Health care providers use risk analytics to improve their financial health

PLAYBOOK

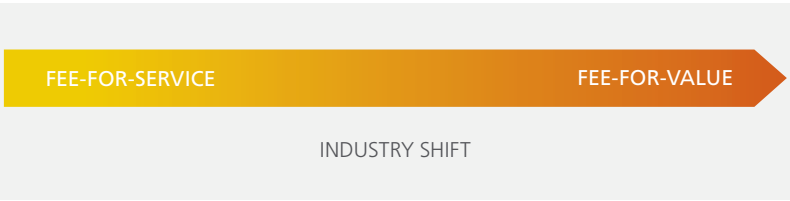


OPTUM®

Introduction

"Advanced risk analytics has become a necessity for providers, helping them predict and mitigate risks and improve revenue."

Good patient care and sound business practices have always been a priority for health care organizations. But never have the stakes been higher if they fail. As the industry continues its shift from fee-for-service to fee-for-value, providers must find ways to improve the quality of care they deliver and maximize their reimbursement.



Advanced risk analytics has become a necessity for providers. Whether it's used to find an organization's highest-risk patients with the most potential for improvement, uncover the source and reasons behind network leakage, or better prepare to negotiate payer contracts, risk analytics can help providers predict and mitigate risks and improve revenue.



STEP ONE:

Understand your population: Who is at highest risk?

In the fee-for-value structures under which many providers are operating, they can't afford to treat their population as one homogenous group. If they take a blanket approach to health care, they run the risk of missing high-acuity patients — and opportunities to drive down utilization and costs.

Resource-conscious organizations that are held financially and clinically accountable for the quality of care they provide need to understand their populations in greater detail than ever before. Applying risk analytics to claims and clinical data can give them the deeper level of knowledge they need to strategically manage their populations. Stratifying patients by risk can help providers target the small number of patients who account for a large portion of the costs.

Risk analytics sorts patients by tiers of risk — high, medium and low — based not only on their diagnoses but also their treatment, utilization and cost of care. A patient with diabetes and chronic kidney disease, while sicker, could be assigned the same level of risk as a patient with hyperlipidemia whose utilization of care is higher. A patient's diagnosis, treatment, utilization and cost of care are equally weighted to account for their true impact on a system.

With this information, providers can identify actionable opportunities to more intensely manage patients. By intervening early and delivering the right care to the right patients, organizations can begin to change their populations' clinical trajectory over time, resulting in better outcomes and lower costs.



RISK

Treating your population as one homogeneous group

All populations aren't created equal. Treat them that way, and you run the risk of missing high-acuity patients, which may drive up costs and inappropriate utilization.



MITIGATION

Proactively identify which patients will become high risk

Adding clinical analytics to the same data and risk calculations payers are using allows providers to have a much clearer lens than payers, enabling more equitable and transparent negotiations.

SEGMENT BY CLINICAL RISK

SEGMENT BY LEAKAGE

SEGMENT BY COST AND UTILIZATION

STEP TWO:

Plug the leaks in your business: Where else are your patients going for care — and why?

Improving patient outcomes and the overall value of services means organizations need the ability to coordinate patient care. But to do that, they must first understand the extent to which their attributed patients are receiving care outside of their system and — in most cases — bring them back into the network.

Obtaining a 360-degree view of where else patients are receiving care can reveal problems related to service or provider access, and point organizations in the direction they might take to improve their market share. This is especially important for providers who may need to expand their reach to offset the losses they incur from lower utilization or a financially unfavorable payer mix.

The first step for providers is to find out why leakage is happening. Patients often follow the path of least resistance, making it important to identify their glide paths out of the system.

Next, they need to determine the impact of the leakage. In some cases, leakage can work to an organization's benefit if the cost or availability of care is more optimal outside of its system. More often, however, leakage costs providers market share and compromises the coordination of care, making it difficult to manage the health of a population and achieve quality metrics.

Therefore, understanding how much leakage is taking place is crucial to the financial health of an organization.

Finally, organizations need to take positive steps to stop their leakage. This might include initiating campaigns to engage patients on the benefits of care coordination or educating physicians on the risk of leakage and the ways it can be reduced.



RISK

Not knowing your patients are receiving care outside of your system or understanding why

Organizations with value-based contracts must know if their attributed patients receive care from outside providers.



MITIGATION

Obtain a holistic view of where your patients are receiving care

Using claims-based analytics, determine which patients are receiving care outside of your provider network and where that care is taking place.

DETERMINE IMPACT OF LEAKAGE

FIND OUT WHY LEAKAGE IS HAPPENING

TAKE POSITIVE STEPS TO PLUG LEAK

STEP THREE:

Level the playing field: Analyze claims and clinical data to make rate negotiations more equitable

When negotiating contracts, payers and providers have historically relied on claims data to determine the rates at which services will be reimbursed.

But claims data alone merely reflects the quantity — not quality — of care delivered, putting providers at a distinct disadvantage. A medical practice with a high claims submission rate may be seeing high-acuity patients and appropriately managing their care with good results. But without the clinical data to prove it, that practice will have a difficult time convincing a payer it provides quality care at a good value and deserves to be reimbursed at a fair rate.

By running both their claims and clinical data through a risk analytics engine, providers can level the playing field. Using clinical data can add perspective that payers don't often have, making the negotiating process more transparent and equitable.

A combination of claims and clinical data shows payers a more nuanced picture of providers' risk. The claims data illustrates an organization's financial risk, while clinical data shows the value of care it provides. By negotiating based on risk and value, providers can strengthen their position and feel confident their rates are fair.



RISK

Lacking information when negotiating contracts

Payers utilize claims data to tell you how much you should be paid for your population. Without data and analytics, you're negotiating blindly.



MITIGATION

Use claims data and clinical data to justify your contract requests

Adding clinical analytics to the same data and risk calculations as payers are using allows providers to have a much clearer lens than payers, enabling more equitable and transparent negotiations.

COMBINE RISK DATA WITH CLINICAL DATA TO GAIN PERSPECTIVE THAT PAYERS DON'T OFTEN HAVE

NEGOTIATE BASED ON CLINICAL RISK AND ON THE VALUE OF THE CARE PROVIDED

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