



Shared Challenges and Shared Opportunities: 2019 Top Payer-Provider Priorities

As the move toward value-based payment models gains a stronger foothold, a recent survey has found that reimbursement challenges top healthcare professionals' most pressing concerns for 2019. The survey points to shared interest among payers and providers in collaborating to lower care costs and address other challenges.

The survey, conducted for Optum® by Modern Healthcare Custom Media, explored the top priorities and challenges of healthcare leaders in both the payer and provider space. It also sought to determine where commonalities exist as well as opportunities for payer/provider alignment.

Survey results show that reimbursement challenges currently are payers' and providers' chief concern in the new year and reimbursement uncertainty ranks as their No. 1 worry as they plan for the next five to 10 years. Meanwhile, 52 percent of healthcare professionals surveyed believe they aren't prepared to handle risk and financial management in their journey toward value-based care.



What do you anticipate your organization's most pressing challenge will be heading into 2019?

- 1 Reimbursement pressures
- 2 Cost containment
- 3 Technology modernization
- 4 Talent/staffing
- 5 Meeting value-based care goals/requirements

Total Answering: 388 Respondents.

These are clear signs of the need for partnership-based value models — ones in which payers and providers each accept some level of risk as they work together in improving the health of specific populations.

“The only way to generate the type of value everyone wants to achieve in healthcare is through shared risk among payers and providers,” says Erik Johnson, vice president of value-based care, Optum Advisory Services. “The vast majority of healthcare leaders have realized the fastest way to make significant and sustainable progress toward value is through payer and provider partnerships.”

NEW PERSPECTIVES ON VALUE

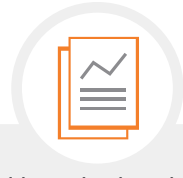
“Payer-provider partnerships around value are still in the early stages of development, but they are beginning to pick up speed,” Johnson says. Among healthcare professionals surveyed, over half believe the greatest opportunity for value partnerships among payers and providers is around reducing total costs of care. Closely related is that 48 percent of responders highlight the need to collaborate on value-based agreements. Quality improvement was the third most popular opportunity for partnership, while care coordination and management ranked as the fourth most popular.

“To collaborate around value, payers and providers must first agree on what value means to them, and that can be a long conversation,” Johnson says. For example, a survey of patients, physicians and employers by University of Utah Health found that while all respondents agree that greater value in healthcare is needed, they disagree on the definition of value and how to prioritize three key value components: quality of care, cost and patient satisfaction.¹

Next, payers and providers must determine where to focus value efforts, set goals for value initiatives, and agree on how to measure progress (for example, the extent to which per capita spend for a population has decreased as a result of value initiatives).

Getting to this stage in value collaboration requires a shared data set among potential partners across the health ecosystem. This should include not just claims data, but also clinical data and insights around socioeconomic risk factors for specific populations.

“For example, if your goal is to improve value for an elderly population, some of the key data points include: Can the patients walk? Can they feed themselves? Can they bathe themselves?” Johnson says. “When



As a healthcare leader, what concerns you most as you plan for the next five to ten years?

- 1 Reimbursement uncertainty
- 2 Rising costs
- 3 Regulatory uncertainty
- 4 Clinician shortages
- 5 Competition from disruptive business models

Total Answering: 384 Respondents.



Where do you believe providers and payers can collaborate to improve?

- 1 Strategies to impact total cost of care
- 2 Value-based agreements
- 3 Quality improvement
- 4 Care coordination and management
- 5 Guiding patients to appropriate care settings

Total Answering: 381 Respondents.

elderly patients can't perform one or more of these functions, they face increased risk for health issues like nutrient deficiencies, skin wounds or injury. These are risks that can easily be addressed if they are known about. However, because they don't require documentation from a physician or nurse they are not always recorded."

When healthcare organizations implement data platforms that allow access and visibility into the workflows of all those involved in the patient's care — from nurses and physicians to social workers, pharmacists, physical therapists, health plan case managers and more — the additional insights can contribute to more meaningful improvements in health outcomes. It's an approach that also helps reduce costs of care and boosts the potential for sustained value improvement.

"These health risks are not nuanced or hidden," Johnson says. "Providing community health workers and social workers with the ability and authority to collect data on populations that payers and providers have jointly identified as being at risk can be highly significant in improving health outcomes while reducing costs."

TAKING THE FIRST STEPS TOWARD PARTNERSHIP

What are the key ways that payers and providers could collaborate to improve quality of care, cost, efficiency, and consumer experience? Survey results point to four opportunities for alignment.

Alignment Opportunity No. 1: Lowering the total cost of care with out-of-the-box thinking. Sixty-one percent of healthcare professionals surveyed say lowering the total cost of care is the No. 1 healthcare issue they wish to read about, including 62 percent of senior leaders. In addition, 70 percent of respondents are looking for content that encourages them to disrupt the status quo — indicating a predisposition toward out-of-the-box solutions to healthcare challenges.

"The goal of these collaborations shouldn't be to bend the cost curve. It should be to break it," Johnson says.

Alignment Opportunity No. 2: Operationalizing value improvement.

When asked to describe their top focuses for innovation, 50 percent of respondents say improved operational processes and workflows rank as innovation priorities. Forty-eight percent also expressed a strong desire to revamp care delivery models to strengthen their organization's value proposition.



In what areas are you looking to spur innovation within your organization?

- 1 Operational processes and workflow
- 2 Care delivery models (e.g., retail medicine, home health, telemedicine, etc.)
- 3 Technology
- 4 Care coordination
- 5 New business models

Total Answering: 382 Respondents.

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Meanwhile, 46 percent of respondents believe payers and providers can collaborate to improve quality, and 45 percent believe collaboration around care management is an opportunity that should be explored.

“As we open the aperture around value a little more, we’re starting to see greater emphasis on experiments in improving quality of care that are beginning to make a significant impact,” Johnson says.

Alignment Opportunity No. 3: Driving consumer engagement. Sixty-one percent of payers and providers believe they are neither “somewhat prepared” or “totally prepared” to boost consumer engagement for improved performance under value-based payment models. About one out of five senior leaders who responded to the survey (22 percent) rated their level of preparedness as a “2” on a five-point scale in which “1” represents “unprepared” and “5” represents “totally prepared.” This compares to 21 percent of clinical leaders who responded to the survey, 18 percent of healthcare finance leaders, and 14 percent of operations leaders.

Additionally, 40 percent of clinical leaders cited consumer engagement as an area where they are looking to spur innovation within their organization. This compares to 33 percent of senior leaders and 27 percent of operations leaders.

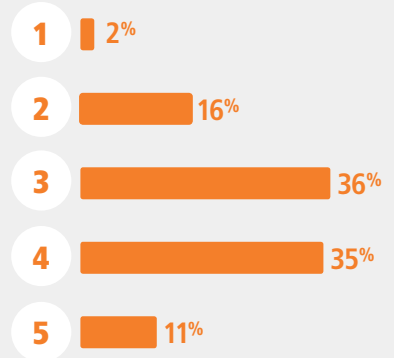
With consumers’ out-of-pocket costs for care reaching record levels², “that’s putting pressure on payers and providers to give consumers the tools they need to make smarter decisions about care,” Johnson says.

Alignment Opportunity No. 4: Enabling technologies for value-based care. Fifty-four percent of healthcare professionals surveyed believe their organization is at a 1, 2 or 3 on our five-point scale as it relates to leveraging technologies in their value-based care strategies, meaning that they are neither “somewhat prepared” nor “totally prepared”. Fifty-three percent of senior executives who responded to the survey identified their organization in this group, compared to 54 percent of operations leaders, 58 percent of clinical leaders and 67 percent of healthcare finance leaders.

At the heart of this challenge is the need for actionable data—not just to pinpoint where gaps in care exist, but also to determine which populations would most benefit from collaborative efforts to improve health. “You almost can’t overinvest in data analytics in the transition to value-based care — as long as you match that investment with the people and creativity needed to look for new answers in new places in the data,” Johnson says.



How prepared is your organization to leverage technology in your journey to value-based care? (where 1 = “Unprepared” and 5 = “Totally prepared”).



Total Answering: 367 Respondents.

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BEST PRACTICES TOOLKIT: 5 WAYS TO DRIVE IMPROVED PAYER-PROVIDER COLLABORATION

How can payers and providers more effectively align to drive sustainable gains in value? There are five strategies to consider:

- 1. Don't be afraid to experiment around value.** “The best practice right now is to experiment with value models, not try to emulate another organization’s approach. It may be tempting to look at fully integrated models like Kaiser Permanente, Geisinger and Intermountain Healthcare for guidance because these organizations have done the very hard work of defining what value is. They’ve mined their data to identify value opportunities and to capture and measure value. Instead, focus on the opportunities that are unique to your organization,” Johnson says. “Figure out what works best in your market and for your population right now and use data to determine where gaps in care and service exist. This will shape your value journey — and establish a basis for partnership between payers and providers.”
- 2. Develop shared data sets for value collaboration.** A shared data set should include not only claims data and clinical data, but also data around social determinants of health for specific populations. Careful analysis of this data can pinpoint where excessive costs exist for specific populations — and provide a basis for collaboration in designing value-based solutions.
- 3. Use shared data to determine which populations to focus upon.** “This is one of the biggest questions payers and providers will face as they seek to collaborate around value,” Johnson says. “Should the focus be on Medicare or Medicaid patients, commercially insured, or employee populations? You do need to choose, because the population you select will dictate the actions you take to lower total cost of care. For example, if your focus is on Medicare Advantage patients, you’ll need to devote quite a bit of attention to managing the total cost of skilled nursing, home health and post-acute care. You’ll also want to invest in initiatives that mitigate socioeconomic risk factors among your elderly population.”
- 4. Look for ways to improve the consumer experience and enhance engagement.** “If you’re making long-term investments into the health of a population, you do want to endeavor to keep those lives. That puts additional pressure on a payer-provider value collaborative to engage consumers and enhance the consumer experience,” Johnson says. Ultimately, creating seamless, data-enriched workflows within and across the healthcare ecosystem benefits the consumer by creating financial transparency and the ability to navigate and access care. The right approach will enhance health outcomes while reducing costs and increasing consumer satisfaction — and loyalty, Johnson says. “Make those investments worthwhile.”
- 5. Hire creative professionals who leverage data to improve value and care.** “You need to hire people who are creative enough to ask the questions that haven’t been asked before,” Johnson says. “Look for people who are passionate about determining the story behind the data.” For example, when other professionals believe a patient’s symptoms, vital signs and medical history point to congestive heart failure, a creative professional will explore whether dehydration might be the true cause.

“Chances are, the data you need to improve population health is in one of your systems. Maybe your organization has done a poor job of capturing the data or modeling it, but it’s there,” Johnson says. “The question is, do you have the right staff supporting your search for answers? More and more, providers and health plans are hiring executive leaders with data analytics expertise to help drive value.”

PARTNERSHIPS ARE THE FUTURE

The survey reveals the clear alignment of challenges and priorities for both payers and providers. It also reflects the shared perception among healthcare executives that partnerships and collaboration are increasingly effective and important tools for realizing value.

“What’s encouraging, to me, is that there are a lot of different emergent value models out there. Any one of them could become a best-practice model for the future,” Johnson says. “It’s also important to note that providers don’t have to do this work alone. They don’t have to own all of the assets that are critical to improving value, and they don’t have to operate their own health plan. We’re going to see a greater shift toward partnership-based models for value, rather than ownership-based models.”

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[Click here](#) to learn more about Optum's efforts to spur collaboration between payers and providers.

ABOUT THIS SURVEY

Modern Healthcare Custom Media, on behalf of Optum, commissioned Signet Research, Inc., an independent company, to conduct a survey of healthcare professionals. The objective of this study was to understand the top priorities and challenges for healthcare executives.

On September 14, 2018, Modern Healthcare Custom Media sent a broadcast email to a sample of 29,999 healthcare professionals who subscribe to Modern Healthcare, asking them to participate in a survey, followed by two subsequent reminder emails. Additionally, a panel sample of C-suite executives who worked for insurance companies (payers) was targeted between September 13, 2018 and October 10, 2018. Responses from both methodologies were combined for a total of 447 returns. The base used is the total number of respondents answering each question. Survey findings may be considered accurate to a 95% confidence level, with a sampling tolerance of approximately +/- 4.6%.



ABOUT OPTUM

Optum is a leading information and technology-enabled health services business dedicated to helping make the health system work better for everyone. With more than 160,000 people worldwide, Optum delivers intelligent, integrated solutions that help to modernize the health system and improve overall population health. Optum is part of UnitedHealth Group (NYSE:UNH). For more information, visit <https://www.optum.com/>.



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Modern Healthcare Custom Media’s dedicated team of writers and researchers develops custom content solutions designed to educate and engage readers. These custom content solutions provide in-depth information on a specific trend, topic or solution that is top-of-mind for healthcare executives.

Sources: ¹Commins, J., “What Does ‘Value’ Mean in Healthcare?” HealthLeaders, Dec. 11, 2017. ²Premiums for Employer-Sponsored Family Health Coverage Rise 5% to Average \$19,616; Single Premiums Rise 3% to \$6,896,” Kaiser Family Foundation, Oct. 3, 2018.