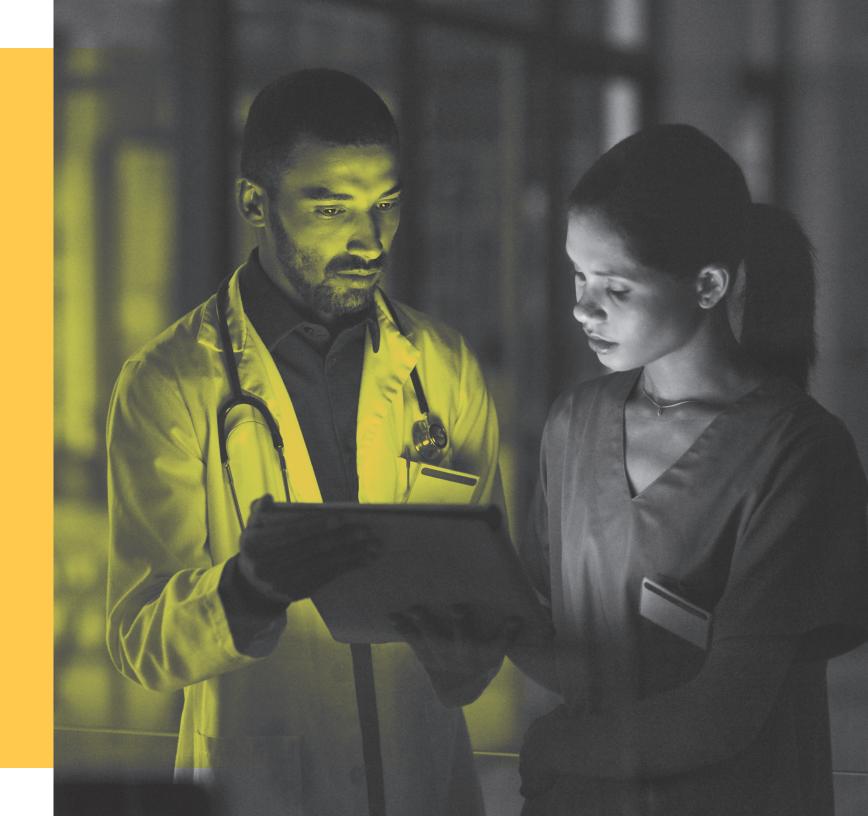# healthleaders

A ONE-OF-A-KIND DISCUSSION ON HEALTHCARE'S PLATFORM-INDUSTRIAL COMPLEX

zelis®

Introduction

With a view of the Chicago skyline from our boardroom roundtable, HealthLeaders asked health plan executives from four very different organizations about the state-of-play of a rapidly expanding healthcare tool: platforms. And we got our answer. From the importance of composability to buy-versus-build decision paths, a common takeaway emerged: the importance of well-executed, nuanced strategies that allow payers to take full advantage of healthcare disruption.

Read on to learn more about the roundtable participants, their innovations — and the insights that emerge when health plans have the unique opportunity to sit down together and share both their common challenges and unique responses to digital transformation.

The Innovators

Alex Zavgorodni
VP, Enterprise Architecture
Healthfirst

Key Discussion Points
> Platform composability
> Ecosystem integration
> Human-centered digital disruption

Innovations Highlighted
Healthfirst's five-point digital strategy, early compliance with FHIR (Fast Healthcare Interoperability Resources) API requirements, mobile app for picture-based eligibility determination.

Jesse Horowitz
Chief Product Officer
Oscar Health

Key Discussion Points
> Maintaining strategy vectors
> Regulatory inevitables
> Differentiation does not equal value

Innovations Highlighted
Proprietary full-stack healthcare platform, commoditizing its technology, launch of a campaign builder application for targeted interventions, broker-based strategies to support customer experience

Leah Silver
Vice President, Business Solutions
Zelis

Key Discussion Points
> Fraud and fragmentation perils
> The need for humanization
> The importance of a payer data focus

Innovations Highlighted
Zelis Advance Payment Platform (ZAPP), an omni-channel solution that uses a single source of truth to manage all aspects of a payer's communications and payments..

Tom MacDougall
Chief Information and Technology Officer
L.A. Care Health Plan

Key Discussion Points
> L.A. Care's unique role in the delivery system
> Supporting providers to support members
> The importance of documented needs, users, owners, and requirements for iteration

Innovations Highlighted
Multi-year platform modernization initiative, the nation's largest public option health plan, data and technology targets that support highly vulnerable populations
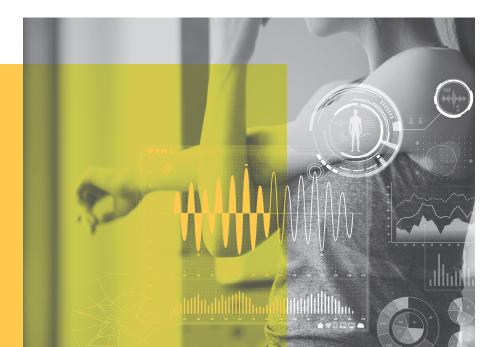
The On-Site Insights

Platform Strategy, Meet Enterprise Strategy.

Chase price and point-solution outcomes and you can easily lose the vector of your most important digital objectives. Today, the best platform and enterprise IT strategies are intertwined so that digital disruption's full potential can be achieved.

"Our digital strategy is fully embraced across all levels and through the lens of making healthcare easier to navigate and time-to-value for our customers … Our overarching goal is to change the way in which the healthcare ecosystem collaborates through more strategic and intentional investments that bring payers and providers closer together. The cost of doing nothing is leaving consumers stuck in paperwork and disjointed analog processes." **— Alex Zavgorodni, Healthfirst**

HOW DO YOUR PLATFORM DECISIONS REFLECT YOUR ORGANIZATION'S BROADER STRATEGIES — AND WHAT ARE THOSE STRATEGIES?

KEY TAKEAWAYS

> Healthfirst's strategy has five elements: Digital Consumer Experience, Digital Provider Collaboration, Digital Business Operations, and Digital Employee Enablement with Analytics Everywhere.

> Oscar has made a full-stack, proprietary platform approach integral to its insurance operations.

> L.A. Care Health Plan is evolving from fragmentation to modernization, with a careful eye on integration capacity.

> Payments solution vendor Zelis has also moved to a platform strategy with interoperable components for maximum payer value.

> Common to each company's strategy were a series of careful, multi-year decisions that have required a laser focus to execute.

"We are in the midst of the execution of a multi-year roadmap to modernize our technology enterprise which will result in the reduction of fragmentation. Our primary risks relate directly back to our ability to remain focused on our roadmap and not allow ourselves to develop platforms that do not integrate well."

— Tom MacDougall, L.A. Care Health Plan

"Initially, we started with using a TPA and vendored out a bunch of solutions, but we learned pretty quickly along the way that that wasn't the path forward. So we instead have devoted the past nine years to building our own full-stack technology platform, +Oscar." **— Jesse Horowitz, Oscar Health**

Horowitz adds: "The build-versus-buy paradigm plays in really, really closely here … There are plenty of areas where being different adds no real value."

We grew our business through partnerships with adjudication platforms … As we started to expand and really understand the health plan, those out-of-the-box solutions were very rigid in the way that we could digest and leverage that information … Through acquisition and innovation, we essentially landed where we are now: the Zelis Advance Payment Platform (ZAPP), which allows us to be an omni-channel payment partner." **— Leah Silver, Zelis**

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In choosing buy versus build, a good answer may be both — provided the right factors are present.

Poor decision-making yields the wrong kind of digital disruption, whether the technology in question is point solutions or platforms. While there can never be a one-size-fits-all approach, there is one underlying characteristic that maximizes every opportunity: composability — a theme that recurred throughout sharing discussion.

HOW DO YOU GET TO BUY-VERSUS-BUILD DECISIONS AND HOW DO YOU IDENTIFY, PRIORITIZE, AND FUND WHAT YOU WANT TO DO?

KEY TAKEAWAYS

> L.A. Care can build if necessary but prefers to buy.

> While Oscar has transitioned from a multi-vendored approach, the company notes the importance of long-term economics.

> Healthfirst buys and builds, with some "total control programs that have an amount of autonomy to make investment decisions around staff and a set of technologies."

> No matter the approach, results must deliver more than cost savings.

> The best platforms — bought or built — reflect a mature vendor API strategy and user interface (UI) paired with composability, openness, and integration — all tied to organization mission.

"Our platform decisions center around the modernization of our enterprise while at the same time ensuring we are picking the best in breed for the delivery of services. We have made a significant investment for all the right reasons … including to facilitate the seamless delivery of services to a very vulnerable population."
— **MacDougall**

"You may say that we're going to become the best-in-class algorithmic, medical, clinical, coding, AI company, and so we want all this in house. Most payers probably are not saying that and so really what you want to have is the most easy plug-and-play with any vendor on the planet."
— **Horowitz**

The Oscar Chief Product Officer adds: "What has already become very universal is the improvement of economics … The need now, more than even six to 12 months ago, is to show a tangible result. I think it's been easy over the past number of years to talk about buying capabilities, but capabilities don't translate to results."

Healthfirst's Zavgorodni notes: "The epiphany that has yet to occur is for every healthcare vendor to stop thinking they're the center of the universe. No one will make healthcare easier on their own."

He adds: "This is true for established and new vendors. What if there is a new startup who knocks on our front door and says, 'Hey, I can do out-of-network detection for fraud, waste, and abuse (FWA) capabilities for pennies on the dollar.' If you don't have a composable way to participate in the evolving ecosystem through digital channels, you will miss out."

"When we think about point solutions, we think about multiple vendors doing multiple things for a fragmented situation that causes risk … One of the things we've taken a look at is how do we modularize components of our business right down to the aspects of our app … How do we detach that from what we have built. It goes back to the omni-channel aspects of being a payment facilitator."

— Silver

"Point solutions are not well designed to bring the challenge of integration to the table in terms of the consumption of data and the passing of meaningful consumable data to subsequent business process. There is also the very real challenge of multiple sources of truth, which leads to analytical and reporting variations and potential regulatory irregularities depending on the nature of the solution."

— MacDougall

The L.A. Care CITO adds: "Platforms and point solutions must solve for the needs for the ingestion and passing back of standard data elements if they are to be of superior value to the enterprise and the broader market."

"The existence of multiple platforms and legacy platforms is a headwind. Consolidation is a tailwind … It's difficult if not impossible to have a hyper-efficient, many-points solution in a many-vendor fragmented world. The dirty secret is it won't go well. On the other hand, you can't do everything yourself."

— Horowitz

"You've got to be in a position to take advantage of what's to come … The composability journey for us is early wins around getting the enterprise on a more agile, digital, and adaptable footing."

— Zavgorodni

HOW DO YOU DIFFERENTIATE BETWEEN A PLATFORM AND A POINT SOLUTION?

Fragmentation foments risk. Composability permits pivots.

"One of the things we've talked about is the nuance between modularization and point solution … one feels like a four-letter word and one feels like the promised land." This point from Oscar's Jesse Horowitz highlights the risks represented by point solution fragmentation. But even platforms must move beyond modularity to true composability — the flexible foundation through which all data, systems and infrastructure can operate.

KEY TAKEAWAYS

> Stakeholders will struggle with fragmentation as long as point solutions dominate the health tech suite.

> They have their place but also represent risk — from inefficiency and opportunity cost to data breaches and the provider payment fraud that Zelis platforms work to prevent.

> Platform optimization and modularity are a start.

> But composability is what evolves a platform from fit-for-purpose capabilities to an ability to truly expand and integrate into the larger ecosystem.

> As Healthfirst's Zavgorodni notes: "The composable platform is the thing you need to maintain to make the best out of disruption."

**What If The Three-Legged Stool Was Just …
The Stool.**

Calling out the healthcare stool as three-legged is revealing — a redundancy that reflects the historical separateness of payers, providers, and members. The executives at the HealthLeaders roundtable highlighted the importance of humanization, data, and integration for a better collective stakeholder experience.

HOW DO YOU TREAT THE THREE LEGS OF THE STOOL WHEN IT COMES TO PLATFORM STRATEGY?

KEY TAKEAWAYS

> The sins of healthcare's complexity should not be visited upon the customer.

> Oscar wants to be "where the consumer begins," adding: "The consumer doesn't care whether it was your provider or your health plan if something didn't go right."

> Humanizing the customer experience is essential but taking care of the customer also means taking care of the provider.

> Healthfirst identifies data that flows multi-directionally and in real time as one of the ties that binds.

> L.A. Care agrees, noting that "providers must be well cared for" in terms of the systems that facilitate care delivery.

"Our platform decisions are driven by our need to ensure the connections between all three [payer, provider, and customer] are well thought out and allow for easy integration … As a payer we are accountable to the member first, followed very closely by our commitment to the provider as they are crucial to keeping our members healthy. We have begun to place an increased focus on the data we as a payer maintain which is utilized to assess the health of our members."
                                                                          — MacDougall

"It's about experience — bringing the payer, member, and provider together to harmonize the solution, advance healthcare innovation, and allow payers to scale for the long term."
                                                                          — Silver

The Zelis Director of Business Solutions adds: "I always think of the payer as the connective tissue with the provider and member. They are the central nervous system that ensures that all of the outcomes are optimal for both stakeholders. So making sure that you're communicating to your providers, what's needed in order to be paid, that they understand how to build based off of the plan, design, and documentation. But also making sure that the member understands their responsibility and has at the fingertips a faster, convenient way to pay which should drive down a lot of the bad debt that occurs."

"I would argue that any plan that is looking to build a better consumer experience based solely on the information they control within their four walls will result in a very short journey. … Melting away administrative efficiencies on the part of providers and payers is what's going to allow us collectively to focus a more intentional and cohesive consumer experience. That's a very interesting kind of dynamic in how you think about what issues platforms can solve."
                                                                          — Zavgorodni

We founded Oscar to provide consumers with access to the affordable, high-quality health care they deserve … The idea was to create a seamless consumer experience that mapped out a plan that could be used by providers and consumers alike, making the journey of finding and achieving care much simpler and more streamlined." **— Horowitz**

Horowitz continues: "What's really interesting about this is that you have all this alignment of incentives between regulatory bodies, payers, providers, vendors, and who's missing is the consumer. The consumer needs to be incentivized to provide consent for this to happen."

Noting that "data belongs to consumers, but it's trapped inside EHRs and claims systems," Healthfirst's Zavgorodni adds: "There's something different that I see. The ONC [U.S. Department of Health & Human Services, Office of the National Coordinator] is focusing on consumer-facing APIs that need to be stood up (by payers and providers) in a uniform way to improve customer experience."

He continues: "This is important because today the healthcare system is breaking at the seams with proprietary one-off data exchange configurations. Over time, FHIR will start melting away legacy architecture and will liquefy data flow, making it available to consumers, payers, and providers."

"Integration is the key, for business process and data," adds L.A. Care's MacDougall. "Interoperability and FHIR are key industry strategies. The concepts, if executed well, will be the best thing that has happened to the industry in many decades, allowing members to port their data from plan to plan and not have the need to self-report. Most importantly, this will begin to break down the cottage industries within healthcare by standardizing data in a fashion to deliver more value tactically at the point of care as well as analytically."

A new era of data-driven interoperability.

The focus on customer and provider experience continued as the roundtable took a deeper dive into data, including FHIR (Fast Healthcare Interoperability Resources) — the interoperability standards that are automating data mapping, collection, and extraction from multiple sources, not just the EHR.

WHAT ROLE DO DATA, INTEROPERABILITY, AND FHIR STANDARDS PLAY IN PLATFORM OPTIMIZATION?

"We're innovating as it relates to understanding that data is central to how we operate, how a payer operates, and leveraging that within a single source allows us to dictate higher outcomes as far as electronic adoption, cost savings, and satisfaction ... One of the other things we're doing as a business is thinking about how the platform helps you conduct diagnostics to benchmark your plans against the industry standards."
— Silver

"I'd say there's probably three dimensions. There's the FHIR standards ... but simply having a data standard doesn't solve problems. The concept needs to be married with regulations at this point because the bigger issue is that, as a consumer, it's very difficult for me to make sure that my clinical data gets shared ... Oscar has been predicated on this single data link from day one, to have one representation of one person."
— Horowitz

KEY TAKEAWAYS

> Valuable data has long been trapped in EHRs and by manual, one-off exchange processes that drain resources.

> FHIR interoperability and API requirements facilitate real-time data that is actionable at point of care.

> These standards are creating a single source of truth that improves customer experience and helps the industry meet cost, quality, and equity targets.

> FHIR will also give consumers something they've never really had: control over their health data.

> These changes will impact every aspect of the healthcare industry.

Innovation roadblocks and facilitators.

"Regulation" was the roundtable's resounding response when asked what hinders progress. But it wasn't the only factor, with many others that also drive advancement.

WHAT FACTORS STALL AND ACCELERATE INNOVATION?

—**Silver**... wait

KEY TAKEAWAYS

> Regulations often fail to reflect market realities.

> Data standards that advance information sharing are needed, however, particularly by the consumer — the one stakeholder who isn't incentivized to do so.

> Innovators will almost never win the existing regulatory argument. They must force change.

> In addition, innovation accelerates only if need is fully understood.

> Acceleration further depends on more consumer focus and less "human wrapper" as organizations optimize.

"Lawmakers and policymakers are thinking about things from a different perspective, I think some of the initiatives they put forward are counterproductive ... It's a double-edged sword."
—Silver

"I think that regulation is the catalyst for other significant change, but I think there are also two other factors ... Who can come up with good, useful applications that are going to play into either the consumerization aspect or drive extreme amounts of efficiency."
— Horowitz

"I agree. I think the shift that's unstoppable is the digital disruption around consumer experience in everyday life. What's holding us back is the notion of a human wrapper in how companies operate. An enormous amount of money is spent on administrative functions"
— Zavgorodni

"To not stall innovation, the focus must remain on 'the need,' 'the benefactors,' and 'the delivery of V1.' There needs to be an understanding of who owns the product, what the regulations are that shape its functionality, and who makes the call. It's okay to go out early and a bit ugly as that's where the rubber hits the road and true progress begins."
— MacDougall