

**PERSON-CENTRIC CARE IS AT THE HEART OF HEALTH CARE TRANSFORMATION:  
WHY ARE HEALTH CARE PROVIDERS AND HEALTH INSURERS UNABLE TO SCALE THESE  
CRITICAL INITIATIVES?**

**Shifting the narrative**

Health care providers and health insurers are often at odds over relational and commercial tactics including payment delays, micro-management, deception, rationing care through inconvenience and litigation. To fuel the fire, health care providers allege that health insurers are interfering in treatment and care decisions that are not in the best interest of patients. Health insurers, on the other hand, accuse health care providers of supply-induced demand, ignoring the rapid rise in health care inflation, a major driver contributing to health insurance premium increases above salary inflation. Consumers experience this premium shock on an annual basis. These adversarial relationships impede the development of person-centric (health outcomes that matter to patients) health care delivery innovations which are central to health care funding and care delivery transformation. How do health insurers and health care providers change these lose-lose outcomes into collaborative win-win relationships for the benefit of patients?

**Rebuilding relationships**

Trust and transparency – two words lacking in the current discourse between health care providers and health insurers. Years of built-up distrust and lack of data and information transparency keep the parties from delivering on the core transformation objective of putting the patient at the center of the care relationship.

Collaborative or relationship-centric contracting is a powerful remedy to restoring trust and transparency between health care providers and health insurers, enabling innovation activities focusing on reimbursement models and person-centric outcomes-based care solutions. Researchers at the University of Tennessee's Haslam College of Business have studied hyper-successful business relationships and found that these relationships have shifted from an "us versus them" to a "we" business philosophy. They call this a What's-In-It-For-We (WIIFWe) philosophy. This philosophy drives mutual symbiotic relationships and working together, the parties achieve game-changing results with win-win economic outcomes, strengthening and optimising both parties' business activities. This Vested® philosophy ([www.vestedway.com](http://www.vestedway.com)) follows five key rules:

- Rule 1: Focus on outcomes, not transactions;
- Rule 2: Focus on the what, not the how;
- Rule 3: Agree on clearly defined and measurable desired outcomes;
- Rule 4: A Pricing / reimbursement model with incentives that optimise the business;
- Rule 5: Govern for insight, not oversight.

**Making it a reality**

So, how does one approach such a collaborative journey?

- The first step is for health insurers and health care providers to get ready for a WIIFWe relationship – this is a mind shift change and the parties need to be prepared to

unlearn historical suboptimal relational thinking and win-lose commercial arrangements.

- The second step is for the parties, recognising that collaboration is key to health care transformation, to jointly create and document a shared vision for a health care transformation partnership. The shared vision will articulate the main goal/s of the relationship and will constantly remind the parties that, **together**, they need to achieve a shared vision.
- The third step is to lay the foundation of the partnership by applying guiding principles to the relationship. Guiding principles such as; reciprocity, autonomy, honesty, loyalty, equity, and integrity are essential components of a relationship-centric contract because they highlight how the parties operate based on good faith and fairness. This is key to establishing trust in the relationship.
- Step four is negotiating as “We” – using the five rules and the guiding principles, both parties craft a fair and balanced flexible contractual framework, execution plan and measurement framework to achieve their shared vision and desired outcomes. The commercial model is only negotiated under rule four – a deliberate sequential approach and design to enable the parties to first build trust and share the required data and information to achieve win-win desired outcomes. Data and information sharing are the key differentiators in this process, highlighting the need for optimal transparency to achieve win-win economic outcomes.
- The fifth step is living as “We” – by implementing a joint governance structure that governs for insight and not oversight, creates a powerful continuous improvement mindset, which is vital for any health care transformation journey.

Does this Vested® approach work? The short answer is yes, just ask Island Health and their contracted hospitalists (<https://hbr.org/2020/10/an-innovative-way-to-prevent-adversarial-supplier-relationships?ab=hero-subleft-3>) how they have jointly tackled innovative solutions to manage the significant challenges brought on by COVID-19 in March 2020? Using their flexible contractual framework and their guiding principles allowed them to craft win-win solutions which they indicated would have been impossible under their previous conventional contract – averting a potential contentious business and relationship situation.

This is a plea to all health care providers and health insurers – start the process of unlearning adversarial relationship tactics and suboptimal commercial habits. Focus on relationship-centric contractual approaches that optimise outcomes-based care. Trust and transparency are restored, and the result is a win-win for patients, health care providers and health insurers. Trust this process, it delivers real results.

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