Health Plans Reveal 4 Transformative Trends in 2022

Masks may be coming off, but health plans face pandemic-related challenges and a host of high-priority issues in 2022 in the race to improve health equity, value, and the member experience while tamping down costs.

HealthLeaders spoke to two health plan leaders on top trends bubbling up amid so much disruption. They emphasize the importance of dialing in digital and virtual health strategies, data sharing and efficiency, and provider engagement to stay on top of members' evolving needs, care access, quality, and spending. Here are four payer trends to watch this year.

1. Digital health paves the way for more accessible, personalized care

Payers continue to advance digital health and data analytics strategies to improve member convenience while offering customized, preventive healthcare. "COVID has prompted our consumers and all of our purchasers to think hard about the experience that they get from healthcare with simplification being the name of the game here," says Praveen Thadani, president of Michigan-based Priority Health, a 1.2 million-member health plan that is part of Spectrum Health (which recently joined with Beaumont Health). He says value and experience are top focus areas this year, including virtual-first programs.

"We were the first insurer in the country to launch a virtual-first telehealth PCP plan in 2020 that exceeded our initial enrollment goals on the ACA Exchange platform," says Thadani. "I believe in 2022 and beyond, we'll continue to see more plans follow suit." He adds that "like everybody else," the plan is still evaluating what reimbursement will look like once the public health emergency ends in April 2022.

Thadani also says Priority Health is "deeply focused on innovative Intel," which unlocks the full potential of data to personalize care while driving better outcomes and a user-friendly experience. It's more than just aggregating data into the right algorithms, which many payers already do from a care management perspective, he says. "We take that a step further by sharing small nudges with our consumers in different cohorts at different points in time based on what's happening in their life and in the data."

This "substantial movement around personalization" is paying off, says Thadani. "Our preventive screening rates are amongst the highest in the industry." For example, personalized nudges have boosted member COVID vaccination rates by as much as 20%.

Similarly, L.A. Care Health Plan, Los Angeles County's managed care plan, which has 2.5 million members (93% are Medicaid enrollees), also pursues technologies and programs that break down data silos, automate provider transactions, and ensure digital health equity.

For example, L.A. Care has invested (through its reserves) in a regional health information exchange with the Los Angeles Network of Enhanced Services (LANES). "It's still at the nascent stages, but it is beginning to provide actionable data to providers from other providers so that there can be less duplication of tests and a speedier response to members' needs," says John Baackes, CEO.

The plan is moving to a cloud-based platform in 2023 that will streamline care planning and social services outreach to vulnerable people with multiple comorbidities. "It will allow our contracted partners to integrate their data with ours more quickly and in a more automated fashion, so there's less paper transmission," says Baackes. L.A. Care is also working with Closing the Digital Divide, a coalition of agencies that ensures all members have access to digital healthcare services. The coalition offers equipment and services to members to participate digitally from home.

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2. Better together: Payer–provider partnerships reach new levels

While not always fast friends, payers and providers are increasingly collaborating on initiatives that improve the patient experience, value, data sharing, and administrative efficiency. Baackes says provider relationships are central to L.A. Care. "We've demonstrated and are doing more than I see other plans doing to address the problems that the safety net providers have." For example, L.A. Care implemented Elevating the Safety Net, a program offering $125,000 grants to practices that recruit and hire primary care physicians, while paying off $180,000 in medical school debt for doctors who agree to stay in the practice three years.

L.A. Care currently sponsors eight students at two medical schools in Southern California "to increase diversity and build a pipeline of doctors that will come in and work in the safety net," says Baackes. "We're also improving our efficiency by employing more state-of-the-art technology in our operations to reduce our administrative costs and to provide more money to providers." He says value-based care partnerships have also been important. L.A. Care providers increasingly want in on capitated payment relationships tied to bonuses on quality performance to help manage their practices and hospitals.

Likewise, Thadani with Priority Health says the plan works closely with providers on value-based care initiatives. "We believe our collaboration with providers is going to drive and enhance that proposition to help make our communities healthier." He adds that the plan is implementing the Epic Payer Platform to share real-time data with provider partners. "Improving the speed with which we're exchanging data between the payer and the provider is the first step forward," says Thadani. Priority Health is also committed to reducing administrative hassles and launched a provider portal last year to automate and reduce turnaround times for several essential provider functions by embedding processes more directly in the workflow at the point of care.

3. Expanding social determinants of health programs

Payers are more committed than ever to addressing SDOH and tapping into the power of data analytics and provider, community, and government partnerships. "The pandemic, unfortunately, revealed in stark reality the inequalities in our society, and they are a life and death matter," Baackes says, noting the disproportionate impact on L.A. Care members. "Latinos and blacks were infected, hospitalized, and died at three times the rate of their fellow citizens. The biggest challenge in the short term is getting our members vaccinated," he says, adding that just two-thirds of members over age 12 are vaccinated compared to 87% community-wide. He says the plan is piloting programs that pay bonuses to pharmacies and primary care practices that convince members to get the COVID-19 vaccine.

Baackes says L.A. Care also has 10 community resource centers across the Los Angeles region (with four more in the works) that address leading social risk factors. The street-level facilities offer health education classes, member-eligible social services, and a technology bar that allows plan and community members who do not have high-speed internet at home to participate in virtual healthcare appointments. During the pandemic, the resource centers became food pantry locations, which was critical given that many L.A. Care members employed in service jobs at the start of the pandemic were laid off, according to Baackes. "We have conducted dozens of food pantry events at our resource centers in cooperation with other agencies in the county, and whenever we hold one, there's always a line still standing there after we've handed out the last box of food."

L.A. Care also oversees comprehensive programs for its homeless members, providing recuperative care, medically tailored meals, and housing services. "At any given moment, we have 30,000 to 40,000 homeless members in the plan," says Baackes. "Whenever a homeless member is admitted to a hospital, we work to make sure they don't get discharged back to the street because it would just cycle them back in for another admission in the future." He says the plan financed these services from its reserves until January, when the state of California began covering these and other nontraditional benefits for Medi-Cal (the state's Medicaid plan) members.

SDOH is a newer space for Priority Health but one it is "deeply committed to," says Thadani. He says the plan is gathering consumer and community data to close SDOH gaps. It uses a social vulnerability index to look at health equity in a meaningful way and an area deprivation index to measure longevity across member populations.

4. Focus on mental health

Mental health is another leading concern for payers and providers, with the pandemic exposing both gaps and the success of virtual behavioral health programs.

Thadani says in addition to a wellbeing hub, Priority Health has an on-staff 24/7 behavioral health team dedicated to helping members with behavioral health concerns. Priority Health also offers substantial financial incentives to behavioral healthcare providers who complete staff education related to the plan's behavioral health collaborative care model and integrate the model into their practice. "Under this model, all patients are evaluated from mild to moderate depression or anxiety through the use of an approved screening tool," he says.

"The biggest challenge is there aren't enough mental health providers in the community that are available to Medicaid," says Baackes. In response, L.A. Care also provides grants and medical school funding through its Elevating the Safety Net program to practices that hire a psychiatrist. ■

It's Time to Go Digital with Your Payments: Here's Why

Electronic claim payment trends all point to one dynamic: faster turnaround. Simply put, businesses and consumers now expect near-immediate access to funds when they have been given notice of transfer. Luckily, that era of real-time digital payments is not too far off for health plans.

Today, multiple factors are converging that place the future of digital payments in a broader context (i.e. the introduction of new payment models and the ever-changing reimbursement landscape). Priming for success necessitates health plans ask the right questions to design near-term and long-term payment strategies.

That question? How does faster money movement impact how my organization does business?

Looking at the data

82% of consumers want to make their healthcare payments in one place, and 85% of consumers say they prefer an electronic payment method for their medical bills—yet most providers still send out paper bills.

In fact, only 20% of patients make online healthcare payments. And 86% of patients receive paper medical bills.

Moreover, the U.S. healthcare system racks up higher administrative costs than any other healthcare system. Private health plans alone spend $158 billion on administrative costs each year, with average administrative costs per payer hovering around 17.8%.

While many payers have implemented some form of electronic payment, many initial technology deployments were launched to meet compliance requirements as a response to market pressures. Few organizations considered long-term viability or coming advances when setting their plan in place.

Meaning: You're simply not getting the most out of your current systems.

Getting started: The near-term

You may have taken the plunge into electronic payment by implementing automated clearing house (ACH) payments. But this is merely the foundation for maturing digital payment strategies.

Short-term strategies should focus on incremental steps that allow for the evolving world of faster payments.

The reality is that ACH typically only covers 80% of healthcare transactions. So you're still relying on legacy processes (i.e. paper checks) for the remainder of payments.

Next steps: Future positioning

Health plans must develop strategies that consider where both the industry and digital payment market is headed over the next five years.
Some trends may include:

Growth of consumer-directed healthcare, tax savings accounts, and high deductible plans.
Shifting consumer behaviors and evolving digital expectations driven by the pandemic are requiring healthcare businesses to reprioritize. Payers and providers must consider the adoption of digital payments to meet the increasing consumer demand.

With an increase in patient financial responsibility, providers are looking to health plan partners to collect payments. Even more notably, most patients are looking for digital payment options.

In fact, 95% of patients indicate they are willing to pay a bill, while only 20% of organizations indicate they have the infrastructure to meet this experience.

Going forward, you should consider how to best navigate changing reimbursement models and work with providers and consumers.

Emerging payment technologies.
The use of peer-to-peer payments and digital wallets has grown in popularity, especially among younger generations. And while this isn't directly applicable to the healthcare industry just yet, such payment systems are becoming the norm and with that come certain consumer expectations.

Venmo, one of the first applications to become mainstream, offers consumers a way to directly transfer money to another person. It takes a couple of days to get funds from Venmo to a consumer's bank account, but other applications, like Zelle, are changing that dynamic.

The problem? The evolution of these technologies run in stark contrast to ACH processes, where a payment is posted, but a provider may only be able to access a percentage of the amount owed the first day.

That's why it is vital to prepare for short-term and long-term needs. Payer executives can (and should) establish goals and strategies that align with industry and other digital payment movements.

The Wrap Up

It's time to retire the 1980s-era healthcare billing and payments. And looking at healthcare's transformation as an opportunity, rather than a forced change, is key.

The effort of conjoining healthcare with digital payments and data is central to treating patients like paying customers… and treating healthcare as a business — a mindset adjustment that organizations urgently need to make, as the ability to receive bills quickly and digitally, and pay them in the same manner, has become critical in today's digitally-driven world.

If you'd like to see what Zelis is doing for the new wave of healthcare digitization, please reach out to your Zelis representative or **contact us here.**

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PAYMENTS OPTIMIZATION

Healthcare Payments *Your Way*

While last year had many challenges, it also catapulted the evolution of healthcare payments and communications. From high rebates to a drop in member satisfaction with communications, the industry dealt with unprecedented challenges that forced it to adapt.

With lower claim volume, payers have had to pay large rebates to customers due to MLR (Medical Loss Ratio) requirements. The increase in laid off and furloughed employees has resulted in a membership transition from commercial plans to Medicaid and self-pay. Payers need to find a better way to reduce costs and keep members and providers happy. Members are confused by the large volume of transactional claim communications and want to better understand what they owe. That's where the shift towards electronic payments and episodic communications comes in.

$450B in paper check payments still exists today across providers.
– Bain & Co.

There's a huge opportunity to drive electronic adoption and reduce costs.

Getting your providers to make the switch from paper checks to electronic will help streamline operations and unlock the next level in efficiency.

Giving your members clearer, more concise communications helps improve visibility into their healthcare claims.

With an ever changing healthcare payments and communications landscape, we want you to be as prepared as possible with the right solutions in your arsenal.

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