MARYLAND

Volume to Value

An Interview with Keith R. Dunleavy,
Chief Executive Officer and Chairman, Inovalon

EDITORS' NOTE *Dr. Keith Dunleavy has served as Inovalon's Chief Executive Officer since 1998 and as Chairman of the Board of Directors since 2006. Dr. Dunleavy received a bachelor's degree in biology modified with Engineering with High Honors from Dartmouth College. He earned his doctorate in medicine from Harvard Medical School, completed his medical residency at The Johns Hopkins Hospital in Baltimore, Maryland, and practiced and was Board Certified in Internal Medicine. He serves as a Director on the Dartmouth Medical School Board of Overseers.*

Keith R. Dunleavy

COMPANY BRIEF *Inovalon (inovalon.com) is a leading technology company that combines advanced, cloud-based data analytics and data-driven intervention platforms to achieve meaningful insight and impact in clinical and quality outcomes, utilization, and financial performance across the healthcare landscape. Inovalon's unique achievement of value is delivered through the effective progression of Turning Data into Insight, and Insight into Action®. Large proprietary data sets, advanced integration technologies, sophisticated predictive analytics, data-driven intervention platforms, and deep subject matter expertise deliver a seamless, end-to-end capability that brings the benefits of big data and large-scale analytics to the point of care. Driven by data, Inovalon uniquely identifies gaps in care, quality, data integrity, and financial performance, while bringing to bear the unique capabilities to resolve them. Through these capabilities, Inovalon is able to drive high-value impact, improving quality and economics for health plans, ACOs, hospitals, physicians, consumers, and pharma/life-sciences researchers.*

Will you touch on how Inovalon has evolved to where it is today?

Inovalon is focused on how data can drive a better understanding and improvement in healthcare, from health plans or payer organizations to provider organizations like hospitals, as well as to the life sciences. All of these are increasingly intertwined in the healthcare delivery ecosystem and have a common goal of improving care, the economics of that care, and the outcome of that care. There is a commonality of data at the center of that goal as they push to go from volume to value.

Volume to value is the overall marching driver of the transformation in healthcare. With that in mind, the origins of Inovalon date back to 1998 when quality first started to become an increasingly relevant factor in the healthcare space.

In our early years, we focused on the analysis of information that supported regulatory compliance with quality standards and accreditation standards. At that same time, one of the strong leaders in that space was the National Committee of Quality Assurance (NCQA). They came out with HEDIS, known at the time as the Health Employer Data Information Set, which became the measuring stick of quality within health plans and physician practices, and became increasingly important across the country.

Inovalon was extremely strong in analyzing that quality data, aggregating it, and assembling it in ways that the health plans could make sense of it and help drive improvements in their quality across patients.

That ability left us very well-positioned for when the 2003 Medicare Modernization Act came along. This introduced Medicare Advantage to the landscape, which is the capitated side of Medicare. It is heavily dependent not only on the quality ratings of individual patient care but also on how heavy the disease burden is for each individual patient. We call that risk adjustment. The core risk status of the individual patient together with the quality score status of the patient suddenly meant a lot to the industry.

Inovalon had analytics and data aggregation capabilities that allowed organizations going into Medicare Advantage to really succeed. The demand for this continued to grow rapidly across the country in the early 2000s, and what soon followed was that Medicaid plans across the country started doing effectively the same thing. We also saw the introduction of the Medical Loss Ratio, which measured the efficiency of a health plan's cost of care delivery.

As these trends – all associated with the transition from volume to value – increased across the country, Inovalon's analytical capabilities, data aggregation capabilities, and ability to translate those into improved quality and cost efficiency, and risk score accuracy propelled us across the country. We grew nicely through the 2000s only to be pushed further ahead by the arrival of the Affordable Care Act in 2010. The same trends that had gone from Medicare Advantage to Medicaid were now being transplanted into the commercial landscape where quality, utilization efficiency, and the disease burden or risk score status were front and center.

However, as we were doing this, we found that our ability to do advanced analytics and advanced data aggregation capabilities was also becoming an increasingly obvious benefit to both the provider world and to the pharmaceutical and life sciences world. We expanded laterally into these additional spaces, working with physicians, providers, and life sciences organizations.

We then went through a combination with Avalere, a leader in the subject matter expertise needed for regulatory compliance and data-driven advisory services in healthcare. More recently, we acquired Creehan and Company, the industry's largest independent provider of specialty pharmacy software platforms.

How important is brand recognition?

There is definitely a focus on building a broader brand awareness. We're the largest independent pure play and provider of data-driven analysis and improvement capabilities in the healthcare ecosystem. Our job is to make our clients better and help them succeed. This means we're less of a limelight company.

We operate in all 50 states and territories, and about 98.7 percent of all counties in the U.S. Today, approximately 139 million Americans are inside our data sets, and around 837,000 physicians and over 354,000 clinical facilities are all being touched by our analytics and improvement capabilities.

We have over 400 clients ranging from household name healthcare plans to hospitals and life sciences companies.

Is it harder to maintain an innovative edge when you grow in size and scale?

It requires a focus on the culture and the type of people we attract, as well as the capabilities of our core platforms. Inovalon has grown organically, designing all of its own platforms from day one.

We have a tool kit and the building blocks for expanding capabilities that allow us to rapidly innovate in the marketplace. We roll out multiple products every year, expanding our arsenal of capabilities very rapidly.

What are the type of people you look to bring in?

We're very fortunate in that the types of people that want to work here are those that truly want to apply their capabilities for a larger good.

Because we're able to apply technology and innovation to materially impact people's lives, that is a meaningful mission driver for those who work here. ●