CASE STUDY

Driving Provider Performance in Value-Based Contracts

Actionable insights to drive meaningful cost reduction and quality improvement in an innovative shared savings contract

Overview:

CLIENT
Mid-Atlantic, state-based health plan

>4 Million members across Commercial, Medicare, and Medicaid segments

SOLUTION
Clarify Care

MODULE
Treasure Maps

DATA PERIOD
2017-2018

A leader in value-based care, this large state-wide health plan in the Mid-Atlantic has the influence to drive its entire market towards greater value in contracting. Over the past few years, the health plan has been actively looking to negotiate contracts with shared savings agreements, starting with P4P metrics and moving to upside / downside risk contracts.

CHALLENGE

Five large health systems in the state committed to a new contract model that included shared savings and/or risk arrangements across all medical expenditures, under the condition that the health plan would provide actionable reporting to highlight areas for cost reduction or quality improvement.

They needed an analytics partner that would help them address the following questions:

- How do I deliver performance insights to my provider partners that are actionable?
- How do I build trust and effect change with my provider partners?
- How can I reduce the burden on the Clinical Transformation and Analytics teams?

SOLUTION

After a thorough review process, the Clarify Care solution was selected and deployed to give the health plan's provider partners access to direct reporting with actionable insights that enable better performance in value-based arrangements. Clarify's transparent approach to case-mix adjustment created greater trust and adoption with providers because they could drill down to see the drivers of variation and know that the comparisons with other providers are fair.

Transparency

Crack Open the Black Box of Case Mix Adjustment to Earn Provider Trust and Engagement

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Actionable Insights

"Treasure Maps" Reveal Opportunity to Generate Real Savings

Figure 1 shows the case-mix adjustment detail for one measure.
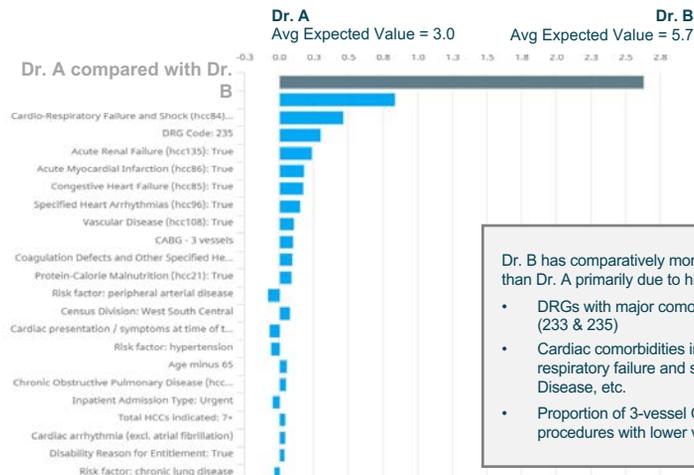
Dr. B has comparatively more complex patients than Dr. A primarily due to higher proportion of:

- DRGs with major comorbidity or complication (233 & 235)
- Cardiac comorbidities including cardio-respiratory failure and shock, CHF, Vascular Disease, etc.
- Proportion of 3-vessel CABG procedures (vs. procedures with lower vessel counts)

Clarify

AI-powered insights created Treasure Maps for each provider partner, accurately sizing opportunities to improve on total cost and quality with transparent root cause analysis for faster action. The Treasure Maps enabled quick action by the health systems with lasting impact.

RESULTS

The Treasure Maps revealed that, across the entire member base in the shared savings program, there were >$400M in addressable unwarranted clinical variation. The opportunity areas spanned primary care, ambulatory specialists, inpatient episodes, and post acute care.

Figure 2 shows the total unwarranted care variation in the shared savings arrangement:

$400M+ in unwarranted clinical variation

identified in the shared savings arrangement

Transparent case-mix adjustment wins over providers

and drives reduction in utilization of inpatient rehab facilities

10%   5%

$8,550M

$855M

$428M

Cost base
[all providers]

Identified clinical
variation

Addressable
variation
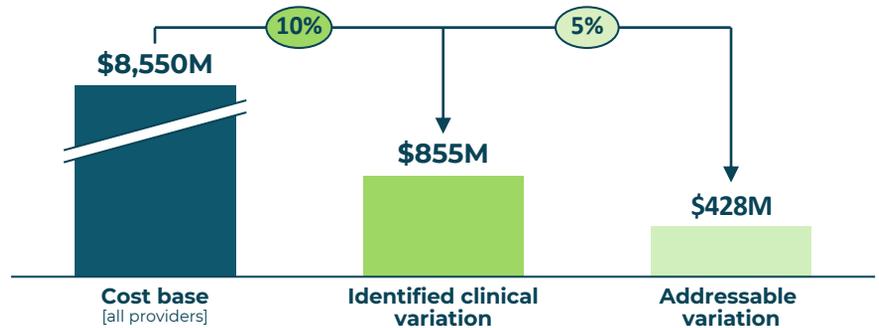
One example of an opportunity area that the Treasure Maps identified was in unnecessary post-acute utilization, particularly inpatient rehab facilities (IRFs) for a few high-volume inpatient episodes. Previously, without the granularity and case-mix adjustment of Clarify's reporting, payers, and providers were unable to identify savings opportunities with this level of precision, resorting to broad utilization management tactics. By creating greater trust in the analyses, the health plan was able to drive positive conversations with their provider partners, resulting in increased physician engagement and powering true savings opportunities.

Figure 3 shows one Treasure Map output that identified opportunities to reduce unnecessary post-acute utilization

About Clarify Health Solutions

Clarify Health empowers customers to deliver better care and therapies through more actionable insights from all the world's patient-level data.

With an integrated enterprise analytics platform, Clarify helps customers select the best providers, map and predict care journeys, and understand the use and impact of therapy on patients.

NEXT STEPS

The health plan is continuing to work with Clarify to roll out the Treasure Map reporting to health systems, targeting opportunities to reduce clinical variation, increase high-value specialist referrals, and manage unwarranted utilization.

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