Creating Sustainable Health Systems through Innovative Reimbursement Solutions

Presenters

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Creating Sustainable Health Systems through Innovative Reimbursement Solutions

From our discussion today, we hope you will take away some helpful ideas and tangible concepts you can exchange and explore further with your colleagues, including:

- Some approaches to solving challenges in health care payment and reimbursement
- Business partnership models that can create synergies between payers and providers
- Evolving and remaining relevant in our mission to deliver quality and affordable care to vulnerable populations and build healthier communities

Creating Sustainable Health Systems through Innovative Reimbursement Solutions

During today’s session we will emphasize these themes from two distinct points of view:

- “Payer strategies” that are evolving approaches in the areas of payer contracting, reimbursement, and payer innovation
- “Customer strategies” and responses to how our communities are re-defining our value and relevance
CHI Market Diversity

Local Systems of Care Organized in 33 Market-Based Organizations
Including Joint Operating Agreements and Joint Ventures

Market-Based Organization Total Operating Revenue

- Less than $40 million
- $40 to $100 million
- $100 to $350 million
- $350 million to $1 billion
- Greater than $1 billion

Payer Strategies
Customer Strategies
Next Era Relevance
Payer Strategies

As a result of changes precipitated by our recent recession and the Affordable Care Act, CHI recognized a need to approach our relationships with payers from a more sophisticated perspective:

- Comprehensive payer relationship management
- Strategic approach to pricing and healthcare economics
- Contracting standards and operational precision
- Tools and skills needed to succeed in value based models
- Participating in the health plan and insurance space
**Payer Strategies**

Specific payer strategy focus areas:

- Network performance linked to FFS and VBC models
- Participation in Health Insurance Exchange networks
- Contract integrity and performance
- Payer diversification in context with community strategies
- Narrow network opportunities for defined populations

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**Payer Strategies**

CHI has invested in talent and capabilities from within and outside our organization in forming Payer Strategy & Operations

- Teams with both health system and payer backgrounds
- Integrated managed care and payer strategy functions
- Formal business transformation and training curricula
- Consolidated and expanded pricing and healthcare economics
- Developed value and risk-based contracting operations
Payer Strategies

Some early indicators

- Value Based Contracts are growing in favor with a number of payer entities

- “Narrow” network models are aligning well with specific payer and consumer populations, including new health exchanges

- Health plan operations strategies coexisting with established payer market players – some are more nervous than others...

- Increased employer interest in innovative corporate and occupational health programs

Customer Strategies
Customer Strategies

Understanding our customers and how we can better serve them is essential to improving the health of our communities:

- Customer expectations are indexing to the broader marketplace
- Employers are looking for new options and more value
- Consumers bear more direct healthcare cost than ever, and are changing their buying patterns and habits
- Many consumers remain disenfranchised and under-served
- People’s broader health and wellbeing needs are often not addressed within our acute-centric business models

Customer Strategies

In response, CHI has developed dedicated functional business areas and programs under PSO to address these emerging strategies:

- Employer and corporate health services
- Value-added health plan and insurance capabilities
- Consumer engagement infrastructure and service models
- Formation of community support networks
- Support solutions for community-based organizations
**Customer Strategies**

Themes and success stories that illustrate the importance of aligning the business of healthcare with the concepts of population health

- Demonstrated healthcare quality and affordability for covered and attributed defined populations
- Improved consumer experience and health outcomes in acute care settings
- Developed non-clinical but clinically relevant customer solutions that are helping people address their broader health needs
- Engagement and partnership with community organizations

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**What we have learned**

Some lessons learned along the way:

- Recognize, respect, and resolve business and culture barriers
- Persevere in developing buy-in across stakeholder groups
- Understand and solve for new demands on established and emerging functions
- Emphasize the importance of learning and innovating in a traditionally failure-averse healthcare value system
- Celebrate successes early and often!
Building the Health Care System of the Future

Thank You