

HEALTH POLICY PLATFORM

Summary Statement

The Alliance's Health Policy Platform focuses on increasing health care value – *bending the trend* of health care costs while improving the quality and safety of care. Much of the health policy debate to date has focused on the issues of how health care should be paid for and who should be covered. While financing and access are important issues, addressing these concerns without also addressing the underlying root causes of poor quality, waste and inefficiency will only exacerbate the current health care crisis. We are not satisfied with merely expanding access to a badly broken system but seek to address the root causes of poor quality and inefficiency for the benefit of all patients. Our platform recognizes the significant leverage that employers can exercise as the purchasers of health care services; they, along with consumers, providers and the government, play a critical role in addressing cost and improving our systems of care and coverage.

PLANK ONE: Cost and Quality Transparency – The Prerequisite to Meaningful Change in Health Care

The problem: There is abundant evidence that serious and extensive quality problems exist throughout the U.S. health care system. Moreover, a growing number of studies as well as our own analysis demonstrate that cost and quality are not correlated. That is, high quality care is not necessarily more expensive, and paying more does not mean better outcomes.

Toward a solution: Quality transparency – public reporting of meaningful and actionable quality information is a critical prerequisite to improving the value of health care. Publicly reported information enables purchasers and consumers to make informed decisions and acts as a powerful catalyst for providers to improve. We believe quality information must:

- » Be publicly reported.
- » Be meaningful to consumers. Information should address aspects of care and performance that matter to health outcomes and results.
- » Allow for a side-by-side comparison of one facility or health care professional to another.
- » Be based on the best available measures without waiting for “perfect” measures. The standard of perfect measurement can be our aspiration, but this standard should not be used to preclude the use of good information.
- » Be developed using methods that are transparent to providers and consumers, including the method to account for differences in patient severity of illness (risk adjustment), when appropriate. The way in which quality is defined and measured should be available for review by those being measured and those who use the results.

Cost Transparency: Consumers need both cost and quality information to assess health care value. For those with health benefits or insurance, the most appropriate source for meaningful comparative cost information is the entity that holds the contracts with providers. For consumers without insurance, the responsibility for cost transparency should rest with providers.

Both cost and quality information should be continuously evolved and improved with the goal of reaching physician-specific reporting.

PLANK TWO: Aligning Incentives for Providers – Redesigning Payment Mechanisms to Promote Better Value

The problem: The U.S. not only spends much more on health care per capita than other industrialized countries, but also has one of the highest health care spending growth rates in the world according to Organization for Economic Cooperation and Development data.¹ At the same time, the Commonwealth Fund ranks the U.S. at the bottom of 16 industrialized countries in preventing deaths through use of timely and effective medical care.² We are not getting good value for the dollars we spend, in part because of the way we pay for health care services. Clinicians and hospitals are often paid for doing more services and procedures regardless of the quality or appropriateness of that care. And rather than being paid to prevent problems, they are paid to fix them, including those caused by the health care system itself.



¹ <http://www.kff.org/insurance/snapshot/oced042111.cfm>

² <http://www.commonwealthfund.org/News/News-Releases/2011/Sep/US-Ranks-Last-on-Preventable-Deaths.aspx>

Toward a solution:

- » Public and private purchasers should agree upon and use the same metrics to assess performance. Together they should establish target dates for meaningful outcome measures to be publicly reported.
- » Purchasers (public and private sector) should redesign reimbursement mechanisms to pay for results rather than the quantity of procedures and services provided. Payment mechanisms should encourage best outcomes at lowest total cost.
- » Purchasers should compensate providers for care coordination and patient education that is delivered in the most cost effective manner. For example, The Alliance® supports pilots that measure the cost and impact of increasing the use of mid-level practitioners and other staff to improve care coordination.
- » New payment models should be evaluated for their impact on control of total cost and the pace of quality improvement, so that strategies proven to be effective may be quickly disseminated and adopted.

PLANK THREE: Supporting Consumers

The Problem: Individuals are responsible for making significant decisions about their health and health care. And they are increasingly bearing more of the financial burden. Yet most lack sufficient information and support to be effective in the role of “informed health care consumer.” The consequence is confusion, waste, inefficiency and poorer outcomes than would otherwise be the case.

Toward a solution:

- » Employers and health plans should take steps to incent consumers to use health care services appropriately and to maintain and improve their health. These may include benefit plan design changes, wellness incentives and health risk assessments or other strategies that are proven effective in promoting consumer engagement.
- » Meaningful information to compare quality and cost of providers and treatment options should be made readily available in user-friendly formats.
- » Providers should make bills easier to understand and include more detail so consumers can understand how much they are being charged for what type of care. Health plans should educate consumers about the prevalence of billing errors and provide incentives that will encourage consumers to review bills for accuracy.

PLANK FOUR: The Health Care Marketplace – Preserve What Works, Fix What Doesn't and Remain Open to Change

The Problem: Health care is a complex, interdependent industry representing about 18 percent of GDP.³ Yet there is broad agreement that the system costs too much and does not deliver consistently high quality care. The steps to reform health care through the Affordable Care Act have focused on the goal of increasing coverage, but there is still a long way to go toward improving the value of the health care delivered. In addition, the ACA has had and will continue to have unintended consequences which should be objectively assessed and publicly communicated.

Toward a solution:

- » Unless and until alternative delivery and financing mechanisms are proven to be effective, employer-sponsored health care mechanisms should be protected. ERISA should be preserved and employers should continue to have the option to self-fund health benefits for their employees as it creates strong alignment between businesses and employees to encourage appropriate health care utilization and to promote healthy lifestyles.
- » Proposed health reform ideas that impact the provider or the insurance market should be evaluated for unintended consequences. Mechanisms should be put in place to collect data so as to monitor market changes and make mid-course corrections if needed to protect purchasers and consumers.
- » Reform and redesign ideas should be evaluated for their likely impact on health and overall/total costs; we need to move beyond cost shifting to real reductions in waste and inefficiency.

³ <http://apps.who.int/nha/database/DataExplorerRegime.aspx>