



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....

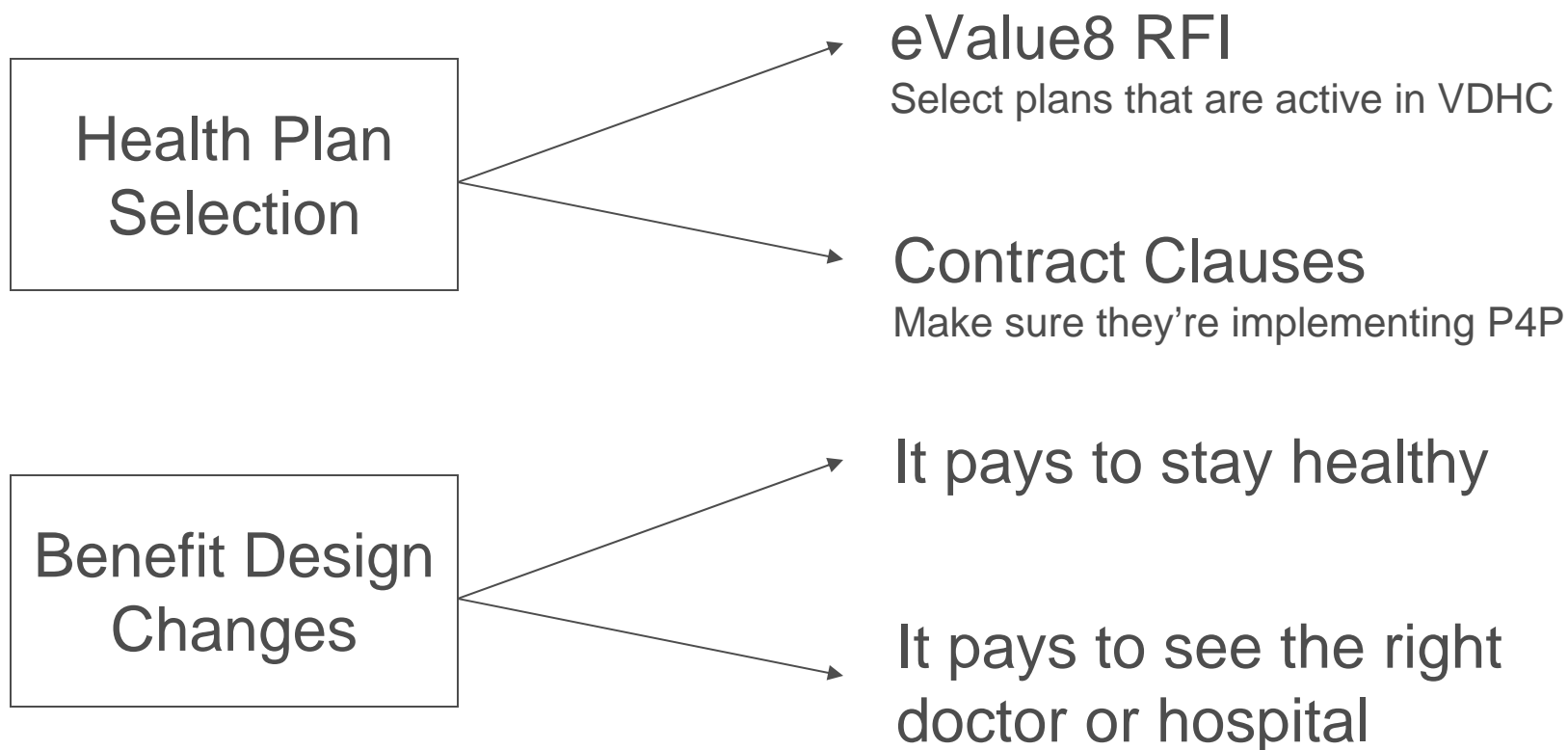
Employers – in particular the “Jumbos” – have led health care reform:

- 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

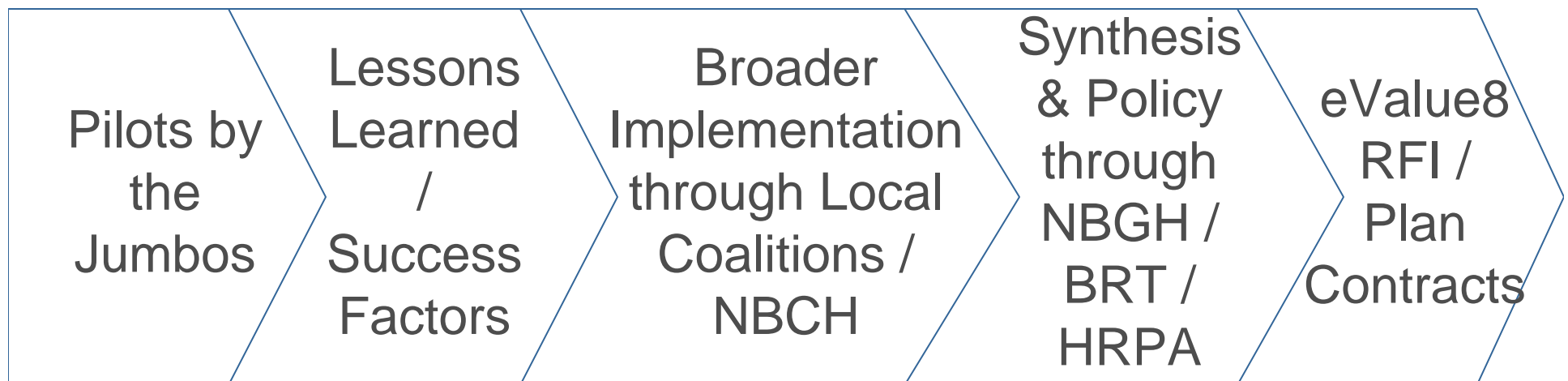


There are a few critical levers Employers can pull



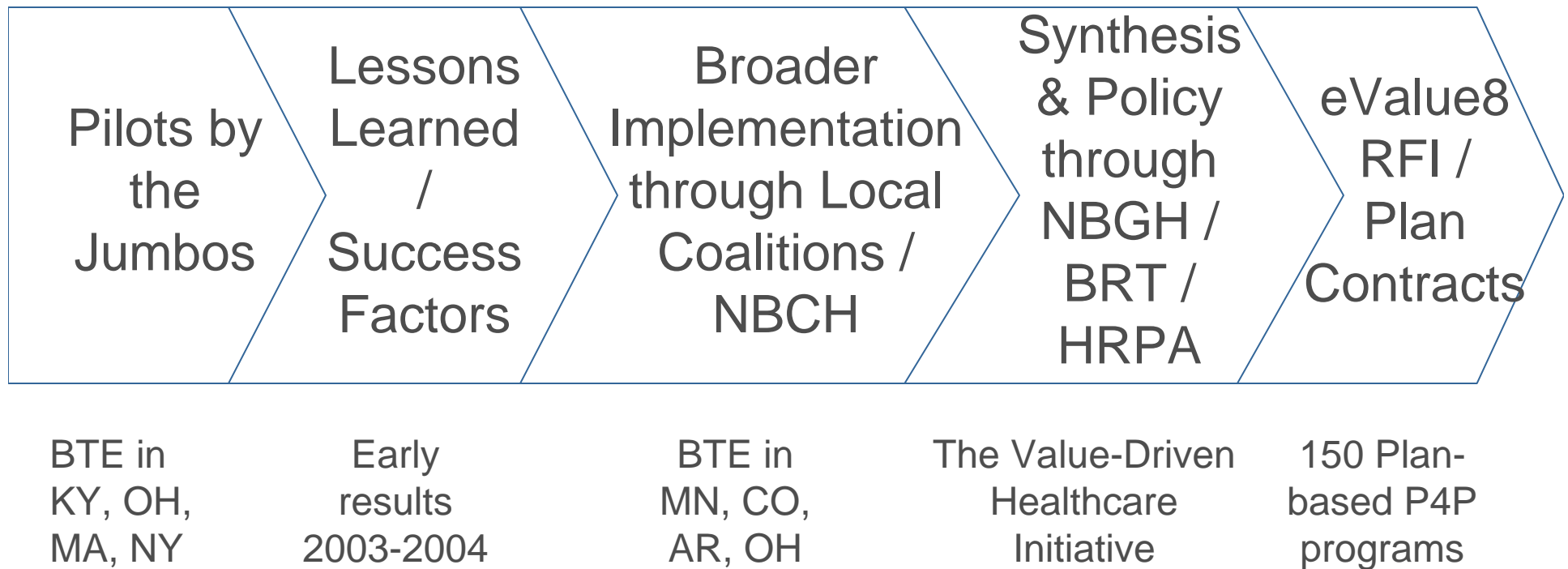


There's a "system" that informs national and federal action





Example: from BTE to P4P





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