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THE FUTURE BELONGS TO INTELLIGENT PAYER OPERATIONS

Healthcare payers see a new opportunity on the horizon: intelligent operations. Accenture surveyed operations executives at 150 payers and learned that the pressure is on to support revenue growth, improve the customer experience and increase quality. In short, the back office is now being expected to power the front office.

Amid these challenges (see Figure 1), payers are investing in intelligent operations—and they expect results. Those pursuing intelligent payer operations anticipate a 16% productivity increase, a 17 % revenue increase and a 17% quality increase over the next three years.

Payers with intelligent operations have a new perspective. They want to use diverse data, driven by intelligent technology and human ingenuity to power next-generation, real-time decision making, exceptional customer experiences and breakthrough business outcomes.[1]

Those pursuing intelligent payer operations anticipate increases in these areas over the next three years:

16% productivity

17% revenue

17% quality

Figure 1. Top challenges facing payers today

Challenge	Percent
Improving customer experience	40%
Increasing profitability	35%
Ensuring quality	35%
Digital/technology disruption	34%
Identifying/generating new business	33%
Increasing productivity/decreasing administrative costs	33%
Keeping up with our competitors	31%
Staying relevant to customers	30%
Talent retention/recruitment	30%

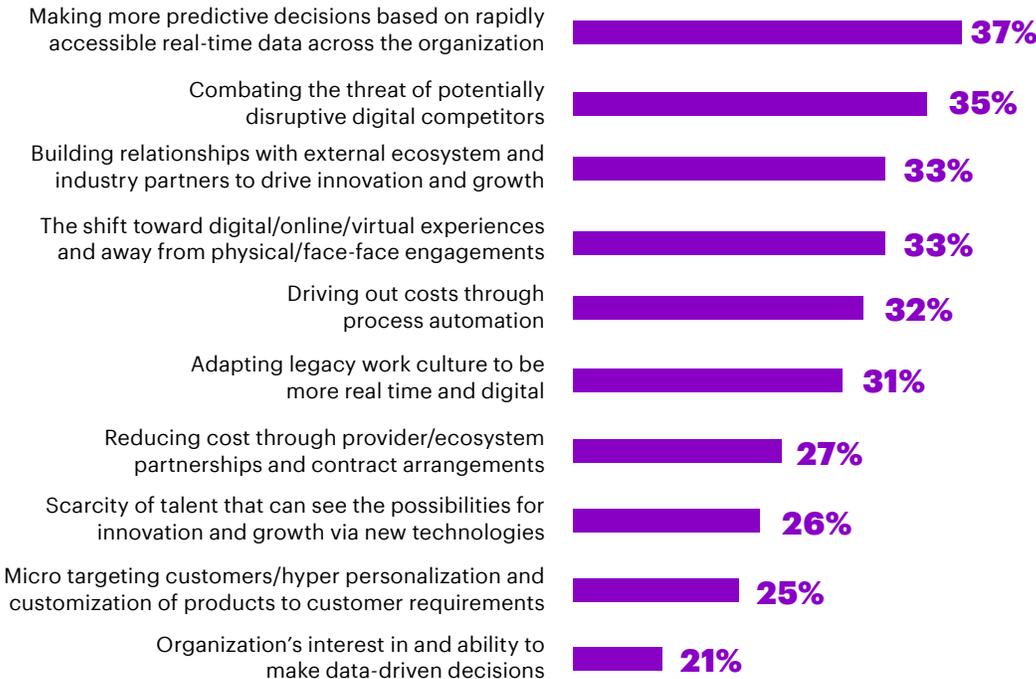Source: Accenture 2018 Payer Operations Executive Survey

[1]Accenture, The Future Belongs to Intelligent Operations, 2018, https://www.accenture.com/us-en/ insight-intelligent-operations

Payer operations executives surveyed believe that the explosion of data, digital disruption, customer experience demands and the proliferation of automation solutions are driving forces behind the move to intelligent operations. Many (37%) cite the need to make more predictive decisions based on rapidly accessible real-time data from across the organization as having a major impact on the business.

Those pursuing intelligent operations must think about their holistic solution set and see where digital capabilities can yield results across functions. Accenture research shows that applying digital to certain operational areas can yield significant cost savings: $1.4 billion in managing membership and billing, $1.1 billion in managing support reimbursement and $1 billion in managing network and providers.[2] Other major drivers of the need to pursue intelligent operations include combating the threat of digital disruptors and building relationships with the ecosystem (see Figure 2).

Figure 2. Top business drivers that have a major impact on payers

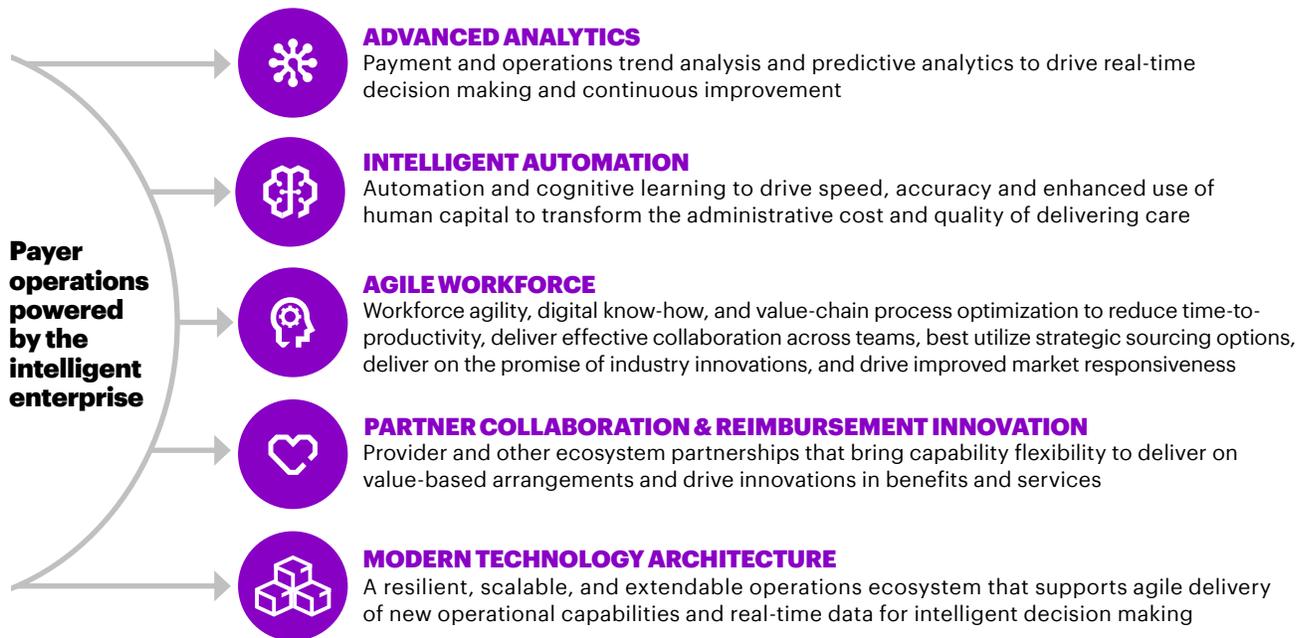| Driver	%
Making more predictive decisions based on rapidly accessible real-time data across the organization	37%
Combating the threat of potentially disruptive digital competitors	35%
Building relationships with external ecosystem and industry partners to drive innovation and growth	33%
The shift toward digital/online/virtual experiences and away from physical/face-face engagements	33%
Driving out costs through process automation	32%
Adapting legacy work culture to be more real time and digital	31%
Reducing cost through provider/ecosystem partnerships and contract arrangements	27%
Scarcity of talent that can see the possibilities for innovation and growth via new technologies	26%
Micro targeting customers/hyper personalization and customization of products to customer requirements	25%
Organization's interest in and ability to make data-driven decisions	21%

Source: Accenture 2018 Payer Operations Executive Survey

HOW TO ADOPT INTELLIGENT OPERATIONS

Solving customer experience, quality and other challenges requires a multi-faceted approach to intelligent payer operations. Accenture's research reveals that there are five key elements to achieving intelligent payer operations (see Figure 3).

[2] Accenture, The Intelligent Payer Survival Guide, 2018, https://www.accenture.com/us-en/insights/ health/intelligent-payer-survival-guide

Figure 3. Essential ingredients of intelligent operations

Payer operations powered by the intelligent enterprise

ADVANCED ANALYTICS
Payment and operations trend analysis and predictive analytics to drive real-time decision making and continuous improvement

INTELLIGENT AUTOMATION
Automation and cognitive learning to drive speed, accuracy and enhanced use of human capital to transform the administrative cost and quality of delivering care

AGILE WORKFORCE
Workforce agility, digital know-how, and value-chain process optimization to reduce time-to-productivity, deliver effective collaboration across teams, best utilize strategic sourcing options, deliver on the promise of industry innovations, and drive improved market responsiveness

PARTNER COLLABORATION & REIMBURSEMENT INNOVATION
Provider and other ecosystem partnerships that bring capability flexibility to deliver on value-based arrangements and drive innovations in benefits and services

MODERN TECHNOLOGY ARCHITECTURE
A resilient, scalable, and extendable operations ecosystem that supports agile delivery of new operational capabilities and real-time data for intelligent decision making

Source: Accenture

ADVANCED ANALYTICS

Using data in decision making was the top-ranking enabler in helping payers achieve business goals (see Figure 4). More than 80% of health operations executives believe that the use of data in decision making and in business processes is an important enabler of achieving their business goals. However, a large volume of the data needed is unstructured or inaccessible. Unstructured data sets are in the terabyte range and are expected to reach petabyte scales.[3] The industry as a whole is looking at ways to better use unstructured data related to areas such as claims processing and network utilization to improve outcomes.

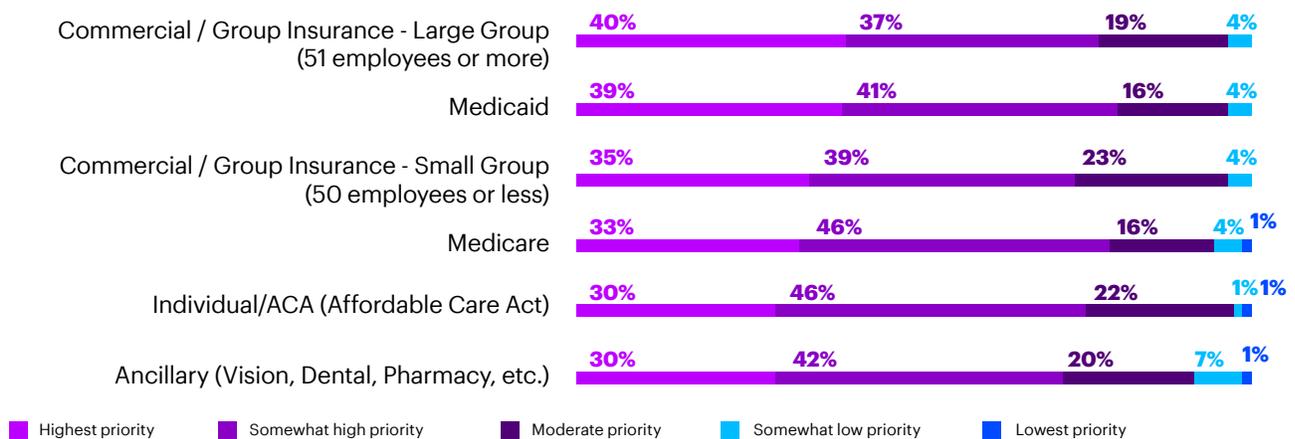**Figure 4. Key enablers to helping payers achieve business goals**

	Highest enabler	Moderate enabler	Low enabler	Not an enabler
Use of data in decision making	46%	46%	6%	3%
Application of automation/AI to business processes	45%	39%	15%	1%
Use of cloud technology	44%	41%	13%	2%
Mitigating security risks	42%	37%	20%	1%
Defining a digital transformation strategy	41%	44%	13%	2%
Digital customer engagement model	41%	44%	13%	1%
Reskilling the workforce	35%	44%	18%	2%
Working closely with ecosystem partners	35%	45%	18%	3%
Leveraging diverse workforce models	31%	44%	20%	6%

Source: Accenture 2018 Payer Operations Executive Survey

[3] HIT Infrastructure, "Unstructured Healthcare Data Needs Advanced Machine Learning Tools;" July 2, 2018; https://hitinfrastructure.com/news/unstructured-healthcare-data-needs-advanced-machine-learning-tools

INTELLIGENT AUTOMATION

Intelligent automation is viewed as an enabler of business goals and as such, payer operations executives plan to focus automation and AI efforts on the commercial large group and Medicaid businesses (see Figure 5). As commercial large group continues to face compressed margins over the past few years, efforts to automate are key to sustaining business in this segment. Medicaid also is an area of recent membership growth for many health plans, but at low margins. Amid government reimbursement pressures to contain costs, automation and AI can help drive operational efficiency.

Figure 5. Targeted areas of transformation with the help of AI and automation

	Highest priority	Somewhat high priority	Moderate priority	Somewhat low priority	Lowest priority
Commercial / Group Insurance - Large Group (51 employees or more)	40%	37%	19%	4%	
Medicaid	39%	41%	16%	4%	
Commercial / Group Insurance - Small Group (50 employees or less)	35%	39%	23%	4%	
Medicare	33%	46%	16%	4%	1%
Individual/ACA (Affordable Care Act)	30%	46%	22%	1%	1%
Ancillary (Vision, Dental, Pharmacy, etc.)	30%	42%	20%	7%	1%

Source: Accenture 2018 Payer Operations Executive Survey

Processes are another target area for intelligent automation. Claims, care coordination and benefit configuration processes have had a lower degree of change over the past 18 months but remain a top priority for automation and AI over the next two years. The provider network is another top candidate for intelligent automation, likely due to increased product innovation and provider data accuracy issues that plague the industry.[4]
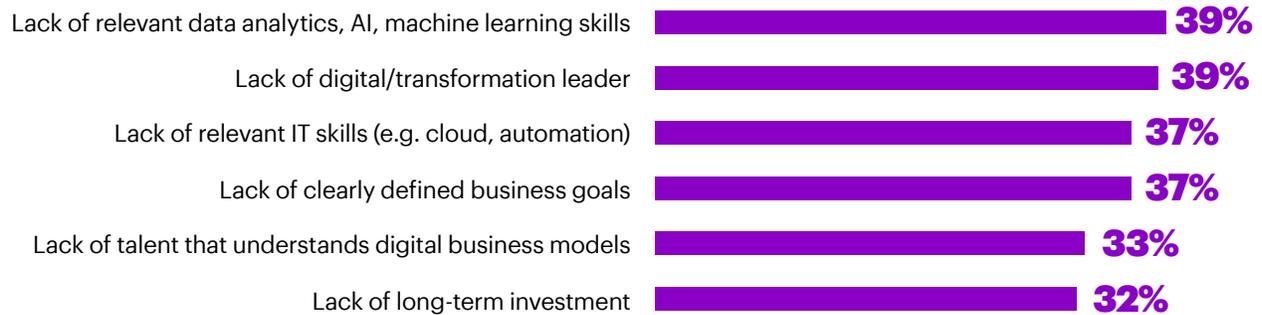
AGILE WORKFORCE

Payer operations executives believe that lack of the right talent is a barrier to preventing them from achieving their business goals to improve experience, increase profitability and generate new revenues for the future. In fact, three of the four top barriers cited are talent-related: lack of relevant data analytics, AI and machine learning skills, lack of relevant IT skills and lack of talent that understands digital business models (see Figure 6).

Payers also believe barriers such as a lack of understanding of digital business models, siloed internal processes and fear of change are also preventing the organization from achieving its business goals.

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[4] Centers for Medicare and Medicaid Services, Online Provider Directory Review Report, 2017 https://www.cms.gov/Medicare/Health-Plans/ManagedCareMarketing/Downloads/Provider_Directory_Review_Industry_Report_Final_01-13-17.pdf

Figure 6. Barriers to allowing payers to achieve business goals

Lack of relevant data analytics, AI, machine learning skills	**39%**
Lack of digital/transformation leader	**39%**
Lack of relevant IT skills (e.g. cloud, automation)	**37%**
Lack of clearly defined business goals	**37%**
Lack of talent that understands digital business models	**33%**
Lack of long-term investment	**32%**

Source: Accenture 2018 Payer Operations Executive Survey

PARTNER COLLABORATION AND REIMBURSEMENT INNOVATION

As noted in Figure 4, 80% of health operations executives believe that working closely with ecosystem partners is an important enabler to achieving their business goals. Intelligent payers realize they cannot go it alone. They tap into ecosystem partners such as pharmacy benefit managers, value-based reimbursement solution providers and large employer groups to bring complementary skillsets, more data, and more diverse data that fosters greater insights and innovation. One innovation example is the new claims application being developed by Oscar Health that aims to deliver real-time prior authorizations and provider reimbursement.[5]

MODERN TECHNOLOGY ARCHITECTURE

Traditional legacy platforms continue to present issues including scalability, high maintenance costs, aging codebases and shrinking institutional knowledge. The response can no longer be quick bandage improvements or placing strategic big bets on monolithic multi-year projects—all at the detriment of future business readiness without the guarantee of business value. To enable intelligent operations, payers must deliver a resilient, scalable and extendable ecosystem that supports agile delivery of new capabilities and real-time data for intelligent decision making.

[5] Medium, "Oscar Health's New Claims System," May 30, 2018, https://medium.com/oscar-tech/oscar-healths-new-claims-system-123b8210acf7

WHAT HAPPENS NEXT?

With productivity, revenue and quality increases resulting from the move to intelligent payer operations, there is no sense in waiting to transform. Growth trumps costs in driving an intelligent payer operations transformation, but that will require a change from the top. Change in leadership is identified as one of top three triggers for operational transformation among payers, at 39%. Payer operations executives must lead by example and invest in the five key elements of a high-performing organization as they aim to drive quality, combat disruption and build competitive advantage.

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ABOUT THE ACCENTURE 2018 PAYER OPERATIONS EXECUTIVE SURVEY

This study is based on the responses of 150 payer executives that are involved in buying decisions related to technology and services. The interviews were conducted in June 2018 with a combination of telephone and online surveys, with telephone interviews included to follow up and ensure better responses to more in-depth questions.

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