



The evolving role of health insurers in a value-based, member-centric market

Health insurers face a rapidly changing landscape with possible new legislation on the horizon, increasing regulations, advances in technology and shifts in member expectations. To thrive amid these external changes, insurers will need to alter their decades-old business model to deliver the value their customers demand. They must undergo a transformation to become true health partners, working closely with providers to ensure their members receive the best care at the best price.

At-risk contracts gain traction

When insurers first introduced risk-based health contracts, providers were wary. They viewed the contracts as yet another way payers could limit their payouts and were at the expense of both the patients and quality.

Now, with some history behind them, these contracts are being recognized for their merits. Providers have seen solid returns without having to compromise quality and service. Payers have found the arrangements to be effective in keeping costs down, which has spurred them to pursue additional risk-based contracts.

The contracts are accelerating the healthcare industry's transition to value-based care.

Whereas fee-for-service programs incentivize providers to see more patients, risk-based contracting flips the incentive; providers realize greater profits when patients are healthier and don't require as much care or hospitalization.

Perhaps most significant is that the member experience is changing in a positive way. Members are willing to use providers in their network and find that coordinating care with their insurance plans is working.

Collaboration improves care

As the healthcare industry redefines itself, part of the transformation for payers is to create a better environment of collaboration with providers. Both parties need a degree of cooperation and trust as they work toward the common objective of improving patient health.

Insurers can fill the role of health consultant, giving providers data-driven insights into the most effective and cost-effective treatments. They can work together to develop innovative best practices to improve outcomes.

Together, payers and providers can also promote preventive care and, for the chronically ill or disabled, care management.

The rise of integrated delivery systems

Taking collaboration to the next step, many payers and providers are developing integrated delivery systems (IDS) in which they coordinate all of a member's care. They offer a full continuum of healthcare services in a one-stop-shopping model that promotes wellness and streamlines costs.

For the patient, IDSs offer a seamless experience in which they are guided to whatever services they need, from primary care doctors, to specialists, to a hospital stay. All parts of the system communicate efficiently, sharing electronic health records as patients move through the process.

The future is likely to bring about more IDS growth and continuing refinement of their chief objective to deliver high-quality, patient-centric care at lower costs.

Increasing member engagement

Both insurers and providers agree: an essential element of improving care is encouraging members to assume a more active role in their health. They must be engaged in how their care is delivered and coordinated.

The research is clear: when consumers feel empowered, they're more likely to take responsibility for their own health. They become more proactive in changing their behavior and lifestyle to maintain wellness.

Patients who are included in the decision-making process are also more likely to follow treatment protocols. Currently tools like explanation of benefits (EOBs) are difficult to understand, let alone serve as a conduit for information to support better decision support. Rather, EOBs should open a dialogue, one that explains: here's what we're helping you do; here's what you pay; and here's the result you can expect.

Telehealth initiatives, which offer the option of internet consultations with physicians or nurse practitioners via a smartphone or computer app, can help increase patient engagement as well, particularly for members living in rural areas with too few providers.

Increasing transparency into costs and outcomes combined with good communication between all stakeholders will increase patient engagement.



The road to transformation

The way care is accessed, delivered and paid for is changing. Payers and providers have an opportunity to become partners in creating a proactive, patient-centered model, one that doesn't only treat sickness but also promotes better overall health.

The current movement toward value-based care is gaining momentum. New synergies are forming. New goals are being set.

As healthcare emerges in its next form, payers and providers who find innovative ways to improve the member experience, deliver better medical outcomes and lower costs will be the ones that thrive in the coming years.

The ability to leverage current and new data sources, blended with analytics and visualization capabilities, will be light-years ahead in this quest and will be able to demonstrate more effective patient/physician or member/plan relational values.

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