

VIEWPOINTS FROM OPTUM

A System-Wide Look at Improving Specialty Care: Condition-specific clinical expertise and capabilities necessary for managing complex diseases

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Conditions such as cancer, kidney disease, musculoskeletal conditions, and heart disease account for more than a quarter of annual health care costs (\$455 billion), with high levels of upward trend.¹ Physicians and others involved in managing these complex and chronic medical conditions face special challenges when trying to address rising costs and achieve the Quadruple Aim of better outcomes, lower costs, improved service, and higher satisfaction.

Realizing these goals for complex and chronic diseases — which are highly variable in treatment, location, and outcome — requires comprehensive, condition-specific medical benefit management programs. A successful approach should leverage four specialized strategies that work together: care management, utilization management, specialty-based provider networks, and payment integrity.

These strategies are, to varying degrees, used by all health plans to manage covered services. In fact, general health plan programs work well when managing core services, such as routine elective surgeries and common medical conditions. However, applying medical benefit management to patients with complex and chronic conditions is especially challenging. Because many of these patients have progressive illnesses, long-term health needs and multiple co-morbidities, their continuum of care typically involves a changing array of providers from multiple clinical specialties, with services delivered at numerous sites. Treatments may involve new interventions and experimental drugs, novel ethical considerations, and extensive family involvement.

An effective management approach must be able to address multiple specialties' distinct practice patterns and rapidly evolving clinical protocols. It must also be able to help patients and providers navigate, over an extended period of time, across different health systems and (frequently)

incompatible information platforms. To do so effectively, medical benefit management must be as highly specialized as the complex and chronic conditions being managed, using like-specialty medical directors and purpose-built systems and apps to effectively drive the highest quality and efficiency of patient care.

Specialized Management of Complex Conditions

With complex and chronic conditions, ongoing care often involves the PCP, multiple specialists, in- and out-patient facilities, and all of the inherent difficulties faced by a patient who must navigate the care and payment systems over an extended period of time. To address the needs of these patients and their providers, a better approach is to have the depth and expertise to coordinate care delivery, promote greater efficiency and adherence to evidence-based medicine, create higher levels of engagement and satisfaction, align incentives through risk-sharing and value-based contracting with providers, and deploy advanced data analytics to provide stakeholders with real-time feedback on performance and outcomes. This drives the need to fully integrate disease-specific sub-specialization — clinical expertise, data-driven insights, and condition-centric capabilities — when addressing chronic and complex conditions.

Care Management: Specialization Is Key

Well-designed care management for complex and chronic conditions deploys dedicated care managers with years of condition specific experience, dedicated sub-specialty medical directors, purpose-built systems, and sophisticated predictive modeling. Together, they help identify at-risk patients; outreach to engage and educate patients and families; set realistic expectations; help patients navigate the complexities of their condition and the health care system; and support physicians by speeding the transmissions of data to the site of care, easing the access to applicable clinical guidelines, and reducing administrative burdens.

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Example: Specialized Advocates Help Manage Kidney Diseases. Care management of chronic kidney disease (CKD) is far more effective when using experienced CKD-specialized clinical advocates. They have the knowledge to manage the full continuum of care for this chronic, progressive condition; refer patients to the best resources; and promote quality through the use of preferred networks and sites of service, including centers of excellence for services such as transplants.

- *Predictive Modeling.* A specialized program is uniquely able to build predictive modeling that enables early identification of CKD patients and steer patients to pre-emptive living donor kidney transplants, which lasts on average 15-20 years² with clear benefits of improved quality of life. Pre-emptive transplants also save roughly \$500,000 per patient (including the transplant)³ because high long-term dialysis costs are avoided.

- *Managing Transitions.* When patients transition to End Stage Renal Disease (ESRD), specialized strategies can promote anticipatory creation of durable dialysis access (A-V fistula creation) so the transition to dialysis is as smooth as possible⁴; avoid emergency admissions and related in-hospital dialysis^{5a,5b}; and promote home dialysis.⁶

Example: Lessons from Specialized Data. Specialized tracking of information has many benefits in care management. For example, in oncology, rather than waiting for the results of multi-year clinical trials, specialists can use the steady stream of credible published reports on the many studies underway. Specialists can also measure short-term adherence to the National Comprehensive Cancer Network (NCCN) guidelines, a well-accepted and broadly representative standard. Similarly, for orthopedic patients, measuring the incidence of reoperation, post-operative complications, and the percentage of readmissions provides relevant information. In addition, the disease-specific study of outcomes, particularly those of importance to the patients, can help to select preferred providers and guide overall quality improvement.

Utilization Management: Supporting the Most Effective Treatments

Well-executed utilization management (UM) promotes quality and reduces costs by driving increased adherence to evidence-based treatments. Effectiveness of UM and care coordination is vastly increased when clinical determinations are made by highly-experienced, like-specialty clinicians, supported by sophisticated data analysis and technology. While UM is sometimes seen as doing little more than creating impediments and denying care, specialty-based UM can help providers select the preferred treatment for the patient's particular condition. Because providing the right care the first time is always the most cost-effective route, UM can lead to significantly better patient-centric results, such as the shortest treatment course, lowest toxicity and hospital admission rate, and overall care efficiency. Truly innovative programs glean applicable insights from clinical data and guide providers to the highest-quality, most appropriate and cost-effective treatments.

Example: Cardiologist Managing Cardiology. It is not surprising that different results occur when a generalist reviewer and a sub-specialist physician both interpret the medical necessity of a proposed complex treatment plan. The specialist reviewer can apply detailed knowledge of a given procedure — perhaps one that she herself performs — as well as how it interplays with the other aspects of the patient's overall clinical condition, to make the most effective decision. The generalist reviewer cannot. For example, in cardiology, UM performed by a cardiologist is best positioned to promote adherence to the rigorous, peer-reviewed quality metrics of the American College of Cardiology and the American Heart Association.

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Example: Specialty-driven Oncology Support. Generalist UM reviewers cannot apply the same degree of knowledge regarding complex-care developments, where specialists are best positioned to stay current on guidelines and best practices. In oncology, for example, the NCCN incrementally changes aspects of their cancer guidelines frequently; in 2017, the organization updated the guidelines around lung cancer five times in a single year.⁷ Also, cancer incidence is skyrocketing — by 2030, roughly 1.8M new cancer cases are expected per year in the U.S., according to the National Cancer Institute — and Milliman predicts that cancer care costs will increase to \$173B in 2020. These costs are driven in part by the high costs of new cancer drugs, particularly the biologics. More than 30 new cancer drugs have been approved by the FDA since 2017. The cost of these new drugs is enormous, and the consensus and NCCN guidelines around their use change frequently. This is where a specialty-driven clinical decision support tool at the point of care offers a distinct advantage in helping providers select the most appropriate treatment.

Specialized Provider Networks: Leverage Evidence-Based Medicine

Network management can help promote care coordination of complex conditions, by enabling patient care to occur within a network of providers who are similarly committed to following evidence-based medicine, and sharing timely clinical information through unified information systems.

- *Criteria-based Selections.* The top-performing networks for each particular complex condition are built on specialty-specific providers who demonstrate a history of high-quality outcomes, positive member experience, and value. These networks may include providers designated as Centers of Excellence (COEs) because they meet rigorous clinical qualification and offer high value to the member and delivery system.
- *Size Matters.* Well-designed specialized networks also assure broad geographic access for patients and good value for all stakeholders. For many complex specialties, such as interventional cardiology, the goal may be to create a highly selected team of the most expert providers. But for certain services, such as outpatient rehab, it may be preferable to build a highly inclusive network, in order to promote the cost effectiveness of conservative treatment options.

Example: Aligned Incentives in CKD Care. A well-structured specialty network may also utilize shared-risk or value-based contracts, to assure that the incentives of all stakeholders are aligned, and that no one benefits from rendering too much or too little care to the patient. Otherwise, treatment in fee-for-service environments can be adversely affected by undisclosed business interests. In CKD, for example, nephrologists' interests in dialysis facilities can create a barrier to appropriate care management, such as the avoidance of long-term dialysis through early transplantation when possible. Specialty kidney-care networks can be designed to promote transparency of any inter-locking business arrangements, and remove adverse incentives that interfere with the best care delivery.

Example: Case Rates in Orthopedics. This is similarly true in networks built to treat musculoskeletal conditions, where value-based and case-rate contracts minimize the self-interested referral

patterns and site selection created by hospital ownership of physician practices, and (further downstream) physician-owned physical and occupational therapy practices.

Example: Transplant Volume Effect. A specialty-network arrangement can also provide value for patients requiring low-incidence, high-cost procedures. For example, the cost for an organ transplant can reach an average of \$685,000.⁸ Maximizing patients' use of highly specialized and duly credentialed in-network providers in these situations can help decrease costs and result in better overall outcomes.

Payment Integrity: Claims Errors that Only Specialists Can Find

The fourth strategy of a successful approach uses like-specialty clinicians to review a cross-section of claims and their associated medical records, to assure that the billed codes accurately describe the services actually provided to the patient. For services not subject to prior authorization, the specialists making these post-service reviews can also use the medical record to determine whether the services were medically necessary. These reviews by like-specialty physicians are wholly separate from payers' standard automated claims adjudications. In fact, they typically are made on claims that have already been fully adjudicated, and find billing errors that cannot be detected by automated systems.

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Example: Spine Surgeons Identify Inappropriate Billing. These claims reviews provide great value in reducing costs for complex treatments, especially in a fee-for-service payment environment. For example, a complex spine surgery claim may present a large number of codes that describe the various aspects of the procedure and the levels of the spine that were implicated. A statistical analysis of all spine surgeons' billing records can find providers who may not represent services rendered accurately. It then takes a specialist surgeon who is familiar with the clinical complexities to review only those providers' claims, to find when the billing is not in line with actual services.

Example: Retrospective UM by Cardiologists. Similarly, many services such as stenting rendered by interventional cardiologists are performed in emergency situations, and therefore not subject to prior authorization. Given the existence of widely accepted clinical protocols that described the appropriateness of using stents, this program can give specialist reviewers the opportunity to identify services that were not medically appropriate when performed.

An Intertwined and Imperfect Care Delivery System: Helping all stakeholders manage complex conditions

The effective management of chronic and complex diseases truly matters to the long-term success of physicians, health systems, payers, and (most important) patients. If complex conditions are

not better-addressed through specialized medical benefit management, we will continue to see increasingly high and volatile costs, while patients experience less-than-optimal outcomes and fragmented, disappointing health care experiences. To reach the Quadruple Aim, providers, payers and health care leaders all need to play roles in managing the continuum of care for complex and chronic patients.

As the on-the-ground resource, physicians are key in improving care experience and outcomes, and serving as powerful patient advocates. In addition, creative healthcare executives and innovative carriers are also critical in advancing care and payment transformation.

Today's clinical health care system necessitates that clinical and business leaders step up and work together to effect innovative specialized medical benefit management, in order to improve care, access and outcomes. The good news is, for chronic and complex diseases, there are proven strategies to help the health system and the patients it serves.

For more clinical leadership insights on the approaches and trends shaping health care, visit www.optum.com/vitalviews.

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