

# High-confidence data

How regional payers can  
build, optimize and manage  
their networks

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Regional health plans (RHPs) are currently facing new and diverse pressures as larger payers encroach upon their space in an effort to grow market share. RHPs also confront a host of familiar challenges. Costs continue to rise, particularly for clinical labor, medical equipment and drugs, and healthcare workforce shortages will likely persist for the foreseeable future.

These forces are impacting margins across the entire industry. In the second quarter of 2023, health insurers' profits fell to 3.3%, well below both the pandemic high of 5.3% (reached in the second quarter of 2023) and the pre-pandemic average of 4.5% (mid-2019). Over the same period, employer funding for health insurance plans has remained flat, with growth in government-sponsored programs (such as the Affordable Care Act (ACA), Medicare and Medicaid) significantly outpacing growth in employer-sponsored insurance.

Despite these constraints, health plans must continue to meet evolving regulatory requirements as well as ever-advancing consumer expectations. RHPs need to ensure network adequacy compliance if they're providing Medicare Advantage or state-managed Medicaid coverage, or are otherwise operating in the qualified health plan space. And they need to build high-performing networks that satisfy members while keeping costs manageable. This is increasingly difficult when members' expectations are shaped by always-on businesses (like e-commerce retail) as well as the high bar set by new market entrants in the healthcare industry.

If they are to not merely survive but thrive in a future that will bring greater competition and more complexity, RHPs will need to transform their ways of working. They'll need to build smarter strategies that enable them to grow their customer bases, strengthen their networks and better manage care costs. It's only possible to do these things – especially amidst increased competitive pressure – if decision-makers understand how their plan stacks up against others in its market. For this, they need ongoing access to comprehensive, accurate and timely competitor network data.

Such intelligence gives health plans full situational awareness – a deep understanding of their market and competition. On the basis of this awareness, they can build networks and business strategies that drive success. This will set tomorrow's leading RHPs apart from the rest.



# The current state of provider network data

Preliminary data indicates that 2023 and 2024 have been the most volatile years for health plan enrollment in more than a decade. And the composition of Integrated Delivery Networks (IDNs) has been even more unpredictable, as large amounts of merger and acquisition (M&A) activity have repeatedly reshaped the provider landscape. According to the Zelis 2023 State of the Market Report, a full three percent of providers in a network change affiliations each month, and as much as 30% of provider directory data changes annually.

This volatility makes it increasingly difficult for plans to understand how their networks are transforming over time, as well as which specialists, groups and individual providers are contracted with their own and competing networks.

Meanwhile, the Centers for Medicare and Medicaid Services (CMS) is stepping up oversight of health plans' adherence to network adequacy requirements. The agency is increasingly making use of "secret shopper" services to verify that members have adequate access to covered services. In the face of this more stringent enforcement, it's critical for RHPs to ensure that they have appropriate numbers of providers (including specialists) in their networks.

To figure out whether they do have adequate networks, most payers are turning to basic demographic data, drawn from provider directories. This may be supplemented with claims administration data. The information is often poorly integrated, inaccurate or outdated, a problem that's exacerbated by the fact that network composition changes so quickly.



“Network adequacy compliance has long been a challenge for health plans of all sizes,” says Paul Nance, Senior Product Manager at Zelis. “Ensuring that there are appropriate providers in the right locations so that members don’t have to travel too far to get care actually requires a fairly sophisticated set of analytic tools to measure, as well as frequently refreshed provider data, since affiliations shift so often.”

Instead, RHPs need access to high-confidence provider and competitor data that gives them a tailored, holistic view of their networks. This is the kind of data that drives actionable competitive intelligence, making it possible to create innovative network structures and ensure an optimal provider mix to maintain member satisfaction.

**In the remainder of this playbook, we’ll dive deeper into what this actionable data foundation looks like and how it can be used most effectively.**

# Setting the right data foundation

The provider data that's used in competitive analyses can be harvested from publicly available online directories. Because it's in the public domain, there are few restrictions on how this data can be used.

To confirm its accuracy, however, this data should be cleaned and standardized across multiple sources. It can then be consolidated into a single unified provider database, which will indicate all – or the vast majority – of the payer networks that each provider is contracted with. Because the provider landscape is changing rapidly, this data can become outdated quickly. Refreshing or updating the data on a frequent basis helps ensure that it will stay valid. Confidence scoring can be performed to show exactly how well the data represents the local provider and competitor landscape.

With this information, health plan stakeholders can better understand the managed care landscape in their market, as well as in any new markets that they might be looking to expand into.

Leveraging augmented data, which means adding information from a variety of internal and third-party source on factors like cost, care quality and health equity, makes it possible to perform more nuanced analyses, including network optimization analysis.

## What is confidence scoring?

Confidence scoring offers a metric representing how certain it is that a provider address or specialty in the data is actually valid. The score is based on the number of independent sources that contain that information: *the more sources there are that agree, the more confident we can be in the data's accuracy.*

Confidence scoring makes it possible to group provider data into categories such as:

- ✓ Many sources confirm the address or specialty shown in the data.
- ✓ Some sources confirm the address or specialty.
- ✓ Only a few sources confirm the information.



"A decade ago, most payers simply wanted to be able to offer the largest, most comprehensive network, so that members wouldn't complain if their preferred doctor wasn't in-network, and so that they wouldn't have to deal with lots of out-of-network claims," Nance explains. "Today, there's much more focus on network optimization, which involves comparing measure of cost and quality to optimize both. A provider who is able to deliver better patient outcomes at a lower cost is one who you definitely want in-network."

Network optimization analysis allows a payer to not only understand how their network compares to competitors' but also helps them understand how they can make their network perform better. It's possible to perform deeper, multi-dimensional comparisons that go beyond provider location and specialty to encompass factors like aggregate cost or quality scores, or language or cultural competencies. The resulting insights can help payers strategically boost member experiences and outcomes in ways that are cost-efficient.

"When you layer in additional data points from multiple sources, you can generate much more robust, actionable insights, and you can use these to manage your network more effectively," says Nance.



# Transforming insights into action

Data's true value can be realized only when it's leveraged for insights that fuel intelligent decision-making. To achieve this, stakeholders in payer organizations need access to an analytics platform that includes data visualization tools that are intuitive and easy to use. This way, even less data-literate teams can feel confident that they're making evidence-based decisions about critical business questions.

Analytics platforms should be carefully designed to reveal the kinds of insights that can drive action. For instance, it's easier to fill provider gaps or network weaknesses if the solution can create targeted provider recruitment lists. Allowing users to set specific criteria when comparing network overlap, volatility and relative strength makes it possible for RHPs to build, optimize and maintain networks that meet the specific needs of the member population they serve.

Data analytics platforms can also help RHPs better understand the competitive landscape in which they operate. An industry-leading competitive benchmarking solution will give stakeholders a clear view of their competitive position in the market, including the relative geographic strength of their network, a side-by-side comparison of network composition by specialty and the ability to monitor competitors' network volatility over time.

"One thing that's happening across the provider landscape is the merger of smaller practices. When this takes place, health systems are able to bundle services and more carefully manage referrals, often with the goal of moving towards a value-based care (VBC) model. If these efforts are successful, your health plan can better leverage those providers to boost members' health outcomes."

**Paul Nance**

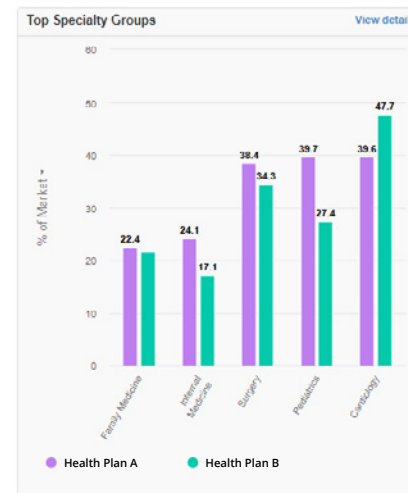
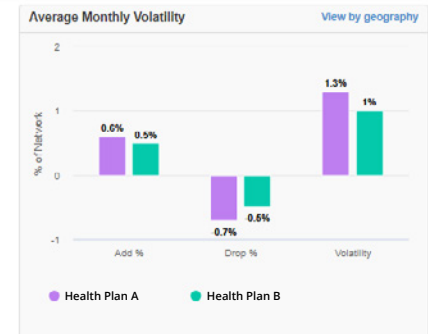
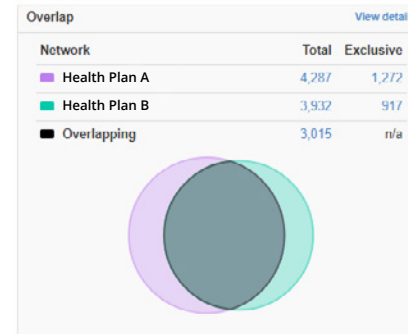
Senior Product Manager, Zelis

# Managing your network more effectively

With access to the right data along with the right visualization and analytic tools, it becomes much easier to conduct the accessibility analyses that ensure regulatory compliance. Stakeholders can see at a glance which providers and specialists are in-network, so that members have ready access. They can also immediately identify gaps.

Industry-leading analytic solutions incorporate geographic maps, color coding and multiple types of graphs and visualizations to make insights readily apparent. Dynamic data access ensures that these insights remain current even when market conditions are changing quickly. Such solutions can also help RHPs anticipate and mitigate potential disruptions to their networks.

Many RHPs don't have access to the necessary data sources or analytic tools in-house. Engaging an analytic partner can help payers seamlessly integrate data from multiple sources with analytic workflows to accelerate time to insight.





## What to look for in an analytics partner



The ability to tailor and modularize solutions to fit your organization's individual needs and budget



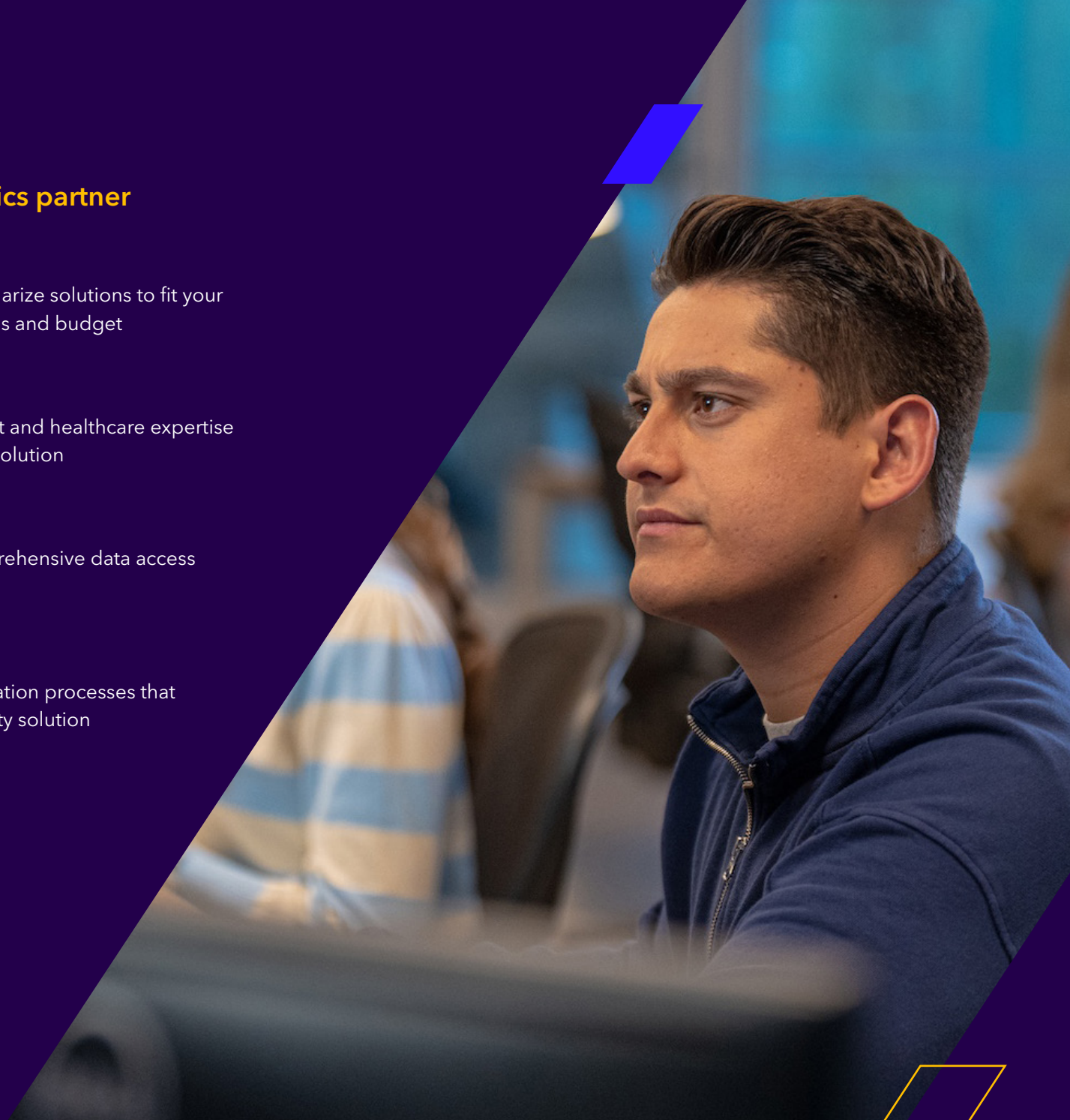
Decades of data management and healthcare expertise to help you build the best-fit solution



The broadest and most comprehensive data access possible solution



Data cleaning and standardization processes that ensure exceptional data quality solution



# The future of health plan data management

The market forces driving RHPs to find greater efficiencies – while continuing to meet members’ needs and compliance requirements–won’t disappear anytime soon. But the ongoing evolution of technology will make it easier for tomorrow’s leading health plans to leverage new tools to uncover these efficiencies. Emerging technologies like AI will play an ever-larger role in healthcare provider data processing and augmentation, while predictive analytics will streamline network management.

With such tools in hand, RHPs will have ready access to more reliable data, empowering them to make far better decisions with greater confidence.

RHPs don’t have to wait for the future to realize these benefits. With Zelis Network360, they can take advantage of comprehensive provider and competitor data to obtain a holistic, nuanced view of their network–today.

As a true network partner with decades of data and healthcare experience, Zelis has helped hundreds of payers tailor and modularize solutions and datasets to fit their specific network needs. Zelis supplies high-confidence data, triangulating, cleaning and standardizing it across multiple sources to give you the most reliable and comprehensive competitor and provider demographic data available today. An intuitive analytics platform including clear data visualization tools ensures that information can flow seamlessly across the enterprise.

To learn more about how Zelis can help you build a network that meets your goals, [connect with us today.](#)



Zelis is modernizing the healthcare financial experience by providing a connected platform that bridges the gaps and aligns interests across payers, providers, and healthcare consumers. This platform serves more than 700 payers, including the top-5 national health plans, BCBS insurers, regional health plans, TPAs and self-insured employers, and millions of healthcare providers and consumers. Zelis sees across the system to identify, optimize, and solve problems holistically with technology built by healthcare experts – driving real, measurable results for clients. Learn more at [Zelis.com](https://zelis.com).

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