

## From transparency to transformation

*Mercer, National Business Group on Health find pressure on providers key to transforming health care*

By Linda Havlin

In the private and public arenas, there is a growing, powerful will to achieve transparency in health care pricing and quality. Heeding last summer's directive from President Bush, Health and Human Services Secretary Mike Leavitt launched as year a "four cornerstones" initiative to increase pricing transparency, improve quality transparency, encourage health information technology standards and create positive incentives for health care quality and efficiently.

Although the initiative is supported by many of the nation's large employers, when it comes to delivering transparency to their employees, employer say that doctors and hospitals are moving too slowly to suit them.

Such attitudes are a key finding of a recent survey from Mercer Health & Benefits LLC and the National Business Group on Health, which polled 120 employers — more than half with 20,000 or more employees — about their views on the movement toward a transformed, value-driven approach to health care.

### Barriers to transparency

The survey reveals there is significant awareness of and support the HHS initiative, with more than 61 percent of respondents aware of it and more than 50 percent of those indicating they have already signed or will

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very likely sign Leavitt's letter of commitment. The survey was conducted prior to Leavitt's tour to garner local community support for the cornerstones. Thus, recognition of the initiative may be higher by now.

Significantly, most of the survey employees believe that the most significant barriers to health care transparency — efforts to measure provider performance — are resistance from physicians (82 percent) and from hospitals (77 percent). Far fewer cite resistance from health plans (36 percent) or cost (40 percent) as major barriers.

Clearly, employers need to actively challenge and engage the provider community to advance transparency. The need for transparency has gone beyond engaging consumers in selecting the best course of treatment and health care providers at the most efficient cost. The rising interest in broadening access to

health care and reducing the uninsured population means we must intensify our efforts to provide the best outcomes at the most efficient price.

Eliminating the inefficient or wasteful care — sometimes estimated at 30 percent of our total health care spending — means we can redirect dollars to providing services to individuals who currently forgo needed care.

### Wielding employer influence

To be successful, employers also need a strategic, best-practice approach.

It begins with the HHS initiative to move the market in the right direction, but plan sponsors also must also adopt NBGH recommendations and other best practice to improve the health care and quality, including:

- Stop paying for the most significant negative surgical events, such as surgery on the wrong body part or wrong person.

In addition, there must be a stop-payment policy for care-management events such as death or disability from medication errors, or maternal death or disability during labor or delivery on a low-risk pregnancy.

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- Require hospitals and health systems in preferred networks to provide incentives for steering participants to facilities that adopt programs to advance a culture of safety and reduced medical errors, including implementing electronic medical records according to HHS standards
- Adopt “lean care” innovations that can reduce total spending without reducing quality; such as the Ambulatory Intensive Caring Unit model — a redesigned primary care delivery system developed by Mercer for individuals with very high health risks.

By improving health care affordability through patient self-management, streamlining primary care physician visits and more carefully selecting specialists and hospitals, this approach can yield more than 20 percent savings in medical spending, according to AICU testing.

- Join Care Focused Purchasing, a non-profit group of 60 employers and nine health plans organized to accelerate health system transformation.

By driving consensus on industry standard provider performance metrics, aggregating data to enable credible performance results and utilizing that data to drive performance improvement, CFP is gaining success.

The end result of this complex web of progress, practice and perseverance will be a health care system that works effectively and affordably for all stake holders.

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