

## **Team Approach to Value-Based Care Program Pays Off for Major Health Care System**



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### **The Challenge of Managing Payer Risk Arrangements**

As health care organizations increasingly adopt risk-based payment arrangements with payers to improve the cost and quality of their care, they also wrestle with the enormity and complexity of systematically managing a variety of unique arrangements with multiple payers. The risk arrangements enable health plans (both commercial and federal) and providers (both acute and ambulatory) to partner to reduce the cost of care while improving patient quality.

A major health system sought to maximize and systematize its risk arrangement opportunities and thus initiated a value-based care project to manage all of the system's payer risk arrangements. Because of the intricacy and criticality of this effort, the health system hired longtime consulting firm Freed Associates (Freed) to develop and implement its value-based care strategy.

Over nearly two years, Freed consultants worked with the health system to create and establish a team approach

to implementing risk arrangements through governance, shared vision, accountability, flexibility and execution.

## **Establishing a System-Wide Approach to Value-Based Care**

Ultimately, the goal of the health system's value-based care project was to establish a system-wide approach toward managing the health system's risk arrangements. By doing so, this effort would drive consistency in the quality, cost of care and experience delivered to the health system's patients.

Working as a collaborative team, Freed and the health system defined and created a project strategy based on the following goals:

- **Create a system-wide governance structure** – to drive all activities related to risk arrangements.
- **Establish clear accountability for all program components** – including contracting, care coordination, quality performance, financials, communications, IT and analytics, reporting and data inquiry.
- **Maintain program and project management rigor** – to support implementation of new risk arrangements and adhere to contractually required reporting deadlines.
- **Centralize monitoring and analysis of risk arrangement opportunities and industry changes** – including those involving commercial payers and CMS, to enable the health system to serve new and expanded patient populations.
- **Emphasize transparency, teamwork and a shared vision** – through open and honest discussions, forums to address “pinch points” and strong leadership.

## **Implementing a Collaborative and Accountable Strategy**

Throughout the value-based care project, Freed and the health system emphasized a team-based approach to ensure project efficiency, accountability and collaboration. Key strategic steps taken by Freed and the health system included those around:

- **Governance** – Created a clearly defined system-wide governance structure, with links to the health system's enterprise leadership team and operations leadership team. Additionally, gained strong leadership support from top-level health system executives, including the internal project sponsor and chair.
- **Personnel** – Assigned accountability to key functional and operating unit leaders throughout the system to enable successful implementation of products. Also, encouraged positive collaboration across all operating units and functional teams.
- **Processes** – Defined standards for issue resolution, IT requests, performance monitoring, communications, quality and care coordination processes, based on meeting established targets. Committed to a rigorous program/project management methodology.

- **Technology** – Enabled ongoing improvements in technology to address needs and provide necessary infrastructure to meet product requirements. This included developing algorithms to attribute patients to the right provider and track their progress within an electronic health record system as well as developing internal and external reports to track patient engagement, access, quality and utilization.

## Key Tactics for Managing Risk Arrangements

Given the system-wide mandate for the value-based care project, and the wide variety of the health system’s risk arrangements with commercial, Medicare and Medicare Advantage health plans, the project’s activities needed to be carefully managed, coordinated and communicated. Intensely detailed and interconnected, these activities focused on the following key tactics:

- **Support establishing an operations task force governance structure and program** – This included all activities, including initiative kick-off, charter, complex case and disease management responsibility chart, organizational chart, and all health plan and program meetings/activities.
- **Conduct “opportunity assessments” of new federal, state and/or commercial risk arrangements for value-based care and markets council review** – Project personnel reviewed all current and potential future risk arrangements with the health system for opportunities and efficiencies.
- **Drive implementation of risk arrangements** – Once the risk arrangements were in place, all required functional teams (e.g. analytics/reporting, IT, quality, communications, contracting) collaborated on activities, including:
- **Provider collaboration** – Functional team leads from the acute and ambulatory areas and administration met on an ongoing basis, starting out bi-weekly and then moving to tri-weekly or monthly, to share progress on patient engagement, care coordination and quality. They discussed barriers, risks, issues and how to address them. The meetings enabled the team leads to support consistency across the system, share best practices, resolve issues and keep their functional team members updated on overall implementation status. The leads worked with their functional teams to implement best practices within care coordination, quality, contracting, IT and analytics/reporting.
- **Health plan collaboration** – Executive steering committee meetings were scheduled with health plans to discuss progress and best practices. Early on, the team identified that additional touch points would support better collaboration. Thus, case managers from the provider and health plans regularly met to coordinate patient care, technical resource staff managed patient data across both the provider and health plan systems, and the health plans shared their best practices, based on input from other health systems participating in risk arrangements. This degree of collaboration enabled both the provider and the health plans to improve on their value-based care goals throughout implementation.
- **Support executive-level reporting** – The Freed team coordinated and prepared materials for quarterly

executive steering committee meetings. This included a performance dashboard to identify the number of attributed patients the provider was responsible for and how the provider was aligning to quality, financial, access and utilization targets. Also the team prepped materials for executive leadership updates, both internally and externally, with the participating value-based payers.

- **Monitor industry activities for opportunities and impacts** – The Freed team attended pertinent CMS and industry webinars and provided overviews of pending risk arrangements.

## **Achieving Success: Results of the Value-Based Care Project**

The value-based care project was a tremendous success. Through the collaborative efforts of Freed and the health system, the health system successfully established a governance structure to drive all current and future activities related to risk arrangements. Correspondingly, a new value-based care project task force enabled clear accountability for all program components.

With affiliated health plans, the value-based care program developed and managed relationships to support their attributed populations (groups of patients assigned to the providers they visit most often).