Five keys to creating value-based partnerships using data analytics

As the industry continues its shift to valuing quality of care over quantity of visits, the role of data analytics is evolving. Data analytics provides the transparency needed by health plans and providers for strategic conversations. At every step of the way — from strategy to execution — health care intelligence empowers collaborative decisions to ensure efficient care and sustainable growth.

This five-point perspective offers a deeper dive into how data analytics can help create and fuel value-based partnerships.

1. Understand your market

Health plans and providers exploring value-based initiatives must intimately know their market. Data analytics provides a foundation for this knowledge. Data and analytics help leaders:

- Understand where clinical care gaps exist in their service area
- Generate more robust financial models to help them decide how aggressively they should shift care to value-based contracts

Whether you’re a provider or a health plan, considering these areas of influence is critical when evaluating your market and its growth potential.

Explore the true factors of demand

Who is buying coverage? Employers? Individuals? How do they buy coverage? Is it based on brand name or ease of access, perhaps? Are your products and services attractive to the patients or members you are seeking?

To better understand your market and opportunity for growth, Erik Johnson, vice president of value-based care for Optum® Advisory Services, points to tools like a market diagnostic blueprint.
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Market diagnostic blueprint

This resource helps create a full picture of a given market:

- The health plans and provider systems available to the community within your target market
- From the health plan side:
  - The mix of Medicare Advantage, commercially insured and fully insured health plans, including how many lives are covered in each category
  - Who is offering the products and what are the market prices (for example, premiums)
- On the provider side:
  - The size of the health systems and the types of care the networks deliver
  - New potentially disruptive entrants to the market

The blueprint can be highly illuminating. For example, you could discover that the lowest-price plan may not be the one covering the most lives in your market. A growth opportunity for health plans and providers may be adding access.

Case in point: Los Angeles is a vast market with large employers. Employees often have long commutes. Employees or consumers may choose a health plan with network clinics close to their workplaces versus lower premium costs.

Identify population health utilization risks/opportunities

Value-based care is predicated on being able to evaluate and mitigate actuarial risk. Data analytics enables the insights you need to know where to focus resources to improve care and outcomes within your contracted populations.

How do you prioritize populations within your market most efficiently? Consider starting with polychronic populations, recommends Johnson. Patients with multiple chronic diseases represent a significant medical spend. They also present a prime opportunity for improving outcomes.

Key discovery questions for prioritizing market populations

- What would your health condition medical spend mapping reveal (such as in the example on the next page)?
- What are the opportunities for interventions, care management — from new programs to staff enhancements?
- How would you prioritize which gaps to fill first?
Data analytics can also help leaders determine the ideal pilot environment for the disease or challenge they’re attempting to influence. For example, a market may have high rates of chronic obstructive pulmonary disease (COPD). But if the responsible party doesn’t have depth of talent to effectively address this condition, it may not be the right place to start.

“When you understand where you have concentrations of patients and risk, it can help identify not just the nuances of those regions, but also what partners are able to be integrated into the program.”

— JOHN KONTOR, MD, SENIOR VICE PRESIDENT Provider Technology Services, Optum Advisory Services

**Determine if there is room in the market for you to succeed**

Getting consumers to switch health plans and/or networks is difficult. To measure your realistic potential, prioritize which populations managed under value-based care arrangements will drive growth. Then consider the share of those populations your competitors already have. And assess your ability to create a differentiated alternative that will entice consumers to switch plans or networks.

For example, let’s say your goal is 100,000 members or patients. You need to de-aggregate the market to determine the available number of lives not already controlled by a competitor. Your attainable population reflects both what remains and what you can acquire.

**Analytics will uncover whether there’s room in the market for growth. It will also help you understand whether your strategy should focus on acquisition, retention, partnerships — or some combination of these.**
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Questions to ask when studying an attainable population:

• What is the competitor’s reputation and why are employers or consumers attracted to them? Is it price, provider access, brand or quality?
• What products are available, or what products can you build to attract these consumers?
• Can you price the risk appropriately?
• Is it conceivable you can gain substantial market share to make it worthwhile?
• How can you bring competitive discipline (for example, price, network, care management) to a market that lacks it and emerge as winner?
• To fill gaps, what investments do you need to make and when do you need to make them? New programs? New staff? Different types of staff? New engagement models? Are there areas where you can concentrate support?

2. Identify your strategic partners

Let’s say you’ve identified your market’s true factors of demand. You understand your population’s health risks and opportunities. And you’ve determined there’s ample room for your success. At this point, you may also realize you can’t meet your growth objectives alone. It will take collaboration with strategic partners to achieve success. A clear understanding of your market enables a new, data-driven conversation on partnership opportunities. In this dialogue, health plans and providers have common objectives to address managing medical spend and quality together.

Based on your market analysis, which prospective partners are aligned with you? Where are you “sharing” patients or members today?

“Prospective partners should make sure they’re contractually aligned. Do you have an equivalent ability to manage high-quality care and outcomes, and are you willing to share data to achieve this goal? Alignment in these areas goes a long way in enabling the necessary collaboration.”

— JAY P. HAZELRIGS, VICE PRESIDENT
Optum Advisory Services
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POV

The science (and art) of finding the right partners

Successful partnerships require significant investments in time, strategic objectives, culture alignment and resources between a health plan and provider system. Here is a starter list of key considerations.

- Are both parties willing to share clinical and financial data (where allowable) to stratify clinical priorities?
- Does your proposed partner share your growth objectives by product and populations?
- Do you both have the infrastructure to support the clinical and care management that your desired growth would require?
- Are your cultures compatible or do they conflict? If so, are the differences too big to enable success?
- Do your quality standards and programs align or is it feasible that you can achieve alignment?
- How much capital is each partner willing to contribute? What would the capital be used for?
- Are you able to agree on the division of responsibilities to best serve your population? This includes processing, utilization management and care coordination.
- What does the contribution of people, technology and real estate look like across the partnership?

3. Ensure affordability

You may be fully aligned in your partnership, but to grow significantly, health care affordability must be addressed. Think of product affordability as the foundation for consistent growth. This means evaluating your premium rates and medical loss ratios to ensure products are competitively priced and supported by an efficient care delivery model.

Partners should also consider how to best manage volume where it will have the most impact on management of medical spend. Otherwise, one of the partners is likely to be disadvantaged. Provide the right access, care and programs up front to help manage the population. This improves outcomes and decreases the potential for re-entering the system through higher-priced areas like the emergency room or urgent care.

Effectively driving growth takes a willingness to think differently about ways to mitigate the escalating price of delivering health care. This goes beyond removing duplicative pieces to forming new and different care strategies that improve health outcomes while lowering insurance premiums. This is what drives market growth.

4. Engage caregivers up front

Data analytics can only go so far to influence change. It’s important to engage caregivers up front to become willing champions of your partnership. They’re the teams at the front line caring for the patients. They have the unique insight and ability to make improvements. If they don’t have a voice in developing the programs, the likelihood for success is low.
Caregivers need to believe that:

Successful partnerships require significant investments in time, strategic objectives, culture alignment and resources between a health plan and provider system. Here is a starter list of key considerations.

- **What you’re doing puts the patient first**
- **Your strategy is evidence-based to enable better outcomes**
- **It makes sense financially, which may mean restructuring existing financial models**
- **You’ll provide them with the resources (data, technology and personnel) they need to support new or revised initiatives without additional burden to their own or staff workload**

**Case in point:** At Reliant Medical Group (MA), for example, providers and IT teams have partnered to develop a technology-enabled workflow that makes it easier for the care team to do the right thing.

“By utilizing data and the strengths of the EMR to automate many routine tasks and distribute the visit documentation process across the broader care team, we have been able to improve adherence to quality measures and capture more accurate documentation and risk scores, all while reducing the time providers have to spend in front of the computer.”

— **DR. JOHN TRUDEL**, ASSOCIATE MEDICAL DIRECTOR OF CLINICAL INFORMATICS,
Reliant Medical Group (MA)

**5. Put data into action**

Data analytics and insights must be shared with the right stakeholders to ensure these efforts are effective and actionable. When clinicians, executives and their partners are all looking at the same data, everyone is on the same page. Everyone understands “who” their patients are and how to best work together to support high-quality, highly efficient delivery of care that improves patient health and outcomes.

Putting the patient first isn’t new. It’s the basis for HEDIS and Stars. But it’s really where you move the dial in a successful partnership.

“If you don’t understand your patient and you’re not caring for them in a high-quality, cost-efficient manner, you run the risk of not being considered a good partner, which can be validated through analytics.”

— **JAY P. HAZELRIGS**, VICE PRESIDENT,
Optum Advisory Services

**ENABLE ACTIONABLE INSIGHTS AT THE FRONT LINE**

It’s critical to make data analytics valuable and actionable by front-line providers. In today’s EMR-centered workflows, that means enabling action through EMR-integrated solutions. Adding new workflows or systems is too disruptive.

**To be useful, data needs to feed into existing work streams and be in the right context.** New data interoperability regulations will help accelerate efficient, effective data sharing.
Interventions don’t have to be costly to make a significant impact

Erik Johnson points to a health system partner that had recently engaged in a risk-based contract with its state Medicaid agency. They observed a disproportionately high number of emergency department admissions for pediatric asthma. A data analysis of clinical data from the provider and claims data from the state ultimately prompted the hospital to send social workers to the most problematic homes. The reports came back that the patients had inhalers and most of the parents didn’t smoke. But they had a furry common denominator: pets.

“They managed risk by buying them hypoallergenic vacuum cleaners,” Johnson says. “Data prompted this intervention, but the human element — the social workers — were still crucial in investigating the root cause. That’s where analytics leads to action.”

— ERIK JOHNSON, VICE PRESIDENT
Value-Based Care, Optum Advisory Services

Achieve highly collaborative, value-based partnerships using data analytics

When actionable intelligence is shared among all stakeholders, partner organizations can make prompt, mutually beneficial decisions that mitigate risks from gaps in care and drive growth.

It’s worth noting that growth doesn’t happen immediately. It takes three to five years for strategies to generate results. By taking a data-driven, highly collaborative approach, health systems and providers can realize positive change.

About Optum

Optum is a leading information and technology-enabled health services business dedicated to helping make the health system work better for everyone. We deliver integrated solutions infused with OptumIQ™, our unique combination of data, analytics and health care expertise, to help modernize the health system and improve overall population health.