



Embrace or Hack?

Payer Response Strategies for CMS Interoperability Final Rules

The primary focus of the new CMS Interoperability and Patient Access Rule is to break down existing barriers in the nation's healthcare system. It does this by enabling quicker, more convenient, and secure patient engagement processes.

The rule aims to improve interoperability and provide increased access to health information among providers, patients, and payers. CMS released these interoperability final rules in hopes that the effective implementation of this new rule will lead to a streamlined exchange of information between healthcare applications.

A Significant Number of Health Plans Are Lagging Behind

In our informal survey of health plans on their response strategy for final rules, we found varying degrees of focus, investment, and strategies around implementation of the rules. Our finding is that response strategies have been varied, but mostly leaning towards just doing enough to have a checkbox. We discovered that most payers weren't looking at CMS interoperability to be a strategic opportunity to elevate their systems and drive differentiation in the marketplace.

As is evident in other industries such as BFSI and eCommerce, relentless focus on efficiency has resulted in highly interoperable systems that power the world economy. Likewise, interoperability will greatly increase efficiencies and decrease friction among stakeholders in any system.

The U.S. healthcare industry now has a unique opportunity to build on the creation of these more efficient systems and create a much more streamlined healthcare workflows. However, leaders must embrace and implement CMS Interoperability rules with a strategic mindset.



There is a natural tendency on the part of the payer to think that exposing their data through interoperability will hurt them in the market and decrease membership. On the contrary, the payers should look to the banking industry as an example of how interoperability change things for the better.

The banks that did not integrate their systems with the rest of the banking industry in the early days of banking interoperability are now out of business. Banks that embraced interoperability with a focus on the consumer experience thrived by being able to provide better services and higher fee-based, value-added services. Who could imagine a system where ATMs are not integrated today?

The Impact of CMS Interoperability Rules on Health Plans

To understand how payers need to respond to the CMS Interoperability final rules, it is crucial to understand the likely multiple impacts of the CMS Interoperability rules. By not reacting or only implementing a weak response to interoperability rules, payers will suffer a significant fallout.

Opportunity To Be a Progressive Payer

There are two main reasons why CMS is pushing for interoperability:

- To foster innovation
- To reduce the historic gap in patient care due to a lack of seamless data sharing

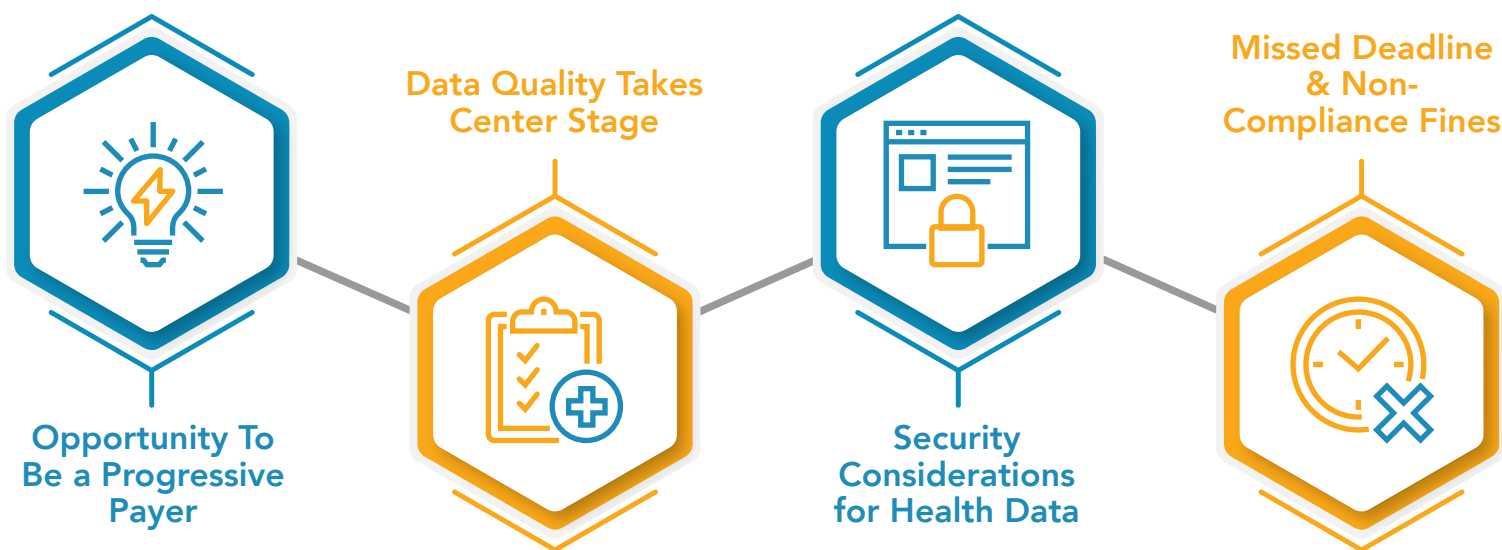
That gap leads to statistically poor outcomes and higher costs. Consistent API-based access to healthcare data is

going to enable companies to build better patient and member engagement experiences. When executed correctly, interoperability is also the right catalyst for reimagining the experiences for all stakeholders, not just patients.

Health plans now have a unique opportunity to be more progressive in their thinking. They can provide robust support for interoperability, including taking a proactive approach to building an ecosystem of solution providers. Payers will also need to come to terms with their historic reservations over sharing data. Leveraging this new interoperability standard will allow them to foster new engagement models and experiences.

We believe this will drive their membership volume higher and reduce costs while improving outcomes. Similar to the successful banks that proactively invested in integration and the consumer experience, payers can reap extremely rich rewards with the aid of interoperability.

Another variable to consider? Initiatives like Amazon.Care intend to provide a digital engagement experience to its members and patients from the ground up. Current and future members of health plans would start expecting similar or better



engagement experiences such as Amazon.Care.

Over time, members will see such experiences as the minimum standard. **This will lead them to abandon payers who do not invest in the same engagement.**

Data Quality Takes Center Stage

The healthcare industry produces a significant amount of raw data from patient history to current patient observations. However, questionable data quality in healthcare is a chronic issue. A recent CMS Audit of Provider Directory of Medicare Advantage Organizations found that over 50% of the provider directories had unacceptable levels of data deficiencies. This even included basic things like provider phone numbers and addresses.

We all understand the impact of medical errors. Poor data quality results in poor communication which lead to poor patient outcomes. While interoperability will make data more accessible, it could also propagate bad data through the health system even faster. **Health plans with poor data management standards are going to be exposed quickly.**

Bad data may lead to even worse outcomes for the patients and an overall poorer member experience. In some cases, a lack of focus in data quality measures in the industry has crept to unacceptable levels. Similar quality issues would not be tolerated in other industries like banking and finance. The impact to payers with poor data quality when full interoperability kicks in may affect brand value significantly.

Security Considerations for Health Data

The term “Fullz” is dark web slang for an information package that contains a person’s real name, address, some form of ID, bank account credentials, electronic health records (EHRs), and

other details. While the value of medical records has dropped more recently, they’re still a hot commodity. CMS Interoperability final rules do specify security protocols to be implemented as part of the standard specifications, such as OpenID Connect, OAuth 2.0, and SMART on FHIR.

However, the responsibility still remains on the payer to ensure that the interoperability APIs are secure and their data is protected. Any leakage or breach still makes the payer liable. The damages from such breaches can be catastrophic and even cause public embarrassments, such as the public data breaches that victimized companies like Target and Sony, among others.

Payers will have to start operating with the mindset that they will be targeted. And the interoperability APIs could be a key vulnerability. As of yet, many of the technologies and vendor solutions remain untested for serious enterprise-grade implementations and severe threats.

Missed Deadline and Non-Compliance Fines

The COVID-19 pandemic put an unusual twist on CMS Interoperability compliance. It caused CMS to push the initial date of compliance out by six months. The final rules also do not clearly spell out consequences of non-compliance fully. However, payers should expect and plan for CMS to start clamping down on non-compliance.

For the time being, CMS may be seen as lenient, especially due to COVID-19, but we foresee the CMS becoming serious about compliance in 2022 and beyond. It is clear that CMS, as well as others, see interoperability as the foundation for clinical decision management systems and the future of learning systems. We believe the fines for non-compliance will continue to increase. On top of that, interoperability will enable CMS to audit for non-compliance more easily than before.

Response Strategies for Payers

Health plans should treat interoperability as an opportunity to drive efficiencies. Rather than just another compliance frustration, it presents the chance to stand out in the marketplace and gain more market share. There are many areas where health plans have taken a nonchalant approach to compliance—treating compliance as a necessity rather than a differentiator.

Interoperability should not be seen as a traditional compliance initiative, but rather as a turning point in the industry. The following recommendations are part of our strategy to form the core response by the health plans.

1. Embrace the Opportunity

Banks that embraced interoperability in the past have reaped substantial rewards. They have capitalized on fees for services that weren't possible before—services like worldwide ATM connectivity, single credit card terminals for different card types, mobile pay, online foreign exchange services, and same-day straight through processing for deposits, and more. Consumers now see these services as minimum expectations rather than a luxury.

The implications and impact of the CMS Interoperability rules are significant and far reaching, as we've explained above. Health plans that invest in interoperability are going to power innovation for engagement solutions. It will give them the tools to deliver desperately needed improvements for the member and patient experience.

We strongly recommend health plans embrace the opportunity, as such superior engagements will be a key differentiator to gain more market share. We further predict that eventually such engagements will become minimum requirements in the industry.

2. Focus on Data Quality

As explained, data quality issues are going to be exposed quickly. Health plans that don't have mature data management will run into multiple challenges. We recommend health plans implement a comprehensive data management strategy soon.

As part of this strategy, payers need to focus on multiple areas, including storage, lifecycle, integration, governance, warehousing and intelligence, security, and master data management. Improving the maturity level in these areas will enable health plans to implement automation and AI-based solutions faster and better.



Improvement in data management strategy will automatically drive better and more efficient business processes by reducing friction. **Constellation4 has created a simplified data management maturity model for health plans to quickly assess and determine both their tactical and strategic action plans.**

3. Create a Robust Technology Vision and Roadmap

The technological complexities in complying with new standards such as FHIR, OpenID Connect, and OAuth 2.0 have not been fully studied and are not yet fully understood by all. Along with vendors, most payers are now in reactive mode. The common approach is to integrate legacy platforms with mappings and integration tools like Mirth Connect, MuleSoft, or other integration platforms.

FHIR is not fully understood and as Constellation4 has discovered, FHIR standards have not yet fully evolved. Generally, we've noticed a wrap-and-hack approach toward July 1, 2021, rather than a sustain-and-differentiate approach.

We strongly recommend IT leaders create a programmatic approach to interoperability. They need to start by creating a robust technology vision along with a roadmap. This vision and the roadmap need to include a response plan for comprehensive architecture, security, data quality, and enablement programs for developers. Those developers will want to connect with the APIs. The creation of a program office with a steering committee should also be part of the roadmap.

4. Focus on Experience

With interoperability as the underpinning, reimagining the experience for members, providers, and internal stakeholders is now a definitive possibility. New engagement platforms will most likely be built and there will be an ever-growing demand for access to the data through interoperability APIs.

With new business models, platforms, and learning systems in place, access to care from anywhere will increase the demand for real-time data. **Payers who invest in either building or working with engagement vendors to create new experiences are going to benefit greatly from increased market share and cost savings.**

How C4 Can Help?

Constellation4 is focused on mapping new connections by reimagining old healthcare workflows into streamlined experiences. These will increase the access to care and the level of care available in the healthcare industry. We see CMS Interoperability final rules as a key inflection point for the industry along with all the lessons learned from the COVID-19 pandemic.

This is a great opportunity for the industry to leverage and reimagine the experiences they provide. Our current area of focus is the inefficiencies in the payer-provider relationship. This relationship is vital to the future of the industry, but currently is fraught with friction, poor data quality, and distrust.

It is vital to streamline this relationship. **The core to creating such a streamlined healthcare workflow is building a solid foundation of high-quality data and making it interoperable through standards like FHIR.**

Constellation4 provides a three-pronged approach to healthcare payers looking to respond effectively to this interoperability opportunity:

1. Begin Your Journey With FHIRUp!

Wherever you are in your journey toward July 1, 2021, and beyond for CMS Interoperability, you can leverage our FHIRUp methodology to create a roadmap that provides clarity. This applies even if you're taking a wrap-and-hack approach to ticking the boxes or engaging a vendor to assist you in compliance.

We can complement your efforts by providing an accurate view of where you are and provide clarity on how to move forward. **With our Assess, Plan, and Implement (API) strategy, we provide a forward-looking view to fully respond to the opportunity.**

2. Implement Pure4 Solution for Provider Directory API

The Pure4 solution platform offers a comprehensive approach to Provider Data Management, including the ability to quickly implement the Provider Directory API. **Pure4 is a one-of-a-kind solution that addresses both interoperability and data quality issues.**

With our Pure4 Connectors, we can quickly load your FHIR environment, map your HL7 segments, and integrate our data cleansing solutions. This combination will allow you to stand up the Provider Directory API quickly and address your provider data management challenges simultaneously.

3. Engage in Modernization With HIT4

As a healthcare organization, the demand for implementing technology for various needs is accelerating and the investment is intensive. Unfortunately, not all those investments are providing the best returns. Every new initiative—including those for compliance purposes such as CMS Interoperability—makes new demands while previous investments are still not yielding results.

We need fresh perspectives to make decisions that standardize, un-complicate, and modernize health exchanges. HIT4 is a digital-centric enabler of health technology transformation initiatives. **From strategic consulting to custom software development, we adapt and evolve your health information technology ecosystem.** With HIT4, you can align your business and technology objectives to meet your healthcare vision and yield greater returns on your investments.



Conclusion

As previously stated, the new Interoperability and Patient Access rule is seeking to break down the existing barriers in the United States healthcare system. Constellation4 sees that barrier removal as the creation of room for growth.

The key is for payers and health plans to act now and capitalize on this opportunity. Increasing the accessibility and availability of health information comes with its own set of challenges, but the benefits of being proactive here far outweigh the hurdles in front of you.