



## **Employers Centers of Excellence Network (ECEN) Frequently Asked Questions**

### **The Employers Centers of Excellence Network (ECEN)**

#### **What is this program?**

Inspired by our members' interest in supporting value-based purchasing, the Pacific Business Group on Health (PBGH) established the ECEN. This program aligns with PBGH's ongoing mission to improve the quality, affordability, transparency and accountability of healthcare in California and throughout the United States. Decisions about where to undergo elective surgical care are often made without reliable information regarding which surgeons and hospitals perform at the highest standards. The ECEN provides employees access to demonstrated, high quality care for non-urgent surgeries at meticulously selected Centers of Excellence (CoE). Moreover, through the ECEN, patients receive care at little or no cost to them and employers achieve cost predictability and downstream savings.

#### **When did this program begin?**

In early 2013, a group of eight forward-thinking employers came together to help PBGH design the ECEN program with the aim of selecting centers throughout the nation for hip and knee replacements. Four centers were selected and the ECEN was launched in January 2014. The ECEN expanded to include spine procedures at three centers in April 2015.

#### **What employers are participating?**

Wal-Mart, Lowe's, McKesson and JetBlue are currently participating. Additional employers are expected to join the ECEN as the program continues to grow.

#### **What is a Center of Excellence?**

A center of excellence for medical procedures is often established by qualifying hospitals. Often referred to as a CoE, the term center of excellence is used to describe facilities that are recognized as providing some of the highest levels of leadership, quality, service, and best practices in their field. This program was ground breaking in that the ECEN qualifies both the hospitals and the surgeons, based on quality and outcomes data at the individual surgeon level. This ensures that patients have the opportunity to receive the highest quality care.

#### **What procedures are included in the ECEN?**

Joint Replacements:

- Total hip replacement
- Total knee replacement

Spine Procedures:

- Spinal Fusion (cervical and lumbar)
- Total Disk Arthroplasty (Artificial Disk)
- Removal Vertebral Body
- Spine Surgery Revisions
- Scoliosis
- Laminectomy
- Discectomy
- Other inpatient complex spine procedures

Based on participating employer demand, additional procedures will be offered to employees through the ECEN.

#### **What centers are currently included?**

Four centers of excellence have been selected for joint replacements:

- Mercy Hospital, Springfield, Mo.
- Johns Hopkins, Bayview Medical Center, Baltimore, Md.
- Kaiser Permanente, Irvine Medical Center, Irvine, Calif.
- Virginia Mason Medical Center, Seattle, Wash.

Three centers of excellence have been selected for spine procedures:

- Mercy Hospital, Springfield, Mo.
- Geisinger Medical Center, Danville, Pa.
- Virginia Mason Medical Center, Seattle, Wash.

### **When will this program be available for employees?**

Wal-Mart, Lowe's and McKesson launched the ECEN for hip and knee replacements in early 2014. Wal-Mart expanded their spine program to include Geisinger and Lowe's and JetBlue launched the ECEN for spine procedures in April 2015.

### **Benefits to Employers**

#### **How will this impact overall health care quality and cost?**

Employers initiated this program to ensure their employees and their covered dependents have the opportunity to receive high quality care at some of the leading hospitals in the United States.

By encouraging employees to utilize carefully selected, high-quality surgeons and hospitals for these procedures, ECEN will reduce variation in quality and increase the likelihood of optimal patient outcomes.

Potential quality improvements and decreased costs may result from improved professional care coordination, team attention to evidence-based guidelines, better discharge planning to avoid preventable readmissions, increased uniformity of practice, and measurement and feedback of patient outcomes.

#### **How does ECEN address cost variation?**

Costs for these procedures can vary more than tenfold from one location to another with no correlation between cost and quality. For example, a recent survey conducted by researchers at Washington University in St. Louis, found that the cost of hip replacements varies from \$11,100 to almost \$126,000 across the country.

Through the ECEN, a bundled payment is negotiated between employers and the centers of excellence allowing for a set rate for joint replacement and spine procedures. The ECEN provides demonstrated high quality care at a predictable, reasonable cost.

#### **Will employers pay less?**

Bundled payments allow employers to pay a competitive, set price. Additionally, the ECEN brings value to employers by lowering the downstream costs of high volume procedures. Poor quality care can have significant long term consequences. Centers of Excellence can reduce preventable complications, which drive up costs and reduce employees' quality of life.

Costs for these procedures can vary more than tenfold from one location to another, and research shows there's no correlation between cost and quality. The ECEN will provide high quality care at a predictable cost.

#### **How does the ECEN relate to the Affordable Care Act (ACA)?**

There are two places where there is a connection:

- ACA included pilot programs using bundled payments.
- In the new ACA-driven insurance exchanges in several states, some of the insurance products that are being offered to people in the exchanges have what we call narrow networks. A narrow network is a set of selected providers the insurance company believes will deliver the best value to people in the

exchange, similar to the ECEN's practice of selecting providers based on the highest quality and the most affordable cost.

### **Integrating with Health Plans**

#### **How is this different from health plan Center of Excellence programs?**

There are several aspects that set the ECEN apart from health plan CoE programs. Participating centers collaborate with each other to share best practices to ensure consistency of care received by patients across the program. The ECEN qualifies both the hospitals and the specific surgeons, based on volume, quality and outcomes data at the center and individual surgeon level.

The ECEN focuses on the complete patient experience, providing continuous support from initial evaluation through the return home post-operatively. ECEN centers are required to work in partnership with each other. Mandatory collaborative calls and an annual in-person summit ensure centers develop consistent guidelines and discussing best practices supports continuous improvement.

#### **How are health plans involved?**

This approach does not interfere with existing health plan relationships or benefit designs. Health plans involvement is limited to interactions that ensure the program is seamless for patients.

### **The Procedures**

Orthopedic surgeries are among the most common procedures in the U.S. According to the Agency for Healthcare Research and Quality, five musculoskeletal procedures—knee arthroplasty, laminectomy, spinal fusion, hip replacement, and treatment of hip or lower extremity fracture or dislocation—together account for about 17% of all operating room procedures.

#### **Why hip and knee replacements?**

The volume of joint replacements is expected to continue its rapid growth, with a projected 174% increase in total hip arthroplasty and a 673% increase in total knee arthroplasty by 2030.

#### **Why spine procedures?**

Low back pain affects at least 80% people at some point in their lives, and approximately 20-30% of us at any given time. It is the fifth most common reason for all physician visits in the U.S.

#### **How will covering these procedures benefit patients and employers?**

Eligible employees who choose a center of excellence provider will receive consultations and care covered at 100 percent without deductible or coinsurance, plus travel, lodging and living expenses for the patient and a caregiver. Importantly, better outcomes as a result of improved quality of care can increase patients' quality of life and decrease the cost and intensity of aftercare.

ECEN brings long-term value to employers by lowering the downstream costs of high volume procedures. Poor quality care can have significant long term consequences. Centers of Excellence can result in reduced rates of preventable complications, faster return to work and fewer incidents of costly surgical revisions.

For example, each revision of a hip replacement is a major additional surgical procedure and costs an average of \$90,000 (in addition to the cost of the original surgery). Each infection of a knee replacement also results in patient pain, discomfort, and higher risk of additional complications and costs \$19,000 to \$31,000.

### **The Centers of Excellence**

#### **How did you select the centers?**

The rigorous ECEN evaluation process is ground breaking in that most centers of excellence programs qualify hospitals, but not individual surgeons. ECEN qualifies both the hospitals and the surgeons, based on quality and

outcomes data at the individual surgeon level. These data included volume and complication rates, training and experience and patient satisfaction.

A PBGH-led team of experts developed assessment criteria including a review of 30+ public data metrics, a Request for Information by invitation, interviews with the clinical team, an in-depth Request for Proposals application and an onsite visit to observe the patient's complete on-site experience. ECEN centers must demonstrate exceptional clinical outcomes and patient experience, including shared decision making.

The ECEN stipulates that joint replacement centers collect patient reported outcomes and submit to a multi-stakeholder registry. Participating surgeons and hospitals must use a process known as "shared decision making," where patient preferences are incorporated into clinical care. CoEs submit regular performance reporting data to ECEN and undergo an in-depth review and assessment each year. Further, provider centers have agreed to work in partnership with each other. Mandatory collaborative calls and an annual in-person summit ensure centers develop consistent guidelines and discussing best practices supports continuous improvement.

#### **How did you choose the locations of the Centers of Excellence?**

CoEs are selected to minimize travel time for employees by locating centers in several regions. Initial CoEs represent high volume regions of the pioneering group of ECEN employers. ECEN is expected to grow quickly to meet the demands of additional participating employers.

#### **Patient Care**

##### **How does this help employees?**

ECEN eligible employees have the opportunity to receive treatment at one of four facilities chosen for their high quality care. Employers have agreed to pay for the travel costs for the patient and caregiver as well as to waive standard patient contributions such as deductible and co-pays. Employees and their dependents have access to incredibly high quality centers with little or no out of pocket costs. Employees who choose the ECEN have a higher likelihood of the best possible treatment outcomes and a supported and seamless patient experience.

##### **Who can participate?**

Specific eligibility criteria are determined by each employer. Eligible employees and their covered dependents will have the opportunity to receive care at a center of excellence facility. The program is voluntary and employees or their covered dependents can still choose to receive care from local providers and incur routine costs.

##### **Who handles the travel and care management?**

Health Design Plus (HDP), a healthcare management company with expertise in administering travel surgery programs, will handle logistics and care management. HDP has a team of nurse managers and member advocates who will work with the centers of excellence to see that exceptional care is provided for each patient.

##### **How are you going to handle follow up care for these patients?**

A team of clinicians work together to determine the appropriate treatment with patient input. Consistent communication and standardized handoffs ensure that each patient's home provider is prepared to manage post-operative care. A patient navigator provides patients and their caregivers 24/7 support at the centers and help guide them through this process.

##### **Is it safe for these patients to travel?**

The CoE will evaluate each patient before they are accepted into the program. This review will include overall physical health and fitness for travel. Once the procedure is completed patients stay in the hospital and then in nearby accommodations where they will receive outpatient physical therapy and post-op clinical care. All patients must be cleared to travel by the center of excellence before departing for home. Additionally, centers provide a handoff to the patient's local providers managing follow up care.

Patients may be required to have a caregiver accompany them to the center of excellence. Caregivers must meet physical health standards and sign a form committing to their care obligations. The caregivers play a critical role in assisting patients physically and emotionally throughout the process and as they travel back to their home town.

**What if a CoE says that a patient should not have the procedure?**

Centers of excellence facilities are established, accredited programs and the participating physicians are incentivized based upon patient outcomes not the number of patients seen. They will be making recommendations that are in the best interest of the patient and they have established plans for alternative treatment options specific to joint replacement or spine care if surgery is not appropriate.

All joint replacement patient reviews are conducted remotely by a multidisciplinary team. All program eligible spine procedure patients are scheduled for an in-person comprehensive spine evaluation including orthopedics and/or neurosurgery, pain management, rehabilitation and psychology specialists to determine the best treatment plan.

In the event that a center of excellence provider recommends against surgery, an alternative treatment plan will be communicated to the patient and the patient's home physician. If a center of excellence recommends against surgery and a patient decides to follow another physician's surgery treatment plan, they will have to pre-certify the procedure with their medical administrator.

**The ECEN vs Similar Programs**

**How is this different from medical tourism?**

Medical tourism often refers to when people travel long distances and spend thousands of dollars to have surgeries performed. With this program, employers are providing a benefit that allows eligible employees and their covered dependents to access selected centers of excellence across the country in order to receive high quality of care, at no cost to them.

**I read that Cleveland Clinic has a new orthopaedic network. How is this different?**

The Cleveland Clinic has formed an alliance with several orthopedic practices across the country. In the future, the alliance providers aim to offer bundled rate procedures to employers. What is unique about the ECEN is that this is the first time a group of employers have joined together – as opposed to medical groups forming partnerships - to ensure high quality care at reduced cost for employees.

**Are there any similar programs?**

In 2013, Wal-Mart expanded its long-standing program covering transplants at the Mayo Clinic to also include treatment for certain cardiac and spine surgeries at five other leading hospital and health systems for eligible employees and their covered dependents.

In 2010, Lowe's began a program with Cleveland Clinic in Cleveland, Ohio, to provide eligible full-time employees and their covered dependents enhanced benefits coverage for qualifying cardiac procedures.

Other employers have engaged in direct contracts with high quality providers, what is unique about the ECEN is that this is the first time a group of employers have joined together to ensure access high quality care at reduced cost for employees. The ECEN also facilitates collaboration across the participating centers and provides concierge level support for patients and their caregivers.

**Additional Information**

**Is ECEN only for retailers?**

Participating employers represent a wide range of industries. There are no restrictions related to industry focus.

**Can small employers join ECEN too?**

There are no restrictions related to company size.

**What is PBGH?**

PBGH, based in San Francisco, Calif., is a not-for-profit business coalition focused on improving the quality and affordability of health care. The group represents 60 large health care purchaser members with more than 10 million employees, retirees and dependents.

**Where can I get more information on the ECEN?**

By visiting [www.pbgh.org/ecen](http://www.pbgh.org/ecen) or email [ecen@pbgh.org](mailto:ecen@pbgh.org).