. Each aligns to specific objectives and has limitations. When providers and health plans build better connections and trust, they improve their chances for success. Equally important is identifying the right combination of models and tactics to achieve each organization's mutual goals.

### USE A SHARED PERSPECTIVE

to define and commit to common goals, risks and rewards



"We want to help the patient/member not be readmitted."



"By combining our areas of expertise, we can help ensure 'the right care in the right place by the right provider.'"



"Truly innovative market impact requires a new level of partnership."

	Bundling to encourage efficiency	Population health to focus on specific populations	Accountable care organizations (ACOs) to better align care and manage quality
PURPOSE	Encourages efficiencies and drives growth by specializing in specific episodes or conditions	<ul style="list-style-type: none"> <li>Proactively identifies those with chronic disease to better coordinate “top of license” care management</li> <li>Best-of-class programs factor in social determinants of health to mitigate risks</li> </ul>	<ul style="list-style-type: none"> <li>Brings participating organizations together to ensure patients get the right care at the right time, while avoiding unnecessary duplication of services and preventing medical errors</li> <li>Helps identify how to use shared data and measure progress toward goals</li> </ul>
BENEFITS	Working together to define bundles helps gain alignment, reduce redundancies and manage costs	Engaging in population health programs helps improve outcomes and better manage the cost of care	ACOs that succeed both in delivering high-quality care and managing costs share in the saving achieved
LIMITATIONS	<ul style="list-style-type: none"> <li>Volume is needed for success</li> <li>Market share impacts</li> <li>Scalability</li> <li>Can also drive additional utilization, which is counter to true value-based models</li> </ul>	Current data capture and sharing methods are lacking, although artificial intelligence and other technology advances are helping overcome this limitation	<ul style="list-style-type: none"> <li>Limited upside for providers</li> <li>Lack of control over network and referrals in traditional ACO model</li> </ul>

## How to start the conversations?

Here are five strategies to help guide alignment to achieve sustainable value gains.

### 1. Experiment to determine what value means to you.

Instead of modeling your approach after others, particularly fully integrated strategies, define what value you need to derive. Others have mined their data to identify the opportunities right for them. Keep your focus on the opportunities unique to your organization. This will shape your value journey — and establish a basis for partnership between health plans and providers.

### 2. Develop shared data sets for value collaboration.

A shared data set should include not only claims data and clinical data. It should also include data around social determinants of health for specific populations. Careful analysis of this data can pinpoint where excessive costs exist for specific populations. And it can provide a basis for collaboration in designing value-based solutions.

### 3. Use that shared data to determine your target populations.

Will you be focusing on Medicare or Medicaid patients, commercially insured or employee populations? Your decision will dictate the actions you take to improve quality and lower total cost of care.

### 4. Consider engagement strategies and ways to improve the consumer experience.

It's not enough to attract a population. You also want to keep those lives. Working together, health plans and providers can develop seamless, data-enriched workflows. This creates financial transparency and simplifies how consumers navigate and access care.

### 5. Hire creative professionals able to help you leverage data to improve value and care.

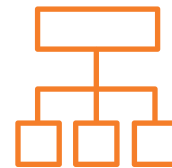
Look for people who ask the questions that haven't been asked before. Someone passionate about determining the story behind the data will consider whether a patient's symptoms, vital signs and medical history that point to congestive heart failure, for example, may be distracting the accurate diagnosis of dehydration.

## What's next: Build a framework for value-based growth

Successfully navigating value-based models requires a framework that identifies the key capabilities health plans and providers need to enable shared risk and benefits.

It starts at the top with the overall strategy.

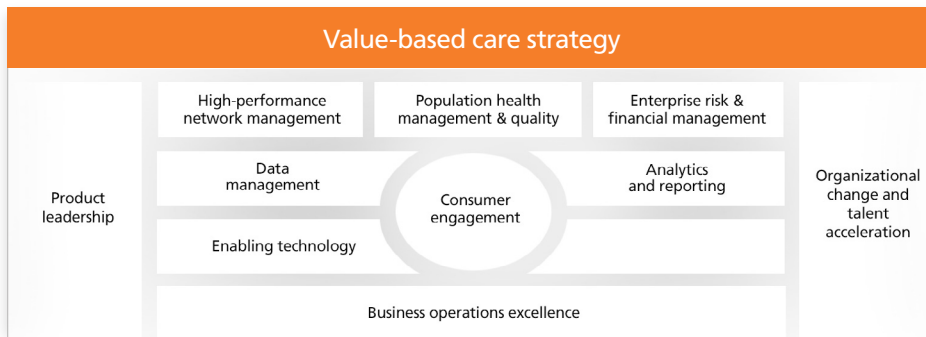
- Collaborating on the data and sharing knowledge to develop value-based objectives
- Identifying the market segment ripest for disruption and key populations
- Evaluating the actuarial opportunity, pricing/financial models and market share business case
- Building the enabling technology and talent roadmaps



Successfully navigating value-based models requires a framework that identifies key capabilities.

Once the strategy is defined, health plans and providers build and operationalize the models together, including:

- Designing products aligned to target populations
- Configuring the network, aligning and engaging providers
- Aligning care pathways with financial and quality models
- Building work streams and performance reports to enable transparency and operational excellence
- Developing care coordination and consumer engagement plans



### Working together is key to a competitive value-based strategy

Collaboration provides the opportunity to disrupt a region with a more competitive, patient-friendly experience. New value-based models are emerging. All emphasize the need to go beyond surface relationships to building a deeper mutual commitment that supports shared growth objectives. By working together, each organization can take a leading-edge position. Each can compete more effectively to protect and grow market share — even in the face of other new entrants.

### Get the full perspective needed to achieve your growth goals.

The more you learn about health plan and provider collaboration, the more it may surprise you to know how much your counterpart can help you achieve your goals.



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Erik has broad experience in designing population health strategies for an array of providers. He was most recently senior vice president at Avalere Health. There, he ran its Healthcare Networks consulting practice and oversaw new product development. Erik assisted health care systems in determining how to adopt and assess accountable care and bundled payment models, guiding overall strategy. He also worked with health IT companies, responding issues around EHRs and data exchange.

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## About Optum

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\*Shared Challenges and shared opportunities: 2019 top health plan-provider priorities. Modern Healthcare Custom Media. February 2019.