



THE NETWORK EFFECT

How Providers and Employers Can Work
Together to Heal Healthcare

VANDERBILT  HEALTH



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The COVID-19 pandemic has underscored what we already knew – we don't just have a broken healthcare system. We have an unsustainable one. And it's threatening our collective ability to build strong, viable communities.

Prior to COVID-19, our healthcare system wasn't working all that well. Despite advances in technology, breakthroughs in clinical research and investment in wellness and prevention, pharmacy spend was raging, chronic disease was on the rise, costs were continuing to climb, and quality was unsteady and unpredictable. And then along came COVID-19. For a while, bad turned to worse as patients were unable, or sometimes unwilling, to engage in care at all.

As an employer who is battling annual premium increases while experiencing declines in employee health and productivity and trying to navigate the new normal of a post-COVID workforce, what are your viable options? You've likely tried many things to reduce cost and improve quality of the care your employees receive. You've offered health and wellness services to help them live healthier lives. And yet, here we are.

Many employers have decided it is time to play an "activist" role in addressing these challenges. According to a recent survey by the Business Group on Health, nearly half of employers are doubling down on driving delivery system changes, with a focus on models that reward high-performance and encourage accountability. Nearly 60% of employers are planning to amp up their participation in such models.

A close-up photograph of a person's hand holding a smartwatch. The watch face is visible, showing the time 5:42 and some activity tracking information. The background is a soft-focus blue and white pattern, possibly a shirt or a wall.

60%

Nearly 60% of employers plan to amp up their participation in models that reward high performance and encourage accountability.

Business Group on Health survey

Meanwhile, a growing number of providers are coming together to drive change as well. Understanding their responsibility to improve quality and lower cost, they are forming provider-led networks that are built on an integrated delivery system. They are disrupting the traditional, siloed delivery of medicine and creating opportunities to practice whole-person, patient-centered, value-based care. They are pushing the silver linings of the pandemic, which have ushered in widespread adoption of healthcare technologies and created an environment where true change and innovation move beyond incubators and conference stages into real practice.

In short, innovative employers and providers are realizing that achieving better results requires a new level of clinical innovation and a radically different level of partnership. This new approach often involves:

WORK	Working together to build a value-based approach to employee benefits that is centered on mutual accountability and shared success.	FOCUS	Focusing on efforts that encourage prevention and appropriate access for healthy employees and clinical interventions to support those with chronic diseases.
EMPOWER	Empowering employees to manage their health and live healthier lives by delivering “health” care, not just “sick” care.	LEVERAGE	Leveraging provider-led networks to identify best practices that drive higher-quality, lower-cost results, and scale them for greater impact.

In the pages that follow, we will demonstrate the value of partnering with an integrated, provider-led network to manage the well-being of your workforce. It’s an emerging model that offers unlimited opportunities to reduce cost, improve quality and enhance the healthcare experience for your employees and their families.

ALIGNING AROUND VALUE

Before we present the business case for a provider-led network, let's clearly define what's different about this approach. A provider-led network is an independent alignment of providers who have come together to try and improve quality and lower the cost of care. This type of network isn't linked to a specific insurance, company or plan. The decisions and directions taken by participating providers are solely focused on what's in the best interest of patients. As a result, it is a versatile asset that can be pointed to help employers, insurance companies, brokers and consultants.

Providers who have decided to participate in a provider-led network have a special DNA. They are proactive and typically more accountable to the quality and cost of care they provide. They are more interested in collaborating. They are committed to continuous improvement and learning, always seeking new approaches and refining their protocols to deliver better outcomes for the patients and populations they serve. They are a different breed.

When you assemble an entire network of physicians who are cut from this cloth, the culture of care is far different than what your employees experience when receiving siloed support from a traditional mix of disconnected providers.

Alignment runs deep in a provider-led network because the overarching objective is to impact the total cost and quality of care, not just medical spend. To truly drive better results, you have to specifically address medical and pharmacy costs as well as utilization. You need providers engaged with formulary reviews, working closely with your pharmacy benefit manager (PBM) to ensure the right drugs are available and adding an extra layer of patient engagement to ensure compliance. A provider-led network creates alignment in every corner of healthcare.

Additionally, when collaborating with a provider-led network, you can access these high-quality medical professionals less expensively than traditional models. Because you are engaging at a much more strategic level with these providers and agreeing to shared goals, you will most likely see immediate cost reductions based on preferential rates.

Even more powerful is the opportunity to share in the savings achieved and create a financial incentive framework that rewards for value instead of volume. One that rewards providers for improved quality, outcomes and lower costs.

This relationship is far different than a fee-for-service model where incentives are misaligned. By partnering with networked providers, you can much more effectively align financial rewards by creating shared savings mechanisms.

Put simply, if the provider-led network reduces your healthcare spend, a portion of that savings is shared with the participating providers who did a great job. If your plan doesn't achieve cost savings, providers do not achieve shared savings. These arrangements are growing in popularity because of their ability to bring every entity onto the same page, all working toward a common goal of highest-quality, lowest-cost care.

With shared goals and aligned incentives, providers are rewarded for upholding the highest standards and going the extra mile for every one of your employees and their dependents.



SOLVING PROBLEMS AT THE POPULATION LEVEL

In the old model, providers played the waiting game. They were called upon only in times of urgency or emergency. The new model calls for a proactive and collaborative approach. How do you address the unique needs of factory workers, which often include limited engagement with primary care, while also catering to the “high touch” needs of your leadership team? How do you anticipate a population’s needs and proactively address the exact challenges that are barriers to healthy outcomes?

In the old model, we weren’t equipping providers to address the needs of patient populations with common barriers to health, only the needs of the patient sitting in their office.

Healthcare costs are hanging in the balance. Productivity is on the line. From a line worker showing up for a shift to a CEO feeling well enough to make key strategic decisions, your company’s bottom line is at risk. Just as you forecast revenue and profitability, you can predict and anticipate the healthcare needs your population will likely have in the year to come. Proactively planning for these needs alongside providers makes all the difference.

Developing specific programs for issues such as diabetes management, weight management and medication management in partnership with your provider community can be just the ounce of prevention you need to avoid pounds of lost revenue from rising healthcare costs and declining productivity.



\$500 Million

In Nashville alone, annual productivity losses due to chronic health conditions approach a half-billion dollars.

Nashville Area
Chamber of Commerce

According to a recent [Pew report](#), chronic health conditions impact almost half of American adults, while contributing to almost 75% of healthcare costs. In Nashville alone, productivity losses from diabetes, obesity and hypertension top [\\$500 million each year](#).

By sharing data, providers in an integrated network can identify gaps in care that could lead to adverse outcomes and proactively reach out to individuals who need preventive services. This could include targeted campaigns aimed at individuals with specific conditions to nudge healthy behaviors and connect them with relevant healthcare resources. Working strategically with providers moves you from only fighting fires to preventing them in the first place. You establish a scenario where the providers who care for your employees are able to execute on the 4Ps of healthcare delivery: personalized, predictive, participatory and preventive.

CASE IN POINT:

West Tennessee Healthcare (WTH) is a 100+ provider, multi-specialty group practice serving the healthcare needs of West Tennesseans. It is a member of the Vanderbilt Health Affiliated Network (VHAN).

When the pandemic hit in early 2020, West Tennessee Healthcare (WTH) faced the same dilemmas as healthcare organizations all across the country: With a lack of available personal protective equipment (PPE), safety concerns for doctors and patients, and the inability to reach many patients in person, WTH needed to launch a telehealth program—and they needed to do it quickly.

“We had developed the vision and strategy for our telehealth program, which we originally planned to roll out over six to twelve months, but in March of 2020, our leadership team knew we needed to push out the program in just a few weeks,” says Claude Pirtle, MD, Chief Medical Information Officer.

WTH leaders immediately formed a Telehealth Governance Council made up of clinicians, clinic directors, nurses and administrators to develop a solution for the entire enterprise, including 40 primary and specialty care clinics. The council first focused on educating patients on the benefits of telehealth visits and providing scripts for staff members to use when scheduling patient visits. After navigating the technological learning curve, physicians and patients discovered the convenience and quality of virtual appointments. Many adopted telehealth visits enthusiastically with an increase of 1300% in March 2020 as compared to March 2019.

Although adoption of virtual visits began to climb quickly, proper coding and documentation was another hurdle to overcome. Providers had to steer through frequent shifts to the rules, including changing modifiers and regulations. WTH leaders educated physicians about coding and documentation using one-pagers, short presentations and direct phone calls that didn’t get too deep into the weeds.

Dr. Pirtle also noted that WTH worked with VHAN on coding improvements and risk stratification through consults and regular Performance Improvement Committee meetings from the Connected Care Accountable Care Organization.

Virtual Care ‘Wins’ for Patients

In addition to its organization-wide telehealth program, WTH physicians also began offering remote patient monitoring for patients who had been discharged from the hospital or emergency department with COVID-19. Discharged patients received a device to monitor their pulse oxygen level and heart rate, and if their vital signs fell below an acceptable range, providers received a notification and a care coordinator reached out within minutes to assist them.

“We’ve had a number of wins through this 24-hour coverage,” Dr. Pirtle says. “In some cases, our nurses have called an ambulance for a patient who is alone and needs immediate care. Going forward, we plan to implement remote patient monitoring for people with congestive heart failure and COPD. Overall, this new effort is very successful and has allowed us to provide quality care outside of the hospital.”

For more information about WTH's telehealth program, read Dr. Pirtle's article in [Telehealth and Medicine Today](#).

A woman with long dark hair, wearing a dark t-shirt and pants, is pushing an elderly person in a silver metal wheelchair. They are walking away from the camera on a grassy path. The elderly person is wearing a light-colored jacket and red pants. The background shows a large green field, a fence, and a line of trees under a bright, hazy sky with the sun low on the horizon, creating a warm, golden glow.

7 \$BILLION

Unplanned absences related to caring for a family member are costing employers of Sandwich Generation employees (the generation responsible for bringing up their own children and for the care of their aging parents) \$7 billion annually.

Corporate Wellness Magazine

OVERCOMING BARRIERS / NAVIGATING THE SYSTEM

Everyone has barriers to care. Money. Education. Time. So, how do you overcome them? By forming a deep partnership with a provider-led network, employers can collaborate on reducing, limiting or removing the various barriers facing their populations. These barriers often lead to inappropriate and unnecessary use of the healthcare system and lost productivity at work.

Consider the fact that nearly half (47%) of Americans ages 40-59 are included in the Sandwich Generation, meaning they have caregiving responsibilities for at least two generations of family members, according to [Pew Research](#). The pressure these employees are under can erode health and impact performance. As an example, unplanned absences related to caring for a family member costs employers [\\$7 billion annually](#).

When evaluating your overall healthcare approach, you need to think about the whole house. For instance, pediatrics has to be a critical part of your provider network strategy, because it has a direct and intense impact on productivity. For every child who doesn't get the best support and guidance to stay healthy, there's an employee sustaining multiple absences and mentally checking out while on the clock because of family stress.

The bottom line is we need a more sustainable approach to our strained and stressed healthcare system. We must use our limited resources more sustainably and responsibly, which means creating a better, more sustainable model and helping individuals better navigate the system.



\$4.4 Billion

Lost each year to unnecessary ER use

Agency for Healthcare Research and Quality

Somewhere between 13% to 27% of emergency room visits in the U.S. could be managed by a lower-cost option, such as a physician's office, clinic or urgent care center. We are currently burning an additional \$4.4 billion each year on unnecessary emergency room usage. Much of this waste comes from patients not having awareness of or easy access to more appropriate care options.

For instance, 28% of U.S. men and 17% of women don't have a personal doctor or healthcare provider, according to a government survey. The problem is worse for minorities, based on research by the Kaiser Family Foundation which shows almost half of Hispanic men (47%) don't have a primary care physician.

With an integrated, provider-led network, employers can partner to make lower-cost options for care both available and highly visible to individuals. These efforts include helping individuals establish relationships with PCPs, facilitating searches for in-network urgent care clinics and directing relevant healthcare needs toward telemedicine visits. The overall goal is to reduce inappropriate traffic to the ER, which lowers costs and frees up critical emergency resources to better serve real emergencies.



CASE IN POINT:

Upper Cumberland Family Physicians is a small practice based in Cookeville, Tennessee. It is a member of the Vanderbilt Health Affiliated Network (VHAN).

As part of a quality improvement project, Upper Cumberland set its sights on dramatically improving diabetes care. They established a new protocol where they identified patients within their population with high A1C levels and offered education and support to address economic factors, lifestyles, barriers to care and knowledge of diabetes as a disease. They worked with patients on diet, exercise, medication and other key behaviors.

The result of their efforts was a 47% improvement in A1C levels across their population.

The practice accomplished this by initiating a dedicated, 30-minute diabetic visit for high-risk patients, coupled with follow-up calls between doctor visits to encourage healthy behaviors. Upper Cumberland's participation in VHAN afforded its providers with resources that helped manage this work. The practice was supported by a network coach. This coach was an extension of the team, helping to map future state processes, develop support tools, and track and analyze data.

Upper Cumberland's success is now a best practice that is being scaled across the entire VHAN network to inform approaches to a wide range of conditions.

BUILDING ON BEST PRACTICES

By leveraging an integrated network of providers, you also can dramatically increase the consistency of the care your employee population receives. Think about the power of offering a patient in a rural area outside of Union, Tennessee, the same quality of care as a patient who visits a top hospital in Downtown Nashville.

In an integrated network, providers can harness the collective expertise and best practices of others across a wide geographic area, which helps them better engage patients, elevate care and use data in ways not possible before. Picture a physician working with a patient and then imagine thousands of other providers—as well as well as pharmacists, social workers, care coordinators—standing behind them, all ready to lend their expertise and help improve the care being delivered.

The network effect also helps you drive consistently by identifying unwanted variances in practice patterns and outcomes.

The data generated and captured by an integrated network creates an unparalleled opportunity to mine for trends, study causal relationships and continuously improve the efficacy of care your employees receive. One example is integrating and analyzing pharmacy data. To better understand a patient's pharmacy needs, analytics can be used to seamlessly integrate medical record data and support review of formularies. This process will ensure the most clinically effective drug therapies are used, maximizing patient outcomes and managing overall healthcare spend.



\$25M

IN AVOIDED COSTS
Organizations relying on VHAN's
provider-led network avoided
over \$25 million in healthcare
costs over four years.

STACKING UP: THE VALUE EQUATION FOR NETWORKED PROVIDERS

In a recent analysis conducted by VHAN, clients using our integrated team of providers across the state consistently outperformed the market. They were successful in bending the cost curve in the right direction. In fact, organizations relying on our provider-led network avoided over \$25 million in healthcare costs over four years.

These dramatic differences showcase the value that can be achieved by a more strategic relationship between providers, employers and their consultants.

The chart on the following page summarizes the various benefits that can be achieved by a provider-led network approach. As you can see, a combination of financial alignment, reduced costs and improved experience deliver a stack of value for you and your employees.

FINANCIAL ALIGNMENT



- Discounted rates accomplished through design of strategic partnership
- Value-based contracting that rewards both sides through shared savings

REDUCED COSTS



- Improved outcomes for prevalence and severity of chronic diseases and health risks
- Reduced ER usage by helping patients navigate lower-cost options
- Lowered pharmacy costs by moving patients to less expensive but equally effective prescriptions, ensuring medication compliance and increasing adoption of generic medications

IMPROVED EXPERIENCE



- Enhanced care coordination to boost patient experience while reducing time away from work
- Standardization of care across geographies and individual practices, leading to more consistent interactions and outcomes
- Increased access to broad network of high-quality providers

FIVE STEPS TO ACHIEVING THE NETWORK EFFECT

So now that you see the power of the network effect, where do you go from here? Below are five steps to get you moving in the right direction.

1.

Commit to Change. Building collaborative, value-based relationships with providers is not business as usual. To be successful, you will need to be open to change. You can start small and build on what's working, but at the end of the day this requires you to adopt a different mindset in your approach to health benefits for your company.

2.

Find the Right Partner. You need a provider-led partner with the right bandwidth, the right mix of specialties, the proper infrastructure for sharing data and best practices, and a solid track record for effectively working with employers to improve care and drive down costs. Don't settle for anything less than everything you need. Look for networks created by providers for patients.

3.

Select Your Metrics. Define what success will look like and know early on what you want to impact and measure. Some of the most common metrics we see include total healthcare spend, utilization, engagement, gaps in care, preventive screenings and primary care provider (PCP) relationships. Determine what's most important for your population and establish a rigorous process up front so you can prove the value later.

4.

Develop a Specific Plan and Shared Goals. Lean on your chosen partner to map a specific course for your population based on your data, your specific needs (such as population mix, industry, geographical spread,) and the key metrics you've selected to measure.

5.

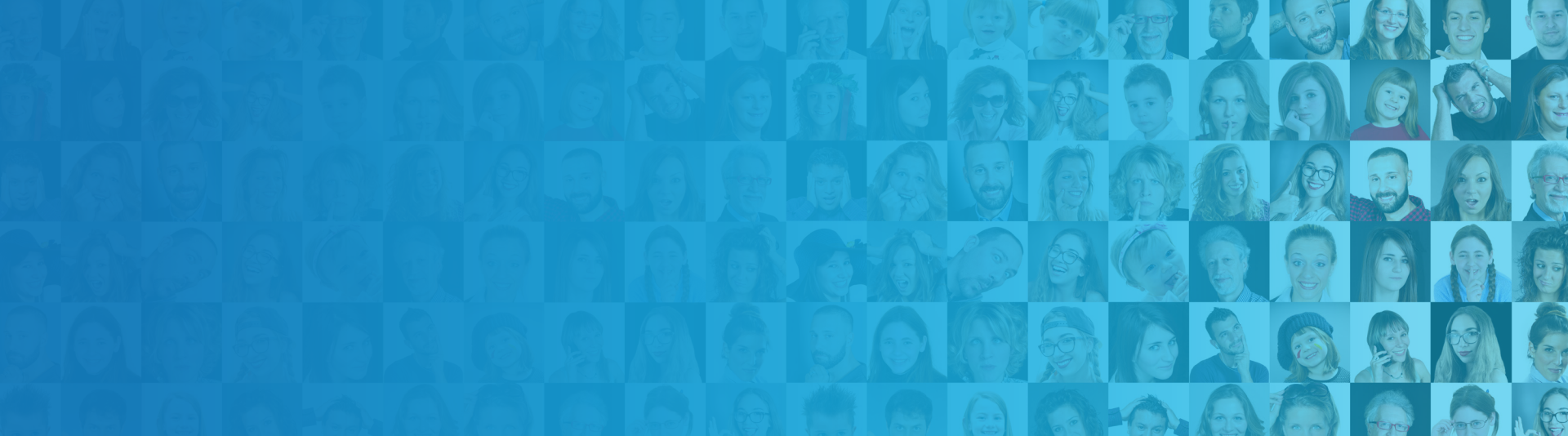
Implement and Improve. Put your plan into action and then monitor and continuously improve based on the data and outcomes you generate. Your network partner should be highly engaged throughout the year, bringing solutions to the table and offering input on how to refine your approach or, when needed, recommending a different path altogether. Your partner should also be able to effectively collaborate with your broker or consultant when evaluating the right next steps for your population.



THE WAY FORWARD

Healthcare is finally on the mend, thanks to strategic partnerships between employers and providers. This is what's next for care in our country, and the beginning of a bold new future. If you are an employer that intends to compete, now is the time to engage.

We all know that the status quo is unsustainable, and an unacceptable answer to our current challenges. As a result, the choice is simple. You can continue to pay for disconnected care, where incentives are misaligned and quality is inconsistent at best. Or you can partner with providers in a new way, in an integrated, provider-led network, where entire episodes of care are linked, where data is captured, normalized and made actionable, where an entire community of medical professionals are rewarded for providing the best outcomes and delivering the best experience for your employees and their families. We encourage you to choose wisely.



**For more information on Vanderbilt Health Employer Solutions, contact us
at employersolutions@vumc.org or call (615) 343-9520.**

Follow the Employer Insights Blog at employersolutions.vanderbilthealth.com. Sign up for our regular communications on healthcare trends, thought leadership and the latest resources focused on helping your workforce proactively and conveniently manage their health.

