# TECHNOLOGY INFRASTRUCTURE TO SUPPORT VBP

**Developed By:**

**Hunter Schouweiler, MS-HSM**
*Senior Consultant*
Health Management Associates
hschouweiler@healthmanagement.com

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>> Value-Based Purchasing (VBP) is an approach that ties payment to the quality and efficiency of healthcare services delivered.

>> This resource serves as a gap assessment for providers and a roadmap for the needed infrastructure to succeed in advanced value-based models. As providers transition from value-based payment models centered around quality performance to models with cost of care accountability, providers will need to have a new perspective on infrastructure and technology needs to be successful.

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# INFRASTRUCTURE AND TECHNOLOGY FOR SUCCEEDING IN THE TRANSITION TO VALUE-BASED CARE AND PAYMENT MODELS

» As providers transition from value-based payment models centered around quality performance to models with cost of care accountability, providers will need to have a new perspective on infrastructure and technology needs to be successful.

» New infrastructure and technology needs could exist in the following areas:

» Data Analytics and Reporting

» Finance and Accounting

» Workflow (clinical and non-clinical)

» Governance, Oversight, and Provider Performance Management

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**Key questions/discussions to ask of / have with your organization**

» How many different managed care organizations (MCOs) are we contracted with for pay-for-quality or total cost of care shared savings models?

» What data or reporting are we getting from each of the MCOs?

- Examples – claims, member eligibility, UM authorizations, care management program enrollment or status, and quality, cost, and utilization reporting
- What other data sources do you have access to for supporting analytics (e.g. HIE, ADT feeds from hospitals, electronic health record data)?

» How is data transferred to our organization – is it sent to us (via Secure File Transfer Protocol for example), or do we have to retrieve it from a portal?

» Outside of claims and quality metric data, what other reporting is the MCO providing to us?

» What do we do with the data or reports once we have received or retrieved them?

» Can we integrate the data we have and receive across payers to evaluate quality, utilization and cost performance?

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## Considerations for data and analytics infrastructure

» What is the overall approach to value-based data and analytics for the organization?
  » Build internal skillset and infrastructure
  » Integrate with EHR platform
  » Outsource to a population health analytics vendor

» The size of the organization and whether the organization is part of a larger ACO or clinically integrated network can play an important role in setting the strategic direction for value-based data and analytics of the organization

» As providers mature through more advanced value-based payment models, especially those where providers are accountable for total cost of care… developing the following capabilities will be critical:
  » Managing claims data
  » Derive insights from the claims data for operational and clinical teams
  » Integrating claims data with demographic, SDoH, and other clinical data from the EHR to generate further understanding to issues and opportunities in your population

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**Key questions/discussions to ask of / have with your organization**

» How does the timing of revenue differ across our contracts?

  » Example) Are we paid quarterly on a pay-for-quality contract, but 6 months after the performance year ends on a total cost of care shared savings contract?

» Can the organization accurately track revenue earned for each of the contracts?

» Can the organization accurately track incremental expenses associated with the implementation and ongoing infrastructure and operations to perform in the contracts to support return on investment analyses?

» How is the organization accounting for the revenue associated with each of these contracts?

  » Is the organization taking an accrual or cash-basis approach to accounting for the revenue?

  » If the organization is taking an accrual approach, how has the organization faired with projecting revenues for each contract during budgeting or forecasting processes?

## Considerations for finance and accounting

>> Development of an accounting system and approach that tracks value-based contract revenues by line of business or MCO

>> >> Evaluating the use of technology to aid in performing cost accounting

>> Developing a process and data input sources for value-based contract revenue projections

>> Actual to expected analysis – analyzing actual value-based contract performance for a performance year compared to the budgeted or projected performance to understand the drivers of variance

>> Development of a tracking approach for incremental expenses associated with the operation of the value-based contracts

>> Developing return on investment analyses focusing mainly on value-based contract revenues and associated expenses, but providers can also look at the fee-for-service impacts of value-based care investments

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## Key questions/discussions to ask of / have with your organization

» Is your organization mainly in pay-for-performance arrangements, or is your organization considering or implementing arrangements based on accountability for total cost of care or an episode of care?

    » Within how many lines of business does your organization have value-based arrangements?

» Does your organization have a formal quality improvement framework?

» How are operational and clinical workflow decisions made within your organization?

    » Are they made using multidisciplinary teams/workgroups/committees?

» Does your organization have a process and the systems to understand the underlying issues within your patient population that affect quality performance or impact the cost of care for patient (e.g. SDoH, comorbidities, provider access)?

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## Considerations for workflow redesign

» For providers in **pay-for-performance/pay-for-quality** arrangements

- Inventory quality/performance metrics across lines of business and across MCO/payers within lines of business
  - o Are there a manageable set of metrics to focus on?
  - o Do they align with internal quality improvement focus areas or metrics?
  - o Will focusing on this set of metrics improve financial performance in the pay-for-performance arrangements?
- The inventory process should formulate a quality strategy that aligns internal focus areas and resources with a manageable set of quality metrics that can financially support investments made by the provider to improve quality outcomes
- Development of a team/workgroup/committee that regularly reviews quality performance and develops improvement strategy
  - o Develop the group to be multidisciplinary and include representatives from clinical, operations, finance, and back office/front office
  - o Empower the group to direct and influence workflow changes to improve quality performance,  including:
    - o EHR workflow adjustments and decision support enhancements
    - o Re-prioritization of resources and roles of current resources
    - o New resources and roles to fill needed gaps in redesigned workflows

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## Considerations for workflow redesign

» For providers in **cost of care-based** arrangements

- As providers transition from pay-for-performance to cost of care accountability models, they will need to evolve the traditional quality improvement approach and develop initiatives that meet patients upstream of acute health events (counter to how the current fee-for-service environment incentivizes providers)
  - o Development of a process to better understand characteristics of the patient population impacting cost of care (e.g. SDoH, provider access, comorbidities)
  - o Development of a multidisciplinary committee that includes representatives from clinical, operations, finance, and back office/front office
    - Empower the group to direct and influence clinical and operational initiative development and resourcing, including:
      - Population risk stratification
      - Transitions of care
      - Proactive outreach
      - Complex patient management
      - New roles and resources (including technology, such as care management platforms)
  - o Development of a process for regularly reviewing cost of care performance
  - o Alignment of technology and data analytics strategy with care model approach

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## Key questions/discussions to ask of / have with your organization

» Is your organizations leadership supportive of a transition to value-based care and payment models?

» How is value-based care and payment integrated as a pillar into your strategic planning processes?

» How is value-based care and payment discussed and approached with clinicians and staff within the organization?

» Do clinicians and staff understand the transformation that needs to occur on a daily workflow level to be successful in a value-based payment environment?

» Are clinicians (and staff) used to being measured on their performance and specifically on quality or patient outcomes?

» How does your organization develop relationships with providers outside the walls of your organization?

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**Considerations for governance and provider performance management**

» Establishment of value-based care and payment as a focus of leadership

» Integration of value-based care investments into strategic planning and budgeting processes

» Development of teams/workgroups/committees focused on the transition to value-based care and payment and the infrastructure needed to be successful
- Technology
- Resources
- Workflow redesign
- Clinician and staff engagement

» Development of processes and the needed technology to measure providers on their performance and outcomes with evolving transparency

» Integrate provider measurement and performance into provider communication and forums
- Developing systems and technology to put performance information at the fingertips of providers

» Establishing and developing value-based care provider champions

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# MINI SELF ASSESSMENT

| Knowledge | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 |
|---|---|---|---|---|---|---|---|---|---|---|

| Comfortability | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 |
|---|---|---|---|---|---|---|---|---|---|---|

| Confidence | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 |
|---|---|---|---|---|---|---|---|---|---|---|

## Reflect & Connect:

What do you think your organization may look like 5 -10 years from now if you incorporate and build upon these concepts?

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**Hunter Schouweiler MS-HSM**
Subject Matter Expert
hunter.schouweiler@wakely.com
*Link to Bio*

**Caitlin Thomas-Henkel, MSW**
Project Director
cthomashenkel@healthmanagement.com
*Link to Bio*

**Amanda White Kanaley, MS**
Project Manager
akanaley@healthmanagement.com
*Link to Bio*

**Samantha Di Paola, MHA, PMP**
Project Coordinator
sdipaola@healthmanagement.com
*Link to Bio*