# How to Drive Provider Adoption of Value-based Care by Leveraging Electronic Payment Networks

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Discover how health plans can share and exchange sensitive medical information with providers about care gaps, quality measures and available incentives to improve care delivery and patient outcomes.

www.Payspan.com/Quality

# INTRODUCTION

Many health plans want to implement value-based care reimbursement payment models with their providers, but they face a number of barriers.

- A lack of connectivity between health plans and their providers prevents the secure exchange of patient health information.
- Building new infrastructures to connect health plans and providers may be cost-prohibitive.
- Providers do not have the actionable data to apply value contracts in their practices.

Fortunately, there is a simple solution for those challenges. Health plans can leverage existing payment networks to share messaging and guidance on care gaps, quality measures and available incentives with their providers. They can simply build a communications system upon the secure network that already connects them with their providers' financial hubs to facilitate electronic payments.

Electronic payment systems are a logical and easy-to-adapt pipeline for communicating, delivering and exchanging quality information.

Payspan's Quality Incentive Communications System (QICS) was built upon the existing Payspan Core Payment Network connecting 1.3 million provider payees with over 600 health plans. QICS enables health plans to deliver simplified messages regarding quality incentives in-stream of reimbursements.

By enabling the secure exchange of meaningful healthcare data with their providers, health plans can accelerate the adoption of value-based care reimbursement and thereby reduce costs and improve health outcomes.

## KEY INSIGHTS

1. **Health plans want to pursue a value-based care reimbursement model but face barriers.**
2. **Challenges include a lack of connectivity, the high cost to build new infrastructures, and a lack of actionable data.**
3. **Health plans can leverage existing payment networks to share messaging and guidance on quality measures.**
4. **Already connecting 1.3 million provider payees with over 600 health plans, Payspan is well positioned to harness its existing platform for communicating, delivering, and exchanging quality information.**

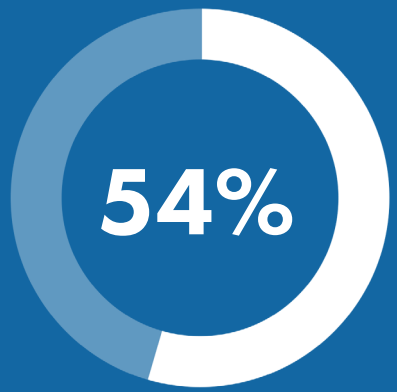
# THE CASE FOR VALUE-BASED CARE AND QUALITY INCENTIVES

Payers and providers have long understood the positive implications associated with value-based care for their members/patients; however, the traditional fee-for-service model has left little room or financial benefit for either of these stakeholders to focus on improving the quality of care for their members and patients.

To combat the soaring costs of health care, expected to hit $5.7 trillion in 2026[1], quality incentives and alternative payment models are continuing to gain traction as a way to combat the ever growing cost of care.

A recent survey by Gartner predicts that 54% of all healthcare financial transactions will be associated with quality-based contracts in 2020.

While mandates set forth by the Centers for Medicare & Medicaid Services (CMS), the Affordable Care Act (ACA) and the Quality Payment Program (QPP) under the Medicare Access and CHIP Reauthorization Act (MACRA) are certainly strong drivers of this shift, payers and providers also are beginning to see the cost savings and improved member health associated with quality incentives.




*Of all healthcare financial transactions are predicted to be associated with quality-based care contracts in 2020.*

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## Pilot Value-Based Care Results

Anthem Public Policy Institute

*Enhanced Personal Care Program Study*

**7.8%**
Fewer acute inpatient admits per 1,000

**3.5%**
Decrease in ER costs

**5.1%**
Decrease in outpatient surgery costs PaPMP

**$9.51**
Savings Per attributed Member Per Month

Quality incentives, in early studies, have been strongly linked to both better health outcomes and significant per member savings. According to AMA Wire, Cornerstone Health Care in North Carolina has seen an overall cost reduction of 12.7 percent and a 30 percent reduction in hospitalizations for programs utilizing quality incentives. The same study also showed an increase in satisfaction among patients and healthcare professionals of 43 percent.[2]

Cornerstone Health Care is not alone in seeing these results. The Anthem Public Policy Institute, in a one-year study of its Enhanced Personal Health Care Program (EPHC), found significant results including[3]:

- 7.8% fewer acute inpatient admits per 1,000
- 5.1% decrease in outpatient surgery costs per attributed member per month (PaMPM)
- 5.7% fewer inpatient days per 1,000
- 7.4% decrease in acute admission for high-risk patients with chronic conditions
- 3.5% decrease in ER costs with a 1.6% decrease in ER utilization.

These quality metrics led to an overall average savings of $9.51 PaMPM.

**While these early studies of pilot programs show that value-based care programs are improving care and reducing costs for health plans, provider adoption of value-based care remains a significant challenge for health plans.**

In a 2016 survey of physicians and healthcare executives, 75% indicated that the complexity of quality measures makes it difficult for physicians to achieve them.[4] Most physician practices, whether large or small, lack the actionable data necessary to apply complex value contracts consistently. As a result, many remain skeptical of value-based care reimbursement.



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# COMMUNICATION IS A SIGNIFICANT BARRIER TO QUALITY ADOPTION

A recent survey of 5,000 providers by the American Academy of Family Physicians[5] revealed some surprising insights about provider reluctance to adopt quality-based care. Response data indicated a high percentage of providers are hindered by a lack of:

- Resources to report data (81%)
- Transparency between payers and providers (77%)
- Uniform pay reports (75%)
- Timely data to improve care and reduce costs (63%)

In a survey of providers and healthcare executives, 79% of respondents agreed that physicians are not familiar with the quality measures that pertain to individual patients.[6]

Value-based care reimbursement, which hinges on physician and clinical leadership buy-in, requires the processing of cumbersome and hard-to-understand complex quality data that do not clearly deliver insights into incentive progress.

These and other studies confirm that a wealth of data will not produce results - there must also be a clear and timely exchange of that information with providers. Additionally, it is clear that providers need help.

The need for a dynamic communication infrastructure is apparent; however, the investment required for building such a network connecting multiple payers to a vast array of providers can be extremely cost prohibitive and labor intensive.

## Barriers to Providers Implementing Value-based Care

American Association of Family Physicians

**81%**
Lack of Resources to Report and Validate Data

**77%**
Lack of Transparency from Payers

**75%**
Lack of Uniformity in Incentive Reports

**63%**
Lack of timely data to improve care and reduce costs

# Reducing Communication Barriers by Harnessing Reimbursement Channels

To achieve value-based care, health plans are faced with building a new quality incentive communication infrastructure and network, with no guarantee that their providers will adopt this new system.

Fortunately, there is an uncomplicated and far less costly alternative. Health plans can simply leverage an existing network that already connects them with their providers to share quality information.

## Introducing the Quality Incentive Communications System (QICS)

Most health plans and providers are already connected via an electronic payment reimbursement system – making that network a logical and easy-to-adapt pipeline for also sharing and exchanging quality information with providers.

Payspan designed QICS to integrate with its Core Payment Network that already connects 600+ health plans with more than 500,000 providers' financial hubs. The network enables electronic payments (EFT/ACH) and remittance information (ERA) for health plans.

**QICS was developed to leverage Payspan's network to enable the secure electronic exchange of quality incentive information with providers, eliminating the need for health plans to build their own costly networks.**

Payspan, Inc. is the nation's leading platform for orchestrating and automating health care payments and reimbursements. Payspan's network offers a turnkey solution that satisfies the CORE CAQH Phase III operating rule requirements for ERA/EFT and empowers health plans' compliance with this mandate.



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# Payspan's Quality Incentive Communications System Addresses Communication Barriers

In addition to alleviating the need to build new infrastructures, Paypan's Quality Incentive Communications System (QICS) addresses one of the most significant barriers to value-based care – physician buy-in.

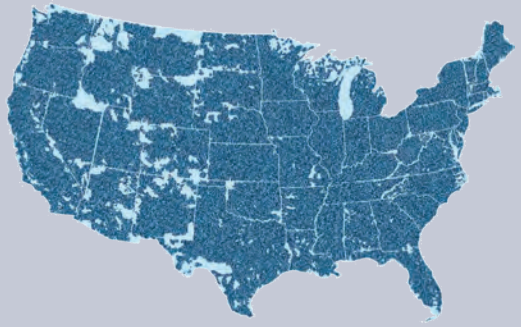
Providers have complex value contracts with health plans that provide guidance about quality measures and incentives, but they are too complex to apply in their practices consistently. Payspan's QICS enables health plans to simplify that information by sharing the following sensitive medical information via the secure payment network in real-time:

- Care gap alerts regarding specific patients
- Guidance on the quality measures needed to close the gaps
- Incentives available to providers for implementing those quality measures
- Reports and tracking on providers' status with care gap closures and incentives

Providers can also share proof of gap closures via attachments back to the health plan in a bi-directional manner that satisfies HEDIS requirements.

By using the reimbursement system, payers have a direct connection to a provider's office through a channel that is vital to their daily operations. Delivering quality communications in-stream of reimbursement and revenue management cycles places clear insights into quality based contract incentive opportunities directly in front of concerned parties.

As payers are already delivering actual quality dollars through an EFT/ERA system - attaching quality communications to these transactions gives providers real-time data for closing additional care gaps for a health plan members.



Payspan's Core Network, already connecting **1.3 million provider payees to 600+ health plans,** is the largest in the healthcare industry. Harnessing this vast and interconnected platform to deliver quality incentive communications will accelerate the adoption of value-based care contracts.

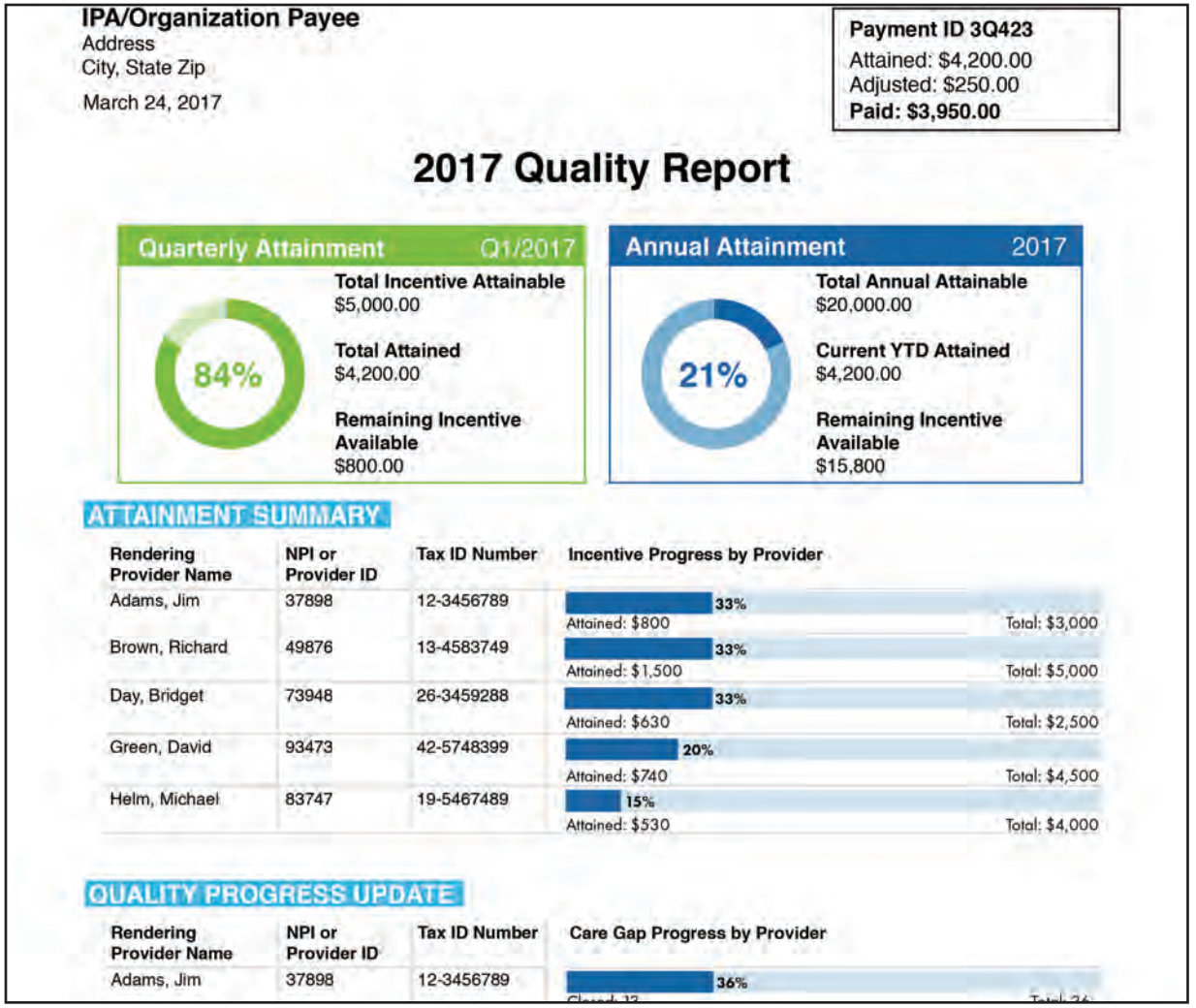
# ACTIONABLE INCENTIVES GIVE PROVIDERS CLEAR INSIGHT INTO QUALITY INITIATIVES

## Actionable Incentives

More than 77% of providers cite a lack of understanding, clarity and transparency of contractually available and earned incentives as a major challenge to adopting a health plan's quality incentive initiatives.[7]

Payspan's Quality Incentive Communications System (QICS) solves this challenge with the Actionable Incentive tool. Health plans, by delivering clear insights into the available incentives a provider is entitled to versus those they have already attained, can remove one of the key hindrances to adoption of value-based care.

Payspan generates reports from existing payer information and distributes it to providers in a clear and easy-to-understand actionable report - integrating it into the core Payspan platform.



**IPA/Organization Payee**
Address
City, State Zip
March 24, 2017

**Payment ID 3Q423**
Attained: $4,200.00
Adjusted: $250.00
**Paid: $3,950.00**

### 2017 Quality Report

**Quarterly Attainment** Q1/2017

84%

**Total Incentive Attainable**
$5,000.00

**Total Attained**
$4,200.00

**Remaining Incentive Available**
$800.00

**Annual Attainment** 2017

21%

**Total Annual Attainable**
$20,000.00

**Current YTD Attained**
$4,200.00

**Remaining Incentive Available**
$15,800

**ATTAINMENT SUMMARY**

| Rendering Provider Name | NPI or Provider ID | Tax ID Number | Incentive Progress by Provider |
|---|---|---|---|
| Adams, Jim | 37898 | 12-3456789 | 33% Attained: $800 Total: $3,000 |
| Brown, Richard | 49876 | 13-4583749 | 33% Attained: $1,500 Total: $5,000 |
| Day, Bridget | 73948 | 26-3459288 | 33% Attained: $630 Total: $2,500 |
| Green, David | 93473 | 42-5748399 | 20% Attained: $740 Total: $4,500 |
| Helm, Michael | 83747 | 19-5467489 | 15% Attained: $530 Total: $4,000 |

**QUALITY PROGRESS UPDATE**

| Rendering Provider Name | NPI or Provider ID | Tax ID Number | Care Gap Progress by Provider |
|---|---|---|---|
| Adams, Jim | 37898 | 12-3456789 | 36% |



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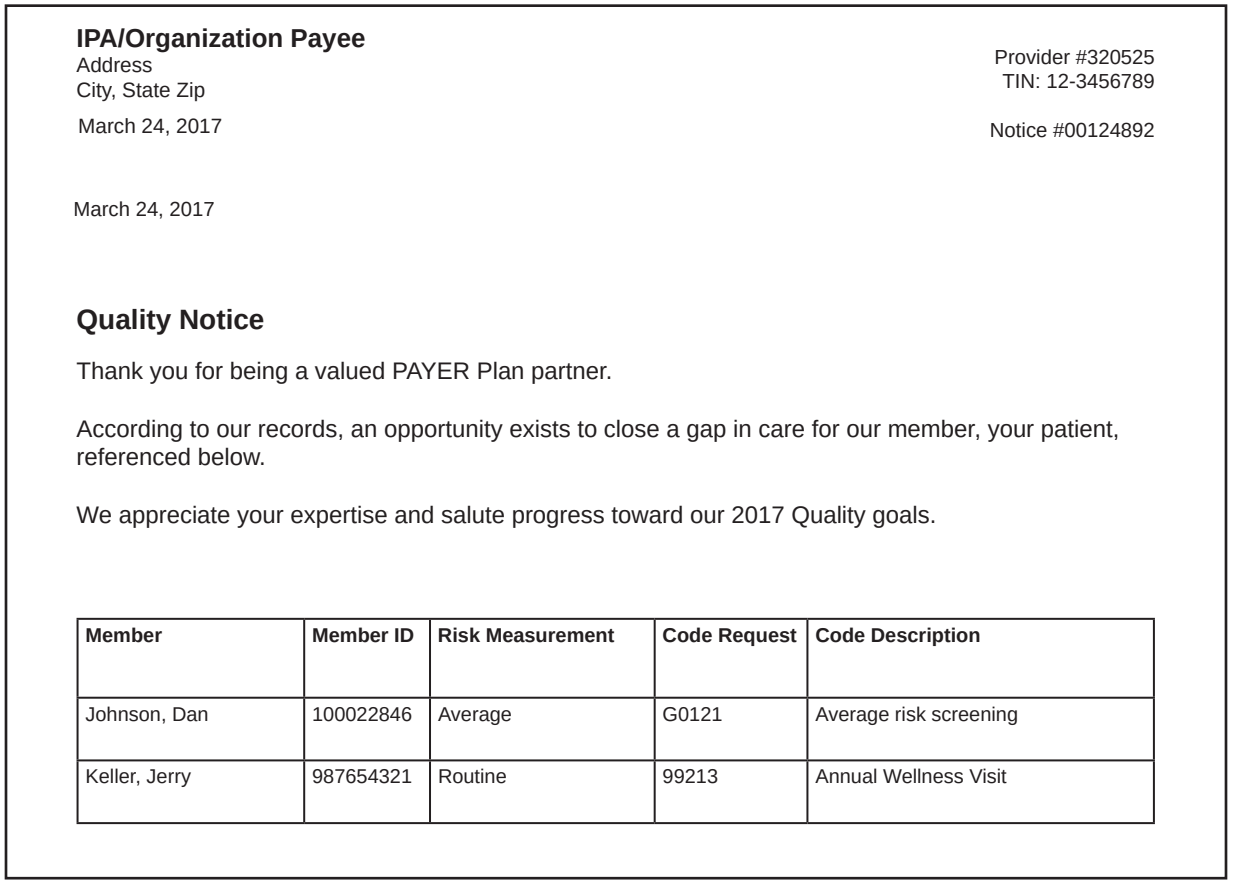
# QUALITY NOTIFICATIONS PROVIDE GUIDANCE FOR CLOSING CARE GAPS

## Quality Notifications

A lack of timely data to improve care and reduce cost is cited by 63% of providers as another primary challenge to value-based care adoption.[8]

The Quality Notifications tool enables health plans to deliver automated care gap alerts funneled through the Payspan channel. The notifications are immediately available to providers in the Payspan core system - instead of taking days, weeks or even months to filter through a manual system and arrive in a provider's mailbox.

By quickly delivering care gap information, providers can more quickly and directly influence the health care outcomes and chronic disease management for members in near real time delivery of care gap notices.



**IPA/Organization Payee**
Address
City, State Zip

March 24, 2017

Provider #320525
TIN: 12-3456789

Notice #00124892

March 24, 2017

**Quality Notice**

Thank you for being a valued PAYER Plan partner.

According to our records, an opportunity exists to close a gap in care for our member, your patient, referenced below.

We appreciate your expertise and salute progress toward our 2017 Quality goals.

| Member | Member ID | Risk Measurement | Code Request | Code Description |
|---|---|---|---|---|
| Johnson, Dan | 100022846 | Average | G0121 | Average risk screening |
| Keller, Jerry | 987654321 | Routine | 99213 | Annual Wellness Visit |



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# MEDICAL RECORDS EXCHANGE SIMPLIFIES DELIVERY OF ATTACHMENTS

## Medical Records Exchange

Challenges with reporting data are a leading issue for providers - with over 81% citing this as a major deterrent to adopting value-based care.[9] Additionally, without a simplified exchange system that highlights available incentives, health plans must go through a lengthy and costly process to obtain needed medical records for members.

To create a value-based system in which providers and payers are working together seamlessly, providers must be able to exchange the needed data and records with payers quickly and seamlessly.

Facilitating this transfer, Payspan's Quality Incentive Communications System features a robust Medical Records Exchange (MRE) platform. The MRE enables providers to close care gaps by attaching and delivering the needed documentation to payers when they are alerted to gaps in care, streamlining risk adjustment and provider work flow.




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# PAYSPAN IS YOUR INTEGRATED QUALITY COMMUNICATIONS PARTNER

Empowered with the largest automated healthcare payment and reimbursement platform, Payspan is the perfect partner for health plans to harness their reimbursement channels to share information about care gaps, quality measures and quality incentives with their providers.

As the first company to build an entire network around facilitating EFT/ACH as the preferred payment option, Payspan is uniquely positioned to leverage this network to help health plans securely exchange sensitive medical information with their providers that advances quality-based care.

Not to be confused with population health management, Payspan's Quality Incentive Communications System (QICS) focuses exclusively on the identification and realization of cost savings from incremental risk pool dollars within provider populations to help drive better care delivery and reduced costs.

Payspan's team is passionate and dedicated to providing your organization with custom solutions that empower your payer-provider-member financial relationships, both in today's healthcare climate and in preparation for innovations on the horizon.

Most providers are already on Payspan's electronic payment network, but for those who are not, Payspan reaches out with provider enrollment campaigns that promote the benefits of QICS and how the system could help them improve patient outcomes while increasing revenue.



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Connect with our team today to discover how we can architect a customized solution to accelerate your value-based care program and harness your reimbursement pipeline to deliver **Quality Incentive Communications**, and improve your current **Payer-Provider-Member** relationships.

**Email: salesteam@payspan.com**

**Online: Payspan.com/Quality**


## References

[1]CMS, HE-Fact-Sheet, March 21, 2017. Retrieved May 23, 2017, from https://www.cms.gov/research-statistics-data-and-systems/statistics-trends-and-reports/nationalhealthexpenddata/nhe-fact-sheet.html

[2]American Medical Association, “The move to value-based care in medical practices: Effect on cost and quality,” Oct. 31, 2016. Retrieved May 23, 2017, from https://wire.ama-assn.org/practice-management/move-value-based-care-medical-practices-effect-cost-and-quality

[3]Anthem Public Policy Institute, “Early Results from the Enhanced Personal Health Care Program: Learnings for the Movement to Value-based Care, March 1, 2016

[4, 6]Quest Diagnostics/Inovalon, “Finding a Path to Value-Based Care,” June 2016

[5, 7-9]American Academy of Family Physicians, “Survey: 1 in 3 Family Physicians Pursuing Value-based Payment,” Dec. 2, 2017