



# **BUSINESS PROCESS PARTNERING FOR VALUE-BASED CARE DELIVERY**

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## **EXECUTIVE SUMMARY**

The health care industry is positioned to achieve breakthrough improvements in cost reduction and quality of care due to the opportunities presented by business process partnering for value-based care delivery. However, to fulfill this vision, business process partnering services must undergo a transformation. They must emerge with a reinvented, collaborative provider-payer model and new provider and payer solutions, all driven by the goals of the Triple Aim. Companies offering business process partnering services must clearly demonstrate proven, optimized solutions engineered for accountable care.



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# BUSINESS PROCESS PARTNERING FOR VALUE-BASED CARE DELIVERY

The health care industry is in the midst of a dramatic and accelerating change in the way health and health care are delivered and acquired. Given the relatively recent introduction of the accountable care movement, the breadth of action by market stakeholders – both before and after government-driven policy changes – is impressive by any measure – especially when compared to earlier shifts, including pay for performance, consumer-driven health care and managed care. An estimated 400+ public and private accountable care organizations (ACOs) now operate in 43 states – many of them formed within the past 24 months.

**What makes the industry shift to accountable care so different this time around?** The nation understands that future U.S. economic stability depends on whether we can drive higher value for our health care dollar by simultaneously reducing cost and increasing quality per unit output. The following key drivers are catalysts for this change:

- The Federal government, eclipsing employers as the largest value-based purchaser of health care services, moved from being an incremental to a transformational policy-driven market maker focused on outcomes.
- The health care industry suffers from a widening and disjointed purchaser value-assessment gap between the way products and services are acquired – a gap that does not exist in any other market-based industry, where information transparency is foundational.
- Tools that other industries take for granted – such as comprehensive analytics, continuous process improvement, customer-centric surveying and direct business input – are beginning to illuminate systemic process and output breakdowns across the health care ecosystem.

**Who are the players seizing the advantages offered by business process partnering?**

- Health systems and large physician practice organizations seeking help to create 1) a provider-side accountable care operating environment, and 2) a payer-side accountable care-optimized environment.
- Health plans seeking to augment their traditional payer services with an accountable care-optimized environment.

## INSIGHTS BASED ON PROVEN RESULTS

These developments position the health care industry to drive higher value through cost reductions and quality improvements – but only if entities requiring business process partnering services act swiftly to implement critical changes.

As full-service practitioners of accountable care and Accountable Delivery System Operation<sup>SM</sup> (ADSO) for nearly ten years, Lumeris has achieved and sustained year-over-year Triple Aim-inspired cost, quality and health improvement on both the provider and health plan sides of accountable care. Many Lumeris clients are seeing cost savings of up to 30 percent and quality metrics exceeding the national average. The 4.5-Star\* rated Medicare Advantage Health Plan, Essence Healthcare, exemplifies the Collaborative Payer<sup>®</sup> model, and has earned solid financial and operational outcomes year after year. It is from the results-based environment that we share the following insights and best practices for successful business process partnering.

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<sup>1</sup>Leavitt Partners Center for Accountable Care Intelligence, January 2013.

\*Plan performance star ratings are assessed each year and may change from one year to the next.

## BUSINESS PROCESS PARTNERING MARKET DRIVERS

One of the fundamental tenets many of the health care industry stakeholders learned the hard way from the managed care era was that managing both the individual and the entire population under substantial or full risk without the appropriate informatics and workflow transformation to support it was financially and operationally disastrous. With that historical context, we offer this assertion:

Incrementally leveraging existing fee-for-service optimized operational processes, both on the provider and payer side, substantially increases the likelihood of the same disastrous outcome as was experienced under managed care.

The implications of this are straight-forward: both provider and payer organizations must embrace a transformed set of operational services in order to optimize and thrive within increasing levels of risk under accountable care. One of the most significant challenges organizations face is that the health care industry, with its historically protected market dynamics, does not have the collective acumen or experience to nimbly transition culturally or operationally to disruptive new approaches. This accountable care environment is marked by the constant evolution of best practices and associated continuous improvement.

Important drivers of business process partnering services include:

- The ability to support risk-bearing ACO contracts already in place with the appropriate accountable care-specific capabilities to minimize exposure due to lack of financial and clinical analytical visibility into care decisionmaking.
- The requirement to isolate pilot program exploration and execution while minimizing capital investment and skill set disruption until organizational results and learning specific to your organization are acquired.
- The need for “intelligent speed-to-market” for accountable care services that takes advantage of early industry innovation learning with no impact to existing services that are grounded in the fee-for-service and incremental incentive paradigm.
- The desire to create a transformational roadmap for your organization while leveraging the knowledge transfer services of an existing, proven operating accountable care entity.

## OPERATIONAL ELEMENTS OF THE 22 CORE COMPETENCIES OF ACCOUNTABLE CARE

Through nearly ten years of continuous improvement and innovation, the Lumeris Accountable Delivery System Institute® (ADSI) has identified 22 core competencies required for successful execution of true accountable care. The full list of capabilities is outlined below in Figure 1

<p style="text-align: center;"><b>Accountable Decision Enablement</b></p> <table border="0"> <tr> <td><b>Data liberation and rationalization</b></td> <td><b>Clinical and financial decision support</b></td> </tr> <tr> <td colspan="2" style="text-align: center;"><b>Systems integration</b></td> </tr> <tr> <td><b>Role-based data transparency</b></td> <td><b>Point-of-thought actionable intelligence delivery</b></td> </tr> <tr> <td><b>Performance assessment and management</b></td> <td><b>Value improvement analytics and predictive modeling</b></td> </tr> </table>	<b>Data liberation and rationalization</b>	<b>Clinical and financial decision support</b>	<b>Systems integration</b>		<b>Role-based data transparency</b>	<b>Point-of-thought actionable intelligence delivery</b>	<b>Performance assessment and management</b>	<b>Value improvement analytics and predictive modeling</b>	<p style="text-align: center;"><b>Enhanced Care Delivery</b></p> <table border="0"> <tr> <td><b>Care management</b></td> <td><b>Preventive and proactive care</b></td> </tr> <tr> <td colspan="2" style="text-align: center;"><b>Value-driven utilization</b></td> </tr> <tr> <td><b>Quality standards management</b></td> <td><b>Care access optimization</b></td> </tr> </table>	<b>Care management</b>	<b>Preventive and proactive care</b>	<b>Value-driven utilization</b>		<b>Quality standards management</b>	<b>Care access optimization</b>
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Figure 1: Lumeris Accountable Delivery System Institute’s 22 Core Competencies of Accountable Care

In order to establish and execute high performance business process partnering, all 22 core competencies must be accounted for and addressed within the accountable care ecosystem.

## NEXT-GENERATION BUSINESS PROCESS PARTNERING

The maturity of the business process outsourcing (BPO) and partnering model across all industries towards “5th Generation On-Demand” (see figure 2 below) coincides nicely with how business process partnering services can best be deployed and used. This emerging generation of BPO leverages standardized processes and technology platforms, with a baseline expectation of cost savings and outcomes that focus on business analytics, innovation and flexibility. Elements of 6th Generation BPO are also incorporated that leverage best practice sharing and collaboration among providers within the accountable care entity and between payers and provider entities.



Figure 2: "Next Generation BPO – Are You Ready?," Accenture 2012

The difference between this approach and BPO relationships in the past is that with the relative immaturity of the accountable care market, the business process partnering service provider must first meet the service purchasers where they are today, and provide complementary transformational consulting services to infuse innovation and knowledge transfer as the market dynamics unfold.

<sup>1</sup>Leavitt Partners Center for Accountable Care Intelligence, January 2013.

## KEY PROVIDER-SIDE BUSINESS PROCESS PARTNERING SERVICES

The pivot from fee-for-service with incremental quality incentives to an accountable care-optimized operating environment requires a very different set of core competencies and associated workflows. ADSI evaluated seven years of programmatic execution by Lumeris to create and continuously improve ADSO services in both partial- and full-risk environments. Based on that experience, we determined the following core business process partnering services are required:

- **Culture and governance transformation.** The services range from facilitating IPA formation and organizational structure development to readiness assessments and associated action plans.
- **Collaborative contract development.** The most successful agreements from both results and efficiency standpoints are those with a win-win for both providers and payers. Within this structure, very careful design of physician, group and entity incentives need to be in place to maximize the value of the contract. Typically effective accountable care collaborative agreements are not widely used, so assistance with negotiations will likely be required.
- **Quality and cost modeling.** Advanced scenario-based analytics are required to assess and focus on the largest opportunities and to monitor population management programs and value-based purchasing contracts.
- **Primary care and care management training.** The move to accountable care requires entities to shift their focus on primary care, population health and patient engagement. ADSI's research has identified the "Nine C's® of Successful Accountable Primary Care Delivery," which are critical to creating the strong foundation required to support accountable care. This paradigm shift must be supported with effective education and training in each of these areas, as well as provider-based care management.
- **Population health interventions.** Although some quality metrics drive physicians to think periodically at both an individual patient and a population level, accountable care requires a new population health workflow that facilitates this assessment on a daily basis. A key success factor is whether the entity has the ability to conduct intervention analysis and create prioritized and targeted intervention programs.
- **Performance measurement and assessment.** This dimension is where the success of a health delivery system's transformation to accountable care can have the most impact. Performance measurement and assessment is a core component of the emerging learning health care system as envisioned by the Institute of Medicine. It is the creation of a baseline of cost and quality data followed by continuous benchmarking, review and improved performance. When this information is shared transparently through provider entity Joint Operating Committee meetings, the result is that physicians encourage improvement and mentoring among themselves.

## KEY PAYER-SIDE BUSINESS PROCESS PARTNERING SERVICES

As is the case with provider-side business process partnering services, successful accountable care requires a very different paradigm than is typically in place today. The foundation for this change is the payer's role as a collaborative partner for providers under value-based purchasing and partial or full-risk supporting contracts. Legacy health plan policies, processes and technologies are inadequate to fully support the robust accountable care services based on information transparency required by physicians and the plan to manage risk together.



A purpose-built next generation collaborative payer examines each operational decision for its support of the core physician/patient relationship. Therefore, the back-end health plan processes are customized under accountable care to:

- Improve the health care experience for the member/patient.
- Improve the health care experience for the physician.
- Improve measureable outcomes.

As a result, the following health plan functions require specific attention for transformation: customer service, enrollment, claims processing, and provider relations.

- **Customer service.** Unlike traditional health plans, the focus should be on first call issue resolution and not the number of calls taken. Associates need to be cross trained to support both provider and member calls, as well as handle general and claims-specific inquiries. Customer service associates will need greater skill sets. This will require selective hiring and extensive ongoing training programs. Associates that come from other health care and non-health care customer services centers have to be “untrained.” When the associates actively identify pain points and help design programs to eliminate them, they provide greater value to the customer and their work becomes more gratifying.
- **Enrollment.** Getting enrollment right has always been important for revenue; getting the data right quickly is crucial for accountable care to ensure that physicians can proactively contact new members, and also to accurately feed population measurements and metrics.
- **Claims processing.** Unlike legacy payer operations, rapid claims processing produces data that immediately informs both individual patient- and population-level decision making on the part of a physician and the medical management staff. Joint efforts with providers to reduce claim pends/resubmission is a key collaborative payer/provider activity under accountable care. The claims processing system must be able to handle a mix of sliding risk accountable care contracts as well as traditional products seamlessly.
- **Provider relations.** Support for accountable care requires a very different approach to the provider relations function. To improve collaboration, start by creating Joint Operating Committees (JOCs). JOCs will drive transparency and distribute trusted information. These committees can also help coordinate patient outreach with providers, enable best-practice sharing by the payer out to the associated provider organizations, facilitate competition among provider groups to improve quality and cost effectiveness and actively seek input for payer-side continuous improvement.

## ENABLING SHARED CAPABILITIES

Several shared capabilities need to be in place across the accountable care ecosystem to support the various constituents: 1) robust technology platform, 2) supporting managed services and 3) legal.

As was noted in Figure 2 above, partnership under next generation business process operations requires a standard platform from which to drive consistent and effective services that share the same data, business rules and user interface, using analytics that can traverse all three elements.

The Accountable Delivery System Institute has identified the following platform design goals to support accountable care:

- Establish the necessary business basis, culture, infrastructure, and associated reimbursement models to empower performance-based, value-driven care delivery models.
- Supply the necessary technology to support and facilitate these models.
- Help accountable delivery system constituents identify and target areas for performance improvement.
- Create virtually integrated systems of care that bind all the constituents via a common and accurate view of activity.
- Enable benchmarking across multiple delivery systems and components.
- Deliver the application services that help all constituents collaborate, consume and act on information to achieve better clinical and financial outcomes.
- Continually monitor and manage ongoing performance and assist with appropriate interventions when falling short.
- Integrate with legacy third-party systems.

These design goals define the optimal accountable care platform architecture:

- **Application services.** Collection of services including quality and care management, cost and utilization management, revenue management and provider and patient engagement and management applications.
- **Data integration and management services.** An integrated comprehensive data warehouse that contains cleansed and validated data that uses an enterprise master patient index in a patient-centric data model.
- **Connectivity services.** Integration through health information exchange entities and/or direct connections to both access clinical, claims, labs, pharmacy, and other data types, as well as distribute actionable information.

A second shared services area addresses the needs of smaller provider entities in the form of managed services. Like the business process partnering services outlined above, these managed services require creation and delivery in the context of accountable care where a difference is required without a fee-for-service-only orientation. These include services such as revenue cycle management, EHR, IT oversight/helpdesk, performance improvement, finance/accounting/budgeting, marketing, brand management, front office capabilities, human resources, MD recruitment, MD leadership training, professional and general liability, ancillary development/support (lab, pharmacy), MD on-call management and 24-hour triage call center support.

## WHAT TO LOOK FOR IN A BUSINESS PROCESS PARTNER?

When evaluating potential providers of business process partnering services, organizations should consider the following criteria:

- Proven accountable care experience across the full-risk continuum over a significant time period.
- Mature accountable care-specific processes, policies and procedures.  
(Experience operating under CMS's Medicare Advantage transparency and security requirements is a plus.)
- Services provided via a technology platform that can be operated and controlled by the business process partner/service provider, service purchaser or jointly – without the need for major platform modification or loss of capabilities.
- Proven track record to constructively and effectively work with other payer entities.
- Experienced resources in place for smooth, timely and efficient service launch.
- Services optimized to the unique requirements that come from accountable care.
- Partnership that “future-proofs” you – and can handle and facilitate movement along the risk continuum over time with the same services.
- Knowledge transfer with a partner that will gladly help you bring services internally at some point if desired.

Leveraging a forward-thinking, proven business process partner today provides an organization with the best of both worlds, the ability to quickly take advantage of the rapidly changing market dynamics while carefully managing longer-term transformation.

## ABOUT LUMERIS

Lumeris is an accountable care delivery innovation company offering health systems, payers and providers operational support, technology and consulting services. Our technology-enabled solutions and services help health care organizations design, build, operate, measure and optimize any accountable care model to accomplish the Triple Aim *Plus One*: better health outcomes, lower costs and improved patient *plus* physician satisfaction. The depth and breadth of Lumeris' solutions—combined with its near decade of experience in accountable care—make the company an ideal partner for any health care organization seeking the benefits of a better connected, aligned and informed accountable delivery system. For more information, 1.888.586.3747 or Lumeris.com.

## ABOUT THE ACCOUNTABLE DELIVERY SYSTEM INSTITUTE

The Accountable Delivery System Institute (ADSI) is the premier resource for hospitals, health plans, and large physician groups seeking proven solutions and practical guidance on establishing successful models of accountable care.

ADSI is led by the seasoned experts who established one of the nation's first successful accountable delivery systems — long before “accountability” was an industry buzzword or there was an acronym to describe it. Through their efforts, they improved the management and delivery of health care by instituting rational economics, new operational processes, and innovative technology to enable value-driven health care decision-making throughout the enterprise. The result: improved revenue, lower per-capita costs, and better patient outcomes.

The ADSI faculty's years of refining this accountable delivery system have yielded valuable insights into what does and does not produce accountable health care. Through ADSI, these insights and solutions are now available to others seeking help in building their own accountable delivery system.

To learn more, visit [www.adsinstitute.org](http://www.adsinstitute.org).