

The background features a dark, ornate damask pattern. In the foreground, several LEGO minifigures are seated around a green table, engaged in a card game. On the table are stacks of white and black chips, several playing cards, and a few dollar bills. A red first aid kit with a white cross is on the left, and a brown briefcase is on the right. The minifigures include a green one, a yellow one, a blue one with a star, and a yellow one wearing a cowboy hat.

# HEALTHCARE HOLD'EM

10<sup>th</sup> Annual ReviveHealth Trust Index™ Reveals Who's  
Winning (and Losing) in the Game of Trust

*October 6, 2016*

REVIVE  HEALTH

 **catalyst**<sup>®</sup>  
Healthcare Research

# PRESENTERS



*Brandon Edwards*  
*CEO, ReviveHealth*



*Dan Prince*  
*President, Catalyst Healthcare Research*



**1. LOW LEVEL OF TRUST**

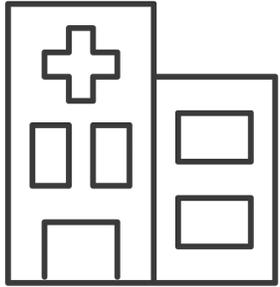


**2. TRANSITION TO VALUE IS SLOW**



**3. TRUST IS THE GLUE**

## Hospital/Health System Executives



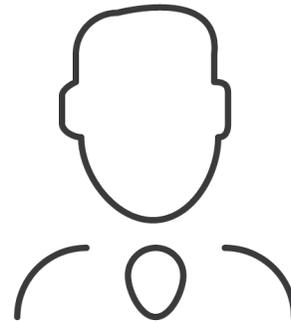
(n=143)

## Practicing Physicians



(n=602)

## Health Plan Executives



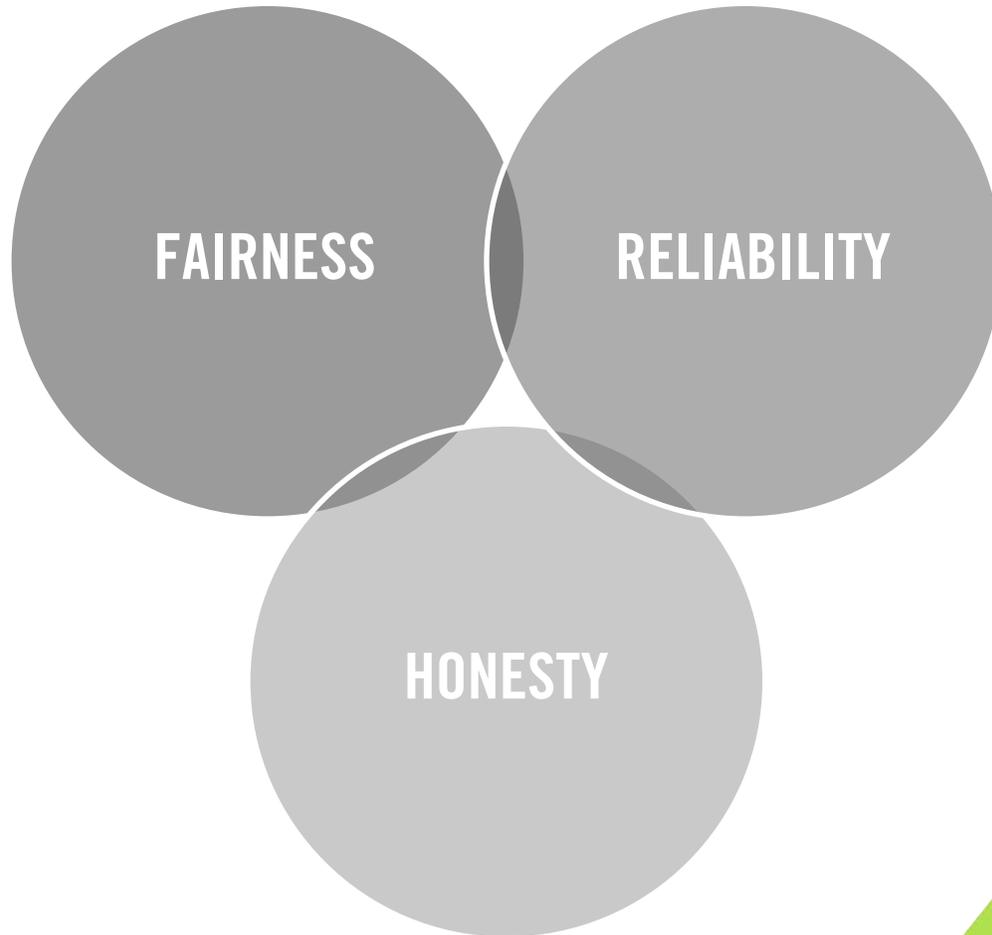
(n=56)

*These audiences were surveyed by Catalyst Healthcare Research between the dates of April 25<sup>th</sup> and July 19<sup>th</sup>, 2016.*

2016  
PERSPECTIVE

REVIVEHEALTH 2016

# TRUST INDEX™



*Composite score values are calculated as an equally-weighted mean of all three individual Trust measures. Differences of less than 2 points are not statistically significant.*



REVIVEHEALTH 2016

# TRUST INDEX™

*Composite  
Score*

*Composite score values are calculated as an equally-weighted mean of all three individual Trust measures. Differences of less than 2 points are not statistically significant.*



**Q:** *For each organization, indicate your level of agreement with this statement:*

**1 RELIABILITY**

This organization makes every effort to honor its commitments

**2 HONESTY**

This organization is accurate and honest in representing itself and its intentions

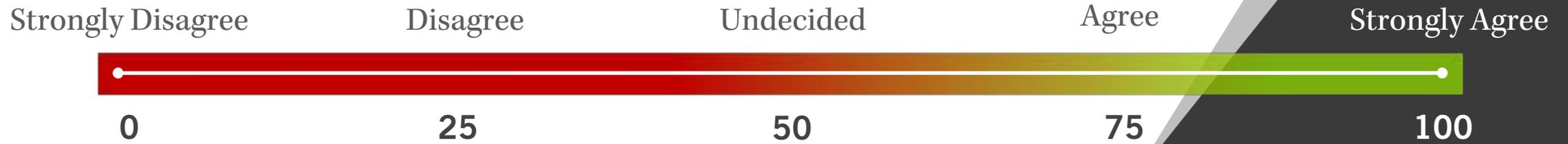
**3 FAIRNESS**

This organization balances its interests with ours and doesn't routinely take advantage of us

*Academic literature on the topic of trust informed the selection of these three attributes.*

REVIVEHEALTH 2016  
**TRUST INDEX™**  
*Composite Score*

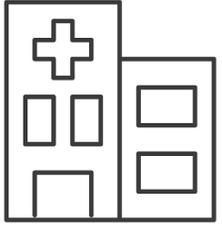
*Q: For each organization, indicate your level of agreement...*



REVIVEHEALTH 2016  
**TRUST INDEX™**  
*Answer Scale*



# A SHOTGUN MARRIAGE



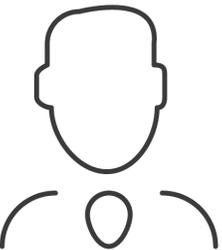
Health Systems' Level of Trust  
in Health Plans

**54.1**



Physicians' Level of Trust  
in Health Plans

**55.0**

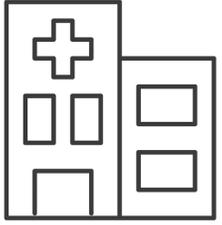


Health Plans' Level of  
Trust in Health Systems

**67.6**

*Composite score values are calculated as an equally-weighted mean of all three individual Trust measures. Differences of less than 2 points are not statistically significant.*

REVIVEHEALTH 2016  
**TRUST INDEX**<sup>TM</sup>  
*Composite Score*



## Health Systems' Level of Trust in Health Plans



# AETNA

Single largest move up by any one plan ever

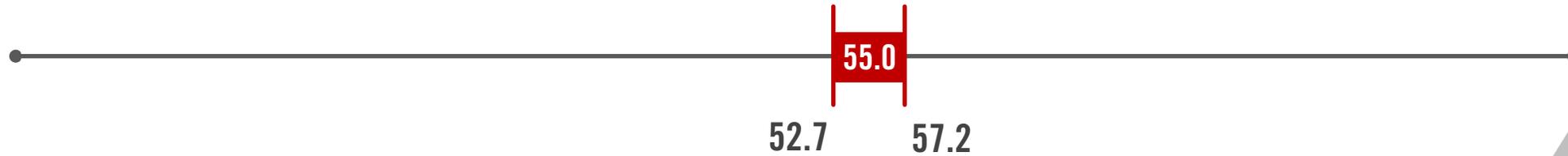
# BCBS

Biggest movement down by a health plan

REVIVEHEALTH 2016  
**TRUST INDEX**<sup>TM</sup>  
*Composite Score*



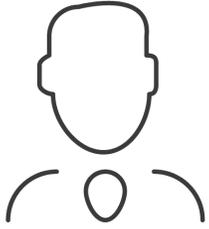
## Physicians' Level of Trust in Health Plans



# LITTLE VARIABILITY

As if the physicians were all in the same room

REVIVEHEALTH 2016  
**TRUST INDEX**<sup>TM</sup>  
*Composite Score*



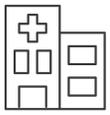
## Health Plans' Level of Trust in Hospitals & Physicians



# POWER

Health plans based their ratings on the type of health organization – and have the highest trust in “low-power” organizations

REVIVEHEALTH 2016  
**TRUST INDEX**<sup>TM</sup>  
*Composite Score*



Health Systems' Level of Trust  
in Health Plans

54.1



Physicians' Level of Trust  
in Health Plans

40.3

55.0

63.3



Health Plans' Level of  
Trust in Health Systems

52.7

57.2

67.6

56.7

73.3

# EVERYONE RECEIVED

*bad / failing grades*

REVIVEHEALTH 2016

# TRUST INDEX™

*Composite Score*

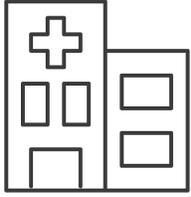
# POLL: CONSIDERING AETNA'S BIG MOVE UP, HOW DO **YOU** THINK THEIR PENDING MERGER WITH HUMANA COULD IMPACT THEIR TRUST SCORE?

**A:** Positive impact

**B:** Negative impact

**C:** Neutral / no impact

“



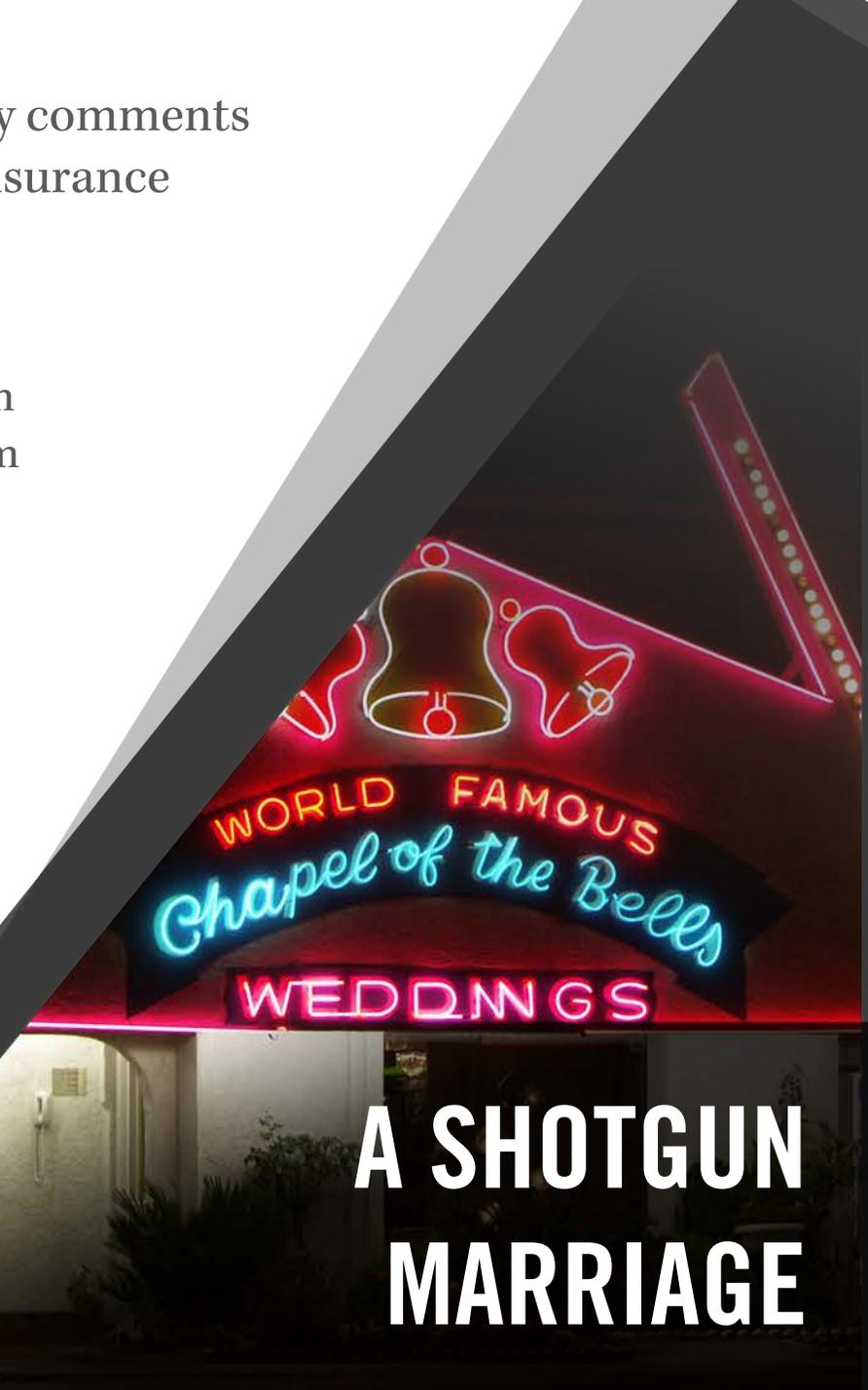
When **health system executives** were asked to add any comments that would help us better understand their ratings of insurance companies, they responded with the following:

“Even with successful contract rate negotiations, the payor interaction between our operations and financial services operations is becoming more of a problem for us.”

“Claims payment accuracy and line item denials are becoming major issues with most payers. Seems they continue to expand their reasons for not making full payment.”

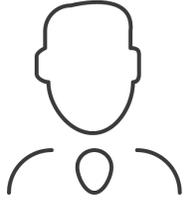
“Trust and a level of transparency are important. Delivering on what you say you will do is very important. We find a lot of plans do not follow through and without a detailed follow up plan things do not get resolved.”

“While having good rates that we believe to be competitive in the market place is very important, negotiations are becoming more combative and challenging.”



**A SHOTGUN  
MARRIAGE**

“



When **health plan executives** were asked to add any comments that would help us better understand their ratings of provider organizations, they responded with the following:

“Trust and the desire to partner are essential.”

“Not timely in providing documentation when required for credentialing or claims. Also, requesting increases to contract rates not associated with quality or access to care.”

“Everyone seems to be holding cards close to [their] chest.”

“In a value based world, trust is the core of any relationship. At this time financials are not aligned and it continues to feed an environment of mistrust and the inability to fully align strategies and visions for the future.”



**A SHOTGUN  
MARRIAGE**



**THE TRANSITION  
TO VALUE IS SLOW**

“Only 13 hospital systems out of 80 respondents said they derived 10% or more of net patient revenue in 2015 from risk-based contacts.”

Modern Healthcare  
June 20, 2016



“...more than half of our survey respondents reported that over 60% of their revenue still comes from fee for service (FFS) contracts.”

Advisory Board  
August 18, 2016





*During the course of calendar year 2016, what percentage of your total commercial revenues will be based on volume versus value?*

**13%**

**VALUE**

**44%**



**87%**

**VOLUME**

**56%**

*During the course of calendar year 2016, what percent of the total claims you pay for commercially insured patients will be based on volume versus value?*

**HEALTH PLANS AND PROVIDERS HAVE VERY DIFFERENT VIEWPOINTS ON VALUE-BASED CONTRACTING**

# POLL: WHAT DO **YOU** THINK EXPLAINS THIS GAP?

- A:** **Health system executives** may be **under-estimating** the actual level of their value-based payments
- B:** **Health plan executives** may be **over-estimating** the actual level of their value-based payments
- C:** **Hospitals and health plans** think about and **define “value-based payments”** differently
- D:** **Health insurance companies** may be including any contract that contains **even a limited level of value-based payments** (e.g., pay-for-performance, ACOs, etc.)
- E:** **Other:** \_\_\_\_\_

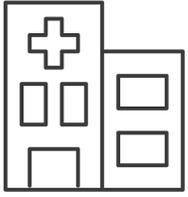
**Q:** *What factors are restraining the transition to a value-based payment structure?*

**“Competitive pressures,”**

**“Leadership commitment...”**

**“Lack of technologies and processes,”**

**“Physician attitudes [and behaviors]...”**

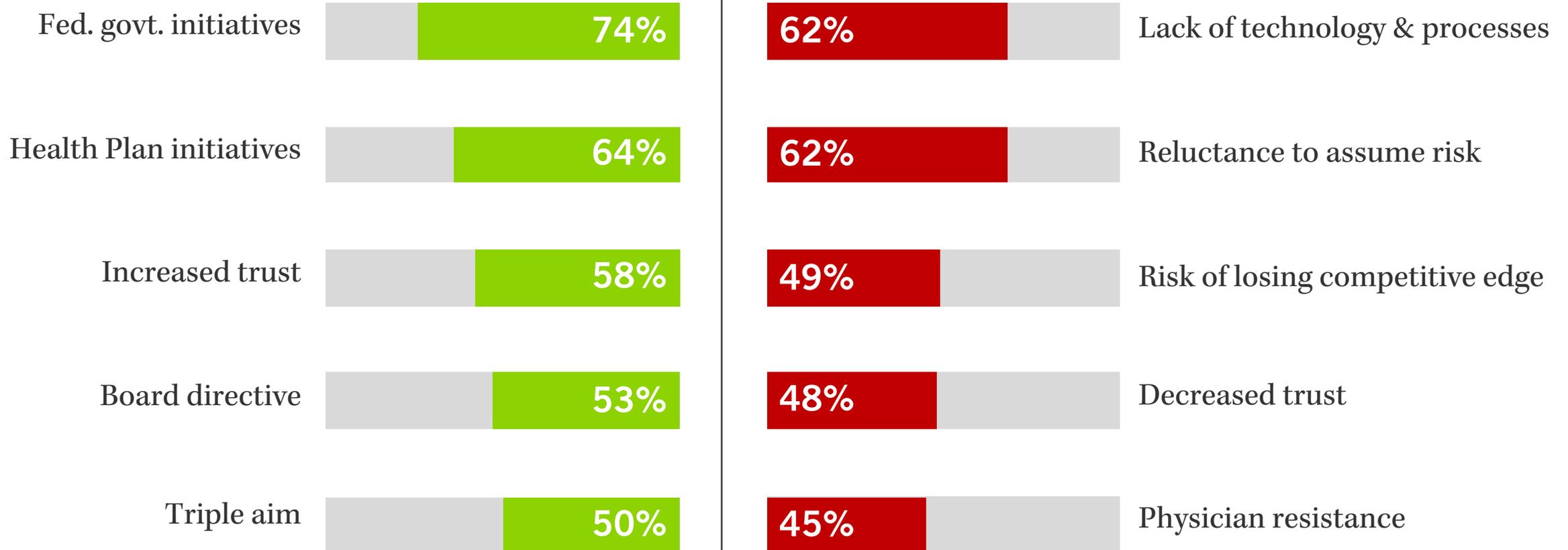


## Health System Executives

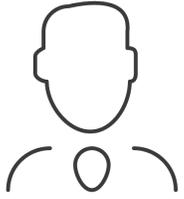
# TRANSITION TO VALUE

### DRIVING FORCES

### RESTRAINING FORCES



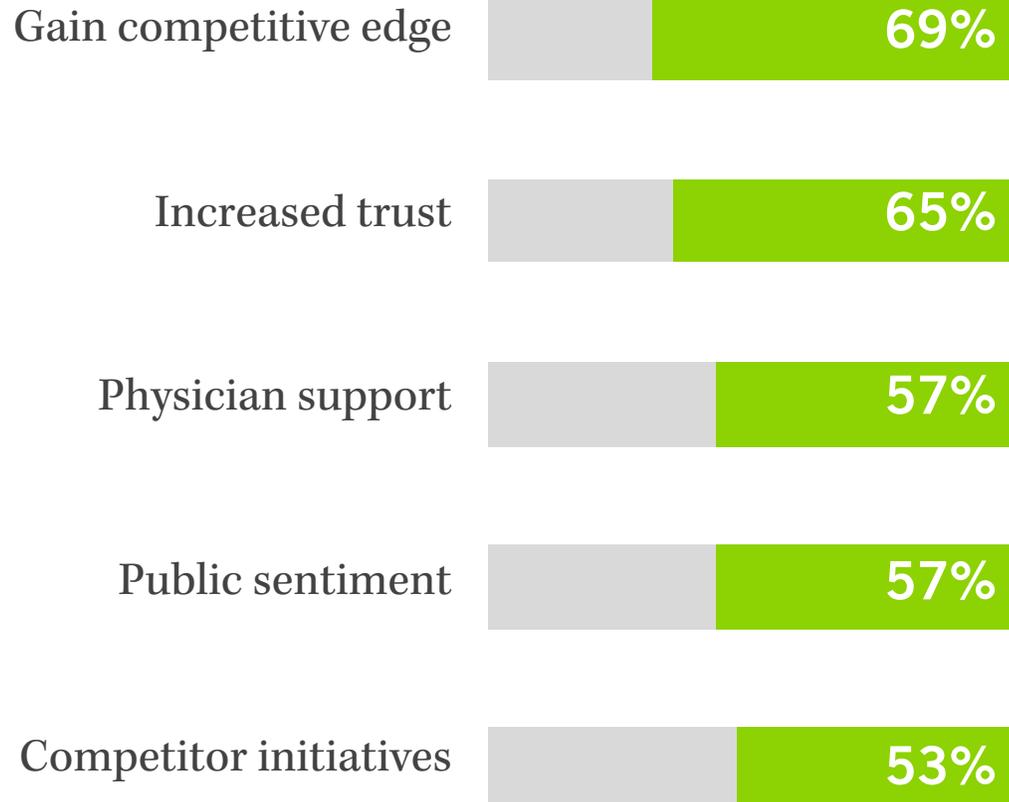
*Issues identified as "very important" factors driving/restraining the transition to more of a value-based payment structure.*



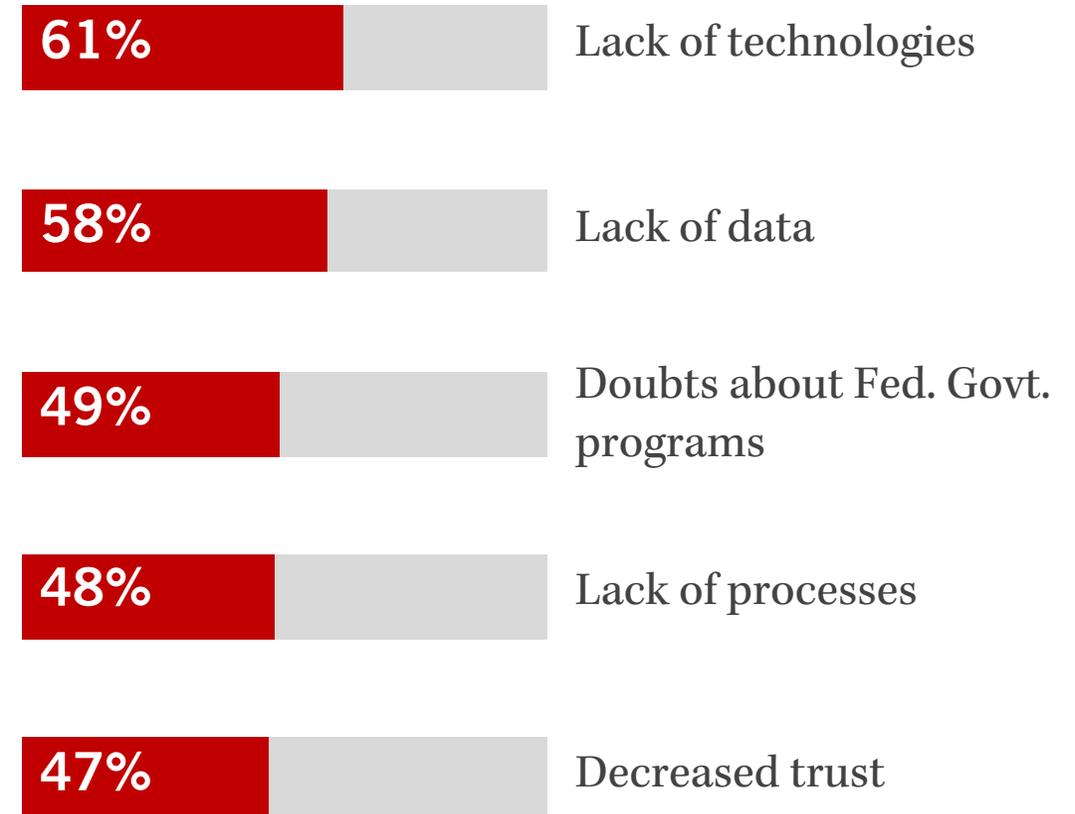
## Health Plan Executives

# TRANSITION TO VALUE

### DRIVING FORCES



### RESTRAINING FORCES



*Issues identified as "very important" factors driving/restraining the transition to more of a value-based payment structure.*



## DRIVING FORCES

## RESTRAINING FORCES

### Health System Executives

Increased trust



58%



48%

Decreased trust

### Health Plan Executives

Increased trust



65%



47%

Decreased trust

*Q: What factors are restraining the transition to a value-based payment structure?*

*“Competitive pressures,”*

*“Leadership commitment,”*

**TRUST**

*“Lack of technologies and processes,”*

*“Physician attitudes [and behaviors]...”*



**CLOSING THE  
TRUST GAP**

**1**

**Know where you stand**

**2**

**Think differently about your payor/provider relationship**

**3**

**Start small, then build and scale up**

**4**

**Secure partners to deliver relevant, trustworthy data**

**5**

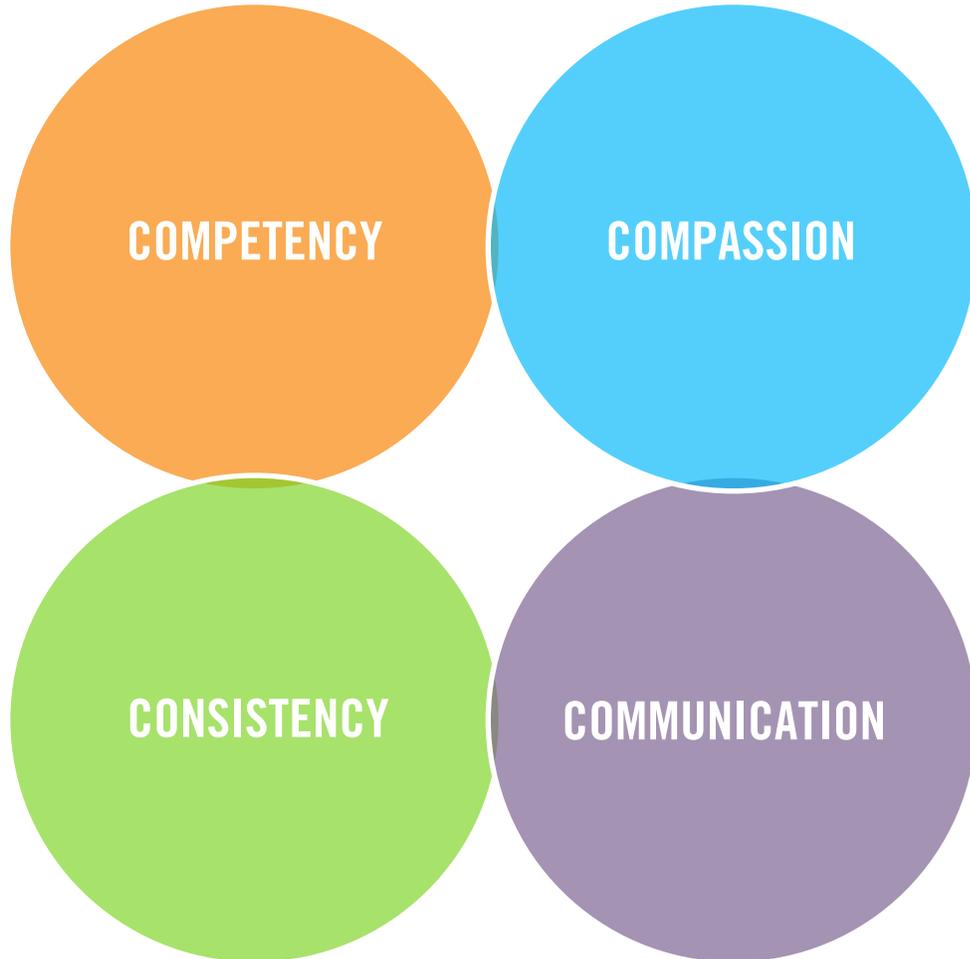
**Better communication and information sharing**

**5 STRATEGIES  
FOR CLOSING  
THE TRUST  
GAP**

# 1

## Know where you stand

### The TrustGap Analysis<sup>SM</sup> Measuring the Four Cs:



**5 STRATEGIES  
FOR CLOSING  
THE TRUST  
GAP**

1

**Know where you stand**

**The TrustGap Analysis<sup>SM</sup>**  
Measuring the Four Cs:



**5 STRATEGIES  
FOR CLOSING  
THE TRUST  
GAP**

# 2 Think differently about your health plan / provider relationship

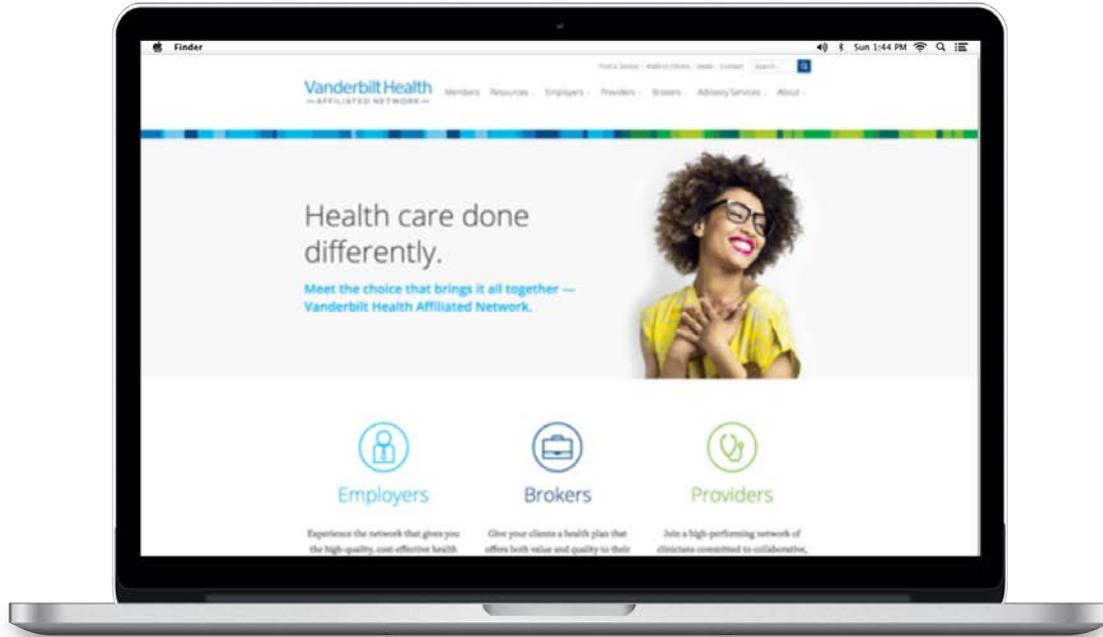


**Vanderbilt Health**  
— AFFILIATED NETWORK —

+

COLLABORATION WITH  
MULTIPLE HEALTH PLANS,  
STARTING WITH...

**aetna**<sup>SM</sup>



**5 STRATEGIES  
FOR CLOSING  
THE TRUST  
GAP**

# 3 Start small, then build and scale up



**2013**  
313K lives  
6 Medicare ACO Markets



**2016**  
826K lives  
15 Medicare ACO Markets

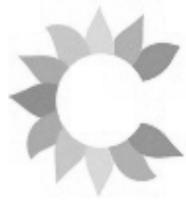


**5 STRATEGIES  
FOR CLOSING  
THE TRUST  
GAP**

# 4 Find a trusted partner to deliver relevant, trustworthy data



+



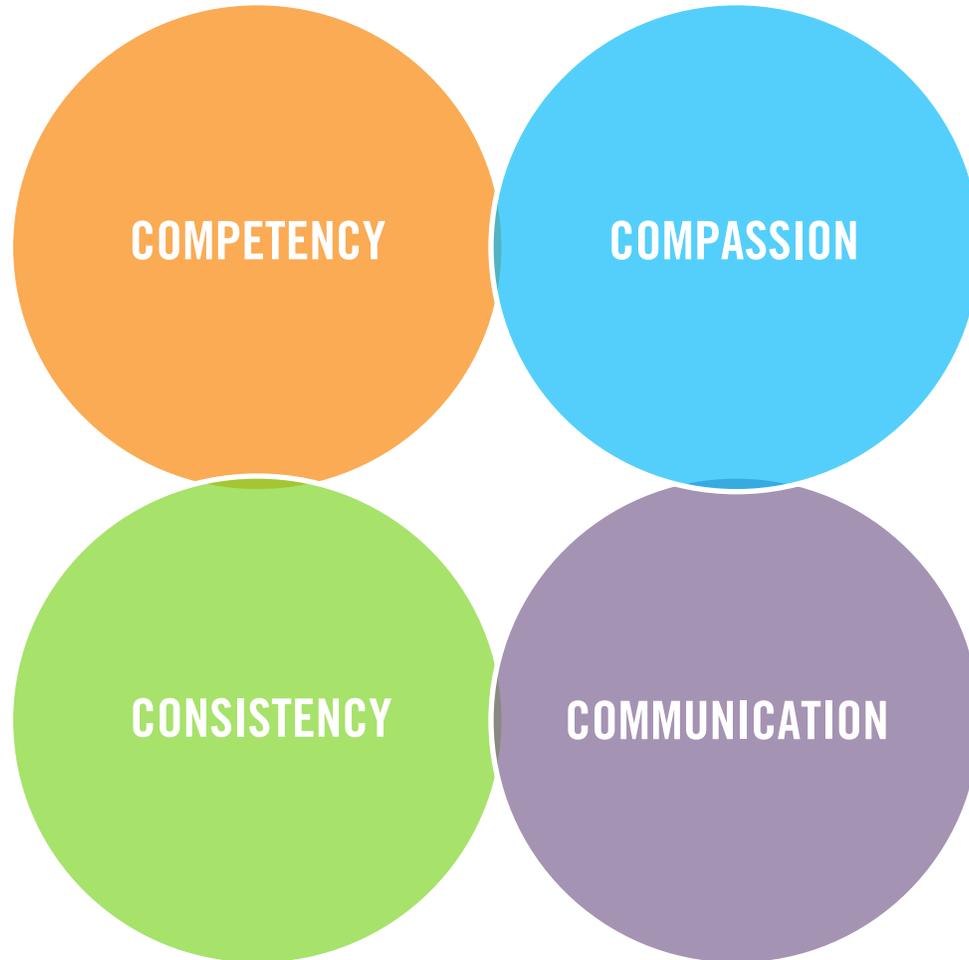
**COMMUNITY HEALTH PLAN**  
of Washington™

Powered by the aggregated EHR and claims data in the Arcadia Analytics platform, CHPW implemented an innovative pay-for-performance program, went after retrospective risk documentation gaps, and built a program with Arcadia to prospectively manage risk within each practice.

**5 STRATEGIES  
FOR CLOSING  
THE TRUST  
GAP**

# 5

## Better communication and information sharing



**5 STRATEGIES  
FOR CLOSING  
THE TRUST  
GAP**

5

**Better communication and information sharing**



**5 STRATEGIES  
FOR CLOSING  
THE TRUST  
GAP**

# POLL: WHICH DO **YOU** THINK **YOUR ORGANIZATION** DOES WELL?

**A:** Competency

**B:** Consistency

**C:** Compassion

**D:** Communication

**E:** None of the above

A scene featuring three LEGO minifigures sitting at a green table, playing cards. On the left is a nurse minifigure with a white cap and a red cross on her chest. In the center is a man minifigure with a yellow head and a blue vest. On the right is a superhero minifigure in a blue suit with a white star on the chest and a yellow mask. The table is covered with playing cards, stacks of white and black chips, and several US dollar bills. A red first aid kit is on the left, and a brown briefcase is on the right. The background is a dark wall with a light-colored floral pattern.

# QUESTIONS?

[ThinkReviveHealth.com/Topics/Trust](http://ThinkReviveHealth.com/Topics/Trust)

REVIVE  HEALTH

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Healthcare Research