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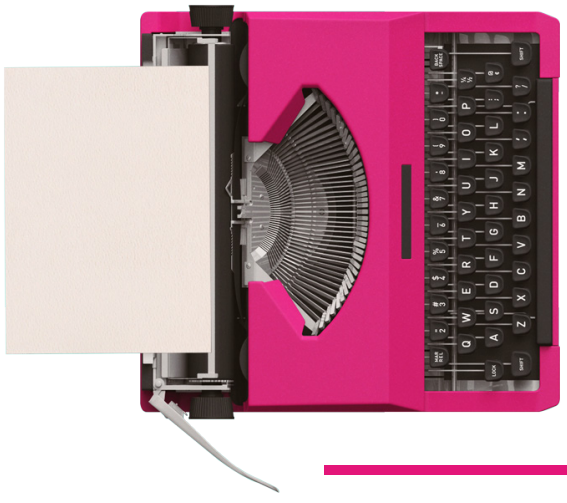
The Payer Perspective: Establishing Interoperability Across Healthcare Networks

Unveiling the solution to data sharing challenges

Table of Contents

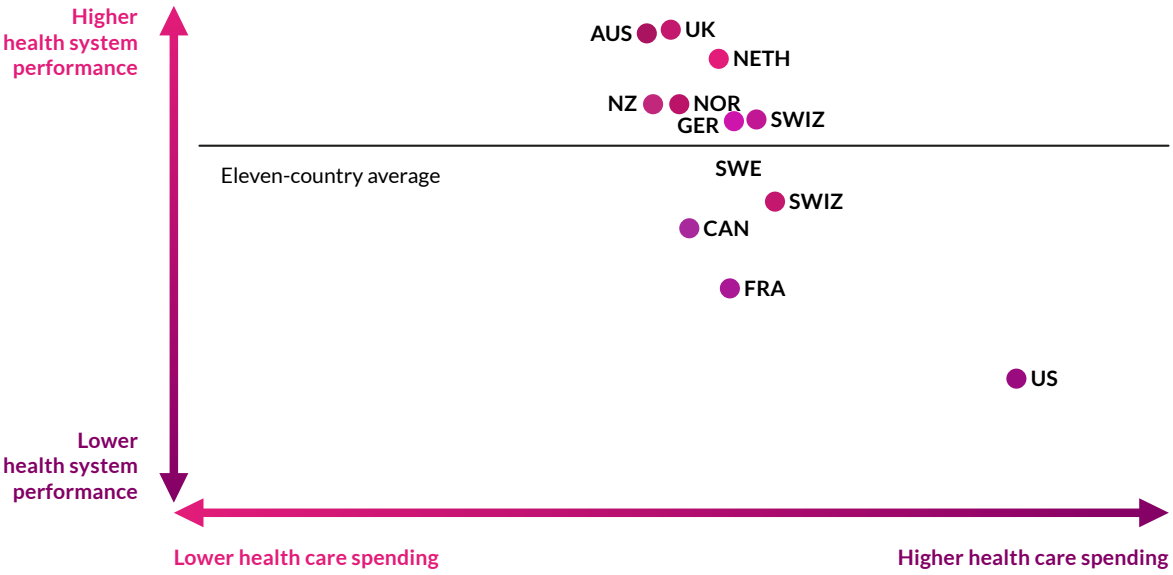


Executive Summary

Before value-based care came into existence, the only information that the payers were concerned about were the procedures, tests, and assessments conducted by the providers[1]. The exchange of information was fairly simple. Payers weren't required to probe into the details of the services offered or prescribed by the providers. Under fee-for-service, they were only required to pay for the medical services that their members received which were covered in the insurance program.

The process, however simple it may be, was creating inefficiencies in the healthcare system. It wasn't the most ideal way to remunerate the providers.

Fee-for-service is one of the biggest reasons why the estimated cost of healthcare in 2020 is almost 20 percent of the country's GDP[2]. Despite the high expenditure, the quality of care is still unsatisfactory. U.S. healthcare ranks at or near the bottom in almost every measure of comparative quality among other developed nations[6].



Note: Health care spending as a percent of GDP.
Source: Spending data are from OECD for the year 2014, and exclude spending on capital formation of health care providers.

Health Care System Performance Compared to Spending

The value-based contract is clearly a better alternative to the fee-for-service model. Humana reported their costs for patients attributed to primary care practices in value-based reimbursement models for Medicare Advantage (MA) were 15.6 percent lower compared to Medicare fee-for-service[3]. Their hospital inpatient admissions and emergency room visits were also lowered by 19.1 percent and 10.1 percent respectively. The quality care outcomes reflected a marked improvement.

Despite the evidence supporting the benefits of value based care, payers are still resistant to adopting this model. This whitepaper discusses the challenges in implementing value-based contracts and the framework to enable secure health data sharing that empowers healthcare insurers to meet their goals of efficient network performance and enhanced outcomes.

Fee-for-service: Propelling unscrupulous utilization of medical resources

"When neither the consumer nor the provider 'feels' the cost of the service offered, it promotes overuse of medical services and high levels of spending," said Richard Amerling, MD[7].

Under the fee-for-service scheme, neither the provider nor the patient has any incentive to use medical resources judiciously. Providers can perform as many services without the worry about being reimbursed for them. Patients are not concerned about the number of services they receive since they don't have to pay from their pockets directly. Insurance pays for the medical episodes which makes providers and patients lose sight of the financial impact of high utilization of medical services.

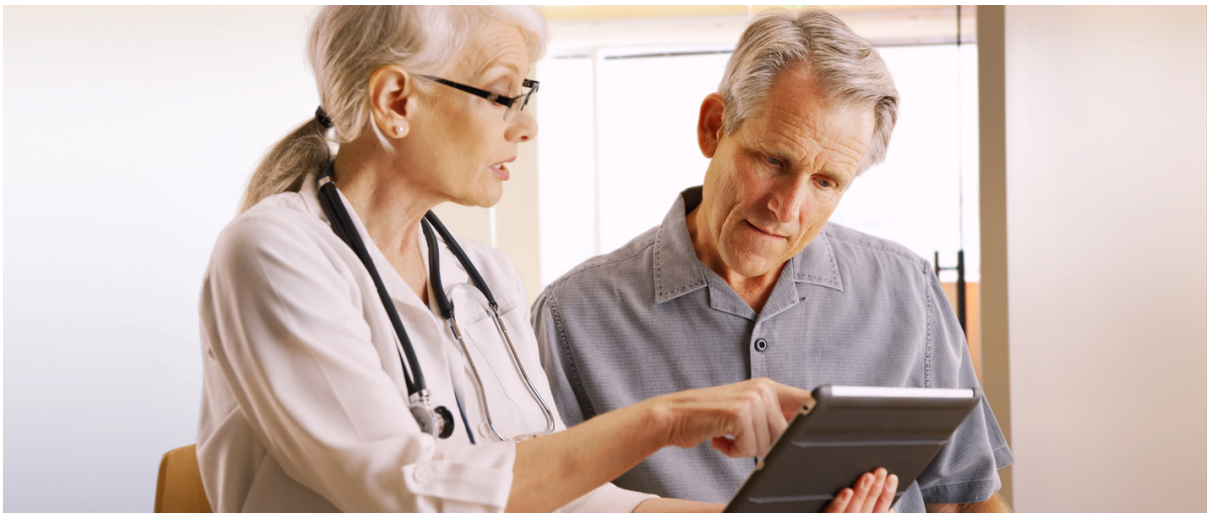
This phenomenon of the high utilization of healthcare resources has led to a strong spike in costs. In the year 2017, healthcare costs had increased by 4.3 percent compared to the prior year. The delta surpassed the increase in the GDP of the entire economy, which rose just by 1.9 percent[8]. This cost trajectory is unsustainable.

The Shift From Volume To Value-Based Care

The only way to address this problem is to reward value instead of volume. Though there is no way to phase out fee-for-service completely, if only for some services, providers are reimbursed based on the outcomes of care episodes, it can make a huge difference. By rewarding providers for treating patients with minimum resources, payers can help bring down the rapidly rising healthcare costs and also improve the healthcare outcomes.

According to a news release from the Department of Health and Human Services (HHS), at least 30 percent of all Medicare payments are made through value-based contracts[9]. The Centers for Medicare and Medicaid (CMS) aims to shift 50 percent of the Medicare payments through alternative, value-based reimbursement models[10]. Given its positive implications on care quality, health outcomes, and costs, it's not surprising that CMS is making efforts to accelerate the transition to value-based care.

Despite Obvious Benefits, Payers Are Still Hesitant To Adopt Value-Based Contracts



A survey of 150 health insurance executives revealed that they do not expect much growth in the adoption of value-based reimbursement in the next 2 years[11]. The reason that payers are apprehensive about pursuing value-based reimbursements is the data-sharing challenge[8]. To adopt reimbursement models tied to quality and outcomes, large amounts of clinical and claims data need to be exchanged between the payer and the provider community.

The Problem With Data Exchange

Unstructured data has always been a complication, and even more so in the healthcare industry. Invaluable information is not accessible due to unstructured data and the difficulties in accessing it, making it difficult for payers to assess the quality of care and healthcare outcomes. These barriers to data-sharing and the lack of interoperability are holding payers back from actively pursuing value-based contracts.

Understanding The Interoperability Challenge:

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Retrieving clinical data from providers requires synchronization and synergy between the payer and provider communities which was not necessary in the fee-for-service model. Interaction between the payer and the provider was minimal and data exchange was simple. However, in performance-based reimbursement models, the payers need real-time, transparent clinical data for risk adjustment initiatives and provider performance assessment.

Accessing clinical data for payers is especially problematic because they have to contact the providers repeatedly. While the purpose of retrieving the data is to assess and improve the operational efficiency of the network, it ends up piling on the providers' already heavy workload.
Additionally in regards to the data exchange process, often the payers' data needs are assumed to be secondary to those of the providers which makes the data retrieval process all the more difficult[12].

Integrating Data From Different Systems:

In a value-based contract, a payer receives clinical data from different provider systems. Even though they obtain access to the data they need, the different formats in which they receive the data is hard to integrate. Unless the data is integrated into a single format it is hard to derive any use out of it, let alone assessing the providers' performance.

Even if the payer is able to integrate the clinical data into a single source, integrating it with the different applications that they use internally is another challenge. Insurers generally use analytics, billing, and risk management applications. To incorporate clinical data into each one of these manually is time-consuming and prone to errors.

Analyzing Data For Network Efficiency:

Integrated data alone is still not enough to drive a value-based contract successfully. The raw data needs to be processed to derive some insights that can improve operational efficiency. An Excel spreadsheet can be a useful tool to analyze the data, however, it can be challenging if the data set is large. Often payers have multiple providers in their network, which is why most of them need a scalable analytics tool.

The solution: API-based connectivity

Payer organizations are increasingly turning to application program interfaces (APIs) to enhance interoperability between clinical data, internal applications, and other data exchange tools. APIs are interfaces that allow disconnected programs or systems to communicate with each other, acting as bridges that allow the flow of information. APIs are viewed as ways to reduce development time, save storage space on devices and systems, and overcome any differences in the standards or formats in data at either end of the bridge.

The Office of the National Coordinator for Health Information Technology (ONC) proposed three technical outcomes for healthcare APIs in its 2015 Edition of Certified EHR Technology[13]:

DATA SECURITY

The APIs need to establish a trusted connection with the application requesting patient data. This includes a means for requesting the application to register with the data sources, to become authorized to request data, and to log all the interactions taking place between the application and the data source.

DATA REQUESTS, RESPONSE SCOPE, AND RETURN FORMAT

The APIs need to include a means to support two major kinds of data requests and responses: "by data category," and "all." In both cases, the scope required for certification may be limited to the specified data sets in the Common Clinical Data Set, but additional data is allowed.

PATIENT SELECTION

The APIs should have enough measures for the application to query for an ID or any other identifier in a patient's record in order to execute the subsequent data requests.

There are several advantages of using APIs, some of which are listed below:

- Real-time access to crucial patient information
- Autonomous processing and customized data governance
- Little delay in receiving or extracting information

This is only the tip of the iceberg and through an API-first approach, healthcare insurers can simplify interoperability by enabling seamless data flow backed by a robust infrastructure. However, creating a one-stop solution to access important data and applications is a necessary step in making healthcare data intensive.

Chart Retrievals To Close Care Gaps And Enhance Network Performance

Payers invest millions of dollars and countless hours retrieving charts and relevant clinical data, taking as much as 20 days. The process of acquiring these charts via a third party vendor is expensive and could cost as much as $12 per chart and averages 15 days. Obtaining relevant clinical records, reviewing them, and extracting reliable results from them is already a complicated process, further tangled by the lack of interoperability among EHRs.

Then, of course, is the need to review the charts to identify gaps in care and provide member-level decision support to providers at the point of care. Topping it all, there are 81 HEDIS measures spread across 5 domains and CMS Star ratings governing the performance of payers, making it important to retrieve charts effectively, not to mention rapidly.

The best possible way to simplify the process is to enhance connectivity among healthcare data systems and automate the chart retrieval processes. The biggest challenge is that the data systems in healthcare are not currently interoperable. . If simple, yet robust connection mechanisms are leveraged, the time to acquire data could be greatly reduced. Whether it be patient charts, physician notes, or lab orders, all of these elements must be brought together on a unified healthcare data platform to create a unique and longitudinal record for each member.

Need For A Unified Data Activation Platform

Often, a payer organization's initiatives for integrated data, care management, population health management are not aligned. The data may be flowing seamlessly across the network although the applications end up using different data sets for different purposes.

Consider an example of a payer network in a value-based contract with a provider. The payer would require structured data that allows them to have a holistic view of the population, and the provider would require something that pulls out the care gaps for every patient. Essentially, the data they both need are quite similar and would be sourced from electronic health records (EHRs)s, claims data, admissions, discharges, and transfers (ADT) feeds, and ambulatory data.

The difference lies in how both these groups leverage their data. The providers may want to understand how their patients traverse in and out of the network to ensure the patients get the best care and remain within the network. The payer, on the other hand, would want to ensure the patients are being referred to the best providers within the network. Ultimately, payers and providers end up working on the same set of data, however, the lack of ability to reconcile their outcomes and interoperability ends up creating huge gaps in care and an even longer gap on the road to successful outcomes.

A unified data activation platform can incorporate multiple data sources to deliver clean, structured datasets and can grow as the amount and types of data increase. Different entities can leverage analytics to learn about their network, identify gaps in care, study the state of population health, and learn about the growth opportunities in their network and act on them.

Innovaccer's Data Activation Platform

Innovaccer's leading data activation platform has been expressly built for true interoperability across the care network. With its 200+ pre-built connectors to widely used healthcare data systems and applications, the platform enables quick data ingestion and integration to create a unified healthcare data layer. The data activation platform pieces together disparate data sources into unique, longitudinal Patient-360 records which are exchanged via industry-governed standards such as TCP/IP, SFTP, FTP, HL7, HISP, FHIR. Making healthcare data integrity a priority, InData enables data sharing by means compliant with HIPAA. The platform ensures providers don't spend valuable time hunting for data by providing them with real-time access and point-of-care insights–letting providers do what they do best.

The following solutions are built on Innovaccer's Data Activation Platform:

inapi

Innovaccer's advanced healthcare data integration engine, providing one-click interfacing mechanisms to a wide breadth of healthcare data systems and a seamless bidirectional flow of data.

incare

Smart, AI-assisted care management solution, with patient-centered medical home (PCMH) level care delivery, hardcoded into the workflow. InCare streamlines the care management process enabling systems to scale care management programs at lower costs, and with higher quality.

ingraph

InGraph is the most intuitive healthcare analytics offering for population management health strategies in the industry with over 800+ measures to track network performance and outcomes, customizable measures and dashboards accessible across the network, and automated reporting on quality measures.

innote

A smart, lightweight physician's digital assistant that surfaces critical system and population health insights derived from multiple data sources, at the point of care. Using InNote, insights such as care gaps, dropped codes, process measures and referrals information can be shared with the clinician - without their having to leave the EHR experience.

inconnect

An automated analytics-driven patient engagement solution to scale patient outreach workflow, and bring patients closer to the care team.

About Innovaccer

Innovaccer.com is a leading San Francisco-based healthcare technology company committed to making a powerful and enduring difference in the way care is delivered. The company leverages artificial intelligence and analytics to automate routine workflows and reduce manual overhead to facilitate more patient-centered care. Its Gartner and KLAS-recognized products have been deployed all over the U.S. across more than 1000 locations, enabling more than 25,000 providers to transform care delivery and work collaboratively. Innovaccer's Data Activation Platform™ has been successfully implemented in healthcare institutions, government organizations, and corporate enterprises including Catholic Health Initiatives, MercyOne, Orlando Health, Hartford Healthcare, and Stratifi Health. By using the connected care framework, Innovaccer has unified more than twelve million patient records and generated more than $400M in savings.

For more information, please visit innovaccer.com.

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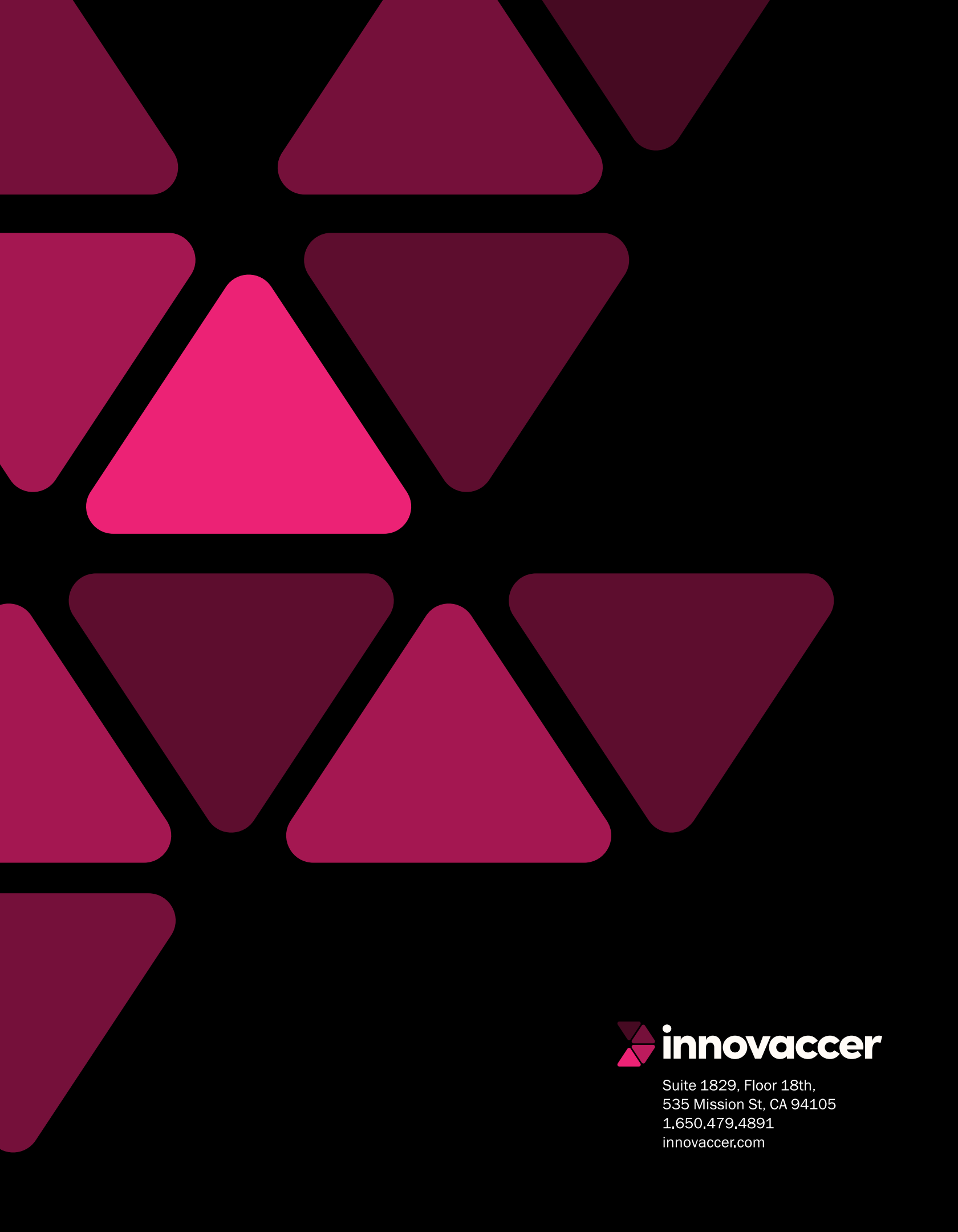

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