OPTUM®

White paper

Provider network administration: A strategic point of differentiation

A well-designed, high-functioning provider network can have a remarkable effect on a payer's revenue growth, and its ability to improve outcomes and reduce medical spend. However, at a time when network administration is more important than ever, new and more emphasized demands from consumers, providers and regulators make network construction and management more difficult.
This white paper identifies how:

- Quick, efficient construction of new products can help lead to new revenue
- An efficient network can help drive higher member retention rates
- Strong provider relationships help elevate network quality

Enabling agile product development

To stay competitive, payers have to keep pace with product implementation. Creative approaches are the new norm with expanded lines of businesses in new markets, exchanges, Medicare, Medicaid and more. The network is the foundational component that helps power new lines of business.

With the new configurations come different network adequacy requirements. These can play a significant role in how a network can and should be expanded. Advanced reimbursement models also factor into a network's alignment and ability to differentiate the payer.

Value-based contracting models that are based on pay for performance, bundled payments and gain sharing, for example, are increasingly required if a payer wants to remain financially viable over time.

Provider network best practice #1: Apply analytics

The best way to create a higher quality network that can support new product offerings is to use analytics to drive key findings and inform decisions, including:

- **Network adequacy analytics.** Moving data to an external source can increase the time it takes to identify whether actions have closed a gap. To mitigate that delay, align adequacy analysis directly with the network source of truth. This decreases the time it takes to identify whether a gap has closed or a new gap has opened. Another tip: Use intelligent recruitment analytics to close gaps more efficiently by only recruiting providers that cover the largest membership gaps.
- **Reimbursement analytics.** Contract modeling enables you to develop the right reimbursement for the product offering. Evolve to more advanced reimbursement models by developing baselines for reimbursement by specialty or facility type.

In an initial contract negotiation	In contract renegotiations
Compare proposed reimbursement to baselines to help providers see the value of the model.	Use previous claim volume to compare previous reimbursement to new reimbursement.

Ensuring efficient network operations

A network's efficiency and accuracy helps drive member retention. Consider the basic problems that arise when a network is not optimized: Patients consulting an online directory are frustrated to learn that a provider is listed as available but actually is not.

Or the patient is given the address for a clinic location, but the clinic has since moved. This can lead to lower satisfaction and retention. Providers, too, get frustrated when they send notifications about updates to their contact information, but those updates aren't reflected in the directory.

Regulatory entities are also demanding more accuracy. Yet with network configurations expanding, the problem of duplicate or inaccurate information increases exponentially. That means plans are reporting on their networks without being completely confident of the data. From a CMS compliance standpoint, this can lead to Medicare and Medicaid disqualification.

Overall, it's essential to develop an efficient network that can be updated quickly and holistically to ensure any redundant data is consistent across the system.

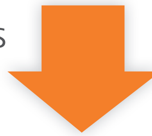
Provider network best practice #2: Reduce the number of touch points

A network is all about the collaboration between payer and providers. The stronger that collaboration, the stronger the network.

Providers who are engaged and see the benefit of a new offering to them and their patients are more willing to deliver the extra effort to make new offerings a success. This collaboration leads to expanded revenue opportunities and even higher quality of care and patient services.

Avoid losing data integrity at each stop

Reduce the number of stops



Nurturing provider relationships

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Provider network best practice #3: Strengthen provider relationships

Value-based care models that have strong outcome-based results help encourage providers to embrace and champion new products. Increase provider engagement by sharing analytics about the value of a new service or network enhancement. This helps reinforce how the new product will improve cost of care, patient outcomes and overall satisfaction.

Provide consistent, clear information about the relationship in the form of:

- Dashboards
- Reporting
- Reviews

Another tip: Use tools to score the quality of the data providers submit so you know if you have what you need. This helps you avoid provider abrasion from asking for information beyond what is compliance-specific.

Maximize the power of your provider network

Payers that understand how to increase the value of their provider network are able to get to market faster and more effectively with product opportunities and reach and retain a larger member set. Optum helps payers ask and answer the questions needed to create and administer well-designed, high-functioning networks, enabling payers like you to focus on higher-value activities.

About Optum

Optum® is an information and technology-enabled health services business platform serving the broad health marketplace, including care providers, plan sponsors, life sciences companies and consumers.

Learn how you can bring a best-practice approach to optimize your provider network:

Email: empower@optum.com
Phone: 1-800-765-6807
Visit: **optum.com**

optum.com

11000 Optum Circle, Eden Prairie, MN 55344

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