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Value-Based Payment Models: An Opportunity For Return On Collaboration



By Kathleen Hertzog, VP of Marketing, Availity

Providers are struggling to integrate value-based payment models into their workflow and daily operations, but these struggles need to be viewed as an opportunity for innovation and improvement.

While more than 75 percent of providers participate in at least one value-based payment model today, and 60 percent see them as the dominant model going forward, ***the majority of providers are struggling to integrate them into their workflow and daily operations.*** While such challenges can be frustrating, they are also signs of experience and progress that present opportunities for innovation and improvement.

Understanding Barriers and Gaps to Success

Research conducted earlier this year by Availity highlighted the top three barriers to value-based payment growth (as ranked by responding providers), and the top three challenges experienced by providers trying to integrate these models into their daily operations.

TOP BARRIERS

to value-based payment success



CARE COORDINATION



DATA ACCURACY



STAFF ACCEPTANCE

TOP GAPS

in value-based payment models



DATA ACCURACY



DATA MANAGEMENT



IMPLEMENTATION ASSISTANCE

Of the barriers and gaps identified by providers, issues with data take center stage, specifically noted three separate times. These data issues also influence the other three barriers and gaps, which are more operational in nature: care coordination, implementation assistance, and staff acceptance. Providers must have timely and accurate data for seamless and effective care coordination, which also affects the staff's willingness to engage in the new models; when it's difficult to do the work – especially when the financial reward is limited or unclear – staff acceptance declines.

Likewise, data plays a role in implementation. When access to timely, accurate data isn't available, and/or involves a highly manual process to obtain, the implementation effort mushrooms into a complicated project not easily managed with existing resources.

Transforming through Collaboration and Transparency

Providers and health plans agree that solving the data problems are a priority. They also agree it requires a renewed trust between each other that historically, hasn't come easy. "We need to be partners together," said John Tedeschi, MD, CEO for Advocare LLC and Continuum Health Alliance in Marlton, NJ. "That partnership is what's going to make it work."

Dr. Tedeschi joined Dr. Chris Crow, co-founder of Village Health Partners and CEO of StratiFi Health, in Plano, TX, and Kim Hodgkinson, CFO for St. Vincent's HealthCare in Jacksonville, FL. for a June panel discussion with several health plans. All three panelists currently participate in either Medicare or private value-based payment models, in addition to traditional fee-for-service.

Dr. Tedeschi further remarked that transformation among providers and health plans is essential to value-based payment success. "Physician transformation is important, but so is payer transformation, and hospital leadership transformation. If we're not transforming ... it's never going to work."

"The collaboration opportunities between payers and providers have never been better," said Dr. Crow. "Years ago I thought it always made sense that we [should be] more aligned. With all the changes going on from a macro perspective with Obamacare, all the consolidation happening in certain markets, all the IT capabilities, now more than ever the payers and the providers really should be collaborating."

Dr. Crow went on to say that the ability for providers to understand the risk and optimize value-based payment models in their practices would "take a lot of technology and a lot of data integration."

His sentiments were echoed by Hodgkinson who said, “I think the collaboration between payers and providers will be the critical leverage point as we move forward. The payers have the [member] data. What we really need from the provider side is transparency into that data ... so we can make better decisions.”

Harmonizing Clinical and Financial Data

Hodgkinson added that in order for value-based payment models to work effectively, “clinical and financial data will need to be synchronized in many different ways.” As providers begin to bear more of the financial risk for the patient, having an integrated, consolidated view of the patients’ clinical information, along with their financial profiles will be vital to delivering, coordinating, and receiving payment for care. “There won’t be one system that will aggregate and do everything we need. We’re going to have to invest in technology that’s going to bring all of our systems together.”

In addition to the data and technology aspects, transformation of the revenue cycle also was cited as a need spurred by both value-based payment models and the continued growth of high-deductible health plans.

“The revenue cycle will need to evolve as we move to [value-based payment] models,” said Hodgkinson. “We’re going to need to have more upfront information. The patient most times doesn’t know what it’s going to cost them until weeks, months after they had the procedure, and that doesn’t help them. So how do we coordinate up front, educate the patient, and help them on the front end. It will also help us get a clean payment and clean data around care for the patient.”

Dr. Crow agreed, remarking that high deductible health plans shift the financial responsibility for many more claim dollars to the patient, creating a need for tools to help providers collect from patients. “It’s becoming much, much more imperative ... to have great operations around upfront collections; that’s because of the high deductible plans. It’s confusing to the patient [to not understand what they owe] and sometimes upsetting to the patient, and we’re often in the middle of that. So, to have really good tools to help inform and collect prior to care is very, very important.”

Making the Opportunity Work

Effectively addressing the challenges with value-based payments will take collaboration and transformation, particularly among providers and health plans. These stakeholders will need to align on a range of topics, including: what data to share; how frequently; which standards to use; which technology solutions to implement. It’s an opportunity to leverage health information technology for data sharing and operational efficiency in a way that can accelerate the value of value-based care models.

“The [value-based payment component of the] Affordable Care Act has given us permission to share ... data,” said Dr. Tedeschi. “Now we can ... show where the financial performance and the clinical performance merge, and ... the steps we are taking ... really work both clinically and financially.”

About the author

By Kathleen Hertzog is VP of Marketing and brings to Availity more than 20 years of experience in marketing, business development and sales. Prior to joining Availity in 2007, Kathleen was Director of Business Development for MEDai, an Orlando, Fla.-based health care predictive modeling company. She facilitated the company’s partnership efforts to establish MEDai as one of the country’s premier analytical applications.