



COLLABORATION IS KING: STRENGTHENING THE PAYER/PROVIDER RELATIONSHIP FOR VALUE-BASED SUCCESS



Introduction

They call it the great shift.

And the move to value-based payment models is exactly that: a tremendous change that will transform the healthcare market—offering unparalleled opportunities for healthcare organizations to better manage costs while dramatically improving the health and well-being of patients.

But this shift is possible only if healthcare organizations can create the right roadmap, one that leverages best practices and robust supporting data streams to guide their way.

In 2015, the Deloitte Center for Health Solutions added an important subtitle to their seminal report on value-based care shifts, “The Road to Value-Based Care.” That subtitle was, “Your mileage may vary.” It’s an apt metaphor. As the authors of the Deloitte report point out, there is no one-size-fits-all transition plan to effectively move from fee-for-service to value-based care. That’s why you see such stark contrasts in how, where, when, and why organizations are moving towards the value-based market. And those differences are more than understandable. Each and every organization needs to carefully consider what makes it unique—the financial position, core competencies, and other key capabilities within that will allow them to develop a unique and effective plan for success.¹

That consideration is important. As a report by the Society of Actuaries noted in 2015, the organizations that are poised to succeed at any payment reform efforts share several important qualities. One of the most important? A strong collaborative relationship between payers and provider organizations.² Mike Hurley, Industry Manager for Healthcare Payers at Hyland, says their finding comes as no surprise to him. He argues that collaboration bolstered by strong, advantageous payer-provider relationships is the key to not only surviving, but thriving, in a value-based care world.

“The payer-provider relationship is at the heart of a successful transition to value-based care,” says Hurley. “But it goes beyond just reimbursements and financial statements. Those strong relationships help get healthcare organizations focused on what’s really important: how to help patients live better, healthier lives while still maintaining their organization’s economic well-being. That’s what healthcare is really all about.”

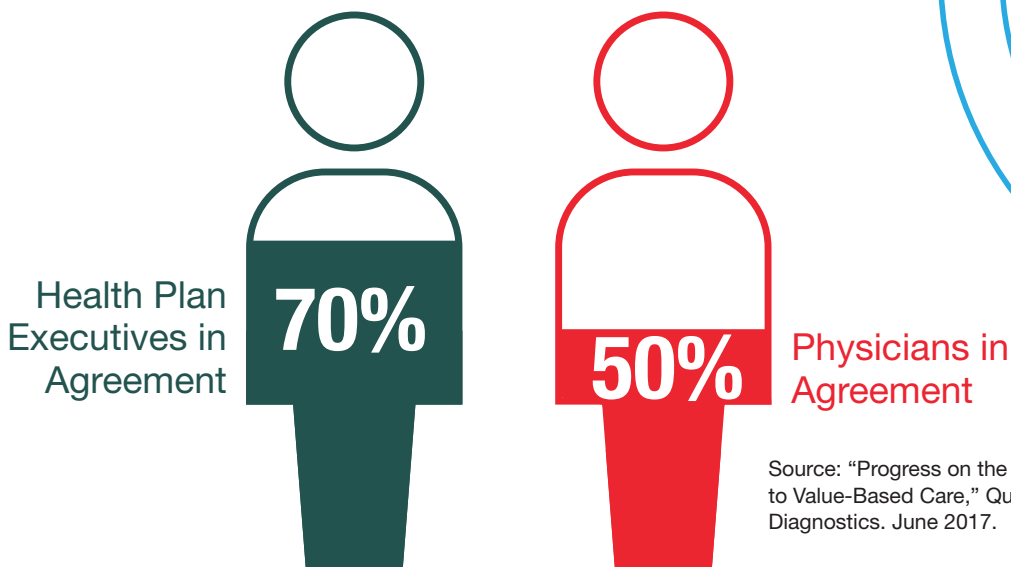


Moving Away From the “Dysfunctional” Family Dynamic

Many might characterize the payer-provider relationship as an adversarial one, at best. After all, the two groups do have end goals that may seem diametrically opposed. Payers, or entities other than the patient responsible for financing or reimbursing healthcare-related costs, are looking to minimize costs. Providers, or the clinicians that provide healthcare to patients, on the other hand, are sworn to provide the best possible care to patients. To prosper in a value-based care environment, these two incongruent aims need to align somehow because it's that congruence that will define the path towards the future. Yet, as a Quest Diagnostics survey published in June 2017 discovered, the two groups differ on how well those paths are being defined, and consequently implemented.³ More than half of the payer respondents felt that healthcare organizations had more than enough technological tools in place to implement value-based care models. In contrast, only 43% of providers agreed. Three-quarters of payer respondents stated they believe they currently supply providers with everything required to streamline care—but only about half of the surveyed providers agreed. These questions, among others, suggest that payers and providers have significant differences in perspective when it comes to value-based care transitions—and that more work is required to help those different outlooks align to forge the way forward.

Hurley agrees that there is more work to be done. He tends to look at the average payer-provider relationship as a kind of “dysfunctional family.”

Health Plan Misalignment *Is There Progress to Better Align Health Plans and Providers?*



Source: “Progress on the Path to Value-Based Care,” Quest Diagnostics. June 2017.

“The dysfunction is profound,” he explains. “But in some ways, it’s understandable. If we could go back 100 years and try to create the most complex, expensive, and disconnected healthcare system we could, we’d end up with the one we have now. All the players have quite different goals, different needs. How could it not be dysfunctional?”

The fee-for-service model, for example, was well known for misaligned incentives between payers and providers—and a lack of transparency in terms of reimbursement rates between competing healthcare organizations only fueled that dysfunction. But even as the industry is moving towards more transparent incentive structures in value-based care, significant distrust between the two entities remains. In fact, nearly 40% of providers stated they felt trust with commercial payers needed to be improved in a 2015 Health Leaders survey – a necessary component for the kind of shared risk ventures found in value-based care models to triumph.⁴

But Hurley believes that payer and provider goals can be aligned—and that trust can be improved—by “getting the family back together.”

“What we need is a healthcare family, made up of payers and providers, who are communicating properly. And that communication can lead to a significant change in focus. Both payers and providers need to know the end goal is not about how to play a claim or how to insert an IV. It’s about focusing on what’s really important. How do we help our members or patients lead a healthier life within this system that is so expensive and complicated? A good payer-provider relationship is at the center of that. A good payer-provider relationship is necessary to figure that out. So the solution to all of this—the ability to pull back and come to this common goal, to get away from being this dysfunctional family—is in the data.”

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All in the Data

By all accounts, data is key to success in the value-based care realm. And with wider adoption of electronic medical record (EMR) and other clinical and business information technology (IT) systems, it would seem that there should be no lack of data from which to draw to meet those aims. And yet, as noted in the Deloitte Center for Health Solutions 2015 US Hospital and Health System Analytics Survey, while the vast majority of hospital C-suite leaders agree that analytics investment is essential to successfully transition to value-based care payment models, most organizations don't feel they have access to the right data in order to create an effective strategy.⁵ This trend is further seen in population health initiatives, considered a key component of many value-based care strategies—and a platform that works to improve care and reduce costs for specific groups of patients. While 44% of respondents in 2017 KPMG survey stated they had a population health platform in place that was working, many organizations stated that aggregating and standardizing data from multiple sources was a significant barrier to attainment.⁶ The ability to seamlessly share data is considered a critical component to improving payer-provider relationships—and, consequently, value-based care programs.⁷

Does our health care organization have a clear, integrated strategy and vision for analytics deployment across hospital functions?



Source: Deloitte Center for Health Solutions 2015 US Hospital and Health System Analytics Survey

This may be why a 2016 report from the Healthcare Financial Management Association urged payers and providers to find ways to share data—from raw claims feeds to aggregated management reports, as well as real-time clinical data—to help payers and providers better collaborate on innovative payment models.⁸ Hurley says this kind of sharing and transparency is crucial to helping to build trust and remove some of that dysfunctional family dynamic.

“Both payers and providers should be able to go to the data and solve problems. But the data isn’t being shared well. There’s still a lot of data that is still in paper form—or in different formats, hidden away in old systems or file cabinets. We need to find new ways for healthcare actors to get at this data and then leverage it so we can create better relationships in this dysfunctional family.”

Improve Payer-Provider Collaboration

How can healthcare organizations create those better relationships through data? Many would answer that question with the I word: interoperability. But Hurley cautions that interoperability is actually at the heart of the problem when it comes to those adversarial payer-provider relationships. And many hospital organizations would agree with him. In fact, as discussed in an American Hospital Association report in 2015, while more and more healthcare organizations have the ability to share information through interoperability platforms, only 40% of those surveyed could actually use the information they received.⁹

“Technology is definitely a piece of the puzzle—and it is a tool to help solve problems and create a space for better communication. But interoperability isn’t the solution in and of itself,” says Hurley. “We see that technology isn’t the solution it’s promised to be, more and more, since so many organizations can’t get at the information they need.”

Being unable to access all that critical data might inspire some healthcare organizations to substantially increase investments in additional IT systems—to extend their so-called interoperability capabilities further. Yet, Hurley argues, promoting a technical solution that allows more systems to talk to one another won’t get payers and providers what they need if they can’t find ways to actually talk to one another—and get to the bottom of how to best solve the problems that they both face as healthcare goes through this period of dramatic transformation.

“At the heart of this problem, it is a human communication and collaboration problem. Technology is only an enabler. We need payers and providers to be able to have conversations. To talk their issues through and come to some consensus about how to best solve wellness and payment problems,” he says. “Collaboration is key. And that comes from conversation.”



By making interoperability the center of conversations regarding data sharing and collaboration, Hurley says healthcare organizations are missing an opportunity to allocate their business and IT resources more strategically. And that emphasis on interoperability, instead of on payer-provider collaboration, likely inhibits the kind of conversations that would lead to real progress—and successful strategies to make the most of value-based care platforms.

“Helping people share information and share conversations is at the heart of solving healthcare’s biggest issues,” he says. “Interoperability is a part of that, no doubt, but it is a small part of that. And when we make it the center of the conversation about data sharing and transparency, when we make it the center of the payer-provider relationship, we are obstructing the ability of human beings to come together, talk things through, and solve the real problems at the center of the healthcare debate in this country.”

Hurley concedes that systems need to converse—but he maintains that if key healthcare actors aren’t effectively conversing as well, ultimately, it doesn’t matter what the systems can do.

“Well-intended people have worked diligently for years to make interoperability happen. To help all the different systems in this complex, technically-driven healthcare ecosystem talk to one another,” he says. “But we need to have that same kind of work, with that same kind of velocity, to get people talking. When people start talking, and building those strong relationships, they can help guide organizations about the best ways to solve problems within the healthcare ecosystem, too.”



Facilitating Conversations Between Healthcare Actors

There's no shortage of IT manifestos highlighting the importance of conversations between providers and patients. It's long been known that the majority of IT projects require physician and business champions to really get off the ground—and, of course, patients appreciate providers who are willing to discuss care as opposed to just demand compliance. Given that we now see the importance of payer-provider relationships to successful payment model transformation, why aren't we pushing the same kinds of conversations and collaborative efforts between payers and providers? Why isn't there more of a focus on what business users need to help enable value-based care strategies? Hurley says it's a combination of history and finances.

“Historically, payer and provider industries have had different missions. Hospitals and providers focused on patient wellness and solving chronic and acute health issues. Payers were focused on how to pay for all that. While the provider industry was essentially a part of creating the payer industry, they quickly became somewhat adversarial because of misaligned incentives,” he says. “And government has only exacerbated that adversarial position by pushing through common sense regulations that, over time, became so complex that the regulations actually inhibited common sense communication on the wellness of the patient.”

Hurley would like to see more “cross-pollination” in the industry, to start—with, for example, more individuals from each entity attending the conferences and business meetings of the other. And that, he argues, could help to build partnerships based on a more basic, human level.

“Going back to interoperability, words like that are inherently unempathetic. Two systems talking to one another doesn't require any empathy. But a payer and a provider working together to make a patient healthier? That is something that requires empathy. I visit a lot of payers and providers. People within those organizations are very busy. They also we may have different ideas on how we can make that patient healthier, but empathy, conversation and collaboration create the space to focus on that same shared goal: patient wellness.”

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The current model in healthcare can get in the way of moving towards that vital goal—but Hurley believes that the system can be changed. And it can be changed through the lost art of conversation.

“This starts from the top. You need to deliberately, explicitly build relationships between the people who make up payer and provider organizations. You have to support it and you have to find ways to facilitate those conversations,” he says. “It can be as simple as finding ways for people to meet. But you have to create that environment so that conversation and collaboration can really happen.”

Hurley also advocates supporting healthcare actors with the right tools that allow them to converse and collaborate with ease—the kind of tools that “meet them where they live.”

“Providing an interactive or semi-interactive way to support people solving problems together, that’s critical,” he says. “Finding tools that have looked at how people collaborate, how they want and need to work together, is key. Going back to the provider/patient relationship, we know how important that ability to converse is. Patients want that empathy and that ability to solve problems together. We need that same kind of focus on other relationships in the healthcare ecosystem to really help people collaborate both within and across organizations—so they can solve problems together like human beings and get to that shared goal of better healthcare at lower costs. So any tools that make that kind of collaboration easy, that make it real-time and accessible, is of huge benefit.”

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The Way Towards Value-Based Care

No doubt, the healthcare industry has created some truly phenomenal clinical and business systems in the past decade—systems that have transformed the way patients, providers, and payers interact. Yet, Hurley says that better payer/provider collaboration, not only when it comes to data sharing and file transfer, but also basic conversations, is an essential building block to solving both clinical issues and pay problems in the healthcare realm.

“We’ve really created a modern-day healthcare Tower of Babel, in a sense. We’ve spent billions of dollars in the last 15 years to create an electronic system that still requires people to fax or call or find some way to go out of their way to communicate,” Hurley says. “There is data everywhere. And it is data that can really help healthcare organizations reach their goals. But most of that data is inaccessible for the purposes of wellness or payment. That’s got to change.”

They call it the great shift.

And as we move towards those tremendous changes that will transform the healthcare market—offering those unparalleled opportunities for healthcare organizations to better manage costs while dramatically improving the health and well-being of patients—Hurley argues that we need to bridge not only the data gap, but the communication gap. Healthcare organizations need to foster the kind of collaboration that will better solve both clinical issues and payment problems. Healthcare actors need to be able to access the data they need so they can affect change to promote value-based care and cash flow processes, regardless whether they are a payer or a provider. And healthcare IT departments can’t just keep investing huge sums in interoperability and be done with it. They need to be able to facilitate the open and effective communication with their various healthcare partners in order to promote the best possible care—today, tomorrow, and for the years to come.

“We spend between 7 and 10% of the \$4.3 trillion U.S healthcare spend on administrative costs. That’s a heck of a lot of money and we really aren’t getting the value that we should be,” Hurley says. “Moving towards value-based care is a necessity—but it’s hard because so much of our data is in a thousand different buckets. So, too often, it seems like solving your wellness or payment issues is almost impossible. But, truly, it’s not. Because, whether we are talking about data that’s on a fax or a stone tablet, or a record from an EMR, if we can take whatever people really need and give it to them where they live, we can help them solve their problems by allowing them to talk, to collaborate, and to build the bridges they need to be successful.”



The Deloitte Center for Health Solutions had it right: when it comes to transitioning to value-based care models, your mileage will vary. But your healthcare organization can create the roadmap that will lead you where you want to go by encouraging strong payer-provider relationships—and the communication and collaboration tools required to build trust, facilitate transparency, share data, and allow those value-based care partnerships to truly flourish.

To learn more about how to create meaningful, functional payer-provider relationships through conversation and collaboration with OnBase and Mackinac, visit Hyland at <https://www.onbase.com/> and [their Mackinac subsite](#).

Endnotes

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