How and When Employers Make Health Care Decisions

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Employers make decisions when....

The CEO is engaged
Costs are squeezing profits
There’s an internal Champion for change
Costs are squeezing profits
There’s a movement afoot
Costs are squeezing profits
Historically….

Employers – in particular the “Jumbos” – have led health care reform:

- Managed Care
- HEDIS
- Provider transparency
- Consumer-directed Health Plans
- Pay-for-performance
- HIT adoption
- Value-driven Benefit Designs

Focused on initiatives that are under their locus of control (sourcing, plan design), but not too disruptive
There are a few critical levers Employers can pull

- **Health Plan Selection**
  - eValue8 RFI
    - Select plans that are active in VDHC
  - Contract Clauses
    - Make sure they’re implementing P4P

- **Benefit Design Changes**
  - It pays to stay healthy
  - It pays to see the right doctor or hospital
There’s a “system” that informs national and federal action

- Pilots by the Jumbos
- Lessons Learned / Success Factors
- Broader Implementation through Local Coalitions / NBCH
- Synthesis & Policy through NBGH / BRT / HRPA
- eValue8 RFI / Plan Contracts
Example: from BTE to P4P

- **Pilots by the Jumbos**
- **Lessons Learned / Success Factors**
- **Broader Implementation through Local Coalitions / NBCH**
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- **eValue8 RFI / Plan Contracts**

- BTE in KY, OH, MA, NY
- Early results 2003-2004
- BTE in MN, CO, AR, OH
- The Value-Driven Healthcare Initiative
- 150 Plan-based P4P programs
What have we learned to-date?

- Incentives work and can lead to practice reengineering, and practices need help to reengineer – so work closely with your QIO
- Better quality can cost less, and you need to focus on the right measures – so use outcomes
- Self-assessment of performance leads to focused quality improvement, and it’s resource-intensive to pull charts – so encourage use of HIT
- Employers banding together can create enough critical mass to impact physician behavior, and you need the plans to really make it work (or CMS) – so ask your plans to implement a collaborative effort
Success and Challenges

- Accountability is working
- Payment is shifting from pure volume to some results
- Consumers are more engaged

And now for the really tough stuff:
- Real payment reform
- True price transparency
- Significant benefit design innovation