

Hybrid consulting solutions in health care:

Applied insights, actionable information, and holistic value

The recent and prolific increase in health care data makes it (theoretically) possible for industry stakeholders – providers, life sciences companies, and others – to generate analytics that can help solve “heart-of-the-business” problems, such as driving performance improvement, managing patient populations, optimizing physician networks, applying real-world evidence (RWE), and enhancing R&D productivity. Yet, just as it takes the right combination of people, processes, and technology to convert raw oil into gasoline to power car engines, it takes the right combination of people, processes, and technology to convert raw health care data into actionable information to power clinical and business decision making.

Typical solution choices of an off-the-shelf software package or one-off consulting engagement are not always the right answer. Certain types of business problems require a hybrid approach that integrates specialized and transformative business consulting services with software, data, and analytics resulting in a solution that may be more effective than pure technology or services alone. In short, a hybrid product solution does not just automate an existing process or function; it empowers organizations to:

- Drive changes in fundamental business operations
- Execute workflow faster and better
- Reach better decisions by focusing energy on the core business challenge

- Increase solution efficacy, repeatability/transferability, and ease-of-use through the synergy of consulting and technology
- Select from among several business model options: outsourced to a managed services firm, cloud/subscription model, or internally managed
- Extend a solution’s value beyond the initial service engagement.

This article defines the elements of a hybrid consulting/product solution, identifies health care- driven business problems that may be candidates for a hybrid solution, explores hybrid solutions’ value proposition, and shares examples of health care hybrid solutions in action.

What is a hybrid solution?

How does a hybrid solution differ from a traditional consulting engagement or a stand-alone software product? With consulting, an organization gets access to expertise that can have a broad and powerful impact; however, a consulting engagement is of limited duration typically does not include products that are retained by the client and integrated into their daily operating model. With software products built independent of professional services firms, an organization gets scalable tools but they may require specific operating expertise that does not reside in-house. A hybrid product, by contrast, combines business transformation consulting, software, data, and analytics that can be integrated into a sustainable operating model. Hybrids are designed to solve “heart-of-the-business” problems (Figure 1), particularly at the department

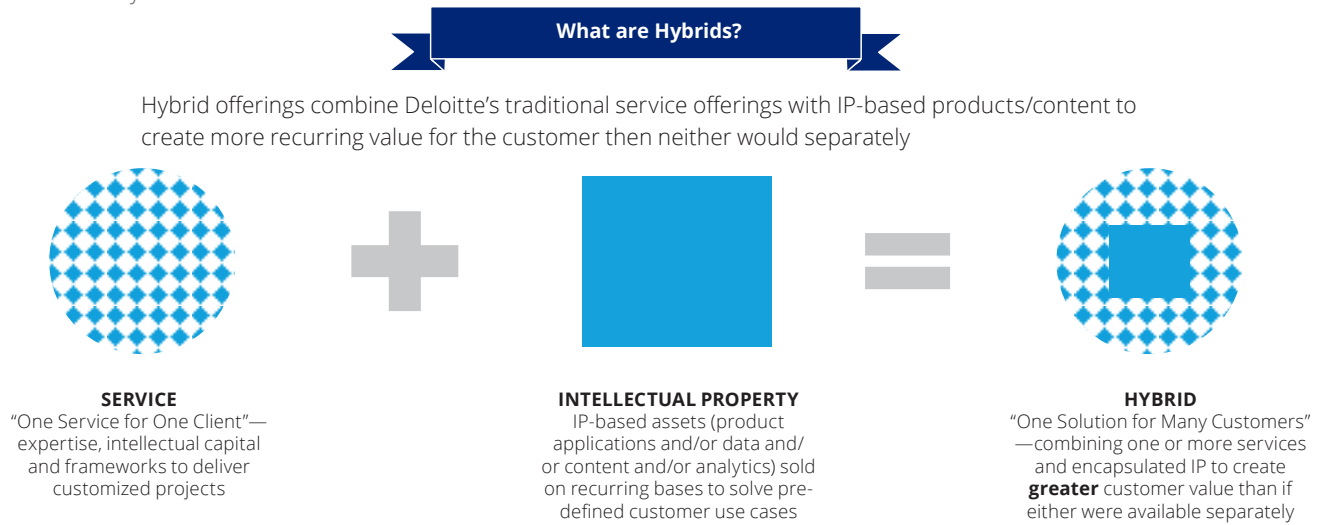
Hybrid highlight: Health system revenue cycle optimization

A health system with 14 hospitals spanning six regions in five states needed to build a shared services approach to revenue cycle management, consolidating operations into two separate processing centers. The provider wanted to identify performance improvement opportunities using both comparative and predictive analytics and to implement comprehensive workflow and reporting tools to drive productivity and enhance quality.

The hybrid solution, featuring Deloitte’s full suite of revenue-accelerating analytics tools:

- Improved the health system’s margin by an estimated \$43 million
- Increased nonclinical payor rejections 86%
- Improved revenue cycle processes overall, reducing total payer rejection volume

Figure 1: What are hybrids?



or function level. A hybrid solution differs from a traditional and onetime consulting engagement because the service delivery is closely mapped to a software component or toolset that encapsulates the functionality needed to tackle a specific structural business problem. The technology component allows the service provider’s intellectual property (IP) – business and technical acumen, expert processes, and industry experience – to be built into the solution and remain with the customer (typically as a subscription-based service) after the engagement, providing sustainable value. In essence, a hybrid uses technology to “turbo charge” a consulting engagement and extend its value after the project is completed, generating greater organizational value than software or services implemented separately.

For example, if a health system needs to reduce costs – a common performance improvement issue – the organization could purchase a software package to track expenditures or hire a consulting firm for a onetime performance improvement project. Alternatively, the health system could implement a hybrid solution in which a consulting firm uses technology and data analytics to capture costs and identify savings opportunities, and then provides business consulting services that apply the resulting insights in a performance management solution. As the conclusion of the consulting engagement, the technology

and IP remain with the health system, to monitor and validate the work.

Analytics are the engine of a hybrid solution; they power the process of getting from raw data to insights. These insights can help health care organizations understand and manage changing business models, clinical care patterns for specific disease states, and patient engagement strategies. For example, health systems and health plans could use analytics to develop optimal care pathways for patients by identifying when individuals are being directed to low-quality/high-cost care pathways and redirecting them to high-quality/low-cost pathways. Packaging analytics into a technology solution delivered as part of the consulting engagement and left behind for the client’s continued use is what differentiates a hybrid solution and adds value and sustainability.

The other key element of a hybrid solution is the expertise of the solution provider. Solving complex, “heart of the business” problems may require strategic planning, business case development, actuarial expertise, and other services in addition to data analytics, software development, and solution implementation. Deep and broad health care industry experience is also important to understand and address mission-critical issues and implications. The solutions provider should be able to bring all of these pieces together in a comprehensive and context- and industry-specific solution. In addition, the

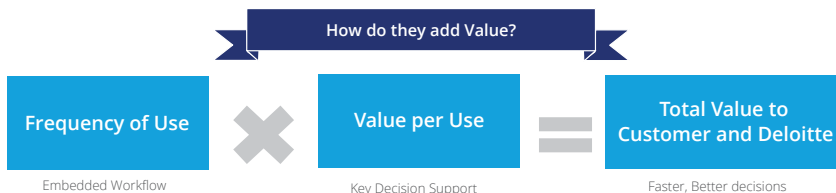
solutions provider should be objective and collaborative to the point of offering to participate in risk sharing with the customer if need be. Implementing a hybrid solution is not about pushing a certain technology; it is about solving a client problem and continuing the relationship after the initial engagement to sustain customer value.

It is important to note that, depending on the situation, a hybrid solution may not be the best answer to a client’s problem. For example, a client typically would not seek a hybrid solution to solve a transactional or a high-volume processing issue – prepackaged software would be a more appropriate choice for these requirements. Similarly, enterprise-class technologies like Electronic Health Record or Enterprise Resource Planning systems are not suitable for a hybrid solution and should be purchased from a software vendor. These enterprise systems may require implementation services from a professional services firm, but these differ from a hybrid solution.

How do hybrid solutions add value?

As stated earlier, a hybrid solution does not just automate an existing process or function; it drives transformational changes in fundamental business operations – for example, in the case of health care organizations, optimizing their physician network. A hybrid solution adds value either by compressing workflow or providing key decision-making support for solving C-level problems that can impact growth

Figure 2: How to hybrids add value?



and profitability. By combining consulting, analytics software, and data, a hybrid approach generates and applies insights that can help an organization solve a problem faster and with better consistency (Figure 2). Plus, the solution’s value can flow beyond the initial engagement via a customer subscription to the data. Implementing a hybrid product solution offers other benefits, including:

- Ongoing and encapsulated consulting expertise and benchmarking that allows value to be delivered more predictably
- A lower-cost collaborative approach using tools
- Value-based engagement models that focus on achieved results

Candidates for a health care hybrid solution

As health care providers, health plans, and life sciences companies pivot toward new reimbursement models, they take on more risk and accountability for financial, operational, and clinical results. Many software vendors and consulting firms offer traditional products and services designed to help organizations grow revenue over expenses and produce positive operating margins. But in a world where value is the key measurement, the definition of “performance” has changed – it is now defined as value, cost, patient experience, and quality – and new reimbursement models are based on these metrics. This change in focus shines a light on several business and clinical challenges that may be good candidates for a hybrid solution.

Driving performance improvement:

To reduce costs and improve margins, health care organizations will need to optimize revenue cycles, reduce R&D and other operating expenses, and introduce innovative cost structures that increase

operating margins while improving clinical effectiveness and quality outcomes. For example, health systems are leaking net revenue due to preventable denials and underpayments – margins they cannot afford to lose. Using a hybrid solution that combines a guided analytics platform that is designed to isolate, quantify, and prioritize revenue leakage sources with interpretation and results can enable these organizations to improve their revenue cycles.

Applying real-world evidence (RWE):

As the health care ecosystem becomes increasingly focused on value-based and personalized medical solutions, RWE is becoming more vital and accessible. The full potential of evidence to aid drug development and clinical care is often unrealized due to fragmented tools, lack of data integration, lack of expertise, and organizational complexity – in essence, the absence of an end-to-end vision for evidence management. A hybrid solution can enable researchers to refine scientific questions, identify areas of unmet medical need, create decision-support frameworks, and augment protocol development and research methods. This real-world and data-driven approach to better understanding underlying disease and patient characteristics supports successful targeted research and reduces the cost and complexity of executing studies.

Deliver value-based care (VBC):

Health systems are being challenged to successfully deliver better coordinated, high-quality, and low-cost care. HHS is pushing for increased adoption of alternative payment models for traditional Medicare benefits – 30% by the end of 2016 and 50% by the end of 2018i. The ability to manage at-risk populations will become increasingly important as health care providers take on more risk under VBC contracts. A hybrid solution that uses actuarial and population-risk analytics can

Hybrid highlight: Lung cancer patient journey insights and QIP

Biomarker testing is underutilized in lung cancer treatment, which may result in suboptimal patient care and lower usage of targeted therapies. This underutilization is believed to be driven by breakdowns in awareness, capabilities, and processes in provider environments. A company that markets a targeted therapy for lung cancer sought to demonstrate the value of, and drive an increase in, biomarker testing; qualify and confirm the causes of underutilization of biomarker testing; establish a collaborative model for future evidence-generation initiatives; and design, pilot, and deploy a quality improvement initiative (QIP) to increase appropriate use of biomarker testing.

Deloitte’s hybrid solution enables patient journey insights to shape disease management and treatment behaviors in lung cancer. Solution elements include:

- In-depth (qualitative and quantitative) insights on actual biomarker testing vs. guidelines
- Codevelopment of a solution and evidence in partnership with a leading health system to help improve patient care
- The rollout of a large-scale quality improvement program to increase appropriate use of biomarker testing.

help providers target-specific populations and build interventions where they are needed. In one instance, powerful predictive analytics based on lifestyle and behavior factors can help with early identification of populations at risk for chronic disease to support preventive and proactive care.

Enhancing research productivity:

Collaboration within and beyond life sciences coupled with the synthesis and alignment of key data is driving unprecedented change and creating new opportunities to enhance research productivity. A hybrid solution that offers innovative and evidence-based services

can de-risk clinical development and impact the commercial value of development assets and portfolios. These could include solutions to support development of disease area strategy, develop better target product profiles, and leverage advanced analytics to support design of clinical trial protocols.

Optimizing physician networks: The transition to value-based reimbursement requires that health systems establish a solid foundation of physician networks, and then be agile enough to expand or narrow a defined network to enact change at the system, provider, and patient levels. A hybrid solution can identify and evolve the right mix of providers to support the clinical environments and patient populations where the health care provider organization operates.

Case study: Clinically integrated physician network

A physician organization consisting of more than 500 providers sought to improve patient retention and align to common goals within the ranks of its employed physicians. Although the health system had gained a strategic advantage in specialist physician alignment through employment, its primary care coverage was not adequate to maintain or grow market share. Also, the organization had negotiated multiple shared savings contracts but lack of primary care providers (PCPs) prevented it from having a sufficient pool of attributed lives to accrue quality and cost-based incentives. Deloitte's Physician Enterprise and Ambulatory Services practice delivered a hybrid solution powered by the Network Insight™ product to help the organization:

- Establish a network development strategy based on affiliation that was more cost effective and able to accelerate the timeline for PCP alignment versus an employment/acquisition model Identify the top 250+ PCPs in the market to target for network inclusion based on defined performance and geographic value metrics, as well as existing health system relationships
- Determine which PCPs to "say no to" if they would be decreative to the overall value of the physician network
- Project a 2% to 4% pickup in market share

with a \$249 million to \$380 million annual revenue gain, contingent upon the final complement of affiliated PCPs, service mix, and shared savings incentives

- Through its hybrid solution, the health system achieved a 15% increase in patient retention in the first 60 days. Finally, the consulting accelerator that Deloitte left behind serves as an interactive tool for the health system's employees to refresh the analysis. Deloitte is doing quarterly data updates for a year, and continues to work with the health system to help it get ongoing value from the tool.

Conclusion

Health care providers, life sciences companies, and other industry stakeholders often need help to define metrics, create tools, and implement processes that put actionable clinical and business information in decision makers' hands. A hybrid product solution that combines business transformation consulting, data, analytics, and software can empower organizations to reach better decisions faster, drive changes in fundamental business operations, and extend a solution's value beyond the initial service engagement.

Contacts

- **Brett Davis**, General Manager and Principal, ConvergeHEALTH by Deloitte, Deloitte Consulting LLP
- **Peter Emerson**, Principal and Chief Business Officer, ConvergeHEALTH by Deloitte, Deloitte Consulting LLP
- **Dan Housman**, Director and CTO, ConvergeHEALTH by Deloitte, Deloitte Consulting LLP
- **Jon Louis**, Senior Manager Provider Marketing, ConvergeHEALTH by Deloitte, Deloitte Consulting LLP

Hybrid highlight: Enterprise RWE platform

- A large and global pharmaceutical company recognized the increasing importance of real-world evidence (RWE) to demonstrate product value and support business development and licensing activities. To strengthen its capabilities in this area, executives decided to create a Center of Excellence for RWE, which would interact with franchises, functions, and geographies via a "hub-and-spoke" model. The company needed an RWE platform that could: In-depth (qualitative and quantitative) insights on actual biomarker testing vs. guidelines
- Support management of foundational and disease-area-specific RWE
- Enable advanced analytics to create RWE (e.g., by internal analysts)
- Enable data-driven decision making by providing RWE to nonanalytical experts via a highly customizable presentation layer (interface to matrix organization).

Deloitte conducted a technology assessment and developed a comprehensive road map that aligned requirements to business needs and included a technology forecast, analytics and data assessment, talent strategy, and more. This hybrid solution featured a "quick win" approach in which the project team automated a series of syndicated dashboards and reports, leveraging a large claims data set.

Acknowledgements

Thanks to the following leaders for their contributions to the paper and its review. Dorrie Guest, principal, Deloitte Consulting LLP; Dr. Bob Williams, director, Deloitte Consulting LLP; Raveen Sharma, senior manager, ConvergeHEALTH by Deloitte, Deloitte Consulting LLP; Patrick Boyle, senior manager, ConvergeHEALTH by Deloitte, Deloitte Consulting LLP; Jeffery Morgan, senior manager, ConvergeHEALTH by Deloitte, Deloitte Consulting LLP; Scot Johnson, senior manager ConvergeHEALTH by Deloitte, Deloitte Consulting LLP; Marc

Scheinrock, senior manager, Deloitte Consulting LLP; and Dr. Liz Scheufele, manager, ConvergeHEALTH by Deloitte, Deloitte Consulting LLP. Special thanks to Rebecca Schultz for her writing and editing.

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the information-based transformation of health care by enabling health care providers and life sciences organizations to answer the difficult questions – what works, for whom, why, in what context, and at what cost? Our solutions and benchmarks from collaborations with industry leaders combined with leading industry experience through Deloitte’s Life Sciences & Health Care practice help our clients survive and thrive in the new paradigm of VBC. For more information, visit www.converge-health.com.

¹Predicts 2015: Healthcare Delivery Organizations Will Stand on IT to Climb Bigger Mountains." Gartner (n.d.): n. pag. Login Page. 02 Dec. 2014. Web. 04 May 2015. G00270789

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