



**Not all Centers
of Excellence are
Created Equal:
5 Questions
Payers Should
Keep in Mind**



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Introduction

Whether they're waiting for a liver transplant, fighting advanced-stage cancer or considering bariatric surgery, individuals with complex medical needs face a bewildering array of options. During a time of increasing incidence of illness and spiking health care costs, this situation is only exacerbated.

The cost of cancer care in the U.S. is expected to surpass \$246 billion by 2030 – representing a 34% increase in spend since 2015.¹ Similarly, the average costs of certain types of organ transplants can reach \$1 million or more.² These are just 2 examples of a trend that threatens to further complicate the lives of those with complex medical needs.

In response, health plans and self-funded employers leverage COEs to identify high-quality specialty care providers who can deliver superior clinical results to their members and employees while also managing costs. As a result, COEs are multiplying, particularly for high-spend conditions such as cancer, transplants and cardiology.

But there's significant variation in how these centers are structured, which can create disparities in both value and quality. Best-in-class COE programs take an analytically rigorous and highly personalized approach to providing top-quality care. They blend



What are Centers of Excellence?

COEs are high-performing medical programs that have met rigorous qualification criteria and demonstrated a history of clinically superior and cost-effective care.

facility selection with a comprehensive approach to meet patient needs. This includes an emphasis on care coordination and quality of life, while giving patients and members increased control, transparency and predictability.



Here are 5 questions payers should ask to distinguish among the many COE options and select the one that's right for them.

Question 1: How is quality assessed?

To participate in a COE network, providers must pass an initial evaluation of the clinical quality and outcomes that establishes them as leaders in their field. These evaluations typically look at a provider practice's procedure volume and associated outcomes; the team's experience and stability; and the program's practices, standards and quality of care. Most COE programs will also keep track of procedure success and survival rates, the number of patients treated with a specific condition and patient satisfaction survey results.

The best COE programs take this a step further, implementing a continuous review process built on state-of-the-art analytics and guidance from leading medical experts. Ideally, an expert panel of board-certified practicing physicians who are

leaders in their specialty guide the qualification process. These experts regularly review and revise qualification criteria, which ensure COE facilities rank among the very best in quality parameters and key performance benchmarks for each specialty. These benchmarks may include:

- Annual volume of procedures to ensure experienced physicians and staff
- Superior patient outcomes with few complications and superior survival rates
- Evidence of a multidisciplinary approach and literature-based best practices
- Bundled costs for the procedure and follow-up care





Question 2: How are providers supported?

Top COE programs create a collaborative and mutually beneficial relationship among the program, facility and provider staff. In many cases, providers are directed toward standardized, evidence-based treatment protocols and offer beneficial pricing. In exchange, COE programs direct patients to these programs that are likely to lead to better outcomes, allowing the facilities to grow and develop and reinvest in skills development, research, technology and specialized facilities.

Elite COE programs raise the bar on collaboration in a number of ways:

- They can access and occasionally share clinical data on treatments and outcomes from across the network, offering providers insights into the relationship among treatment practices,

medical outcomes and economic impacts. This data not only helps providers reduce risk, but also helps clarify best practices that benefit providers, payers and patients alike.

- They give providers a highly efficient prior authorization process, freeing them from clerical tasks and ensuring that patients can get access to treatment without delay. They also provide access to relevant information about insurance coverage, formulary rules, prescribing guidelines and even lower-cost alternatives.
- They provide a dedicated team of nurse consultants to educate patients on their diagnoses and provide clinical case management that reduces complications while saving providers' time.

Question 3: Does the COE offer an integrated care experience?

Top-performing COE programs deliver not just best-in-class clinical care, but also outstanding care coordination. Specialized clinical management teams walk patients through available services, while dedicated nurse managers offer one-on-one sessions to educate patients about their condition. This allows patients to make informed treatment decisions and follow up throughout their treatment to avoid readmission and complications.



By helping patients understand and become more engaged in their treatments, specialized care management programs help payers reduce costs and improve outcomes while also driving patient satisfaction.





Question 4: How are cost savings and affordability measured?

Payers expect COE programs to deliver cost-effective pricing, but the way these programs create savings can vary dramatically. The most advanced COEs can create custom retrospective and prospective bundled payments to drive affordability and cost predictability for payers.

Retrospective bundles work well for high-performing COE providers working with common episodes of care that have clear starting and ending points, such as a total knee replacement or coronary artery bypass graft. The clinicians and facilities must manage costs related to everything from preadmission and the actual surgery to inpatient and postdischarge care.

Prospective bundled payments are less common but are gaining in popularity as payers increasingly require more cost predictability than fee-for-service models allow.

What are retrospective bundle payments?

Retrospective bundles are when providers are paid on a fee-for-service basis and earn a percentage of savings if they keep fees under a predetermined payment threshold.

What are prospective bundle payments?

Prospective bundled payments are a lump sum paid after a sentinel event, such as surgery.

Prospective bundles offer a powerful tool to align incentives and link payments to performance metrics that improve care quality. Payers like this arrangement because these payments encourage performing care in a specific way to improve quality, utilization and cost. Providers like this arrangement because they can receive payment earlier and therefore focus on providing the best care, rather than care based on a payer's assessment of medical necessity.

To deliver the highest value, bundled payments must be flexible enough to accommodate different patient populations and market conditions. The best COE programs offer this flexibility by analyzing payers' and providers' current performance to assess which episodes of care make most sense to bundle. They then provide ongoing scorecards so that all stakeholders can understand their performance and how to improve.

With the right COE partner, payers can decide which type of bundled payments make the most sense across various types of care:

- Procedure-based bundles, based on major surgical events, can minimize readmissions and encourage high-quality post-acute care.
- Time-based bundles cover a specific period, generally when a patient is under the direct care of a provider, and can reward efficient, high-quality care.
- Episode-of-care bundles cover expected visits, associated lab work and radiology for diseases such as cancer, and can help providers and payers agree on the right treatment while defining financial rewards for positive health outcomes and consequences for negative ones.

The best programs work with payers and providers to determine appropriate time frames, event triggers and complications that should constitute a specific bundle, as well as the metrics that must be tracked.





Question 5: What's the COE program's track record – and can it demonstrate its results?

Any worthwhile COE program will have compelling data to support improved outcomes and lower costs, with data-based proof that it promotes successful and cost-effective care.

And that should be the case across disciplines and conditions. Whether payers are looking at the cost of a kidney transplant, bariatric surgery, cutting-edge cancer care or hip replacement, the COE program should be able to demonstrate its ability to deliver improved clinical and financial outcomes.

How Optum can help

As care complexity and expenses continue to skyrocket, payers need to develop a strategy to manage patients with complicated medical conditions. We can help.

Consider the following results:

30%

fewer complications and readmissions for Optum spine and joint COE program³

25%

lower costs for Optum spine and joint COE program compared with median costs in the same metropolitan areas³

58%

savings per episode on average with Optum Transplant COE network⁵

\$10,000

average cost savings per surgery with Optum spine and joint program³

\$3,847

lower network cost on average for surgical episodes completed by Optum Bariatric Resource Services COE compared with non-COE facilities⁴

42%

savings on billed rates for services performed by the Optum Cancer COE network⁶

Optum solutions for complex care include:

- [Transplant Solutions](#)
- [Kidney Solutions](#)
- [Oncology Management Programs](#)
- [Bariatric Resource Services](#)
- [Musculoskeletal Solutions](#)
- [Fertility Solutions](#)

Contact your Optum representative to start improving quality and outcomes while controlling costs.

Sources

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