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Leading innovation for value and outcomes in healthcare: The opportunity for payers with Atul Pathiyal

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As transformative forces continue to reshape the healthcare industry, payers have a critical opportunity to genuinely improve health outcomes for all, drive down costs, and deliver greater value.

Atul is a Director and President of the Payer Advisory Services Practice at The Chartis Group. He has more than 25 years of advisory experience spanning the payer-provider continuum, with a particular focus on designing new business models that harness the massive shifts shaping the healthcare industry. When Atul isn't working, you'll probably find him on a mountainside with his wife and three teenage boys.

Chartis: What forces are emerging as the most influential in the healthcare payer landscape?

Atul Pathiyal:

There are a few forces for payers to pay attention to right now.

I'm especially interested in 2 interrelated dynamics: One is the growth in alternative payment models that better align payers and providers to increase quality, reduce costs, and improve the patient experience. The other is the growing recognition of the value of investing to address health inequity, behavioral health issues, and other social determinants of health. When you put those together, I think there's going to be a lot of momentum behind rethinking the care model and coming up with some really innovative ideas.

Another trend to watch is how price transparency legislation is going to empower the consumer to play an even more active role in decision-making—more so than they ever have before.

And workforce challenges will have an outsize effect on decision-making in the near future. Within the healthcare industry, we talk a lot about the significant pressure on care delivery—the nursing shortage is significant. But another aspect of this challenge is how employers across all industries are looking for additional ways to attract and retain employees, and I think health and wellness benefits are going to be a big part of that story.

Chartis: What are the implications of these forces? What opportunities and challenges do they present for payers?

Atul:

An obvious implication is that the line between payer and provider continues to become increasingly blurred. And when you think about a consumer-centric operating model, it's clear why it's imperative for payers and providers to bring their capabilities together. Consumers want the best quality and a positive experience—and one that hopefully doesn't break the bank.

Aligning the incentives between payers and providers so that they can jointly meet consumers' expectations is going to be key.

Another opportunity is to develop programs that are highly specialized to focus on the specific attributes of segments of the patient population. In other words, there's an opportunity to be even more laser-focused on the underlying circumstances of especially vulnerable populations, rather than taking a one-size-fits-all approach.

We now have the ability to acquire and analyze data to deeply understand the context around the whole person. And we can use that intelligence to develop comprehensive care models that coordinate effectively across clinical disciplines. We can use intelligence to leverage community-based resources to address dimensions that traditionally have not been considered “healthcare” but are proven to make a meaningful impact. And we can use intelligence to present a unified experience that meets the patient where they are.

By putting these programs together, we're going to be able to make a difference in the community in a way that hasn't been achieved before.

With respect to changes in the workforce, one implication is a shift away from only talking about affordability. Cost pressures aren't going to go away. We know that. But as employers innovate around working from home and expanding their value proposition to employees, it's clear that a more nuanced framing on costs is going to be critical.

Chartis: Where do payers have an opportunity to play a lead role in materially improving healthcare if they proactively focus their efforts?

Atul:

Clearly, one key area is to think critically about incentives and developing models that encourage providers to move forward in this consumer-centric world. There's significant opportunity to take advantage of the role of the insurance product design to ensure that providers and payers are pulling in the same direction.

Another area of focus is to work on expanding access to community-based resources, such as housing, transportation, and community support networks. These are critical to improving health outcomes and lowering cost. They bring providers and payers together.

Another area is to take advantage of the home more. Patients do better in many cases when they're treated at home. Their outcomes are better. Their experience is certainly better. And we're able to keep costs low. Payers can play a critical role in making sure the home becomes a primary location of care where appropriate.

And lastly, another opportunity for payers is to leverage their data. Payers have immense amounts of claims and other forms of data. This information can help provide critical intelligence needed to optimize care and provide a better experience for the patient.

Chartis: What should payers be thinking about and doing now to optimize their efforts and to be leaders in the field?

Atul:

One thing is to think about how they design and implement new innovative care models. These care models can take advantage of new data insights that leverage a combination of provider and other capabilities out in the market and potentially extend into the consumers' 4 walls, whether that be digitally or through home-based services. By looking at the continuum of care for the patient, payers can really help set the foundation for the future.

Another thing payers should be thinking about critically is how to assess their current data assets and capabilities. Being able to acquire, analyze, and act on data is going to become a core competency. And if a payer doesn't have a roadmap to get there right now, it's important to figure that out immediately.

Lastly, payers should think about how to increase their agility. Being able to test, deploy, and iterate on new concepts and approaches is going to become critical. There's a lot of opportunity for innovation, and payers need to understand their capability to innovate for the future.

Chartis: What's next? What will we see as growing forces going forward?

Atul:

One area that requires constant attention is the increased consolidation among payers and providers—as well as between payers and providers. That's going to continue to apply pressure on the care delivery model and require all participants to think critically about how they're going to contribute and add value in the future.

Forces for Change is an annual trend outlook report from The Chartis Group focused on defining the forces shaping healthcare today and outlining what health systems can do to prepare for what's next.

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Atul Pathiyal

Managing Partner, HealthScape Advisors