

Banner|Aetna Puts More Decisions, and Risk, in Hands of Providers

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Can payers and providers build trust to manage high-risk patients together? Can they deliver health care as partners, not adversaries, with financial interests aligned?

The answer to both questions is “yes,” according to leaders of Banner|Aetna, a joint venture that has grown to 375,000 members since it launched in 2017 to offer health plans to employers in Arizona.¹

As Robert Groves, MD, Banner|Aetna’s executive vice president and chief medical officer, explained in the March 2022 issue of *The American Journal of Accountable Care*[®], under the model, the “delivery system and payer become co-owners of the plan and have the same vested interest in success.”²

Groves recently moderated a discussion, “Banner|Aetna: Collaboration as a Business Imperative,” part of the Matters in Managed Care webinar series from *The American Journal of Managed Care*[®]. Panelists taking part were:

- Thomas J. Grote, CEO, Banner|Aetna
- Chuck Lehn, MHA, president, Banner Health Network
- Marjorie Bessel, MD, chief clinical officer, Banner Health

The panelists traced the trajectory of the relationship between Banner Health and Aetna, which grew out of prior work on an accountable care organization (ACO). In 2021, Banner|Aetna moved into the individual market and promoted this step as a way to shrink the number of uninsured in Arizona.³

From ACO to Joint Venture

“Historically, insurance companies and health systems are at odds with one another,” Grote said, as Groves asked him to discuss the start of Banner|Aetna. “So why does it make sense that we go into business together and share profits on an insurance operation?”

Previously, Grote had worked for Aetna for almost 30 years and had launched an East Coast joint venture called Innovation Health. In Arizona, he managed an ACO relationship between the payer and provider, but it had its limits.

“We also did a good job at improving the quality of care for our members, reducing costs for our customers and their members, and growing membership together,” Grote said. “But we weren’t really in a position to fundamentally transform the way we delivered health care.”

The joint venture is a 50/50 partnership, which means both Banner and Aetna share in the gains or losses, so the old dynamic of pushing losses onto the other’s plate falls away. In the Banner|Aetna venture, this manifests itself in provider control of managing high-risk patients and in utilization management, which Bessel described in detail.

Lehn described why the Arizona market is the right place for such a venture to work. The area is experiencing high growth, with numerous national companies having a footprint in the state. Employers looking to cut health care costs can work with Banner|Aetna to pilot new health care delivery concepts.

“I think we’ve been pleasantly surprised that a number of employers have been willing to test different things here, which might not be their biggest employment base,” Lehn said. “They’re willing to test some things with different levels of their employees to see if it works and see if it engages them.”

He agreed that the distinguishing feature of Banner|Aetna is how much decision-making and medical management is done by the provider. “One of our goals was to get the providers more engaged in the total responsibility of providing the care and coverage for the members,” Lehn said. The providers have the involvement and the incentives, but also the responsibility, “and it’s really driving results.”

“I talk a lot about the importance of aligning incentives,” Groves said. “And what stands out to me, above all, is that that’s exactly what this does. Banner|Aetna is a 50/50 partnership. If Banner does well, Aetna does well.”

Both Grote and Lehn highlighted how the Performance Network has fueled the venture’s success. Use of these physicians can help employers save up to 14% of costs, and today more than half of new enrollees sign up for this option. This is not the

narrow network of old, Lehn said. “We’ve not only focused on the performance, but we’ve [also] made sure that there is good geographic coverage and that we have good access,” he said.

Grote said the physicians in this group are defined by levels of engagement, including quality rating and total cost of care. A multidisciplinary care team manages patients who represent the top 5% of increased risk in the population. Grote said the relationship with Aetna’s parent company, CVS Health, has also aided the joint venture, although CVS’ involvement had evoked early skepticism.

Banner|Aetna now offers the Virta Health program, a low-carbohydrate nutrition program that is an evidence-based treatment to help reverse type 2 diabetes and assist patients in cutting back on medications.⁴

Control by Clinicians

Nationwide, complaints about prior authorization and abuses in utilization management are increasing. Bessel, who has been with Banner Health for 16 years, said physician control of these processes under Banner|Aetna has made a huge difference. “Banner Health has been leading the charge on both the care management and utilization aspects, which is so incredibly vital,” she said. “It keeps the care decisions where they truly belong, which is in the hands of clinicians who understand the patient and their health care issues.”

Bessel acknowledged that although this approach is “quite rare,” it is where others should be headed.

“Insurers are starting to understand that they are just a little bit too far removed from where the care delivery happens to really dig in deep and assist those members, especially those who are at high risk,” Bessel said. “And that includes how we navigate them through both the care that they need and lifestyle issues that need to be addressed.”

Keeping the care delivery programs on the provider side of the partnership allows for better connection with members, Bessel said. It’s especially helpful in managing the high-risk patients—the 5% of patients who account for 50% of the costs. Many of these patients have behavioral health issues alongside chronic disease, and the setup allows easier connections to social workers, nutritionists, and pharmacists who are part of the care team.

Having the providers in charge of this part of the venture builds trust, Bessel said. Seeing a call come in from “Banner Health” means it’s more likely to get a response. Coordination with primary care physicians is improved, she said.

Innovation and the Individual Market

Groves turned to Banner|Aetna’s efforts to address mental health following the pandemic. Through the relationship with

CVS and other outreach strategies, the venture is using technology to help identify those with mental health challenges. Regular meetings among clinical leaders have led to the development of more website information on how to access behavioral health services, including a crisis line, if needed.

On the consumer side, Grote highlighted the upcoming launch of “frictionless billing,” which he said consolidates bills and explanation of benefits forms from multiple providers into a single document, which will also reflect any co-pays already paid by the patient. “It’s designed to alleviate complexity and confusion,” he said.

The next piece will be a health center and multispecialty health office that offers “1-stop shopping” for various services, including primary care, specialty care, laboratory tests, pharmacy, and imaging.

But the biggest shift in the Banner|Aetna venture has been the decision to move into the individual market, which occurred in part because so few insurers were giving consumers options. Just a few years ago, Grote said, there were only 2 payers in all of Arizona; today the state has 8 insurers. “We are an Arizona-based company,” he noted. “We want to serve as many Arizonans as we can, so entering this market was very important to us.”

Groves said that despite the difficulties in health care, the collaborative model, “where incentives are aligned, and we’re working together to solve problems, makes me incredibly optimistic about the future.”

To view the full webinar in the *Matters in Managed Care* series, visit ajmc.com/MIMCMay2022-1, ajmc.com/MIMCMay2022-2, ajmc.com/MIMCMay2022-3, and ajmc.com/MIMCMay2022-4.

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