

What Drives Payers' Expenditures on Care Management?

June 2023: Complimentary Abstract / Table of Contents



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Background and scope for research

Care management is a coordinated and comprehensive approach to healthcare that involves proactive coordination and management of healthcare services to ensure that members receive appropriate and timely care in the most suitable setting. This approach involves an interdisciplinary collaborative effort, which brings together healthcare providers and payers to support members throughout their healthcare journey, with the goal of optimizing member outcomes and improving the overall quality of care.

Payers historically neglected care management; however, there has been a noticeable shift in this trend as payers now recognize the potential for cost reduction, value-based care, member-centric approaches, and technological advancements. These factors have led to a new healthcare paradigm where payers acknowledge the value of coordinated care and proactive care management in improving member outcomes and reducing costs. As a result, payers are actively developing strategies to implement innovative care delivery models, strengthen care management strategies, and build improved coordination among all stakeholders in the healthcare ecosystem.

This report provides valuable perspectives on why healthcare payers should prioritize care management. It highlights important trends in payer care management, the technologies used by payers, key areas of focus, and the challenges they face in implementing care management.

Scope of this report



Geography Global



Industry Healthcare



Overview and abbreviated summary of key messages

This report examines care management market. It focuses on the key drivers and challenges in enabling care management and the ways in which healthcare payers are implementing it.

Some of the findings in this report, among others, are:

Market drivers and challenges

- The increasing demand for care management for payers has been primarily driven by rising healthcare costs, evolving member expectations, an aging population, and a shift to value-based care
- While payers are taking strides to develop innovative care management strategies to improve member outcomes and satisfaction, challenges such as fragmented care delivery and poor data management hinder the adoption of these strategies

Key payer imperatives

- Payers need to streamline their technology infrastructure to enable data sharing and processing, thereby generating actionable insights for enhanced care delivery
- Besides modernizing the technology estate, payers must also proactively collaborate with providers to optimize their care management strategies

Care management strategies

- Payers and providers are exploring innovative ways to enhance care coordination to coordinate their efforts with other entities involved in a member's care
- Payers are recognizing the value of utilizing various technologies such as telehealth, remote patient monitoring, and data analytics to enhance care management and improve member satisfaction

This study offers distinct chapters providing a deep dive into key aspects of care management; below are four charts to illustrate the depth of the report

Key drivers of care management

Aging population

By 2030, approximately a quarter of the US population will be over 60. As these baby boomers enter their senior years, they do so with less-than-optimal health as most of them have multiple chronic diseases

Each year, a significant number of people

However, coordinated care management

defer medical care due to high costs.

Check on rising healthcare cost

has the potential to reduce costs



Change in member preference

In an increasingly consumer-oriented healthcare environment, payers should consider investing in care management due to the changing member demand. This is because a majority of Americans are likely to evaluate other care options if they are not completely satisfied



Shift to value-based care

As digital transformation continues to reshape healthcare, value-based care is gaining momentum as a popular alternative to traditional models

Payer challenges in care management



Fragmented care delivery

The US healthcare industry is fragmented, with providers operating in silos, lacking effective coordination and communication... This lack of collaboration which results in errors, redundant tests, and difficulties in achieving seamless care coordination



Poor data management\

Effective care management requires integrating healthcare data, which originates from various sources and grows rapidly. Proper data management can prevent fragmented care, misdiagnosis, and inappropriate treatment plans.



Limited integration of behavioral health with physical health

Patients require integrated physical and behavioral health care, yet many who need behavioral health support remain untreated. Payers struggle to implement necessary changes for seamless care management due to the need for new roles and workflows.

Key payer trends for care management



Digitization

- Payers are using digital tools to improve care management for members
- This includes the leveraging of virtual care and telehealth solutions to enable remote consultations and monitoring and providing self-management tools



Use of analytics for data-driven decision-making

- Payers are focusing on data strategy to improve their care management programs
- They are using analytics to identify high-risk groups and generate insights on diagnosis methods to develop well-tailored care plans



Care management systems

Payers are increasingly using care management platforms that integrate data from multiple sources, identify risks, inform patients about care, open communication channels among all providers. and coordinate member care through collaboration with providers



Payer provider collaboration

- Payers and providers are collaborating to leverage their individual strengths and collectively develop care management strategies
- Through this collaboration. they share patient data. create personalized care plans, and closely monitor the progress of members

coordination





Payer focus area





Utilization management

Payer focus areas



Research calendar

Healthcare Information Technology

| | 1 dollaried Current release |
|--|-----------------------------|
| Reports title | Release date |
| Healthcare Provider Digital Services PEAK Matrix® Assessment 2023 | December 2022 |
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| Healthcare Data & Analytics Services PEAK Matrix® Assessment 2023 | May 2023 |
| What Drives Payers' Expenditures on Care Management? | June 2023 |
| Care Management Trailblazers | Q2 2023 |
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