Mind the gap: Improved data sharing is critical to bridging the gap between payers and providers

Now is the time to explore technology-enabled options for revitalizing the payer-provider infrastructure

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The dynamic between providers and health plans is changing—a change that’s been accelerated by legislation as well as the COVID-19 pandemic. As a result, now is a prime opportunity for health plans to adopt technologies that not only help to bridge the gap that once existed, but also help them emerge as industry innovators.

Introduction

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Author bio

As the Senior Director of Growth Strategy at Innovaccer, Kangana Mehta has been integral in building relationships with payers. She has more than 10 years of experience working with health plans and healthcare organizations, including Optum, Evolent Health, and Cerner. At Innovaccer, Mehta provides insights into improving provider collaboration through a targeted data and technology platform strategy.

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Improve interoperability and unleash innovation

As CMS promotes the transition to value-based care and changes reimbursement incentives, providers and payers are taking steps to bridge the data gap to enable interoperability. Previous attempts at payer-provider collaboration were often unsuccessful. One of the reasons for not succeeding has been the lack of a data platform that provides access to a unified patient record.

To better manage more value-based contracts health plans are seeking digital transformation. The benefits include optimized data-sharing, and improved payer-provider relationships—a win-win situation.

Implementing a unified data platform that provides a 360-degree view of member health can be the key to overcoming the data gap between payers and providers. When they work together and share information, payers and providers can successfully navigate the challenges of care coordination and value-based care to the benefit of everyone.
The COVID-19 pandemic disrupted healthcare and made both payers and providers recognize the crucial need to work together to improve healthcare outcomes. It also highlighted how working in disconnected data silos has a negative impact on the patient experience. As we enter the recovery stage of the pandemic, collaboration from all healthcare stakeholders is extremely critical. In fact, collaboration offers a unique opportunity to build a unified payer-provider infrastructure.

“The pandemic exposed the importance of improving payer-provider collaboration, moving to risk, and accelerating digital transformation,” said Mike Sutten, Chief Technology Officer at Innovaccer. “Health systems that depended on fee-for-service arrangements saw their business models upended, while those that depended on transformative digital technologies to deliver care were better prepared to weather the storm.”

Healthcare payers should consider taking advantage of this period of disruption to rejuvenate the member experience and create a competitive advantage. It’s not just about meeting CMS interoperability requirements. Data sharing has become increasingly important as rising consumer demands are putting more choice and greater control in the hands of members.
Value-based contracting is inherently complex

There’s an element of traditional operating models that contributed to the gap between payers and providers. In the past, payers contracted with in-demand providers who provide high quality-care. Providers, operating in a fee-for-service environment, asked for little beyond a member’s ID and health plan name. Coverage and benefit information continues to be somewhat opaque, and surprise billing challenges both providers and payers.

Open network plans are still the most common and most preferred by members. As payers launched newer products in the market, they introduced new provider networks on top of legacy networks. As a result, payers are dealing with an intricate data environment where providers are contracted by line of business and product type—or even based on a specialized situation such as a center of excellence.

Many payers have found themselves in complex provider contracts with limited understanding of granular provider performance. Proactive analysis—analysis that is not based on claims data—is hard, and improving provider performance is even harder. All of these challenges also impact member experiences.

Value-based contracting is becoming the top priority for most payers. But it’s hard to achieve because the contracting and network infrastructure is inherently complex.

“Many value-based contracts that payers are introducing into the market are just an extension of current Medicare Advantage programs with the same HEDIS measures applied to adults instead of senior populations,” said Rick Christiansen, Senior Director Market Development Innovaccer.

“Payers limit the number of contracts they manage by designing unique, value-based care contracts for each network partner. Most payer organizations are trying to limit this practice. When it comes to value-based reimbursement, contract variability—like clinical variability—should be avoided when possible.”

In general, providers are optimistic that value-based reimbursement will have a positive impact on their organization’s financial health. However many are hesitating to commit to a model that entails higher risk because of the communication challenges with payers. Complex reimbursement models require collaboration between payers and providers to align goals and incentives.

Programs like MA Star Ratings and HEDIS help measure the effectiveness of plans. Many health plans monitor HEDIS scores regularly, but the data often isn’t used to its fullest potential. Data aggregation and sharing across the enterprise can help health plans increase member engagement.
Mapping value-based payment models to industry standards

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Source(s): Healthcare Payment and Learning Action Network, Healthcare Transformation Task Force, CMS
Value-based care is no longer a luxury

A tremendous challenge in network management is identifying impactful measures that can change provider behavior. There is also limited data transparency between payers and providers. While payers have access to claims data, they lack access to valuable clinical data. Once providers start sharing clinical data, payers can see a more holistic picture of patients, which can enhance understanding of costs, quality, and adherence to evidence-based care.

To understand how we got to where we are today, we must look at how value-based care came about in the U.S. It originated as an objective of the Affordable Care Act, which accelerated paying for medical services based on value. As the industry evolved, value-based care found a foothold. Now, it’s no longer a luxury, but a necessity. And payers are realizing to drive value-based care they need to understand which providers are actually equipped to deliver it and how to aid those that are not. Value-based contracting is an effective mechanism that fundamentally aligns payers and providers on the most effective incentive structure of all—high-quality, low-cost care and an improved member experience.

Effective providers manage the total cost of care by controlling inappropriate and unnecessary utilization and closely managing patients to enable successful outcomes. Reducing inappropriate utilization and improving outcomes leads to reduced costs. Unlike the traditional fee-for-service model, outcomes-based payment models require providers to assume a level of risk in exchange for the ability to manage the care of their patients. Given the crucial role of providers in enabling value-based care, payers now construct value-based network models that are contractually aligned to incentivize physician behavior that leads to better outcomes for their patients.
Mind the gap: Improved data sharing is critical to bridging the gap between payers and providers

Fragmentation across data silos

A 2021 Innovaccer survey assessed more than 4,000 responses from healthcare professionals to understand how cloud computing fits into payer and provider priorities and how organizations with upgraded technologies have streamlined operations, reduced costs, improved patient experiences, and achieved clinical excellence. According to the report,

- **12%** said they’re working in silos
- **26%** reported they hardly collaborate at all
- **53%** share data as needed—and many do it manually

A third of respondents said a lack of payer-provider collaboration prevents them from achieving clinical and financial goals.

There are several reasons why existing technologies haven’t worked to help bridge the payer-provider data gap. One of those reasons is the existing technology silos. Payers and providers rely on different data and systems that don’t communicate effectively with each other. A provider EHR system doesn’t support the ingestion and use of payer data; payer technology platforms don’t support clinical data transformation and are often a patchwork of applications, which results in fragmented, disconnected data.

This fragmentation contributes to the lack of data transparency often reported by providers and payers. Fortunately, providers are widely adopting value-based care, and enabling bidirectional communication with payers—helping them succeed in value-based contracts.

Even with today’s sophisticated API environment, providers interact with payers by phone or fax when they are looking for information on care gaps or prior authorization. A lack of bidirectional connectivity, which gives providers easy access to the payers’ information, has been a pain point. Providers also need data to be timely and actionable in their care decision making.

Payers and providers can meet their individual goals by working together and sharing cost management and quality measurement expertise. Examples include implementing lower cost sites for procedures that can be performed in ambulatory settings instead of inpatient settings.

Today’s health plans are focused on mitigating risks, lowering costs, improving patient outcomes and quality of care, as well as minimizing inappropriate and unnecessary system access. Value-based contracting mechanisms align providers to support these initiatives. Greater data sharing is often mandated, but data can be stale—as much as 6 months old—and is rarely actionable. Payers are also unable to truly measure which data and method of sharing (point-of-care data sharing versus an Excel-based data dump) ultimately impacts physician behavior. This results in providers reworking data received from payers—in addition to their own information—to support organizational workflows and patient care. There is tremendous redundancy in data, which also creates an opportunity to foster closer alignment between payers and providers.
Consumers and providers both want consistent, accurate, and flexible 360-degree views of their vital information, an IDC Market Spotlight notes. "The data platform is now the go-to approach to integration. From an IT point of view, the payer’s pressing need to reduce the cost of development drives the appeal of a data platform—specifically its ability to spin up new applications, analytics, and services quickly."

Increasing the frequency of communication and improving the exchange of health information is critical. But effective data sharing is difficult in the current technology state, and payers can’t increase value-based contracting if they don’t have technology revolution and improve their infrastructure to support more transparency in data sharing.

Build it and they will partner: Joint ventures and collaboration models

It’s a win-win scenario when payers and providers work together to produce the best possible clinical outcomes at the lowest possible cost. As the roles of providers and payers are converging, we’re seeing an increase in value-based care and innovative, integrated health system models. But it’s not enough to have aligned financials (e.g., ownership model incentives) in a joint venture; organizations also need a technology platform that supports and helps them achieve their operational goals.

More providers are setting up health plans or new models of collaboration and joint ventures. ACOs are turning out to be a driving force for better partnerships between payers and providers. And commercial ACOs are intervening to provide a balance between payers and providers. The benefits of a joint venture that enables them access to comprehensive patient data include increased profit margins, more direct process control, lower costs, improved member experience, and better outcomes.

In traditional partnerships, payers and providers have been focused on delivering high-quality care; however, providers were responsible for care delivery. In newer collaboration models, payers and providers collaborate in the form of provider-sponsored plans (PSPs), joint ventures, or direct ownership, where they share the responsibility of delivering the right care. Joint ventures aren’t new, but they’ve lacked a shared data platform with access to a unified patient record that can make partnerships truly successful.

Over the past 10 years, despite the potential value and benefits of health systems entering the insurance market, providers have underestimated the capabilities required to succeed. A performance review of 37 new provider-sponsored health plans (PSHPs) and five acquired health plans launched since 2010 found only four were profitable five years later, five have gone out of business, and two were in the process of being sold. Many start-up health plans have struggled with slow enrollment growth and financial losses.5
Health cloud data platforms: Accessible, accurate, and actionable

Payers and providers generate huge volumes of data and use multiple, often-incompatible systems for managing patient information, which makes it challenging for all healthcare stakeholders to get a holistic view of patients across the care continuum. Plus, patients now expect healthcare providers to know their history, anticipate their needs, and orchestrate their care seamlessly. To work together effectively, payers and providers must be able to access data that provides a unified patient view.

Integrating data from disparate systems, including claims, clinical, pharmacy and other sources, as well as patient and facility matching, and FHIR validation (Fast Health Interoperability Resources for HL7 specification for healthcare interoperability), are critical components of data management capabilities, cites an IDC Market Spotlight report. “This can be especially difficult for payers that have older, customized administrative systems, and those with disparate systems as a result of mergers and acquisitions. Being able to link, standardize, and conform data from disparate health systems into FHIR format is required for interoperability, and can help create a common view across the enterprise.”

According to Venture Scanner, there are currently more than 3,000 health tech startups creating new technology and healthcare device solutions, and more than 47,000 healthcare apps for consumers and patients. Those apps produce tremendous amounts of data, and without a common platform, we risk overwhelming the healthcare system. Embracing a common cloud platform can help avoid that.

A cloud-based unified data platform is a significant advancement for healthcare organizations, because it can deliver insights that help all healthcare stakeholders improve clinical, financial, and operational outcomes. Ingesting, aggregating, and normalizing data from multiple sources provides a holistic single source of clinical and financial truth. An ideal health cloud includes pre-built integration with most health IT systems and vendors—such as EHRs, payers, HIEs, pharmacies, labs, and partners—and offers an extensible data model that adapts to a variety of use cases.

According to Sean Hogan, General Manager, Innovaccer

“While a data sharing platform isn’t a new concept, it has achieved even greater relevance and adoption over the past 18 months. The industry realized what becomes possible when it’s powered by patient information that’s usable and accessible across all points of care. It saves time, money and even lives. This is why we’re seeing a renewed focus on unified data models and data activation platforms such as a health cloud.”
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Health cloud data platforms:
Accessible, accurate, and actionable cont'd

Banner Health

Banner Health—one of the largest payviders in the country—demonstrates a use case of successful implementation of health cloud technology. It identified redundancies in its IT backbone. It refined its data archival strategy and streamlined applications with intelligence layers to reduce technology costs. By implementing an integrated, interoperable health cloud, Banner deployed an enterprise data lake to close care gaps and access data-driven insights to improve care delivery and collaboration.

Banner developed an enterprise data fabric, which helped to bring order to data chaos and make the data usable. It completed the project within budget and achieved a 70% reduction in IT infrastructure costs by moving to a SaaS model. More than 10,000 ad hoc reports were converted into around 800 user-friendly enterprise metrics, which made insights easier to access. As a result, the network saved $5.7 million on annual IT operational expenses.
Collaboration is critical for improving clinical and financial outcomes

According to an article by Health Data Management, “collaborative efforts between providers and payers are beginning to emerge as pioneers begin to wrestle with some of the technical challenges of sharing data, both for individual patients and for larger populations. Early efforts focus on becoming more transparent in sharing patient data, but they’re finding a growing need for sophisticated IT.”

The move from fee-for-service to value-based care can occur incrementally, but this transition can’t succeed fully until there is more open data sharing. And while all the gaps won’t be eliminated, adopting a health cloud platform can help improve data-sharing best practices and increase payer-provider interaction. Through sharing quality measurement expertise and partnering for better healthcare delivery, payers and providers can meet their individual goals more efficiently.

In a post-pandemic world where digital transformation has been accelerated, payers and providers have a prime opportunity to develop a unified data platform that provides a 360-degree view of member health. A health cloud platform provides mutual access to patient and member data and transparency to claims and clinical data to improve care and clinical and financial outcomes.
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Innovaccer Inc., the Health Cloud company, is a leading San Francisco-based healthcare technology company committed to accelerating innovation in healthcare. The Innovaccer® Health Cloud unifies patient data across systems and settings, and empowers healthcare organizations to rapidly develop scalable, modern applications that improve clinical, operational, and financial outcomes. Innovaccer’s solutions have been deployed across more than 1,000 care settings in the U.S., enabling more than 37,000 providers to transform care delivery and work collaboratively with payers and life sciences companies. Innovaccer has helped organizations unify health records for more than 24 million people and generate more than $600 million in savings. Innovaccer is the #1 rated Data and Analytics Platform by KLAS, and the #1 rated population health technology platform by Black Book.

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