



Purchaser Value Network Policy in Brief

Improving Value in the Healthcare System through Consumerism and Transparency

Overview

A significant proportion of employers have turned to consumer engagement to help promote value in the U.S. health system. Last year, nearly one-third of employers offered high-deductible health plans (HDHPs), health savings accounts (HSAs), and/or health reimbursement arrangements (HRAs).¹ Others have piloted innovative value-based insurance design (VBID) strategies such as referencing pricing for hip and knee replacements or waiving co-pays and deductibles for high-value services.^{2,3}

Private Purchasing Lessons and Federal Policy Implications

Federal policymakers can facilitate the movement toward effective consumerism across the U.S health system by incorporating lessons from private purchasers. Key lessons and specific policy implications include:

Purchaser Lesson	Policy Implication
1. Changing consumer incentives is a complement to—not a substitute for—changes in provider incentives. ⁴	<ul style="list-style-type: none"> Relying primarily on HDHPs is not an adequate strategy for reorienting the U.S. healthcare system toward value. Federal programs must continue to test and spread innovative provider payment models in addition to consumer financial incentives.
2. Cost-sharing reductions for high-value services for specific patients with chronic conditions can be effective in improving care and reducing the total cost of care. ⁵	<ul style="list-style-type: none"> Allow employers and insurers to reduce or waive consumer cost-sharing requirements in HDHPs if the beneficiary is accessing high value services. Allow Medicare Advantage plans more flexibility to experiment with VBID for patients with chronic conditions.
3. Good information on price, quality, and patient experience is essential to enable	<ul style="list-style-type: none"> Ensure health plan enrollees (starting with those in the exchanges, and FEHBP) have meaningful and useful quality

¹ [The Henry J. Kaiser Family Foundation: 2016 Employer Health Benefits Survey](#)

² [Health Affairs Blog: Appropriate Use of Reference Pricing Can Increase Value \(CaLPERS\)](#)

³ [Pacific Business Group on Health: Employers Centers of Excellence Network](#)

⁴ [AJMC: Alignment of Consumer and Provider Incentives as Easy as Peanut Butter and Jelly](#)

⁵ [Center for Value Based Insurance Design: Health Saving Account-Eligible High Deductible Health Plans: Updating the Definition of Prevention](#)

<p>consumers to choose high-performing providers and evaluate treatment options.⁶</p>	<p>information and price calculators that include plan- and provider-specific, total costs and expected out-of-pocket costs for common inpatient and outpatient procedures and conditions.</p>
<p>4. Good information on price, quality, and patient experience is essential to enable employers and insurers to design value-based insurance offerings.⁷</p>	<ul style="list-style-type: none"> • Support the creation of aggregated databases that pool data from various sources, including clinical data from providers and hospitals as well as insurance claims data, to provide information regarding aspects of quality, efficiency, and price. Data collection and reporting standards and processes should be harmonized across states in order to minimize the administrative costs of data reporting for providers and insurers.

For More Information

For more information on these or other employer-led initiatives, please contact Kelly Klaas, Purchaser Value Manager, Pacific Business Group on Health, kklaas@pbgh.org, 415-615-6309.

⁶ [The Commonwealth Fund: Health Care Price Transparency: Can It Promote High-Value Care?](#)

⁷ [Modern Healthcare: How New Hampshire took the guesswork out of healthcare costs](#)