Integrated medical management: setting a clear strategy and driving results

The goal of “medical management,” an emerging discipline within the health care sector, is to integrate the distinct processes of case management, disease management and utilization management, thereby achieving better clinical outcomes and reduced costs. We offer insight into a disciplined, structured approach that will help give health care providers a clear, integrated medical management strategy, an efficient operating model and technology enablers that will enable them to realize the full benefit of their investments in this new field.
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The term medical management is not specifically and uniformly defined in the health care field, but generally, it refers to the integration of three specific disciplines — case management, disease management and utilization management — supported by population health and referral management activities (see Figure 1). The core idea is that this integrated approach will position the right health care professional at the right time with the right treatment. Patient satisfaction is also a key outcome, with the goal being that they feel their time is better utilized, their treatment is more effective and their overall experience is more positive.

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Figure 1. The activities and disciplines of medical management

- Population health management helps assess the continuum of care. It involves the stratification of patients into risk groups and the creation of care strategies based on each group’s needs. Its goal is to reduce costs by preventing illness, improving quality of life and enhancing health outcomes for those suffering from chronic conditions.

- Integrated referral management is a model for directing, monitoring and controlling patient referrals with the aim of achieving the most clinically driven and cost-effective outcomes. It involves a streamlined process and standard workflow to manage the life cycle of patient referrals. Its goal is to optimize the referral process, drive patient accountability and minimize disruptions.

- Case management is a collaborative process that assesses, plans, implements, coordinates, monitors and evaluates options and services to meet an individual’s health care needs.

- Disease management is a system of multidisciplinary efforts focused on improving the quality and cost-effectiveness of care associated with chronic illness.

- Utilization management is a coordinated set of techniques focused on balancing health care resources in order to provide patients with the right care at the right time.
is enabled by processes, technology and analytics. For example, predictive data elements, combined with tighter patient communications and scheduling, allows for earlier interventions and better, cheaper care. Intuitively, this approach makes sense to patients, providers and administrators, because high-quality, cost-effective health care is dependent on patients interacting with the right health care professionals at the right times to treat the right issues.

But in today’s environment, it’s widely understood that health care faces extraordinary challenges, both external and self-imposed, when it comes to attacking problems in a holistic, integrated manner.

A huge amount has been written on the process, technology and organizational issues that inhibit integrated health care solutions – lack of standardized electronic health records, distributed-provider care models and unclear cost parameters are just a few of these fundamental issues. It is within these constraints that the medical management discipline needs to operate, creating unique challenges for health care providers as they evolve and develop this capability.

Recognizing the opportunity presented by medical management, many health care organizations have invested in disparate, tactical solutions – such as redesigning clinical operations workflows, creating new standard operating procedures or implementing new training classes. These tactical efforts are usually met with mixed success. Too often, medical management investments are not driven by a clear, integrated strategy. As a result, to use a medical analogy, it is the symptoms that are being treated rather than the patient as a whole. The remainder of this article outlines a path forward for organizations that are looking to embrace the full potential of integrated medical management and ensure the changes they make will stick.
The importance of a strategic approach

If medical management is to be a core capability within complex health care systems, it will require strategic transformation of systems, processes, data, organizational roles and performance metrics. Given the scope of this change, and the potential for material clinical and financial benefits, organizations need to approach this as a strategic management problem that requires rigorous planning.

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A tightly focused strategic plan is an invaluable tool to get an organization focused on delivering large-scale, medical management change. Such planning exercises have many forms but, at a minimum, should include the following components:

► Environment scan – what are other health care providers doing in this space? How are patient needs and preferences changing?

► Current-state review – what is the organization’s starting point and level of maturity in key medical management processes?
The complexity and cost of a major transformation – combined with what is often an unclear organizational vision regarding the purpose, scope and objectives of medical management – require a disciplined approach to investment priorities and timing.

► **Scope** – where should the organization focus efforts for change and, just as importantly, what areas are out of bounds?

► **Objectives** – what needs to be accomplished, and how will the organization operate or differ when the objectives are achieved?

► **Initiatives** – how do we chunk up the work into manageable projects and when can they each be completed?

► **Outcome metrics** – how will we quantitatively know if the organization is successful?

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**Defining the operating model**

Once the strategy has been clearly articulated, the next step is to define the medical management operating model. The term “operating model” is one that can have very different meanings to different people but, in this context, the operating model should define the operational infrastructure through which the strategy will be executed. By specifying the operating model, an organization is committing to a way of doing business both today and tomorrow, while also setting the parameters for future people, process and technology investments.

Many health care organizations still do not formally design their operating models, focusing their planning energy on budgeting or strategic planning. However, research indicates that organizations with a foundational, clearly defined operating model report significantly greater performance across a range of outcome metrics, including operational efficiency, customer intimacy, product or service leadership and strategic agility.1

In the context of medical management, the end goal is an operating model with highly standardized processes (e.g., executing clinical pathways with minimal unwanted variation), but also highly integrated processes (e.g., clear hand off of patient data from one care delivery team to another). This presents a huge shift for many health care organizations with distributed facilities that operate with relatively low levels of process standardization and integration. In effect, many health care organizations are moving from the “bottom left” to the “top right” of the matrix shown in Figure 3.

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Reducing costs and improving the customer experience

At a prominent commercial integrated delivery system (IDS) organization, health care was siloed, and the organization wanted to simplify population management and improve the customer experience while reducing operating costs.

By developing a new operational strategy, implementing a system that allows one nurse to have a complete overview of the patient, and designing and implementing data analytics and reporting that provide insight into member demographic trends, the organization was able to:

► Reduce operating costs by centralizing member care delivery
► Improve patient care, since the primary nurse could now see all aspects of it, from medical history and lab results to prescriptions
► Enable the proactive identification of members at risk of chronic illness (such as diabetes, asthma or smoking) via the Population Health Management system, thus allowing early enrollment in disease preventive wellness programs
Executing this shift requires a blueprint for the operating model that describes how the strategy will be implemented in the following areas:

- **Process model** – how will processes be aligned in support of patient outcomes?
- **Organizational structure** – what new roles are required and what are the appropriate reporting lines?
- **Governance** – where will the decision-making authority reside for each process within the organizational structure?
- **Technology architecture** – what new data, systems and interfaces will be required to support the process model?
- **Operating locations** – what activities will be performed and where, and will any new locations or facilities be required?
- **Performance metrics** – how will we monitor the processes and then hold people accountable for results?

**Execution enables implementation success**

With a clearly defined medical management strategy and operating model, investments in operational capabilities can be built within the context of the broader vision and plan. This is because there is a greater understanding of the medical management architecture and the organizational “home” for new capabilities. As a result, there is a much greater chance of implementation success, with strong return on investment.

Ultimately, medical management is executed at the frontline of health care delivery. As such, implementation requires detailed standard operating procedures (SOPs), roles and responsibilities, skill profiles, and a robust training and education program. Position descriptions will also be required for new roles, which may be filled from existing resources or new hires into the organization.

**Real change, measurable results**

When done correctly, an integrated medical management model of clinical pathways represents a breakthrough in how health care organizations optimize the disciplines of case management, disease management and utilization management to drive improved clinical outcomes, lower costs and a better patient experience.

But health care providers should be cautious about the “ready, fire, aim” approach with major medical management investments. The complexity and cost of a major transformation – combined with what is often an unclear organizational vision regarding the purpose, scope and objectives of medical management – require a disciplined approach to investment priorities and timing.

An integrated framework that clearly defines the medical management strategy, operating model and execution components will set the foundation for real change with measurable results.