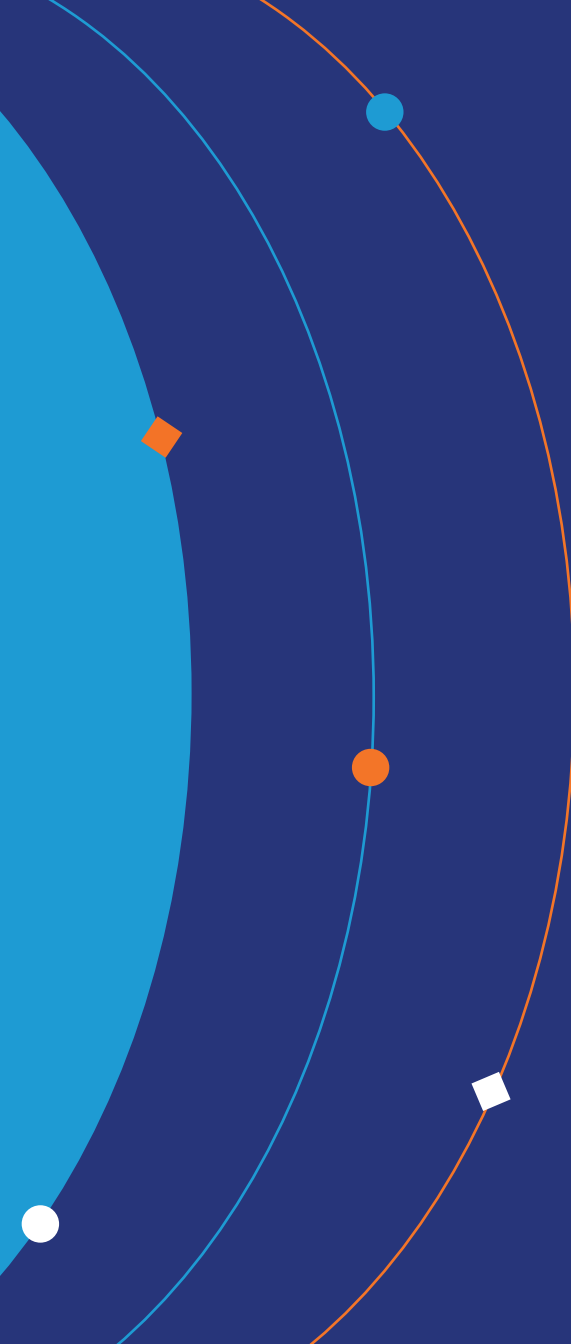




Pivoting from a Retrospective to a Prospective Payment Program



Introduction

In today's managed-care environment, prospective payment continues to grow as a preferred and proven strategy to both control costs and improve quality through accountability. These models allocate risk to payers and providers based on the types of risk that they can effectively manage, where payments are made based on a predetermined, fixed amount.

Oftentimes miscommunication between providers and poor collaboration in treatment leave much to be gained--and much to be lost. There's \$800 million in unnecessary administrative costs a year due to communication breakdown¹ and 3-7% of commercial claims are overpaid.²

In order to achieve results, you'll need adequate scaling, proper provider and cohort management, as well as transparency and connectivity between all of the different care providers a patient interacts with throughout their care journey. Here are four strategies to follow as you move toward prospective payments.



“You want to begin with a small sample size of providers so you can gain a deeper understanding.”

01 Hit the Ground Crawling

When launching a prospective payment program, it can be tempting to hit the ground running, but the reality is the opposite. You want to begin with a small sample size of providers so you can gain a deeper understanding of what you want and need from your new program. This provides the foundation for scaling effectively.

Expanding too quickly can create problems and redundancies in the long run as you iron out kinks in your program. For example, a common hurdle is a gap in healthcare analytics infrastructure. The majority of provider systems lack the analytical expertise, resources, and tools to launch a prospective care program without third-party assistance. Starting slow allows you to assess the infrastructure that’s necessary before launching.

02

Stay in Step

In order for you to be successful in prospective payment, you need to acknowledge how the role of you, the payer, has changed. What once was a black and white world of care and payment has evolved into something new.

In the value-based payment world the payer's role is not just footing the bill when everything is said and done. You need to be proactive in trying to enable evidence-based care, strong outcomes, the education of providers, and the collaboration, rather than competition, between providers. If they do not succeed in value-based payments, neither will you.

You're taking a leap to become an enabler. And a significant part of that is helping your providers—with prospective payment tools—to invest money so that they are empowered to reduce costs and improve quality earlier in the care delivery process.

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*“You need
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03 Creating a Collaborative Network

Once you select a strategy, you can then align your providers to take advantage of the program so they can work together to deliver higher quality care to their patients.

To do this you need an analytics platform that is easily manageable and connective, so providers can work in tandem on patient care to close care gaps. The providers can then connect high-risk populations with the types of care they need. Your platform should also be simple enough in order to avoid overburdening and confusion between providers.

In addition to a technology platform, you need to determine how big of a population you're ready to manage. You don't want to bite off more than you can chew.

An effective method of creating a collaborative network is to create cohorts isolated by chronic conditions (like diabetes). You are then positioned to ensure that your providers are on the same page, can deliver payments earlier in the cycle, and are ready to reconcile at the end.

04

Select Providers Across your Network

Ideally, you want to choose a provider with specific expertise in the diseases or cohorts they're managing.

You should select the best specialists and providers to render care. You want to select providers that have demonstrated experience outside of an acute care setting and have fostered relationships with local post-acute care providers through transparency and effective communication. This enables them to better manage the patient jointly and effectively handle post-discharge care.

Providers should also have sophisticated EMR processes that expedite claims automation so that records can easily be shared and utilized within analytics software.

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References

¹<https://www.caqh.org/sites/default/files/solutions/cob-smart/COBwhitepaper.pdf>

²<https://www.gartner.com/en/documents/3889178/healthcare-payer-cios-look-in-the-mirror-to-improve-paym>

Conclusion

When done correctly, there's a world of opportunity in prospective payments. With the best analytics tools, small steps, alignment, targeting, and analyzing your provider network healthcare ecosystem will put you in the best position to reap the benefits of the prospective payment strategies.

Our Mission

Our mission is to provide the analytics platform that enables payers and providers to transition to value-based payment by delivering actionable insights for quality performance and cost reduction.

The SpectraMedix Platform™ is a proven solution in clinical practice transformation and accountable care. Supporting more than 1.5 million covered lives, SpectraMedix helps payers monitor performance. Health plans and their networks can rely on our actionable insight to manage contracts, close care gaps, and drive better patient care.

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The logo for SpectraMEDIX, featuring the word "Spectra" in a white sans-serif font, followed by "MEDIX" in a bold, white, all-caps sans-serif font. The "X" in "MEDIX" is stylized with a white outline and a white fill.