Optum

Succeeding in value-based care with a next-gen revenue cycle



Value-based reimbursement (VBR) models are responsible for an increasing percentage of revenue, but providers are struggling to accurately report the quality of care provided because of antiquated revenue cycle paradigms. A next-generation revenue cycle that combines clinically aware artificial intelligence (AI) with an unmatched foundation of evidence-based medical research and knowledge gives providers the transparency they need to accurately report care quality, earn the right value-based incentives and avoid penalties.

Health care is changing. Spurred by delivery and payment reform and changing patient expectations, providers face the daily struggle to deliver meaningful improvement on quality measures while still controlling costs.

While many organizations are updating their care delivery models to respond to VBR, they have not updated their revenue cycle. Standard revenue cycle models are set up to support reimbursement to providers for each service performed. These models are not designed to support the kinds of quality improvement that enable success in value-based care.

Naturally, full revenue cycle transformation provides the best value to providers, but targeted enhancements can contribute meaningfully to VBR success. In the past, inaccurate coding or poor documentation diminished reimbursement for a given patient encounter. But now, the threat is far more serious. A comorbidity that the physician failed to document might change a patient's risk group and lower care quality measures. Inaccuracies and errors can affect value-based incentives and penalties, and impact patient loyalty due to unfavorable benchmarking against national and local peers.

And with increased patient engagement, consumers are researching provider quality and cost before making care decisions. Inaccuracies in the revenue cycle can not only risk reimbursement by making quality measures appear worse than they are, but they can lead to leakage and a loss of market share.

Improving visibility for VBR with a next-generation revenue cycle

How can providers succeed in a VBR world when many health care executives are unable to see a complete picture of their operations? Particularly for the revenue cycle, how a provider is actually performing may be strikingly different from what is documented, coded and reported. This disconnect prevents an organization from being paid accurately under VBR.

VBR requires organizations to apply next-generation revenue cycle solutions that accurately reflect their quality measures. By removing inefficiency and inaccuracy, Optum diminishes the gap between the quality of care provided by an organization and the quality metrics reported to its payers.



Clinically aware artificial intelligence

AI (machine learning, natural language processing) infuses the revenue cycle with clinical awareness by analyzing clinical documentation and medical necessity for deficiencies in real time and helps improve the accuracy of patient records and coding decisions.



Rich clinical knowledge core

Combining clinical, regulatory and operational knowledge with payer-specific rules and medical research provides a foundation for revenue cycle functions to build upon. Lessons and insights are applied where they are needed most.



Proficient experts

The revenue cycle doesn't just need administrators and clinicians. Regulatory, linguistic and research experts can curate the knowledge core and continuously seek ways of improving applications.

How significant of a difference can a well-tuned revenue cycle make?

Below are a few examples.

Documentation and coding

Traditional revenue cycle

- Patient has surgery to repair a hip fracture
- Patient experiences blood loss (greater than 100 ml) and low blood pressure
- 2 units of blood are ordered post-op when hemoglobin level drops (12.6 to 7.6)
- Documentation lacks diagnosis for acute blood loss anemia to support clinical story

DRG	DRG weight	ROM	SOI	GMLOS
482	1.6692	2	1	3.7

Encounter value: $10,849

Optum revenue cycle

- Optum® CDI 3D, powered by NLP, identifies a documentation deficiency for acute blood loss anemia
- CDI team queries the physician, who confirms the diagnosis and updates documentation
- CDI 3D continuously reviews the case and automatically updates coding as documentation is updated
- Optum® Coding Services experts confirm accuracy

DRG	DRG weight	ROM	SOI	GMLOS
481	2.0501	2	2	4.6

Encounter value: $13,325

The record of a patient encounter can look quite different depending on the efficiency of coding and CDI. Optum technology empowers these 2 functions to capture the true health of patients, a vital step in properly reporting quality measures to succeed under value-based models.

The record of care provided relies solely on the accuracy of clinical documentation. A simple omission or discrepancy can significantly affect the true depiction of patient severity, as well as quality measures and reimbursement.

Optum CDI 3D is the only market solution that uses intelligent case-finding logic to identify potential documentation deficiencies at the point of care. CDI 3D uses proprietary clinical natural-language processing (NLP) algorithms to concurrently review all cases for all payers. It reviews each piece of documentation as it is added to the record and identifies clinically relevant findings, gaps in documentation and potential quality events. These insights help hospitals get documentation right up front and report accurate quality measures.

Documentation and coding

The advanced NLP that drives Optum® Enterprise Computer-Assisted Coding (CAC) uses sophisticated linguistics and algorithms built from over 20 years of experience. Optum NLP leverages this intelligence, along with more than 10 million medical facts, to provide accurate, comprehensive code suggestions and enable efficient coder review. Enterprise CAC increases consistency among coders of varying experience levels through comprehensive code capture that supports accurate billing and quality reporting.

Enterprise CAC shares the same platform as CDI 3D, enabling seamless communication and workflow between CDI specialists and coders. As CDI 3D identifies gaps in documentation and CDI specialists query physicians, coders have full visibility into CDI review and clinical indications. When new documents are added and updated, CDI 3D automatically validates and updates coding recommendations.

Computer-assisted coding still requires qualified staff to review and verify coding suggestions, and many providers struggle to find enough skilled coders to meet their needs. Optum® Coding Services augments provider staff to address both long-term coder shortages and short-term assistance with backlogs or while training new hires.

By transforming CDI and coding from a retrospective analysis to a concurrent, point-of-care function, Optum Enterprise CAC and CDI 3D capture the complete clinical encounter by:



Reducing coding errors caused by inconsistencies between clinical and coding terminology



Automates continuous CDI and code assignment reviews for 100% of cases for all payers



Identifying gaps in documentation at point of care, including potential quality events



Helping to ensure complete code capture and preventing downstream denials

Contract negotiation

Traditional revenue cycle

The provider enters payer contract negotiations armed with historical performance data and appeal success rates.

Result: The provider is uncertain about which contract terms to accept and renegotiate to maximize performance. The new VBR contract begins from a position of weakness.

Optum revenue cycle

Along with historical and appeal performance data, Optum provides robust contract modeling and detailed analytics.

Result: Before beginning negotiations, the provider can accurately estimate performance under proposed contract terms and patient population scenarios. The provider negotiates from a position of insight and strength.

Whether the first or 500th, contract negotiations can be overwhelming. Every payer proposal includes different terms, and without understanding their impact, providers may end up in an uninformed and seemingly powerless position. Negotiation preparedness means analyzing payer trends to ensure contract terms align with organizational objectives.

This process is complex and can take significant time. Moreover, simply analyzing the proposed terms won't suggest counter-proposals based on an organization's strengths and population profile. Understanding the effects of contract term changes requires real-time, agile modeling.

Optum arms provider negotiating teams with advanced contract modeling and analytics to understand the outcomes of any combination of contract terms.

And by blending research and the latest technology, we develop this modeling quickly and efficiently, allowing real-time evaluation of payer proposals and the design of favorable counter-proposals.

Optum also offers actionable analytics that dig into provider performance on key quality measures. Outlier data on individual care providers can drive more targeted care delivery to meet financial incentives of contracts and pinpoint areas of improvement. As a result, Optum enables provider negotiating teams to enter contract discussions knowing which contract terms to accept, and armed with the insight needed to negotiate successfully.



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Direct impact on VBR: Patient satisfaction

Consumer involvement has increased with the proliferation of higher deductibles and individually purchased health plans. With increased exposure, patients are pursuing a consumer approach to their health care, seeking information about medical treatment in advance of delivery. Increasingly, consumers expect to search for care and treatment options, research costs upfront, schedule appointments and pay for care online. Optum® Patient Engagement Solutions gives consumers real-time access to treatment options and costs before they visit a provider.

The benefits to providers are not limited to direct improvement of patient satisfaction metrics. Increased patient engagement improves adherence to treatment plans and advised lifestyle changes. Active patients will experience better health outcomes. When better outcomes are experienced, costs – including the cost to collect – will decrease. And strong patient satisfaction can prevent network leakage and increase market share, both for hospitals and physician groups. A majority of patients (78%) leave their provider due to poor health care navigation and a poor overall experience.[1] A good experience can make a facility the provider of choice.

Optum Patient Engagement Solutions improve patient satisfaction

Cost estimates
Provides patients with complete cost estimates, including copays, coinsurance and deductibles

Appointment scheduling
Allows patient to schedule appointments online and receive appointment reminders

Prior authorizations
Enables pre-certification and prior authorization before service to avoid service delays

Online payments
Allows patients to satisfy their payment obligations more simply and efficiently

Patient empowerment
Empowers patients to make health choices in real time, online and at their own pace

Care alerts
Alerts patients to needed preventive care appointments

The revenue cycle heavily influences a facility's performance under value-based care

VBR demands accurate information, both during payer contracting and when reporting care quality. A provider's revenue cycle performance and reporting can directly affect patient satisfaction, engagement and loyalty. A smooth revenue cycle employing research, technology and expertise can mean the difference between an unsustainable relationship with VBR – and realizing the benefit of VBR for both providers and patients.



Contact us to learn how Optum can support your performance under value-based reimbursement contracts.

optum.com/contactus

Source:

1. Accenture Health Experience Report Oct. 2022: accenture.com/content/dam/accenture/final/industry/health/document/Accenture-Humanizing-Healthcare-Experience-Payer-Provider-Health-PoV.pdf#zoom=40

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