Beyond its 'bourbonism' boom, $14.5 billion hospitality sector grows by giving visitors a taste of the authentic

Page 24
BUSINESS executives trying to manage their margins in a competitive environment have long been concerned about ever-increasing healthcare costs. Employers need to attract and retain top talent and keep their workforce healthy and productive, but providing attractive health benefits is a growing drain from a financial standpoint.

Lexington Clinic, a multi-specialty medical group with 200-plus providers, thinks its new Provider Employer Pathways program will save employers 4 to 5 percent this year by using a population health analytic software to manage employee well-being more efficiently and effectively. The goal is that those savings will increase in the future.

Using those analytics, it works with employers to customize benefits plans around a care network emphasizing the use of Lexington Clinic facilities and providers.

Now three years old, Provider Employer Pathways is similar to other direct-to-employer care programs throughout the nation, but Lexington Clinic Chief Administrative Officer Eric Riley said their’s takes a broader and more comprehensive approach.

The program currently has around 30,000 members. It has employer member groups from as large as 7,000 down to 300, including a wide range of businesses from the automotive industry to law firms and educational companies.

“We are providing a service to a constituency of clients across the commonwealth, as well as providing healthcare to our own employees,” Riley said. “We believe that fiduciary responsibility isn’t just an economic footprint; it’s also in the health of those employees. This concept isn’t totally unique in the nation, but it is pretty forefront in this market from the comprehensive structure of it.”

The Provider Employer Pathways program is customized to each employer and looks different depending on the health needs of particular populations of employees, he said, because the aim is to create an actual partnership among the program, the employees and the employer.

Lexington Clinic has “a whole suite of specialty-based outpatient services,”

Making Employee Age Data an Asset

Direct-to-employer care program’s analytics tool helps provider anticipate and manage care needs

BY ESTHER ZUNKER
Riley said, “That provides the opportunity for us to provide a cost-conscious network, so that we can share that savings opportunity with some of our employer network and partners in the market.”

Employees’ ages often shape services. Some of our clients who are younger consume healthcare very differently than older individuals who are beginning to hit those chronic elements of life,” Riley said. “We really do work hard to help the employer understand what their employee population looks like, and the opportunities available to engage and navigate them.”

Lower costs and better outcome?
The cost issue has become even more pressing since the passage in 2010 of the Affordable Care Act increased regulatory burdens by creating minimum coverage requirements and introducing measures that ostensibly improve conditions for the consumer. They also subtly transitioned more of the cost to employers. It is a dilemma to which there is no clear answer.

Faced with increasing costs in its own traditional health plan, Lexington Clinic knew there must be smarter ways to design its health plan, and that is how it turned to the idea of premier networks, or in this case, direct-to-employer.

Many employer-based health plans have transitioned to what are known as “preferred plans,” contracting with providers that have proven records of efficient care at lower prices. With its multitude of providers and facilities, Lexington Clinic saw the opportunity to contract directly with employers and the exclusive provider for those populations. The employer would see improved health outcomes at noticeably improved overall plan costs, and Lexington Clinic would benefit from an influx of new patients.

“Really everyone wins in this situation,” Riley said. “Preferred networks are nothing new, so why shouldn’t Lexington Clinic make up a significant portion of the network? We have providers of virtually every major specialty, and we offer exceptional care and quality at a demonstrated value to the employer.”

There are two areas he believes an employer should be sensitive to: cost and value/outcome. Depending on the employee demographics of a particular company, cost thresholds to employers will vary.

Depending on what their population looks like from a demographic (perspective) can determine their expense and disease burden sensitivity, Riley said. “Our product is designed to partner with an employer, understand their needs and help them design what is unique for them to be more successful in their population.”

‘Narrow’ networks rediscovered
In the traditional sense, narrow networks can be thought of as limiting enrollees on a plan to seeing around 70 percent of providers in a service area. Patients would face substantial up-front cost sharing to see the other, out-of-network providers.

Such networks originated in the 1980s in California, where state legislators first allowed insurers the ability to selectively contract, creating exclusive networks with providers with whom they had negotiated lower reimbursement rates.

One study of a preferred network in Massachusetts showed its structure and incentives produced a 40 percent spending reduction in emergency department use and visits to specialists. There was increased usage of primary care, leading to increased awareness of preventive care and wellness. Other studies found a nearly 40 percent decrease in spending for heart disease and other chronic conditions treatment that cost hundreds of billions of dollars a year, according to the Agency for Healthcare Research.

There are definite savings to be claimed if providers and employers are willing to shift the paradigm in the delivery and payment system.

One of Lexington Clinic’s main clients in the Provider Employer Pathways program is the large automotive parts manufacturer Hitachi Automotive Systems Americas. With large plants in both Harrodsburg and Berea, the company currently has more than 7,500 employees covered under the program, 5,500 of whom reside in Kentucky. “It’s been a fun partnership with them,” Riley said. “We’ve done a lot of preventive and chronic (condition management) work for them, and looked at benefit and design across the program. They’ve seen significant savings, but most importantly more employee engagement and care improvement.

Those two have to go hand in hand.”

Provider Employer Pathways fulfilled goals the employer had identified.

“Hitachi set out to find a program that would benefit our most valuable resource: our employees,” said Craig Fisher, senior vice president of human resources and corporate secretary of Hitachi Automotive Systems Americas. “We have been so pleased with the win-win partnership we have developed with Lexington Clinic. We have improved our healthcare benefit plan and investment, and our team members are engaged. When they are healthy and feeling their best, that’s the greatest value we can provide to our employees and their families.”

Analytics improve care management
Lower costs, while important, are not the only incentive offered by Lexington Clinic’s direct-to-employer arrangement. With innovative analytic technology that gathers and filters data from both electronic medical records and payer files, Lexington Clinic is taking strides in efficiently managing the health of large populations.
HEALTHCARE

“Analytics allow employers to work with us to find out how benefits can really alter outcome,” Riley said. “With our data, we know more about the collective health of their employee population than they do.”

OptumOne, the powerful analytic tool used by the Lexington Clinic team, amasses an impressive amount of information on patients.

“We selected them (Hitachi) because they have the largest data cohort of longitudinal information on patients … this allows us to look retrospectively at patient risk,” Riley said. “We are able to very accurately predict a disease progression based on family history (and other factors), and we use that to try and redirect the outcome.”

OptumOne can sort thousands of patients into cohorts based on different criteria – for example, those who haven’t made a “well visit” in the last 18 months, haven’t had a mammogram, or haven’t refilled prescriptions regularly.

The Lexington Clinic team analyzes OptumOne data to determine if there are care interventions that could improve the overall health and experience of patients. Engagement professionals then contact members to urge them toward the right avenues of care.

For example, care managers can contact those without well visits and help them schedule appointments, which leads to finding health conditions and treating them before they become something much more serious and expensive.

“Without follow up, diseases can progress, and then treatment becomes harder and harder,” Riley said. “It really is helping employers understand they not only have a fiduciary responsibility (to control costs), but they have an obligation to the health of their employees. If they’re going to provide a benefit, they should make sure it’s the highest value and highest quality they can possibly provide. They can’t do that if they have an illusion of choice that they can go anywhere for it; they really need to bring those provisions of care closer so they can navigate them ideally for the outcome.”

Member navigators ease access

Another key feature of Lexington Clinic’s direct-to-employer program is member navigation. Specific members of Lexington Clinic staff are dedicated exclusively to help employer groups navigate the system and assist in their choice process. Easily accessible by intention, these navigators field questions from patients and help them get access to the providers they need to see.

“By engaging the employee in the (healthcare) purchasing decisions and assigning them a personal navigator, you start to have good dialogue,” Riley said. “The employee determines how they will spend their resources, so there’s material engagement instead of a soft engagement.”

When patients make contact, the member navigator can determine where they are calling from in order to suggest the most rapid point of care with the most cost-efficient method at any of Lexington Clinic’s more than 200 providers. This process puts at ease the many enrollees likely to be overwhelmed by sorting out the system’s care options.

A new model for healthcare

As the U.S. Department of Health and Human Services seeks to tie 90 percent of its healthcare compensation payments to value and quality by 2018, providers and payers are looking for new models to maximize patient health at the lowest cost.

Employers are seeking savings in an uncertain regulatory environment, but facing the trend that their employees are aging and utilizing more care. The portion of the budget allocated for health benefits has been steadily rising, and until now there was no end in sight.

Lexington Clinic, with its direct-to-employer model, is providing an example of payment model innovation. Contracting directly with large employer groups is saving both sides money, and overall patient health is better managed, resulting in improved outcomes for organizations’ most valuable asset: people.

“I believe this is a key solution for employers in the market in terms of providing good benefits to their employees,” Riley said. “My passion is embedded in doing what I can to help those employers understand there are ways to manage your employees from a benefit prospective and a health outcome perspective that can be mutually enjoyable. Anything we can do to help promote that, I’m happy to help with that pathway.”

Esther Zunker is a correspondent for The Lane Report. She can be reached at editorial@lanereport.com.