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WHITE PAPER

Efficiency Gains:

Integrating Quality and Risk Operations In Health Plans





Introduction

Payers recognize the benefits of integrating quality and risk operations. This integration ensures that members receive timely and effective care, increasing satisfaction and leading to better health outcomes. Providers can dedicate more resources to patient care and less to administrative tasks. Meanwhile, health plans benefit from improved financial performance and enhanced regulatory compliance in a highly competitive market.

Risk adjustment — a critical component of payer operations for nearly three decades — today requires Medicare Advantage, Medicaid Managed Care, and Affordable Care Act plans to evaluate an individual's health status, adjust payments, and manage care effectively. The focus of payer operations has expanded to include quality ratings and value-based initiatives, requiring reporting on metrics that tie payments and incentives to health outcomes and spending.

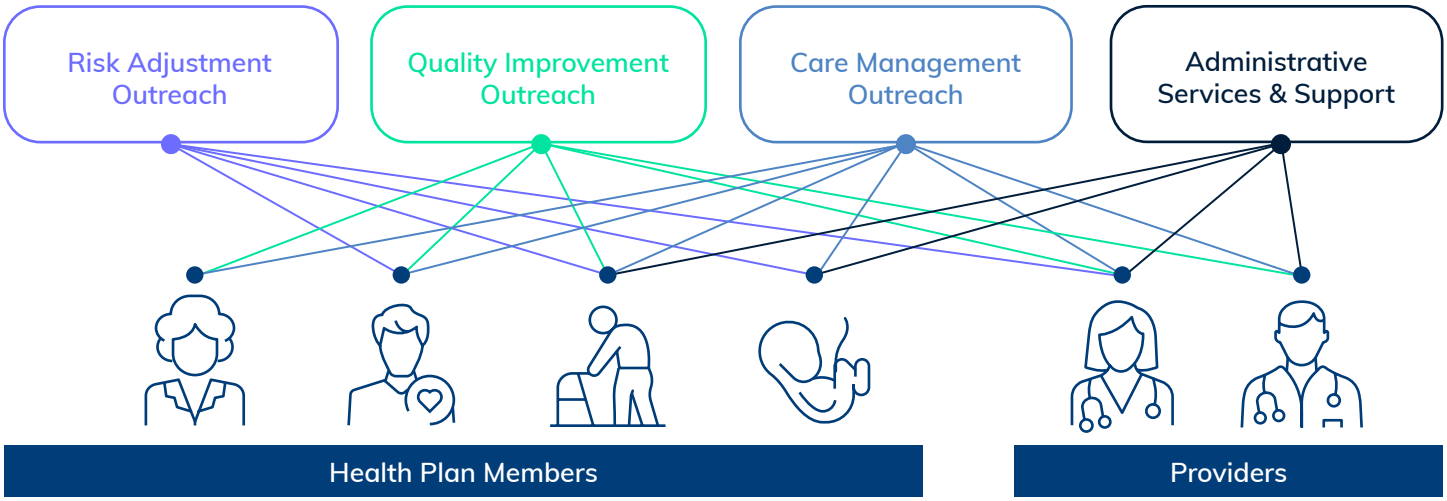
While quality and risk operations have a separate history and specific focus, both require collecting and analyzing clinical, administrative, and patient-reported data to identify care gaps, adjust risk scores, and track performance metrics. Not integrating quality and risk operations can lead to member and provider fatigue from unnecessary outreach efforts, operational inefficiencies, and missed care gaps. This results in poorer health outcomes and higher administrative costs. A disjointed approach can negatively affect financial performance due to inaccurate risk scores and missed quality targets. All this underscores the need for a unified strategy.

Combining quality and risk operations maximizes the efficiency and effectiveness of healthcare delivery by aligning overlapping activities and data use. Integrating systems for data processing, analytics, and outreach gives health plans detailed and actionable insights to improve engagement methods, predict future trends, and outcomes and make data-driven decisions. The convergence of people, process, and technology enables payers to achieve new levels of efficiency for quality and risk.

The Consequences of Insufficient Integration

Quality and risk programs often remain siloed due to their distinct purposes and goals, typical reporting structures — e.g., risk to CFO, quality to CMO — and the specialized expertise required to manage each. They have different objectives, data needs, and reporting timelines. Additionally, organizational culture, regulatory compliance, healthcare interoperability, and provider hesitancy to share data further contribute to their separation in most health plans. However, this lack of integration of quality and risk operations has real consequences for health plans and their stakeholders.

> Quality and risk programs are often managed by separate departments and teams. This leads to fragmented efforts and frequent member and provider complaints about repeated and redundant outreach from health plans.
>
> — Scott Sbihli, SVP, Product Management
> Inovalon



Payers are quickly moving to integrate personnel, workflows, and systems to mitigate member and provider abrasion, manage costs more closely due to post-COVID claims, and increase performance in quality improvement and risk adjustment. According to an Inovalon survey of quality improvement and risk adjustment professionals, more than 80% of health plans are driving integration efforts in recognition of the critical need to streamline processes, improve health outcomes, and reduce operational efficiencies.

Although health plans are working to integrate departments and systems, their interventions with members and providers still need improvement.



> Many health plans are managing multiple vendors to perform different functions, which provides the opportunity to improve coordination and costs
>
> — Kathryn Eshelman, M.D., M.P.H.,
> VP, Clinical Informatics and Enterprise Solutions, Inovalon

"From the physician's perspective, they often don't realize that different data sources and timings can cause inconsistencies," she continues. "When there are lags or misaligned data, it can appear that the health plan is disorganized. In reality, the issue stems from data coming from various vendors at different times. Minimizing these discrepancies is crucial to provide a consistent approach for both patients and physicians."

Multiple systems and uncoordinated communications also lead to member abrasion. "Uncoordinated outreach and interventions lead to poor health outcomes. Members receiving too many calls and messages tend to ignore them, reducing a health plan's ability to influence behavior and educate on health topics," warns Hemanth Doma, Associate Vice President, Product Management at Inovalon.

The integration of quality and risk operations is vital for coordinating communication, reducing abrasion, and improving health outcomes. What's more, with the healthcare system facing workforce shortages and increased demand for health services, the urgency to complete these integration efforts successfully could not be any more urgent.

Effective integration will not only alleviate the strain on healthcare providers by reducing redundant tasks but also ensure that members receive timely, coordinated care — ultimately improving health outcomes and operational efficiency.

Building a Vision and Principles For Integration

To achieve successful integration of quality and risk operations, health plans must first establish a clear strategic framework that includes defining principles that will guide the integration process, such as member-centeredness, data-driven decision-making, and process efficiency.

“To achieve the ideal state for running these programs, it boils down to consolidating all relevant data into a single source,” says Courtney Breece, Associate Vice President, Product Management at Inovalon.

First, payers should consolidate all relevant data — claims information, membership details, risk data, quality data, outreach programs, and vaccine data — into a single platform to ensure consistency across all teams and lines of business. This unified data source should be regularly updated to maintain transparency and reliability.

Next, health plans should bring together quality and risk departments to develop integrated outreach plans that encompass various initiatives such as disease and care management and quality and risk outreach, reducing redundant contacts and streamlining execution.

Finally, even when working with multiple vendors, health plans must ensure that data flows back into the central system to inform analytics, and refine strategies. This work should include setting measurable goals, such as integrating all data sources by a specific date, ensuring timely monthly updates, reducing the number of separate contacts per member and provider, and optimizing vendor coordination.

“Consistent source data is crucial,” Eshelman explains. “Even with multiple vendors, if all data originates from one place and is distributed seamlessly, it ensures alignment and prevents inconsistencies during interventions, as all data updates are synchronized downstream.”

Only by focusing on improving health outcomes and interactions with providers and members as guiding principles will health plans be able to achieve greater efficiency in their quality and risk operations.

“Keeping the member at the center and planning interventions around their specific needs is crucial for health plans to perform well,” says Doma. “Health plans need more than insights from analytics to identify gaps. They must know what actionable steps they must take to address and close care gaps. The true value comes from health plans aligning their actions to close gaps efficiently and effectively.”

Integrating quality and risk systems to create a comprehensive view of members allows health plans to address all their care gaps using a single, unified data source and communicate to providers at the right time.

“From an IT and operations perspective, health plans often use various products from different vendors to manage quality and risk issues. An integrated approach in terms of systems offers significant cost and operational benefits when health plans can get to the desired result more quickly the first time around,” adds Sbihli.

Best Practices for Integrating Quality and Risk

The integration of quality and risk operations represents a significant cultural and organizational shift for payers that have historically treated the initiatives as wholly separate. Addressing change management up front is an important first step in the process.

“Break down silos by uniting departments that typically report to different executives like the chief medical officer for quality or chief financial officer for risk,” Doma recommends. “Achieving buy-in comes from communicating the benefits of integration at all levels with an emphasis on enhanced financial performance and patient outcomes and long-term value and fostering cross-department collaboration.”

Next, attention must turn to implementing technical infrastructure that provides health plan staff with the tools and resources to complete their tasks and gives visibility into the organization’s progress.



Features of a Robust Integrated Platform:

- ROI analyses across all program initiatives
- Tracking member and provider outreaches over time to better understand their experience
- Benchmarking and trending information at the member level and across programs
- Provider incentive analytics to determine optimal engagement methods
- More accurate forecasting and prioritization to drive speed to market

“A modern data platform integrates data from all systems and provides a comprehensive view of performance in both quality metrics and risk sharing. This integrated approach addresses issues of fragmented data, allowing health plans to identify and address gaps more effectively, track member and provider interactions, and optimize engagement and forecasting strategies,” says Breece.



Health plans should start with short-term wins by integrating all data sources for quality and risk operations — e.g., claims, care management, quality improvement, risk adjustment — into a single platform to ensure consistency across all teams. Then they can generate initial analytics and reports to identify discrepancies and track progress, focusing on metrics such as the number of data sources integrated and analytics reports generated. In the long term, health plans can work to establish greater integration with provider systems to create a 360-degree view of members and implement continuous feedback loops to improve data accuracy and care interventions as well as provide data to track care-gap closures and member satisfaction.

Ultimately, the proof that an integrated approach to people, process and technology works comes down to outcomes.

“Targeting patients for intervention based on their specific needs is more effective than just addressing those with the most gaps at the beginning of the year,” Eshelman observes. “Members with multiple risk-adjustment gaps who regularly see their primary care provider may not need immediate intervention, whereas those less connected to their PCP might benefit more from targeted services. They will see we’re watching them every month, and those gaps will get closed and addressed.”

Conclusion

The integration of quality and risk operations is not merely a strategic decision but a necessary transformation for payers to meet the evolving demands of the healthcare industry. Health plans that embrace this integration will lead the way in demonstrating how streamlined coordination between quality and risk metrics can drive significant improvements in member outcomes, financial performance, and overall operational efficiency. As the healthcare system shifts increasingly to quality and value, payers must adopt a culture of continuous improvement and adaptability. By doing so, they ensure that both member-centric and data-driven approaches remain central to their operations and position health plans to demonstrate their value in terms of quality, efficiency, and cost.

About us

Inovalon is a leading provider of cloud-based SaaS solutions empowering data-driven healthcare. The Inovalon ONE® Platform brings together national-scale connectivity, real-time primary source data access, and advanced analytics into a sophisticated cloud-based platform empowering improved outcomes and economics across the healthcare ecosystem. The company's analytics and capabilities are used by nearly 20,000 customers supporting more than 53,000 sites of care. For more information, visit www.inovalon.com.

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