

EXECUTIVE BRIEFING

The hidden driver of peak performance: How operational excellence enables provider network transformation

<https://www.healthscape.com/insights/hidden-driver-peak-performance-how-operational-excellence-enables-provider-network>

Health plans are increasingly focused on provider network strategies to ensure their members receive high-quality care when needed. But without a strong operational backbone, even the most strategic plans can stall. The first step for a health plan to unlock the highest potential is evaluating current operational maturity. In this article, we discuss how mature provider network management operations can enable network strategy success. We discuss five core capabilities of mature operations and key elements that drive organizations toward that maturity.

Emerging trends offer opportunity, even amid persistent challenges

Several positive industry trends are creating greater opportunities for health plans to increase their provider network management maturity to be more efficient, scalable, and proactive. For instance, health plans:

1. Increasingly understand the value of high-quality provider data to drive network strategy and performance
2. More often recognize the importance of managing the provider lifecycle as an end-to-end process to implement network strategy
3. Are significantly investing in technology to improve provider data management systems

However, leaders continue to tackle ongoing challenges. These include heavy reliance on manual data entry, inability to measure operational performance, difficulties defining and realizing business cases for necessary investments, inaccuracy of directory data, and ineffective vendor strategy and management. These challenges result in poor operational performance, with some health plans reporting it takes more than 3 months to fully enroll a provider (from enrollment request to contract effective date), and provider data accuracy hovering at 50% for many.

One of the biggest problems is securing funding for provider network management initiatives, which often only becomes available in a reactive way. (For instance, plans may prioritize funding if they need to retire a technology platform, a state regulator assigns a corrective action plan, or significant claims payment issues exist.)

As plans invest in network strategy development and provider performance analysis, the foundational network operational components are imperative. Relying on a reactive approach to address challenges delays a plan's growth potential and results in increased costs long term.

Assess for performance: Five core capabilities of provider network management maturity

Health plans can proactively identify performance improvement opportunities by evaluating their provider network management capabilities against a maturity model. HealthScape's assessment framework benchmarks maturity against five core capabilities:

1. **Operational effectiveness:** Automated key performance indicator (KPI) monitoring measures unit cost, enrollment turn-around times, and reliance on manual data updates.
2. **Data management and governance:** Continuous data quality improvement programs and a digital front door for providers drive a centralized provider data management strategy.
3. **Provider and member experience:** Input from adequacy analyses, quality assessments, and provider and member feedback shape network and product designs and fuel enterprise growth.
4. **Regulatory compliance:** A laser focus on state and federal regulatory activity enables payers to anticipate new requirements and leverage them to enhance operations.
5. **Technology enablement:** Intentionally designed technology suites facilitate analytics-based automations and streamlined contract and network loading.

Provider network management maturity model

Core components	Level 1: Responding	Level 2: Standardizing	Level 3: Managing	Level 4: Adapting
Operational effectiveness	- Siloed teams; reliance on manual handoffs - Non-standard workarounds	- Defined skills by function - Documented processes with QA and accountability	- Integrated workflows/teams - Reporting dashboards tracking TATs, accuracy	- Automated KPI monitoring (unit cost, time, touches) - Data analytics enable strategic network initiatives
Data management and governance	No formal data governance model or data accuracy evaluation	- Established data standards - Limited data input channels	- Formal data governance program - Dedicated PDM reporting	- Data quality continuous improvement program - Digital front door for providers
Provider and member experience	Reactive to member and provider call center priorities	Trending of feedback enables systematic solutioning	- NPS orientation - Measuring network cost and quality	Network/product design based on adequacy, performance, quality, member feedback
Regulatory compliance	- Fire drill model; limited awareness of meeting requirements - Reactive changes	Ability to measure and report on compliance requirements	Proactively achieving compliance requirements	Leveraging compliance to enhance operations/anticipate requirements
Technology enablement	- Obsolete, siloed systems - Incompatible data	- Streamlined recredentialing - Automated PSV/monitoring	- Automated provider loading and roster processing - Enterprise source of truth/"golden provider record"	- Analytics-based auto updates - Automatic contract and network loading

While maturity in all five areas is the goal, an organization can be more mature in some components but lag in others. For example, a health plan that excels in technology enablement may struggle to stay on top of regulatory activity. By evaluating against a maturity framework, leaders can identify which gaps make the greatest impact and where to prioritize investment.

Improvement initiatives can produce adverse effects alongside advancements, so health plans need to continually identify and implement innovative strategies. For example, a health plan may develop capabilities that automate otherwise expensive provider data updates. But a high number of fallouts that require manual intervention may inhibit immediate efficiency. The health plan can increase automation levels by auditing these new fallouts and assigning confidence levels to provider groups.

Four key elements enable success

Health plans that aim to advance provider network management should consider four key drivers of success:

- 1. Build your business cases carefully.** Proving a direct return on investment (ROI) or cost reduction can be complicated for these types of projects. Highlight some of the tangible benefits, such as the ability to grow and retain members, increase the processing and accuracy of claims payments, improve provider retention, and leverage data to advance strategic initiatives. Another compelling benefit is avoiding an unplanned audit or process failure.

While phased funding approvals is a typical approach, be sure to define the complete project business case, expected ROI, and timetable to completion. Funding a “Minimum Viable Project (MVP) is only helpful if what comes out of that project truly delivers value as a stand-alone initiative.

2. Create your initiative roadmap. A clear roadmap can help prioritize initiatives and align stakeholders on the near-term and long-term strategic goals. Health plans must consider multiple factors during prioritization, including cross-functional dependencies, provider needs, and value-add targets. Most importantly, the initiative roadmap needs to support the overall network strategy. For instance, if network expansion is a primary goal, ensuring the provider enrollment, credentialing, and onboarding functions are scalable is critical.

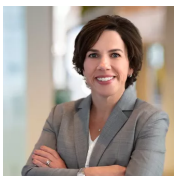
3. Define the right vendor strategy. A plethora of vendors are focused on the provider network management space. They offer network build tools, provider data management (PDM) platforms, data quality capabilities, credentialing services, and more. Health plans must perform evaluations to identify the best partners to fold in and support execution of the network strategy. While tools and technology are vital components to success, they cannot work alone. Plans must equally invest in necessary organizational structure and workflow redesign.

4. Revisit and refresh your strategy. Provider network operational initiatives are complex, involve multiple internal and external stakeholders, and require highly integrated systems and teams for success. They also can take a long time to implement and achieve the target results. Additionally, organizational priorities can shift (e.g., a new acquisition may introduce new dependencies with different systems and processes). As a result, plans must continually review and refresh their strategy and initiative roadmap to ensure they focus resources on the most pressing needs.

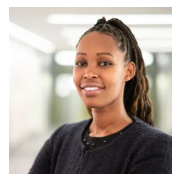
Invest in provider network management maturity to position for growth

Health plans have an opportunity to proactively invest in provider network management to enable enterprise growth and meet member needs. To start, health plans should evaluate current capabilities against a maturity framework along the five dimensions. This will allow them to understand performance within and across these areas, identify short- and long-term improvements, and design and implement targeted improvement initiatives that will meet their unique needs and goals.

AUTHORS



Bethany Richmond
Senior Partner



Imelda Karangwa
Engagement Manager