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HOW TO BE AN AGILE HEALTH PLAN IN A LEGACY ENVIRONMENT: USING CARE MANAGEMENT TO UNLOCK SAVINGS

Healthcare payers have found themselves at a critical point. Overall healthcare expenditures are expected to grow by 5.5% annually throughout the next decade and will make up almost 20% of the U.S. economy by 2027, according to a report from the Department of Health and Human Services (HHS). Experts attribute this growth to rising healthcare prices, an increasingly aging population, and an increase in complex and chronic diseases that require more healthcare spend per person These same drivers are changing the balance of resources health plans must employ for care management (CM), disease management (DM), managing transitions in care, and care gap interventions, in an effort to keep members healthier and reduce hospital admissions. As healthcare costs in the United States continue to rise at an alarming rate, payers must find a way to slow the increasing cost curve and retain their customers. One way that has proven effective is investing in technology designed to manage complex and critical care.

Payers have long recognized that member populations requiring critical, complex, and chronic care generate the majority of their costs; in the United States, 5% of members incur approximately 50% of total spend.[1] Pressure is mounting to adopt value-based care and reimbursement models that rein in the high costs of caring for these populations, while also improving the member experience and empowering them to participate in their care. Today's health payers are already navigating the complexities of these operational paradigm shifts as they respond to increased demand for long-term services and supports (LTSS) – demand that will intensify as Medicare Advantage plans begin offering these benefits.

GROWTH IN LTSS

Growth in Long Term Services & Supports encompasses care provided to the elderly and patients with disabilities, either in the home or in facilities such as nursing homes. Services can include activities of daily living like helping a patient eat, bathe, and stay compliant with their medications, as well as a host of support services. LTSS is expected to grow in tandem with the aging population as beneficiaries live longer and their needs expand.

Current projections call for an 18% expansion by 2020 and a mammoth 100% by 2060.[2] According to AARP, 52% of people who turn 65 will develop a severe disability requiring LTSS at some point, with an average duration of two years. That's on top of the 5.4 million individuals under the age of 65 who already receive home- and community-based LTSS. Notably, many Medicare Advantage (MA) plans are investing in LTSS due to growing demand for these services and the potential accompanying profitability.[3]

Forward-thinking health plans will ensure systems are in place to proactively manage the delivery logistics of enhanced LTSS benefits.

INERTIA IN A LEGACY WORLD

Healthcare payers are constantly under pressure to find new and innovative ways to reduce spending while increasing services. In the last decade, many payers introduced large-scale, enterprise-wide technology to perform CM, DM, and UM (utilization management) functions for their member populations. These platforms were deployed to cut costs by reducing the amount of administrative work, especially surrounding pre-certification for procedures. Although utilization management should be part of an overall strategy, it has proven ineffective at significantly driving down costs. Meanwhile, a growing body of evidence demonstrates that a comprehensive and tailored care management approach can effectively reduce overall spending on care while improving outcomes.

Investments in enterprise solutions are ultimately wasted if the deployed platform cannot specifically address the needs of the small percentage of members that represent the heaviest utilizers of care. Broad, traditional approaches to care management are not designed for the segmented needs of complex, high-cost populations. Many of the health IT systems currently in place are simply incapable of bringing together the disparate data and analytics necessary to have a measurable impact on outcomes.

"WEDGING" OUT TO CUT COSTS

Some innovative organizations, having recognized the shortcomings of traditional technology tools, are implementing platforms capable of supporting a "wedge strategy." These organizations carve out the small, costly portion of their member population and surround them with a comprehensive ecosystem of care. Importantly, this model relies upon a technology-enabled, member-centered solution that equips care managers with a full member view. Solutions like these provide care managers with the right toolset to eliminate the traditional boundaries between health siloes, such as clinical and social needs, that lead directly to the inefficient use of healthcare resources. [4]

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A specialized platform keeps care managers informed of members' complete clinical history, including labs and other diagnostics, to fully understand their needs and any gaps in care. The care team can then identify non-medical, social barriers such as a lack of access to nutritious food, the inability to afford prescriptions, or transportation limitations, and take action to reverse them. The right technology tools automate administrative tasks, pull in data from multiple medical and non-medical sources, and analyze that information to identify gaps in care and necessary interventions.

On the coordination side, platforms for complex and critical care ensure that communication is fluid across the care continuum, enabling shared decision-making and ensuring access to appropriate medical attention from proper providers. Even though the primary care provider may be best positioned to coordinate care, make referrals, and schedule appointments, the right technology can make it feasible for care managers, members, and other caregivers to be seamlessly connected.

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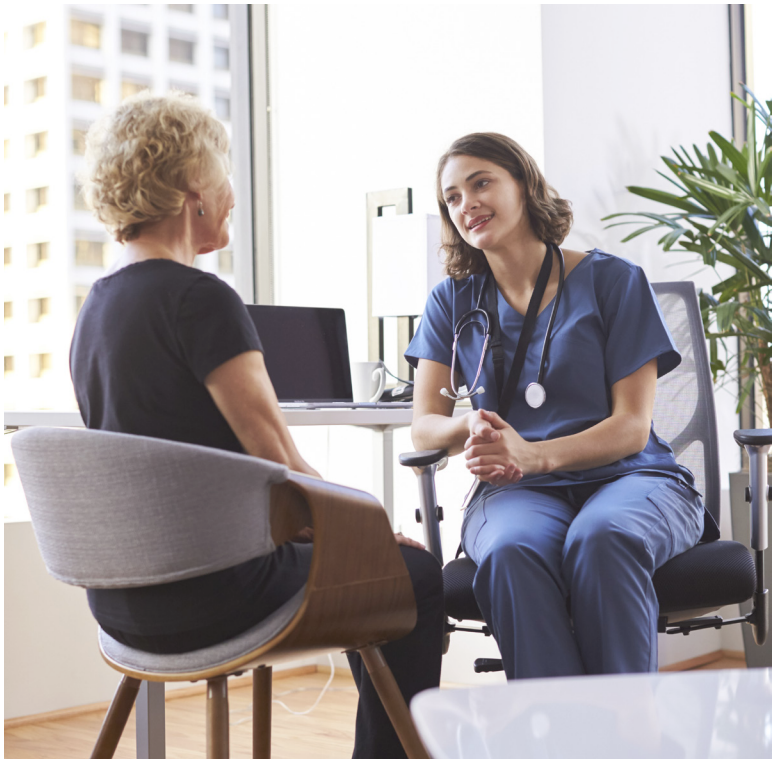
In fact, when dealing with critical and complex care populations, member engagement is crucial to success. For instance, members dealing with multiple health conditions may be prescribed treatments that, while adhering to evidence-based guidelines for each individual condition, can lead to adverse interactions or create an undue burden to comply with. Involving members in any discussion pertaining to the benefits and risks of individual treatments helps avoid these issues while allowing them to bring their own needs and preferences into the conversation.[5] Having a system that tracks these conversations and makes them easily accessible to all parties creates transparency and an opportunity for goal-setting with the member. Achieving this optimal level of member engagement necessitates an infrastructure that comprehensively addresses the concept of a pro-active care ecosystem.

POSITIONING FOR SUCCESS

Deploying platforms designed specifically for management of critical and complex member populations not only arms care teams with the right tools for the job, but also allows health plans and other healthcare organizations to overcome the challenges they face adjusting to value-based care. Whereas traditional technology tools for CM, DM, UM and population health are designed for administrative processes and function largely in siloes, platforms designed to manage complex and critical populations feature the interoperability necessary to bring together data from disparate systems and sources. This makes it possible for everyone on the care management and coordination team to access all the data needed for making properly informed decisions. These platforms are also more flexible than their legacy counterparts, streamlining any updates or enhancements necessary to keep pace with the evolving and expanding market and related policies and regulations.

One of the nation's fastest-growing health plans is discovering the benefits of the right technology platform as part of its commitment to providing its more than



3.4 million members better health, more financial security, and the peace of mind they deserve. The northeastern plan is partnering with community network providers, enabling it to produce a combination of knowledge and expertise that provides the highest quality care at the most affordable price.

After identifying opportunities for care better-tailored to complex populations, the health plan is in the process of transitioning a cohort of their members to two platforms: HELIOS, a solution specifically designed for value-based care, and their legacy platform, a traditional platform intended for their entire population. HELIOS is recognized in the market as the first comprehensive care management platform purpose-built to power the entire ecosystem of value-based care and it was specifically designed to streamline care. By integrating inputs from its legacy system into HELIOS, the health plan can deploy the wedge strategy by carving out its complex and critical care populations and targeting them with more proactive care.

"Wedging out" this population will drive down costs by optimizing utilization of healthcare services while improving health outcomes through early interventions and better management of chronic and other conditions.

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TIME IS SHORT

There is an urgent need to rein in the high costs of caring for complex and critical populations. As adoption of value-based programs continues to expand, failure to reduce costs of complex and critical care programs will lead to cost increases that are not sustainable for health plans.

Time is of the essence for health plans to get out in front of evolving trends and retool existing support systems by adopting platforms specifically designed to manage the care of these smaller, costly, member populations. Failure to take the path of innovation will ultimately result in the inability to right-size care utilization and expenditures—and likely the need to exit what could otherwise be a lucrative market.

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[3] Alcocer P., Eaton R., Laboy P. LTSS services in Medicare Advantage Plans: The 2019 market landscape and challenges ahead. Milliman White Paper. February 2019. https://us.milliman.com/uploadedFiles/insight/2019/LTSS-Services-Medicare-Advantage-Plans.pdf.

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[5] The Commonwealth Fund. September 2017.