

COMPETENCY ORIENTATION GUIDE

Competency: Selecting high-value partners to help manage the continuum of services required to manage populations under value-based payment arrangements

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BACKGROUND

The Accountable Care Learning Collaborative (ACLC) is a non-profit organization dedicated to accelerating the transition to value-based care. To this end, the ACLC has identified care delivery competencies required for providers to succeed in risk-bearing payment models. ACLC-developed Competency Orientation Guides (COG), provide an overview of each competency, including key components, to support provider implementation. Each COG represents the distilled insights from the deliberations of a dedicated committee comprised primarily of leaders from provider organizations, as well as industry partners, and ACLC staff. The Committee on High-Value Partnerships (Committee), which convened March through June of 2020, supported the development of this COG.

COMPETENCY IMPORTANCE & CONTEXT

As organizations commit to contracts requiring accountability for population cost and quality outcomes, they should also be looking for ways to build strategic partnerships with other care providers and organizations to help manage the continuum of services required for population health management. To support organizations seeking to systematically select potential high-value partners, the Committee, through a combination of pre-session interviews and group discussions, broke down the competency into four main sub-competencies (enumerated below). While there are many ways to assess and select potential partners as care providers and other organizations enter risk, the committee chose to focus on (1) identifying common principles and strategies that are broadly applicable to high-value partners, rather than focusing on any one provider type, alternative payment model, population, or market profile, etc.; (2) isolating the underlying skills and capabilities needed to evaluate high-value partnerships, not criteria or characteristics of high-value partners alone, but the ability to assess those things; and (3) centering discussions around partnerships involving providers selecting other providers (i.e., Provider-Provider), though the discussion also aimed to identify common principles and strategies with relevance to other partnership types (e.g., Provider-Payer, Provider-Vendor, Provider-Community-Based Organization).

The Committee proposes the following framework to guide providers in developing a strategy to assess and select high-value partners.

IMPORTANT TERMS

When discussing this competency, it became necessary to provide more clarity around what is meant by "high-value partner," including definitions of "value" and "partnership." The Committee defined "high-value partners" as partners who deliver care in ways that yield high-quality outcomes at the lowest possible cost. "Value" was defined as health outcomes achieved per dollar spent. While "partnership" can represent a wide range of arrangement types, from contractual affiliations to asset purchases, the Committee excluded mergers and acquisitions from the partnership discussion. Additionally, for purposes of the discussion, the Committee assumed the hypothetical organization assessing high-value partners has already assessed population needs and intervention opportunities and compared with current internal capabilities to identify gaps; studied their market dynamics and the potential partners available in the market; and narrowed the partnership field based on clear and known "basis" or non-negotiables (e.g. geographic footprint, size, population covered; demographics; market share, historical and competitive context).

COMMON ELEMENTS

1: Strategic direction and cultural alignment

Committee Insights:

- An organization's governance and leadership structure can be a helpful indication of its attractiveness for partnership

Competency Framework

Competency: Organization can select high-value partners to help manage the continuum of services required to manage populations under value-based payment arrangements.

- Strategic direction and cultural alignment
 - Committed governance and leadership** – Senior executives and Board are visible, determined champions for a culture of continuous improvement and high-value care
 - Reliability, accountability, and congruence** – Stated mission and organizational priorities are consistent with its reputation (internally & externally) and investments
 - Culture of continuous improvement** – Demonstrated commitment to ongoing, real-time learning
- Clinical care model
 - Integrated, team-based care** – Employees work collaboratively within multi-disciplinary teams and with those outside the system to provide comprehensive, coordinated care
 - Dedicated quality and care management systems** – Organization has internal abilities focused on monitoring, promoting, and correcting quality and proactively managing patients and populations
 - Engaged clinical workforce** – Physicians view themselves as organizational leaders, not just individual contributors, and work hard to engage all staff
- Infrastructure Fundamentals
 - Ability to ingest, manipulate, and share data** – Organization can collect and integrate data from multiple sources and use the data to inform decisions at the point of care
 - Clinical and business intelligence** – Organization collects, analyzes, and uses clinical and business data to set appropriate goals and intervention targets
 - Care protocols** – Organization utilizes evidence-informed protocols to deliver efficient, and consistent care
- Financial Outlook
 - Operational efficiency** – Organization optimizes use of personnel, physical space, and other resources
 - Value contracts and compensation models** – Organization has demonstrated experience in, is currently under, or is ready to engage in value-based payment
 - Willingness to invest** – Financial leadership is invested in the organization's long-term value transformation and sees quality improvement as a viable business strategy

- Attractive high-value partners 'walk the walk' as well as 'talk the talk' when it comes to investments in value; however, FFS payments do not necessarily indicate a lack of commitment to value transformation.
 - Successful evaluation of potential high-value partners requires going beyond looking strictly at historical financial performance (cost-per case)
 - When evaluating potential partners, it is appropriate to ask for:
 - The amount of money the organization is willing to invest in the transition to value-based payments
 - Longitudinal data on quality and cost of care
 - Clarity on how data is currently being tracked and reported to influence physicians and staff
- The ability to articulate both what you need and what you bring to the partnership is of critical importance to both the evaluator and potential partners when it comes to assessing partnership 'fit'
- The ability to clearly communicate the vision and definition of 'high-value' is important and can be a differentiator for potential high-value partnership

Challenges and Responses:

- **Challenge:** Individual providers who don't demonstrate alignment with value-based care can sometimes eliminate what would otherwise have been an attractive potential partner.
- **Response:** Keep in mind that an ideal partner is not necessarily someone who is perfect, it is someone who is willing to participate in evolving the delivery system with you.
- **Challenge:** Smaller organizations may lack the system sophistication to systematically measure and demonstrate performance.
- **Response:** What the small, 'unsophisticated' organization currently has is less relevant than its ability to articulate what it needs to improve care delivery. This helps an evaluating organization understand whether it brings what the prospective partner needs to the table (e.g. system capability, information, capital)

Potential Qualitative Competency Indicators: Because of the need for partnering organizations to meaningfully align on values and strategy, the insights and indicators for success outlined in this framework are relevant both for the self-assessment of organizations seeking partners, and for the evaluation of potential partner organizations.

- Evidence of governance structures, including clinical leadership, focused on value-objectives
- Leadership compensation tied to value-oriented metrics
- Personnel dedicated to overseeing value-oriented efforts
- Mutual understanding of the language of 'value'

2: Clinical care model

Committee Insights:

- Formal recognition (e.g., NCQA PCMH) may be useful, but alone are not sufficient indicators
- Measuring intentions and goodwill should be brought to bear when evaluating care integration. Seek to tease out willingness vs. ability
- Certain care teams' activities and capabilities should be considered 'must-haves' while others are 'aspirational'
- When evaluating quality scores, consider organization maturity and measure maturity, as well as the broader measurement context (e.g. varying patient populations, changes to metrics over time).
- Confirm organizational capacity to measure performance at the physician and practice levels
- Many of the core issues that ACOs face in selecting high-value partners are similar to those faced by other organizations in other industries and business settings when it comes to assessing and forming partnerships

Challenge and Response:

- **Challenge:** Partnerships may extend only to a small subset of the overall patient population.
- **Response:** Much of the discussion around determining governance and partnership boundaries will focus on addressing this; it's best to settle on a care delivery and finance model for shared patients and agree not to restrict each other beyond the shared population.

Potential Qualitative Competency Indicators: Because of the need for partnering organizations to meaningfully align on values and strategy, the insights and indicators for success outlined in this framework are relevant both for the self-assessment of organizations seeking partners, and for the evaluation of potential partner organizations.

- Physicians view themselves as organizational leaders and not individual contributors
- Organization's compensation structure aligns incentives to encourage continuous improvement
- Physicians are committed to understanding their practice patterns and bringing them into alignment with evidence-informed practices

- Physicians are regularly updated on patient outcomes during and as a result of care

3: Infrastructure fundamentals

Committee Insights:

- Both the level of infrastructure sophistication and willingness to integrate systems influences the attractiveness of prospective high-value partners
 - Though some organizations may be highly sophisticated when it comes to data infrastructure, they may be unattractive prospective partners if they are unwilling and inflexible when it comes to system integration
 - In contrast, organizations with a less sophisticated infrastructure, but that are highly willing to integrate, may be attractive prospective partners
- Prospective partners should determine what analytical capabilities need to be present between the two organizations for the partnerships to be successful, explore how their respective analytical capabilities complement each other, determine the division of their respective analytical responsibilities, and define how those expectations will change over time
- Ultimately, technology infrastructure is going to change – so the more important and fundamental conversation revolves around the culture, vision, and philosophy of a prospective partnership

Challenges and Responses:

- **Challenge:** Business operational analytics, population health analytics, and clinical analytics are not all the same; however, broader analytics teams and organizational staff regularly struggle to differentiate.
- **Response:** Seek to train staff on the differences between these types of analytics.
- **Challenge:** Clinical and business decision making is rarely centralized across partners because both partners will typically be working with other organizations outside of the partnership.
- **Response:** Centralized decision making will likely break down – allow for autonomy in clinical and business decision making

Potential Qualitative Competency Indicators: Because of the need for partnering organizations to meaningfully align on values and strategy, the insights and indicators for success outlined in this framework are relevant both for the self-assessment of organizations seeking partners, and for the evaluation of potential partner organizations.

- Regularly collects data on clinical, quality, utilization, functional and experience
- Actively seeks to exchange clinical data with care partners
- Creatively leverages HIT tools to enable care coordination and other improvements
- Thoughtfully uses technology to improve care delivery
- Systematically gathers data to inform clinical and business strategies
- Confidently shares data bi-directionally

4: Financial outlook

Committee Insights:

- Prospective high-value partnerships should align on the fundamental levers of profitability for their partnership; lack of alignment can and has led to unsuccessful partnerships (e.g. rushing to IPO vs. long-term investments in improving patient care)
- Operational efficiency is an attractive capability in a prospective high-value partner; however, the goals of the organization should balance focus on 'value' with corporate interests
- When evaluating a prospective high-value partner, exit strategies should be considered in the same way that entrance strategies are considered

Challenges and Responses:

- **Challenge:** Accurately forecasting the timeline for return on investment of the high-value partners is challenging.
- **Response:** High-value partners should consider financial metrics/indicators in advance to determine whether or not the partnership is being successful

Potential Qualitative Competency Indicators: Because of the need for partnering organizations to meaningfully align on values and strategy, the insights and indicators for success outlined in this framework are relevant both for the self-assessment of organizations seeking partners, and for the evaluation of potential partner organizations.

- Prepared to prioritize long-term goals over immediate financial rewards
- Aligned with the principles of value-based payment
- Have sufficient resources to invest in necessary population health efforts

GENERAL RESOURCES FOR FURTHER EXPLORATION:

- <https://leavittpartners.com/defining-high-value-providers-for-aco-partnerships/>

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