

 **OUR TAKE**

for health plans and payers

A New Era of Payer-Provider Relationships

How payers can take a physician-focused, data-driven approach to advancing strategic priorities.

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The physician landscape has changed drastically in recent years, largely due to an acceleration of provider consolidation and the entrance of new entities looking to disrupt the market. Today, more stakeholders than ever are competing for physicians' attention—making it especially challenging for health plans to engage providers. Yet at the same time, health plans have clear and distinct opportunities to partner with providers to advance strategic goals.

Read on for our take on how health plans can usher in a new era of payer-provider relationships by enabling physician partners.

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What does payer-provider relations mean in practice?

“Payer-provider relations” is a term commonly used to describe the relationship between health plans and providers—most notably frontline physicians. In practice, a health plan’s provider-relations staff can have a wide range of responsibilities, spanning operational tasks (such as credentialing and contracting), strategic undertakings (such as implementing value-based care and strategic partnerships), and tactical roles (such as referral and site-of-care management).

Provider relations: The function

- Benefit verification
- Provider communications
- Claims processing
- Network management
- Provider education

How we’re thinking about provider relations

As plans extend their efforts to engage providers in strategic projects, the capabilities and span of control for the provider relations function must evolve accordingly

Provider relations: The ambition

- Supporting providers in risk-based contracting
- High-value referral rates
- Accurate claims data
- Smooth bidirectional data flow
- Contract obligation awareness

Throughout this document, we will use the term “provider relations” as a reference for where the health plan’s operational functions overlap with the plan’s ambitions for its provider partnerships. While plans must foster positive relations with a diverse set of providers, this document primarily focuses on physicians given the central role they play in care transformation and medical cost management initiatives.

Challenging conventional wisdom

Partnerships with providers are critical to the success of many payers' goals. Because providers often interact with patients more frequently—and on a more personal level—than payers, health plans may rely on support and assistance from providers to achieve certain strategic priorities. As such, health plans are continually looking to improve their relationships with providers, most notably physicians.

As plans craft their provider-relations strategy, it's important to consider recent shifts in the physician landscape, including those that run counter to conventional thought. Two key misconceptions about the provider landscape are especially noteworthy:

MISCONCEPTION #1:

The physician landscape is binary.

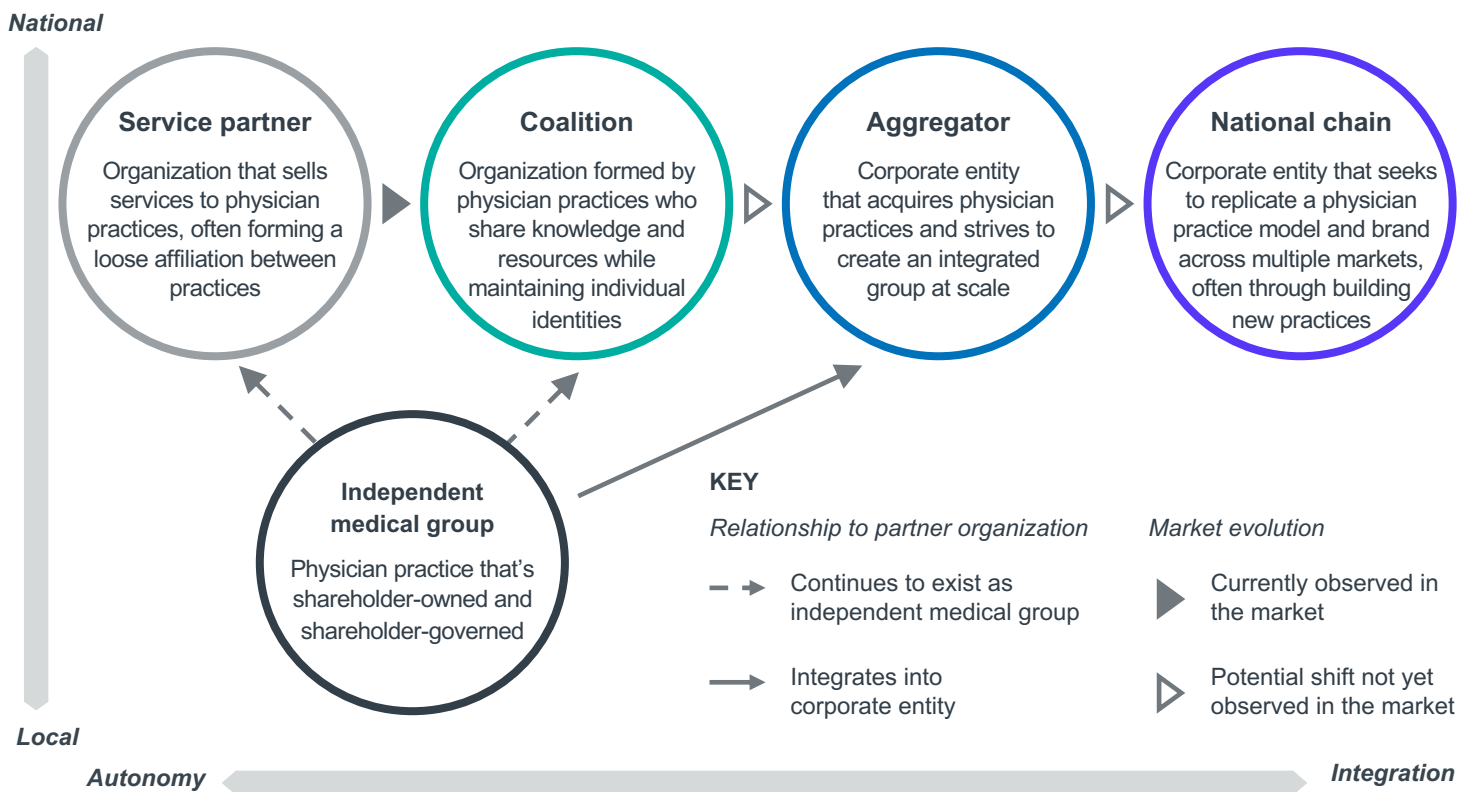
MISCONCEPTION #2:

Physicians are losing autonomy and agency.

CHALLENGING CONVENTIONAL WISDOM

Misconception #1: The physician landscape is binary.

The physician landscape historically has been seen as binary, with providers often falling under one of two employment types: hospital-employed physicians or independent physicians. But today, the physician environment is much more nuanced and dynamic. As the graphic below shows, physicians can be employed by or partnered with a host of different organizations:



Misconception #2: Physicians are losing autonomy and agency.

Conventional wisdom assumes that physician employment or ownership status dictates how a provider acts or behaves. However, new disrupters in the physician space provide more options for employment, ownership, and partnership; as such, physicians are no longer settling for unliteral arrangements that offer only financial security. Instead, physicians—especially independent physicians—want bilateral partnerships with their stakeholders, including health plans. That means engaging physicians in strategic partnerships requires partners to offer physicians autonomy and an active role in determining how to achieve desired goals.

Our take

Ultimately, when crafting their provider-relations strategy, payers must remember that physicians especially primary care physicians (PCPs)—play a critical role in payers' care transformation and medical cost management goals. PCPs can be the most effective point of impact for containing health plans' member costs and closing care gaps.

But as the physician landscape continues to change, more stakeholders than ever are competing for physicians' attention. That means it's increasingly challenging for health plans to engage providers, and to keep them engaged, in plans' strategic initiatives.

So, how can payers best appeal to and support physicians?

Traditionally, when we think of what payers can offer physician practices, we think of services including:

- Care management or population health data analytics
- Clinical support, such as embedded staff and
- Financial support that enables providers to make necessary investments in their total-cost-of-care infrastructure

However, newer entities in the market (such as private equity groups or physician enablement vendors) now offer physician practices those same resources—meaning those offerings are no longer “nice to have,” but are now baseline services that all physician partners must be willing to offer. Health plans must go a step further to differentiate themselves as an enabling, attractive partner for physicians.

How plans can set themselves apart: Two provider-centered approaches

Physician-focused efforts can help improve payer-provider relations in ways that support health plans' strategic goals. Here, we'll examine two such approaches:

1 Equip providers with tools to support more effective uses of plan-provided data.

One way payers can stand out is by sharing their wealth of patient data with physicians. But it's important to note that merely sharing the data is not enough. Providers want meaningful, actionable data that they can use to inflect change. Therefore, payers must reevaluate the data analytics they offer to assist in care management, ensuring that the information is both valuable and palatable to physicians.

2 Streamline intra-plan dynamics to simplify payer-provider relations.

Payers must also ensure they're interacting with providers in a streamlined, convenient manner that reduces noise and administrative burden. Refocusing provider-relations efforts to be more enabling (and less burdensome) will position plans to be true partners with providers—and in turn could help to drive a plan's key strategic initiatives forward.

In the following pages, we take a closer look at how health plans can implement these two provider-centered approaches.

01 Equip providers with tools to support more effective uses of plan-provided data

Payers have been on a data journey with providers for some time, but the importance of this data relationship has evolved rapidly in recent years. Today, federal regulations and industry leaders call for health plans to share certain data with providers and push for that data to be standardized and actionable.

The problem

But as physicians receive more and more data from health plans and other partners, they're looking for guidance and organizational support on how to manage and use the information. Health plans' ability to gather data from various sources allows them to paint a fuller picture of their members' health than most providers can create for their patients. However, sharing that data with providers in different formats, across different platforms, or without context on how it can be used can lead to "analysis paralysis".



1. EQUIP PROVIDERS WITH TOOLS TO SUPPORT MORE EFFECTIVE USES OF PLAN-PROVIDED DATA

The solution

Sharing actionable, user-friendly data with providers is one key way health plans can stand out to physician partners. Plans that disseminate data to providers in ways that are easy to understand and use in decision-making are more successful in leveraging their partnerships to advance strategic initiatives. Plans progressive in this space use strategies that:

- Integrate data into their clinicians' workflows (e.g., a point-of-care tool embedded in providers' EHRs)
- Customize data to their provider partners' specific needs
- Offer organizational support (such as educational outreach or data management resources) around data flow so providers can understand and use it effectively and
- Share data through platform-agnostic methods (e.g., enhance the data analytics within provider portals so that it becomes a "go-to" resource)

By helping providers understand plan-provided data and put it to use, health plans can set themselves apart as an ideal, enabling partner for providers.



Plans that will be successful going forward are the ones whose providers know what they are being paid for procedures, understand their contacts and obligations, and the data around their patients...If you can get that into the providers' hands, those are the plans that will be successful.

Chief medical officer
Regional health plan

02 Streamline intra-plan dynamics to simplify payer-provider relations

The problem

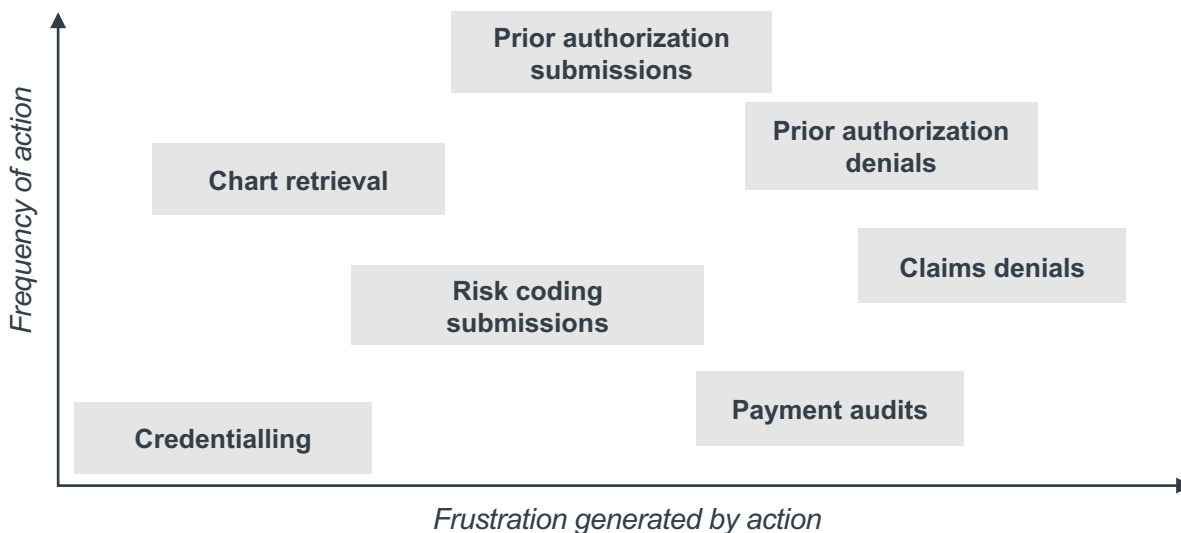
Providers often describe their routine interactions with health plans as “confusing,” “frustrating,” and even “overwhelming.” These complicated exchanges can be taxing for providers, adding to the historic levels of burnout among physicians today.

While health plans universally maintain some form of provider relations function, that group does not always serve as a central coordinating entity for provider communications. As such, different teams within a payer organization regularly reach out to providers with various requests—leaving providers overwhelmed by the number of touches they receive and confused about who to contact at a health plan. Further, because providers contract with multiple payers, their frustration is amplified by receiving a myriad requests from a multitude of plans.

12–15

Average number of payers a provider contracts with

Frustration of payer-provider action compared to frequency (*Illustrative*)





2. STREAMLINE INTRA-PLAN DYNAMICS TO SIMPLIFY PAYER-PROVIDER RELATIONS

The solution

Payers that have successful provider relationships ensure their touchpoints with providers are coordinated and centralized through a single point of contact. To make that possible, health plans should:

- Make certain that each employee and team understands the boundaries of what their role in provider relations does—and *doesn't*—entail, including whether they can contact providers directly
- Streamline provider inquiries and requests for assistance so the provider-relations team is responsible for triaging physician needs and coordinating with internal departments to address them
- Put protocols in place to ensure the provider-relations team operates as the health plan's sole voice for provider-related matters, serving as the main point of contact for both incoming and outgoing interactions with providers



Best practices to centralize interactions with provider partners

Staff from other parts of the health plan may be in contact with providers, keeping the provider relations staff out of the loop



Ensure all health plan staff understand their unique role in provider-relations work and direct inquiries to the provider's MPOC¹

Provider relations staff struggle to keep track of provider inquiries originating from various departments and interactions



Create a queue or use a digital web-tool (like Salesforce, Workfront, or Slack) to track provider inquiries

There's a blurred line for the single point of contact that sets and enforces protocol for provider inquiries



Assign liaisons and organize standing meetings between provider relations staff and one key representative from relevant departments

1. Main point of contact.

Parting thoughts

The health care industry as a whole—but the physician landscape, in particular—is rapidly evolving and increasingly nuanced. As health plans look to secure provider partnerships, they'll need to carefully consider how to differentiate themselves from the rising number of entities vying for physicians' attention.

Health plans have a unique opportunity to serve as an effective partner to physicians in addressing care gaps, improving quality of care, and furthering value-based care initiatives—while aligning financial incentives for doing so. A successful physician-centered, data-driven provider relations strategy is key for health plans to distinguish themselves as a valuable partner in today's competitive market.

But to reach this ideal end state, the clinical and data voices within the health plan must work together to intentionally streamline interactions with physicians, while offering the data and resources that enable change.

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