



HealthCare Partners®

A Provider Who Thinks Like a Payer

The shift toward value-based care is gathering momentum in the healthcare industry. As part of this transformation, healthcare organizations will be required to take on greater and greater percentages of risk lives.¹ By 2018, Medicare will convert 50% of its payments to value-based models. A new task force made up of providers, insurers and employers has committed to shift 75% of its members' business into contracts with incentives for health outcomes, quality and cost management by January 2020.²

Many organizations are exploring value-based care, though due to potential financial risks, most proceed with an abundance of caution. Some providers, however, have chosen to lead the transformation ... and they're the ones positioned to thrive and gain market share.

At the forefront of value-based care is HealthCare Partners, a Southern California-based system that's been steadily growing, both organically and through acquisitions, since its inception in 1992. Today, Healthcare Partners' 5,000-plus primary care physicians are responsible for 1.2 million patients covered under risk arrangements (covered lives) across 7 geographically diverse markets.

HealthCare Partners is determined to be a leader in value-based care.

"We want to be the provider **and** employer **and** community partner of choice," said Julie Castongia, Director GE Applications at HealthCare Partners. "We feel that we can manage dollars as well as or better than a payer. So we'll take on risk and provide the best and most appropriate care that we can."

To succeed in these partially or fully capitated arrangements, provider organizations like HealthCare Partners must think like a payer, and do so in five key ways:

- Health plan alignment
- Network alignment
- Organizational alignment
- Population health management
- Information technology infrastructure

Managing these complex factors cost-effectively requires tools that reduce the administrative burden and increase efficiency. That's why HealthCare Partners is among over 30 major provider organizations using Centricity™ Financial Risk Manager, which was built specifically to meet the needs of providers taking on risk.

As HealthCare Partners continues to increase market share, the organization is addressing the five key elements of thinking like a payer.



Challenge:

- Move from a model where reimbursement is based on the volume of services provided to one focused on value by rewarding better outcomes and lower spending
- Providing the most appropriate care in the most cost-effective environment
- Aligning the organization around the changed paradigm
- Assuming more risk and growing outside HealthCare Partners' traditional market

Solution:

- GE Healthcare's Centricity Financial Risk Manager with integrated EDI

Outcome:

- 93.8% of revenue derived from value-based arrangements
- 99% of claims are auto-released and auto-adjudicated
- 1.2 million covered lives across 7 geographically diverse markets
- Strong organizational alignment in CA & NV is used as the template to expand into other markets

Health Plan Alignment

Payers and providers must work together to agree not only on the per-patient costs, but also on the best treatments and appropriate care.

“Through our capitation arrangements, we’re able to offer more programs up front,” said Castongia. “We can provide health education and disease management to help patients manage their own health condition and take responsibility in their own care.”

And as the organization takes on more risk, they’re leaning more on the capabilities of Centricity Financial Risk Manager.

“We have over one million covered lives. I believe we have about 4 million registrants in our Master Patient Index,” said Castongia. “It’s a lot of history, and Centricity Financial Risk Manager is very scalable in how we’re able to maintain that history.”

Network Alignment

Like payers, provider organizations that take the risk and responsibility to produce positive outcomes for patients strive to broaden their reach and improve access to the right care at the right time.

HealthCare Partners, for example, manages an Independent Practice Association network that wraps around its medical group model in each market to extend the organization’s reach farther into the community.

The organization uses its narrow network and geographically aligned services so that patients can be treated in the most effective setting for their situation, whether that’s in an out-patient clinic, a physicians group, the emergency room or elsewhere.

Organizational Alignment

A shift in mindset, of course, must start with the minds of every individual in the organization – employed and affiliated physicians, clinical and administrative staff, revenue cycle staff and institution leaders.

Everyone must be equipped to support new reimbursement models. As a proven, highly scalable, and provider-focused technology, Centricity Financial Risk Manager brings the many and varied elements of the financial management of value-based contracts into one effective system.

HealthCare Partners can manage all of their risk-based contracts – which include varying levels of capitation and delegated professional and institutional risk – under one solution, helping to enable standardized business processes and workflow across the enterprise.

“Centricity Financial Risk Manager allows us to build a benefit plan one time, and that record is carried out through the entire system,” said Castongia. “To have the co-pays adjudicate correctly and in real time – on a claim that came from an outside vendor, or a charge that was submitted by an internal doctor – is an enormous benefit. That to me is cutting edge, that we’re able to represent any non-covered patient balances without overinflating our receivables.”

Population Health Management

To advance more proactive, cost-effective care, providers and payers are working to improve patient health in a broader sense. They’re looking to connect clinical and financial data of different systems in ways that provide a more complete perspective on their patients.

HealthCare Partners takes advantage of the full suite of Centricity Financial Risk Manager – including Enrollment, Referrals, Automatic Claims Adjudication, Capitation and Risk Management along with Electronic Data Interchange connectivity – to help ensure:

- Effective management by exception based workflows
- Accurate adjudication of complex member benefits and provider contracts
- Transparent financial results

Information at the ready is positive for the individual patient experience, as well.

“Our care managers are able to look up right within the system what a patient does or doesn’t have coverage for and what the co-pay amounts are,” said Castongia. “They can work with a patient to help them understand what they’re going to be responsible for financially when they’re being treated.”

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Information Technology Infrastructure

For an organization that continues to grow both organically and by acquisition, the ability of IT infrastructure to accommodate expansion and disparate systems is crucial.

HealthCare Partners selected Centricity Financial Risk Manager because of its compatibility for integration with existing process management tools, allowing a single patient record to be carried through the whole system.

Since then, Centricity Financial Risk Manager has enabled Healthcare Partners to scale from a few thousand covered lives to over 1 million while supporting multiple health plans on a single platform.

Future Challenges

HealthCare Partners' recent merger with international provider DaVita® is broadening the provider's impact on delivering the best possible care at the lowest possible cost in the value-based reimbursement model. The company's ongoing growth shows that risk-based contracts, when managed effectively, can add to a provider's competitive advantage in today's environment.

While other organizations are at different stages in the transformation toward value over volume, Castongia advised that the time is now to accelerate these efforts just as HealthCare Partners is doing.

"New payment models are coming. It's important to explore what the different models are," she said. "And you can start by dipping your toes in. You could decide to capitate a small group of cardiologists, let's say. With the flexibility that Centricity Financial Risk Manager provides, you're poised to respond to these different payment models and expand on them in a way that you can't with a traditional system. That's what has been so good about it. The tools that exist within Centricity Financial Risk Manager allow us to think and act like a payer."

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About GE Healthcare

GE Healthcare provides transformational medical technologies and services to meet the demand for increased access, enhanced quality and more affordable healthcare around the world. GE works on things that matter – great people and technologies taking on tough challenges. From medical imaging, software & IT, patient monitoring and diagnostics to drug discovery, biopharmaceutical manufacturing technologies and performance improvement solutions, GE Healthcare helps medical professionals deliver great healthcare to their patients.

¹ <http://www.hhs.gov/news/press/2015pres/01/20150126a.html>

² <http://www.hcttf.org/releases/2015/1/28/major-health-care-players-unite-to-accelerate-transformation-of-us-health-care-system>

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