



Lessons from Higher Performing Networks

KEY ELEMENTS FOR FINANCIAL PERFORMANCE

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Many essential elements of provider-based care are already well known in the industry. Executive leadership, quality improvement, as well as actions to reduce readmissions and support for members with chronic diseases are widespread. However, financial performance for employers requires additional actions that often work behind-the-scenes. As we examined what Higher Performing Networks did differently, the following twelve elements stood out:

Pilots and Initiatives

1. Implement multiple initiatives aimed at financial results (supported by new payment systems). Initiatives extend beyond quality improvement and are targeted to the line of business (such as Medicare, Medicaid, employer, or individual).

Care Coordination & Quality Measurement

2. Improve care coordination and member engagement.
3. Manage future high-risk members - not past illnesses.
4. Use outcomes-focused and value-differentiating measures.

Alternative Payment Models

5. Develop strong ongoing financial agreements on overall costs (with purchasers).
6. Implement selective “aligned incentives” over time (with individual providers).

Management, Roles and Responsibilities

7. Use the full resources and unique capabilities of responsible, informed providers – from the executives to individual providers.
8. Reduce waste and related internal operating expenses across the system – demonstrated by multiple initiatives and a responsible executive.
9. Communicate with allies in deep blunt discussions (cost drivers, responsibilities, duplicate tasks, etc.).

Infrastructure

10. Use multiple data sources to create useful reports to prioritize, create initiatives, and support the individual taking action.
11. Develop infrastructure to support informed action at the right time by the right individual.
12. Monitor economies of scale - particularly for smaller organizations (as they buy, rent, collaborate with other providers, or use allies).

Each of these elements is very important and reinforce each other. Initiatives (1) must be done by responsible providers (7). Misaligned incentives (6) inhibit efforts to reduce waste (8). And, so on.