eBOOK

Managing the financials of population health

Challenges and solutions

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IMO Intelligent Medical Objects

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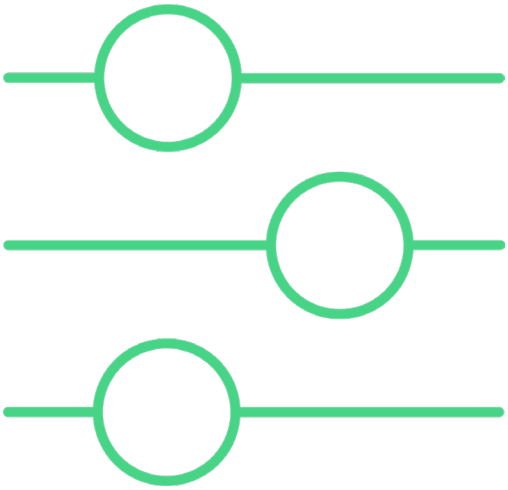
Introduction

Delivering quality care at a reasonable price is a balancing act – made even more difficult as the healthcare industry moves from a fee-for-service model to value-based care. This transition introduces new financial hurdles into today's healthcare system, as it changes how reimbursements are calculated. The fee-for-service model typically has a linear connection between the service provided or care administered and its corresponding cost. In the value-based care system, however, this dynamic changes, since reimbursement is determined in part based on overall patient outcomes, not solely on the specific services rendered. Examined below are five of the top challenges institutions face when trying to manage the financial side of this paradigm shift – particularly in the context of population health – along with some solutions to consider.



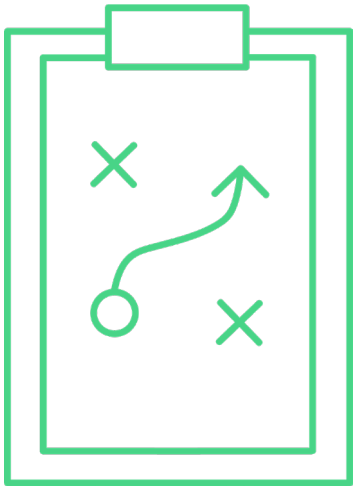
01

Defining the terms

Clearly defining important terms is one of the first challenges many health systems face when designing a population health management program. It's often an unexpected hurdle, since it is easy to assume that everyone understands the basics. However, what's critical is defining terms *as they relate to the project at hand*. For example, the phrase *population health* can have multiple meanings depending on the institution or community. Or contemplate the general diagnosis of *diabetes*, which includes individuals with type 1 diabetes, type 2 diabetes, or gestational diabetes – three different manifestations of the same overarching diagnosis requiring different interventions.

Consider the following

It may be a laborious first step, but taking time to clearly define parameters of key terms within the context of your project will pay dividends down the road. Furthermore, soliciting input from all departments helps ensure that everyone is on board with inclusion and exclusion criteria, setting the stage for a multi-disciplined, collaborative project.



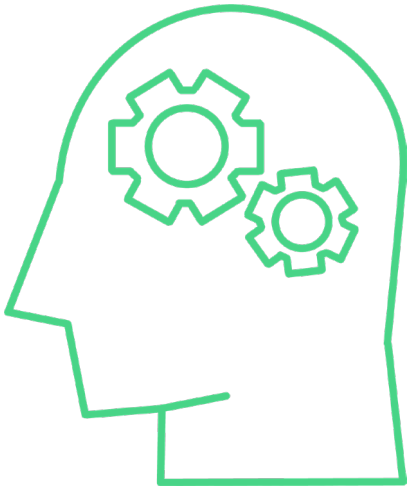
02

Thoughtful planning

The success of population health initiatives often results from identifying appropriate interventions early on and creating a road map to achieve the ideal outcomes. Plans for continual self-assessment and frequent monitoring of results allow organizations to stay on track and make small adjustments as necessary to assure appropriate reimbursements and successful interventions.

Consider the following

Think in reverse. Early planning for the storage and analysis of large amounts of data from multiple sources, like third-party payers and disease registries, helps projects run smoothly. Brainstorm with the population health management team to understand what ideal outcomes would be, but also what is feasible given the circumstances and resources of both the population and the health system as a whole.



03

Shifting mindsets

Providers are trained to address immediate, clinical needs before focusing on larger population-level issues. However, successful population health programs place equivalent importance on long-term outcomes *and* individual patient care. Asking clinicians to equally prioritize both individual, immediate patient care along with overarching population health goals is usually untenable given their workloads. Indeed, doing so may ultimately result in poorer, rather than improved, outcomes.

Consider the following

Develop a two-tiered approach by creating separate teams to focus primarily on either patient care *or* on population health. Clinical providers are the natural fit to track individual patients, whereas public health professionals or social workers are better equipped to assess the larger, population-health picture. This breakdown of responsibilities helps encourage proactive patient engagement, which ultimately supports cost-effective and appropriate care.

04

Reliable reporting

Using accurate, appropriate information is critical to understanding and managing the health of a specific population. Therefore, collecting trustworthy data is of paramount importance. However, since both clinical and claims data are needed for analyzable reporting, data is often initially incompatable, as it is gathered from several sources and in varying formats. Making sure data capture is consistent, useable, and accurate is a challenge that health systems must overcome in order to avoid the risk of making clinical decisions for large groups of patients based on erroneous conclusions drawn from bad data.

Consider the following

Healthcare systems can only make positive adjustments to care plans if their data provides accurate insights into how health is improving or declining for a given group. Setting up rigorous standards for data collection at the outset by creating a data dictionary – a document defining how to collect information for each variable – will generate data that health systems can feel confident using for population health decisions.

05

Financial changes

The fee-for-service model used a straightforward formula: render service, be compensated for service. Not only was the model simpler than its outcomes-based counterpart, but it also meant reimbursements were paid relatively soon after a patient received care. With an outcomes-based model, the long-term health of patients and populations is a significant factor determining how much hospitals get paid. As a result, reimbursements are more complex to manage, which may result in payments taking longer to arrive.

Consider the following

A health system's finances are another place where data is key. Without accurate information, complex claims can easily become a nightmare to process – leaving hospitals with empty pockets despite the care provided. Clear documentation throughout the care process can help organizations ensure that even though payment schedules are being adjusted, claims are less likely to be denied, supporting an appropriate financial return for care.

ABOUT THE AUTHORS

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June is IMO's Director of Terminology Mapping, providing HIT subject matter expertise while overseeing the daily operations of code mappings for IMO's terminology solutions. Prior to IMO, June was the Professional Practice Director at AHIMA, where she was responsible for content development and technical reviews of the Association's products and resources. June obtained her master's in health informatics from Northeastern University and her Health Information Management degree from Indiana University.

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David is VP of Product Strategy at IMO, working to develop new product ideas leveraging IMO's extensive terminology content. He has been with IMO since 2007, and held several positions at IMO including leading the software development group during the development and rollout of the IMO terminology appliances.

About Intelligent Medical Objects

Intelligent Medical Objects is a healthcare data enablement company that ensures clinical data integrity and quality—making patient information fit-for-purpose across the healthcare ecosystem, from hospitals to health information exchanges to payers, and beyond.

IMO's vast footprint in EHRs powers our ability to capture and preserve clinical intent at the highest level of specificity. Our secure technology platform and products then help our clients to transform and extract the greatest value from their data.

In short, IMO is the catalyst that enables accurate documentation, precise population cohorting, optimized reimbursements, robust analytics, and better care decisions to optimize patient outcomes.