PBGH
PACIFIC BUSINESS GROUP ON HEALTH

Consumer-Purchaser Alliance (C-P Alliance)

Strengthening the voice of Members in public policy

Ninety percent of payments to hospitals and physicians are fee-for-service, a system that rewards 'doing more' as opposed to 'doing better.' Unfortunately, the fact that there is little information available about which hospitals and physicians are high performers makes it difficult to move toward value-based payment.

Members have developed innovative provider payment programs, but have limited power to solve this dilemma system-wide. However, if Medicare - the nation's largest health care purchaser – and health insurance exchanges move forcefully to value-based payment and meaningful transparency, they can be a catalyst for system-wide adoption.

The C-P Alliance is a collaboration of over 50 leading employers, consumer and patient organizations, and labor groups that work together to influence Congress, the Administration and key policymaking bodies to improve provider payment and performance measurement under Medicare and in the health insurance exchanges.

PBGH is often asked by government officials to provide input. They hear each day from provider and industry lobbyists; this needs to be balanced by a strong consumer and purchaser voice. C-P Alliance is a critical conduit to strengthen the voice of those who pay for care — consumers and purchasers — to drive changes that will produce higher quality, more affordable care.

How it works: The Robert Wood Johnson Foundation primarily funds C-P Alliance, with additional support from PBGH Members. C-P Alliance influences public policy through testimony, comments on proposed regulations and requests for information, recruits and supports the work of consumer and purchaser advocates on committees and workgroups, and educates partners and the public through forums, briefings and other means.

C-P Alliance's job is to influence federal officials in adopting provider payment and performance measurement strategies that have been successful in the private sector. Pay-for-performance, bundled payments, penalties for readmissions and other innovations were developed as private sector pilots, but Medicare has used them only sparingly. If Medicare were to move aggressively to value-based payment, the private health plans would likely follow.

Looking ahead: C-P Alliance will shape the provider payment structure used by Medicare, especially in new models of care such as ACOs. C-P Alliance will also drive the development and use of better performance measures in payment and public reporting programs, especially in the health insurance exchanges. Additionally, C-P Alliance will push for the use of clinical registries and electronic health records as vehicles for efficiently capturing data for performance measures.

How does C-P Alliance benefit PBGH Members?

- Members can more easily apply value-based payments and better, standardized performance measures in health benefits programs, given the adoption of these by Medicare and exchanges.
- Employees can make informed decisions about where to get the best care.
- Members will send doctors and hospitals consistent signals with public purchasers about what is important.

How can PBGH Members get involved?

- Sign C-P Alliance comment letters on Medicare provider payment, quality measurement and other public programs.
- Contribute your expertise to influential policymaking bodies & other groups.
- Sign up for the C-P Alliance distribution list: info@consumerpurchaser.org.

Frequently Asked Questions (FAQs)

1. Is progress being made toward making better measures available?

Yes, but there are still significant gaps – specifically, measures of patient-reported outcomes, patient experience, cost/resource use, care coordination and appropriateness.

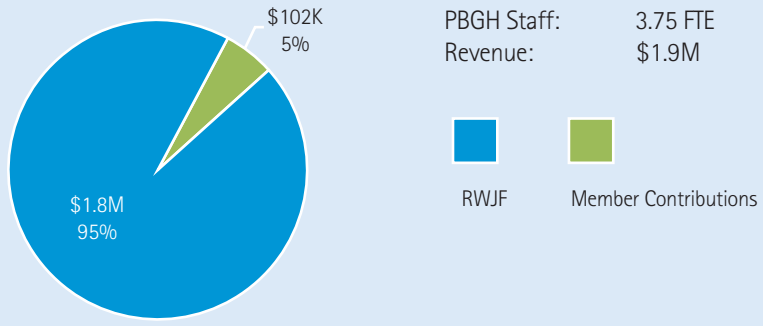
2. Are measures being used to reward high-performing providers?

Many health plans and employers are using measures in pay-for-performance programs and more advanced provider payment arrangements. At the federal level, CMS is employing performance measures to penalize hospitals for hospital-acquired infections and other conditions, as well as avoidable readmissions. In addition, CMS is using better measures of quality and resource use in the new Hospital and Physician Value-based Purchasing programs, in the HIT Meaningful Use program, and in the Medicare ACO and episode payment programs. Together, however, these value-based payment programs account for only 10% of provider payments.

3. Is the quality and affordability of health care improving?

There have been significant strides in improved quality in certain preventive services and patient safety, but the nation is still far short of the aspirational goals that have been set through the National Quality Strategy. Making healthcare affordable remains a challenge, and much more needs to be done.

2015 CP-Alliance Operations



Major Milestones

2007

- Engaged 40 consumer, purchasers, physicians and health plans to adopt national *Patient Charter for Physician Performance Measurement Reporting and Tiering Program.*
- Led the National Quality Forum's endorsement of standardized patient experience surveys, which are used widely by health plans, employers and public programs

2009

- Helped frame the Obama Administration's view of healthcare initiatives.

2011

- Changed Hospital Value-Based Purchasing Program to weight more heavily patient experience measures.
- Led the NQF's endorsement of standardized hospital readmissions measures, which has led to a significant reduction in avoidable, expensive readmissions.

2013

- Incorporated outcomes and cost measures in Medicare's Physician Value-based Purchasing program.

2014

- Advocated for public reporting and payment penalties for hospital acquired conditions.

Jennifer Eames Huff
Director
Pacific Business Group on Health
jeames@pbgh.org

www.pbgh.org/CPA

12/2014