CERIS
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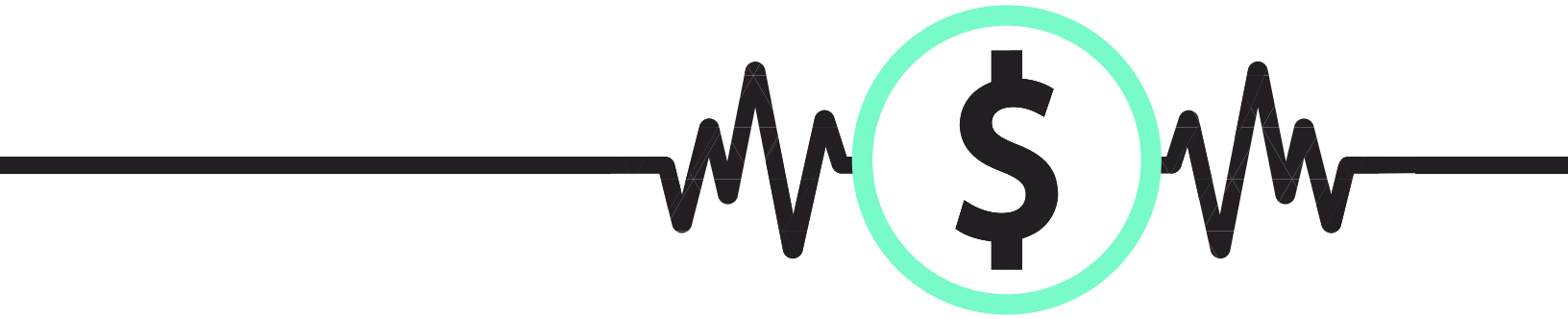
Payer–Provider Alignment

Deeper Dive into The Pulse of Payment Integrity



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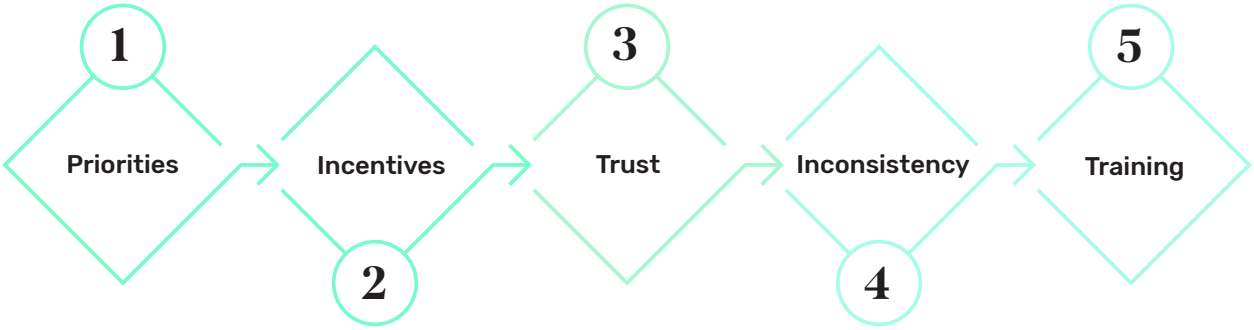
Foreword

The healthcare landscape is built upon the foundation of relationships, particularly between payers and providers. Yet, this crucial relationship has often been riddled with friction, particularly concerning payment integrity practices. At the heart of these challenges lies the need for a culture grounded in trust, mutual respect, and a shared commitment to lowering healthcare costs. While achieving a consistent win-win scenario might be ambitious, there's significant room for compromise that serves the broader objective of affordable care. This article delves into the heart of these challenges and reviews areas of tension and compromise that will guide the path to collaborative healthcare through deliberate, genuine actions by both payers and providers.

Payer-Provider Alignment key excerpts from our The Pulse of Payment Integrity Whitepaper.

Payers can address friction head-on and promote collaboration to improve relationships, creating more efficiency and accuracy in the long run. The 5 key factors that we have seen cause the greatest friction between payers and providers around payment integrity practices include:

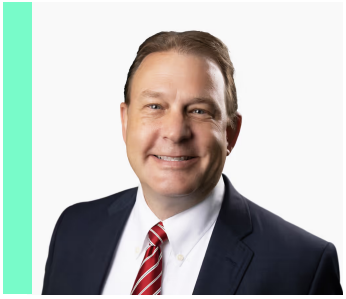


1. Payers and providers may have different priorities and goals, such as cost containment, quality of care, and patient satisfaction, that can lead to conflicting interests and tensions around payment issues.
2. Incentives for payers and providers are not always aligned, leading to disagreements and causing friction in their relationship.
3. A lack of trust and transparency in the payment process can lead to disputes, misunderstandings, and disagreements between payers and providers.
4. Changes to policies and procedures without proper notification can lead to confusion and frustration for providers.
5. A lack of education and outreach to providers about payment policies and procedures can lead to misunderstandings.

Foreword continued

This payment integrity deeper dive looks into the payer and provider relationship, various impacts on patients, and strategies to strengthen the relationship. We trust our in-depth analyses continue to provide tools to help you enhance your payment integrity success.

Greg Dorn
President

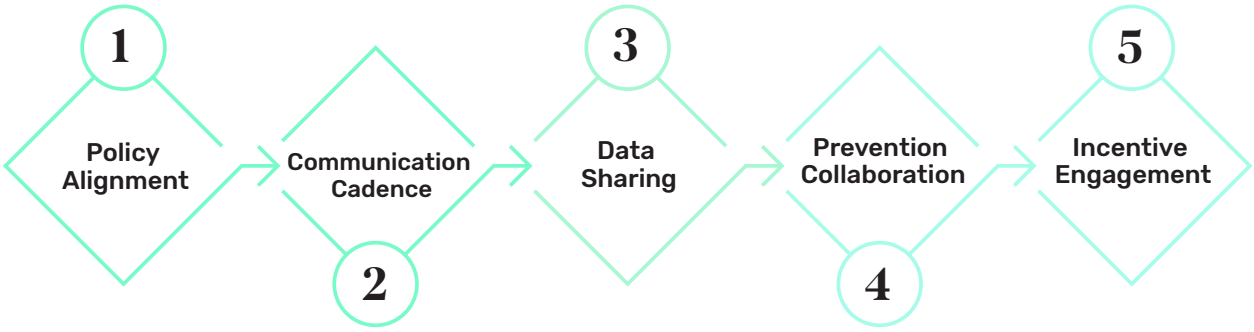


Mark Johnson
SVP, Product Management

A Deeper Dive Into Payer Provider Alignment

If payers and providers join together, the results can be phenomenal. It takes effort to build any relationship, and it is worth the effort to dedicate the time to work in conjunction with providers.

5 key tactics that can promote working together for the greater good include:



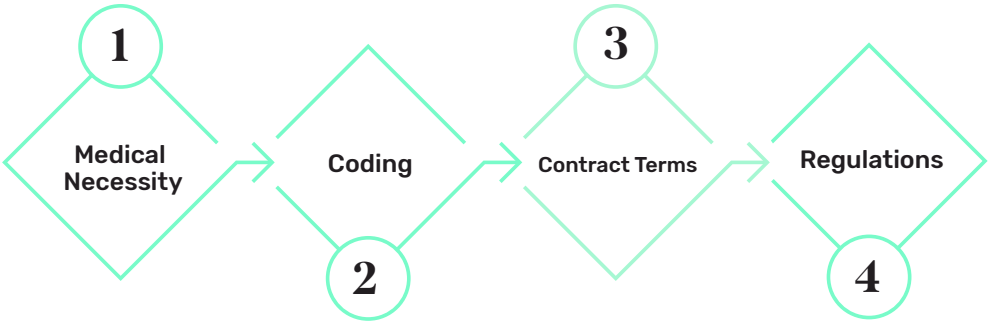
1. Developing payment policies and procedures in collaboration between payers and providers to ensure they are aligned and that both parties understand their responsibilities in maintaining payment accuracy.
2. Regular communication and education between payers and providers helps build trust and understanding and ensures everyone is informed about changes to payment policies and procedures.
3. Data sharing and information about payment trends, patterns, and anomalies informs decision-making around payment policies and procedures.
4. Collaborating on prevention efforts can help prevent waste and promote a culture of transparency and accountability.
5. Engaging providers in the payment process and providing incentives for accurate payment can also promote a culture of transparency and accountability.

Policy Alignment

In the dynamic world of healthcare, policies are the guiding lights. They lay down the framework for operations, define boundaries, and provide clarity. Given their foundational role, it's no surprise that any misalignment or ambiguity in payment policies can become a significant source of tension between payers and providers.

One of the most effective strategies to address these issues is to develop payment policies and procedures collaboratively, ensuring both parties are in sync and understand their respective responsibilities.

To comprehend the need for policy alignment, it's crucial first to understand the roots of misalignment so that we can redirect and realign. These often focus on 4 key issues:



1 **Divergent interpretations of medical necessity:** Divergent interpretations of medical necessity should be addressed through the development of clear and standardized payment integrity medical guidelines that ensure patients receive appropriate, needed care.

2 **Differences in billing and coding practices:** A shared set of coding practices is a good starting point in payment integrity audits. Some organizations have implemented collaborative initiatives where payers and providers work together on training programs and resources to educate their staff about coding guidelines and requirements. In cases of disputes or differences in coding interpretations, clear resolution processes should be understood that can address concerns and reach mutually agreeable solutions.

3 **Ambiguous Contractual Terms:** In addition to typical legal proceedings, it is important when negotiating contracts for both sides to clarify the frequency of specific scenarios and walk through the process. By clearly defining terms, obligations, responsibilities, and expectations, we can minimize potential ambiguities. It is also important to set up regular contract review meetings where both parties discuss where any ambiguous areas of the payment integrity process have caused problems. Outside of regular meetings, an established mechanism for ongoing feedback is important. This can be the forum where both parties regularly seek input on areas where contract language may need clarification or adjustment.

4 **Rapidly changing healthcare regulations.** As changes in regulations or business conditions necessitate revisions to contracts, they should be addressed. Similar to the feedback process of ambiguous contract terms, changing legislation should be researched, and a determination of what changes should occur should be made together by payers and providers.

Communication Cadence

Providers sometimes find it hard to understand the reasons for denials or payment adjustments, especially if the payers are not communicating findings clearly. Some providers also feel that payers might be too aggressive in denying claims to save costs, even when the claims are legitimate. When rigorous payment integrity checks lead to delays in reimbursements, it impacts providers' cash flow, which also causes concern and fosters adversarial communication.

To combat some of these areas of mismatched communication, payers should regularly update and include providers in the following:

Changes in Policy Collaboration. This includes reviewing clear rationales for denials and offering avenues for queries around denials so there is an understanding of the importance of accuracy. This type of clear communication supports moving payment integrity to prepayment - where providers can adjust proactively before they submit claims.

Communication Supporting Tech. One of the key items in creating a more open communication channel that also helps move PI to pre-payment is an investment in interoperable systems to streamline the exchange of information between providers and payers. This includes adopting standardized electronic health records (EHR) and claim submission systems.

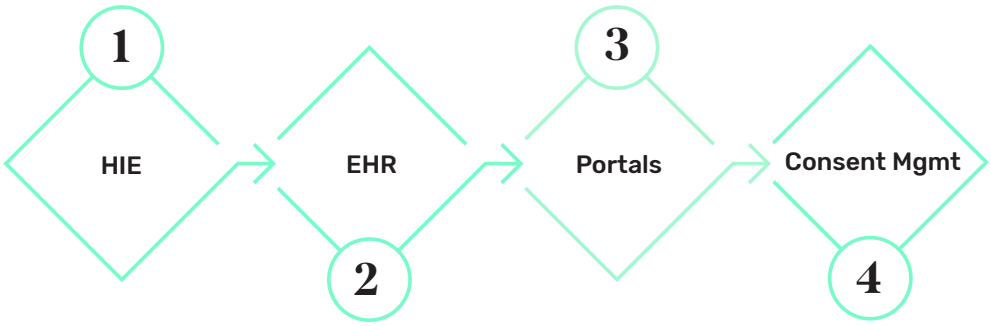
Provider Inquiry Prioritization. Payers should always make provider inquiries a priority by delivering quick turnaround times to questions during claims reviews and audits to reduce administrative delays in the process. Payers should also audit themselves and their processes regularly to ensure they are being fair, efficient, and not introducing unnecessary burdens on providers.

By addressing these communication challenges, payers can maintain robust payment integrity processes without placing undue strain on healthcare providers. The ultimate goal is a system where both parties communicate collaboratively to ensure patients receive the best care and providers are reimbursed fairly and efficiently.

Data Sharing

Data sharing is a pivotal component of a modern healthcare system with the potential to significantly enhance patient care, reduce costs, and improve outcomes. Successful data sharing relies on secure, interoperable, and standardized systems that facilitate the seamless exchange of information among various stakeholders. And, of course, data governance and security standards are critical to maintaining patient privacy and data integrity.

Several models can be implemented to make data sharing not only possible but also successful:



1. **Health Information Exchanges:** In these models, providers and payers collaborate to deliver care, often under a single organizational structure, reducing administrative complexities and aligning incentives. Health information Exchanges create a central repository that leads to more informed clinical decisions.

2. **Interoperable EHR:** By using shared Electronic Health Record (EHR) systems or integrated platforms, both parties can access real-time data, reducing billing errors and discrepancies. Interoperable EHR systems allow different providers and institutions to access and share patient data seamlessly. Standardized formats, such as Fast Healthcare Interoperability Resources (FHIR), facilitate data exchange between EHR systems, enabling a comprehensive view of a patient's medical history and treatment across different settings.

3. **Patient Portals and Personal Health Records (PHRs):** Empowering patients with access to their own health information through secure portals and PHRs encourages active engagement in their care. Patients can review their medical records, share data with their healthcare providers, and become partners in managing their health.

4. **Consent Management and Patient Control:** Patients should have the ability to control who has access to their health data and for what purposes. Implementing consent management systems allows patients to provide informed consent for data sharing, ensuring their privacy preferences are respected while at the same time expediting the processes for auditing and reviewing information for accuracy.

Successful data sharing models with a commitment to patient privacy, data security, and interoperability enable more informed decision-making, improved care, and accurate and fair pricing with less administrative burden.

Prevention Collaboration

Prevention collaboration between payers and providers is essential to avoid adverse impacts on patients and maintain the integrity of the healthcare system. To visualize the connection between patient impacts and prevention collaboration, consider the following:

Patient Impacts without Collaboration:

1. **Delayed Treatment:** Disagreements over medical necessity or treatment pre-approvals can delay crucial treatments for patients, potentially affecting their health outcomes and quality of life.
2. **Financial Burden:** Claim denials due to mismatched expectations can mean patients have to bear the brunt of the expense, leading to financial stress and potential barriers to necessary care.
3. **Eroded Trust:** Patients may perceive that financial concerns are taking precedence over their well-being, eroding trust in both providers and insurance companies. This loss of trust can have long-lasting implications for patient-provider relationships.

Prevention Collaboration:

1. **Identify Common Goals:** Payers and providers should come together to identify shared goals related to waste reduction, cost containment, and improved healthcare outcomes. Establishing common objectives creates a foundation for collaboration and ensures that patient needs remain at the forefront.
2. **Adopt Value-Based Care Models:** Shifting away from the traditional fee-for-service model, some payers and providers are embracing value-based care (VBC), which focuses on patient outcomes. Payments are made based on the effectiveness of care, not just services rendered. This approach aligns financial incentives with patient well-being.
3. **Interdisciplinary Teams:** Payers and providers can form interdisciplinary teams to discuss complex cases, ensuring that patients receive the right care while minimizing costs. This collaborative approach helps prevent unnecessary treatments and improves care coordination.

By reviewing the relationship between patient impacts and prevention collaboration, stakeholders can better understand the importance of working together to safeguard patient well-being, maintain payment integrity, and build trust within the healthcare system.

Incentive Engagement

Once policy, communication, data, and prevention alignment are in place, the final step in the process is the incentives for both parties. It is imperative for payers and providers to engage in incentive alignment. If providers feel pressured by payers to choose treatments based on what is likely to get reimbursed rather than what is best for the patient, it can compromise the quality of care.

Incentive alignment is the cornerstone of a healthcare system that prioritizes both cost-efficiency and high-quality patient care. When payers and providers collaborate to establish incentives that encourage patient-centered decision-making, the entire healthcare ecosystem benefits.

Some effective strategies for incentive engagement include:

Aligning incentives for healthier outcomes: where care meets cost-efficiency.

- Developing shared Key Performance Indicators (KPIs) that both payers and providers can use to evaluate their progress toward common goals. These metrics should reflect the quality, efficiency, and effectiveness of care, allowing both parties to track performance transparently.

- Determining what type of VBC model will work for the particular provider and how the financial interests of providers and payers can be managed with the goal of improving patient health. For instance, a healthcare provider may be rewarded for successfully managing a patient's chronic condition and preventing costly hospital readmissions, thereby fostering a proactive approach to healthcare delivery.
  - Creating provider bonus structures or shared savings programs that motivate providers to implement evidence-based practices while maintaining the highest standards of care.
  - Creating shared risk programs can allow providers to take on financial responsibility for a defined patient population. If they are able to manage costs within a certain threshold while meeting quality benchmarks, they can share in financial gains.

Fostering incentive alignment, payers and providers can overcome potential conflicts of interest and work together to ensure that patient well-being remains at the forefront of healthcare decision-making. This collaborative approach ultimately leads to better outcomes, reduced waste, and a healthcare system that is both cost-effective and patient-centric.

Summary

Health plans can work closely with a payment integrity vendor like CERIS, who has long-standing relationships with both healthcare providers and payers, to foster alignment between both parties. Putting in the effort and dedication to implementing relationship-building strategies can help ensure a healthcare system that is both cost-effective and patient-centric.

CERIS has partnered with payers across the nation to support their payment integrity program and help them advance where they are in their journey.

Visit CERIS.com to Learn More!