



Transparency: Large Employers' Perspectives

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National Business Group on Health

- Founded in 1974, formerly the Washington Business Group on Health
- 300+, mostly large employers, primarily Fortune 500 companies, 64% of Fortune 100
- Members cover approximately 55 million U.S. workers, retirees and their families



The Problem

- Unsustainable, rising health costs
- Unsafe care in too many instances
- Uneven and poor quality care
- Increasingly unaffordable coverage/care
- *Consumers and purchasers (including government) need to know:*
 - *what works and what doesn't,*
 - *actual costs,*
 - *actual quality (or lack thereof),*
 - *relationships between quality and costs.*



Health Care Transparency in the Eyes of Corporate America

- To ensure quality of care, we must:
 - have safety,
 - utilization and costs data,
 - must be timely, and
 - able to be interpreted by purchasers and consumers.
- We are a long way from having what we need



NBGH Activities to Foster Transparency

- Public Policy
 - Transparency – a national requirement
 - Public release of Medicare data
 - Comparative effectiveness research

- Institute on Health Care Costs and Solutions
 - Transparency Issue Brief
 - National Committee on Evidence Based Benefit Design
 - National Leadership Committee on Employer & Health Plan Solutions
 - > Changing payment policies to support primary care and cognitive services
 - > Not pay for reasonably preventable serious harms for care



Supporting Employees/Consumers' Decisionmaking Tools

- Completed “Survey of Employees and Healthcare Decisionmaking”
- Host toolkit on “Using Information to Get High Quality Care”
- Completed survey on “Engaging Employees and Their Families to Achieve Optimal Health”

NBGH Public Policy Position on Transparency

- “All health care providers costs and facilities should publicly disclose ... *all* relevant information about the quality, safety, effectiveness and efficiency of health care
- as well as any other information that may impact care decisions, such as financial arrangements and clinical guidelines for treatment”

NBGH Collaboration to Foster Transparency

- Promoting standardized metrics/uniform reporting/HIT infrastructure
 - NQF - NCQA
 - AQA - AHIC
- Partnership for value-driven health care
 - Kickoff co-host
 - Encourage members to sign on
 - Sign on as an organization
- NBGH/Mercer survey on transparency



Partnership for Value-Driven Health

- Over 800 employers, representing over 100 million lives signed up
- 101 of 300 Business Group members on board
- Federal government health programs required by Presidential order

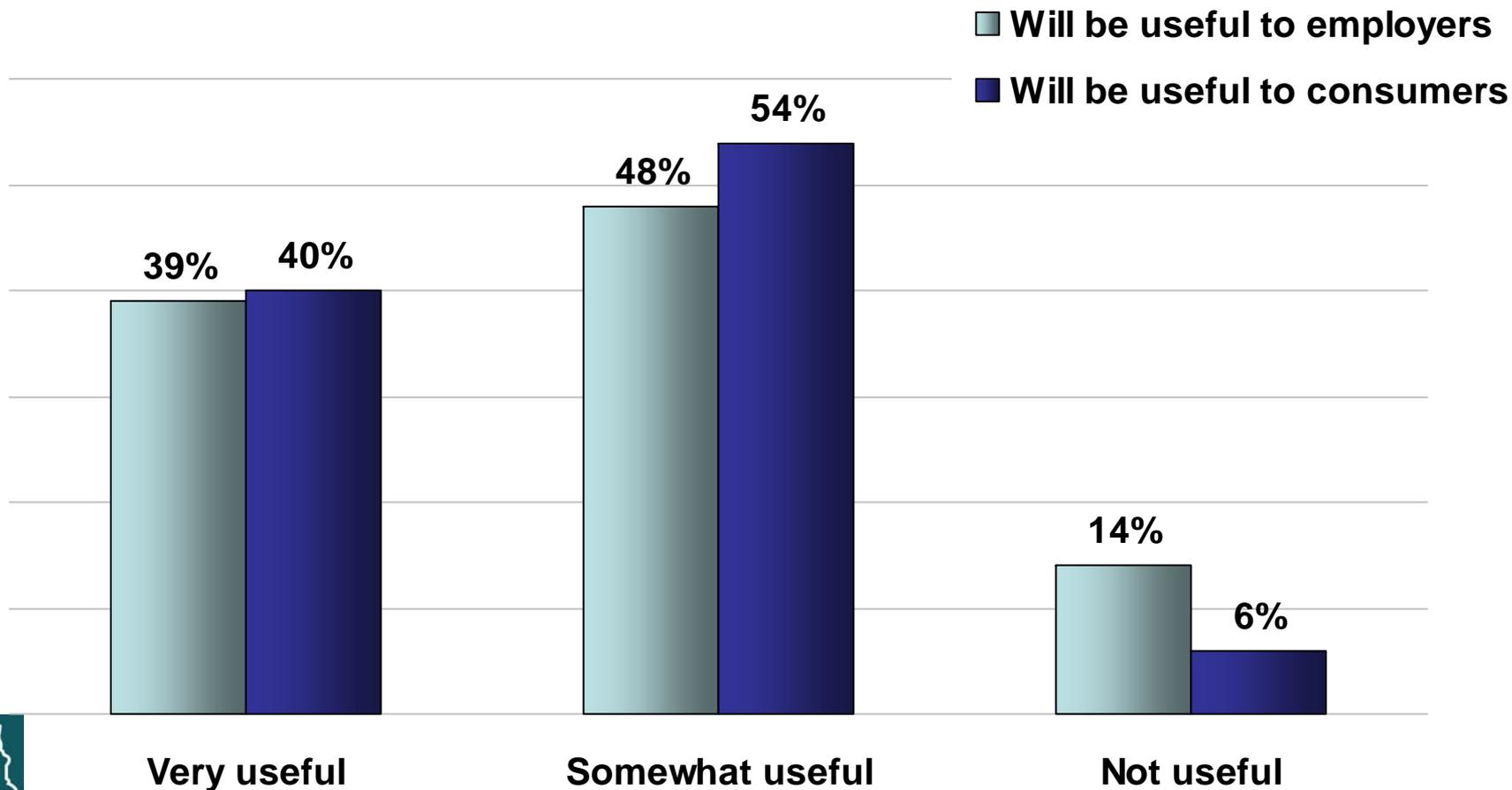


About the Employer Survey on Transparency

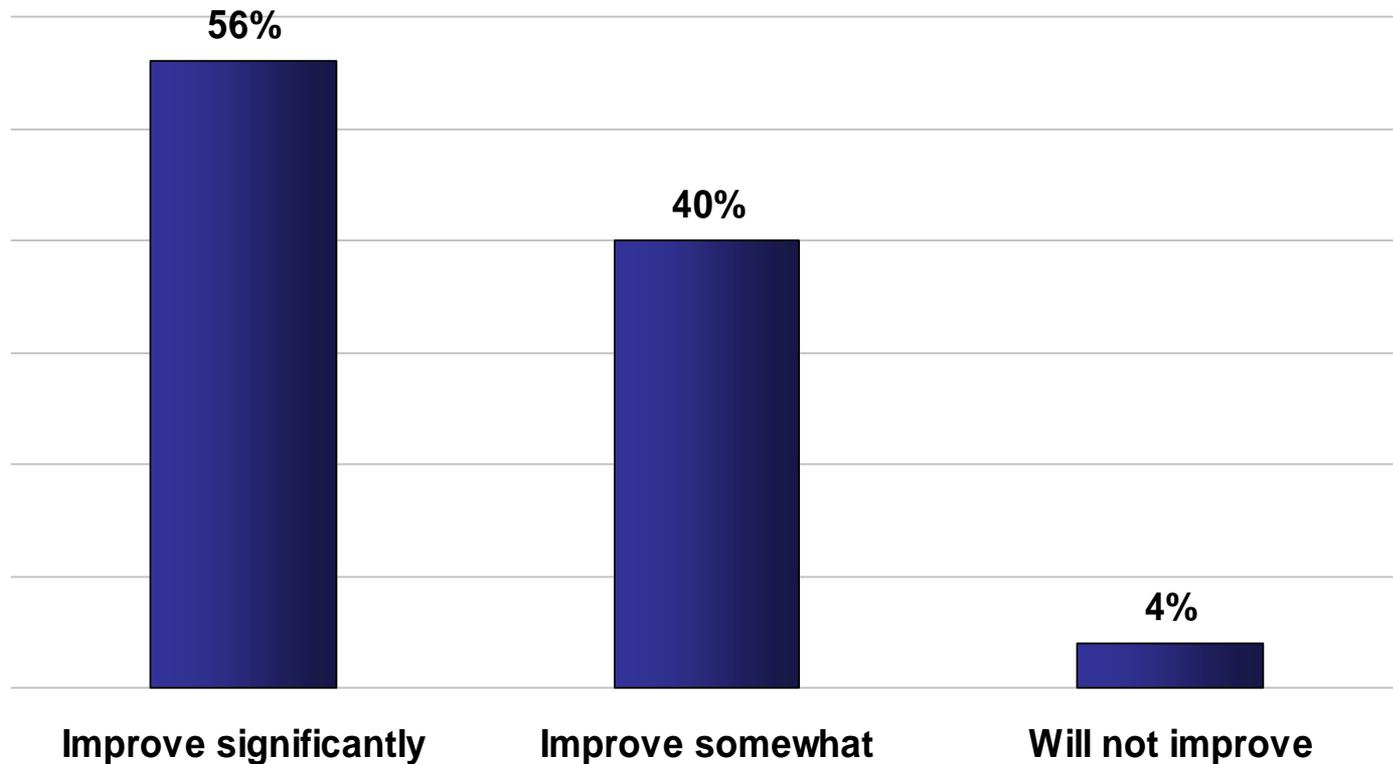
- Partnered with Mercer
- 120 employers responded in February 2008
 - 56% had > 20,000 employees
- Key findings demonstrated that we should continue to:
 - Build greater awareness in employer community about the business case for transparency
 - Continue efforts to build credibility of quality and efficiency measurement
 - Expand size of available data bases by including Medicare data
 - Overcome resistance to measurement by physicians and hospitals



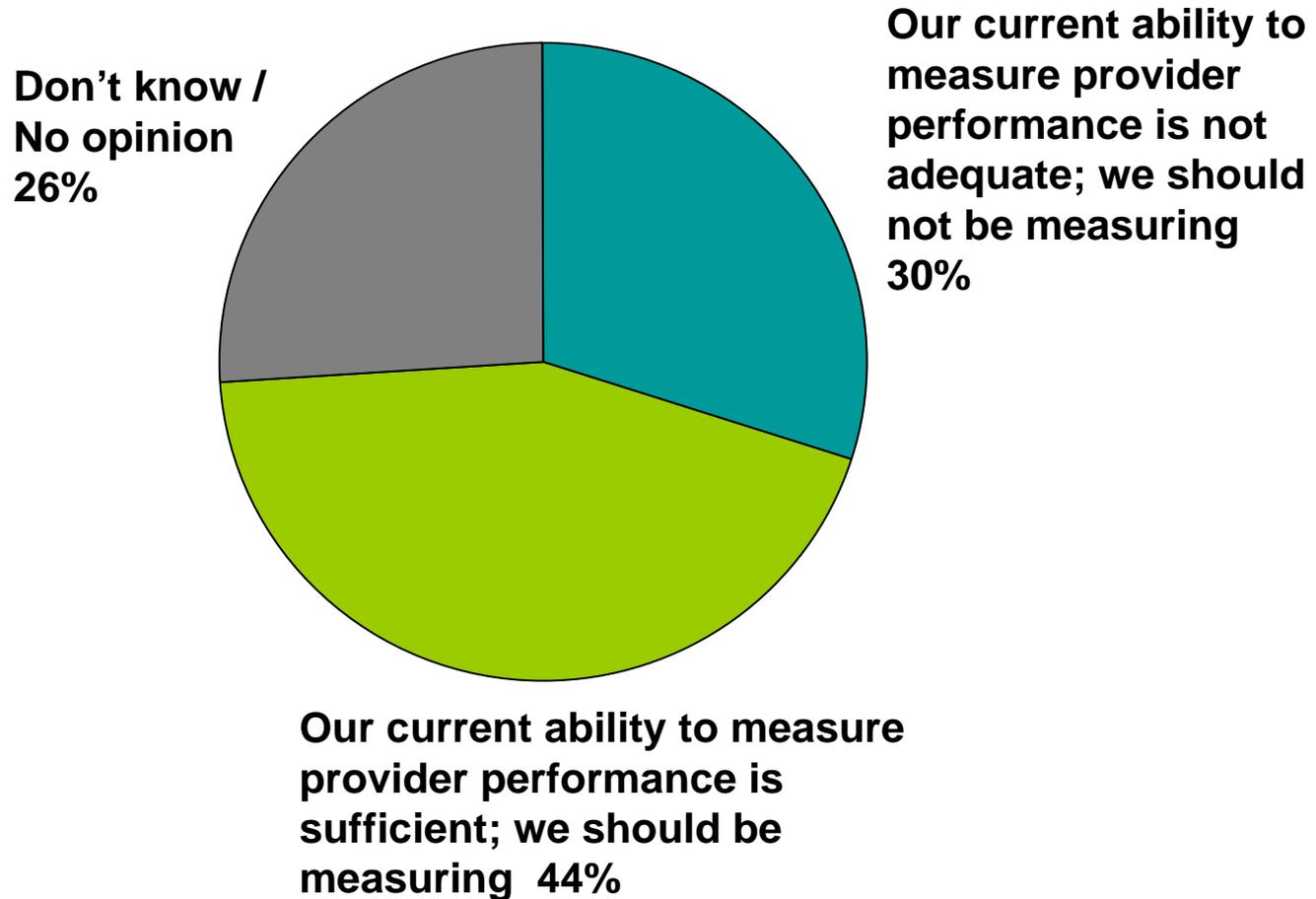
Employer Opinion about Public Disclosure of Medicare Provider Cost/Quality Information



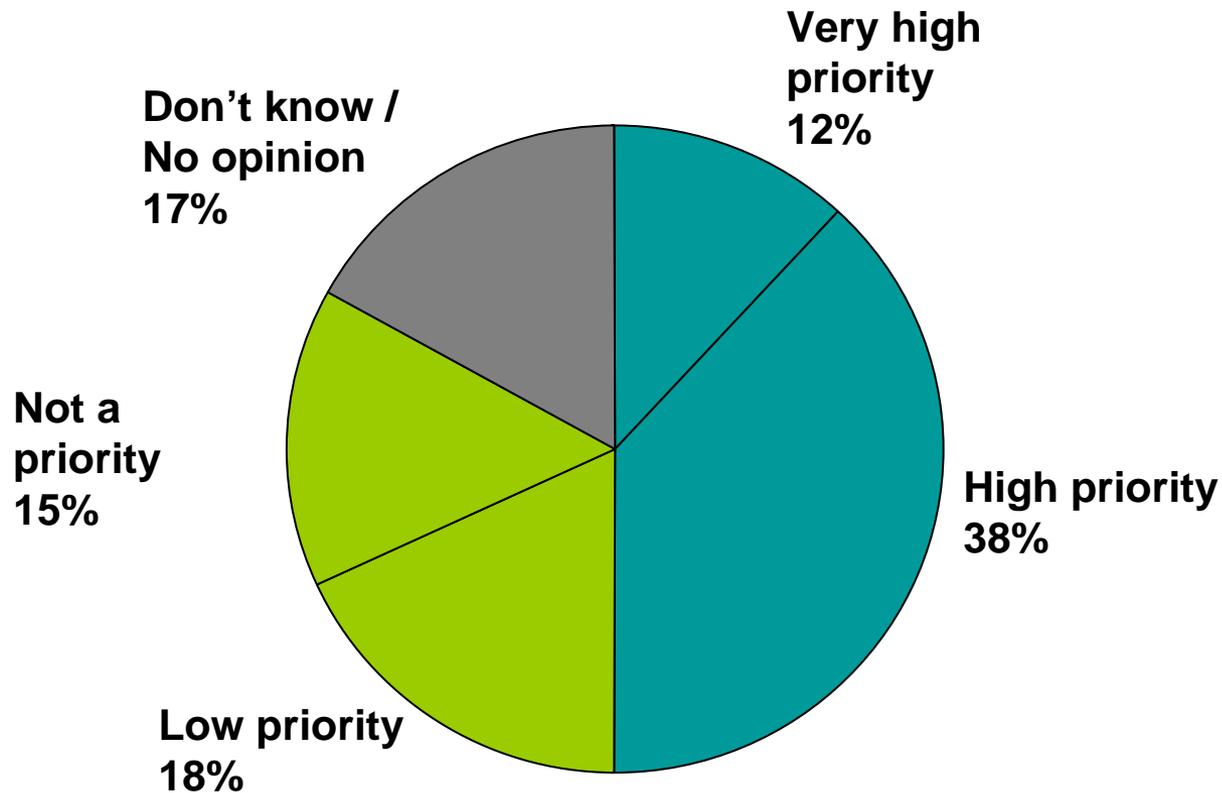
Most Employers Believe Adoption of HIT Standards Will Improve Quality of Care or Cost Efficiency



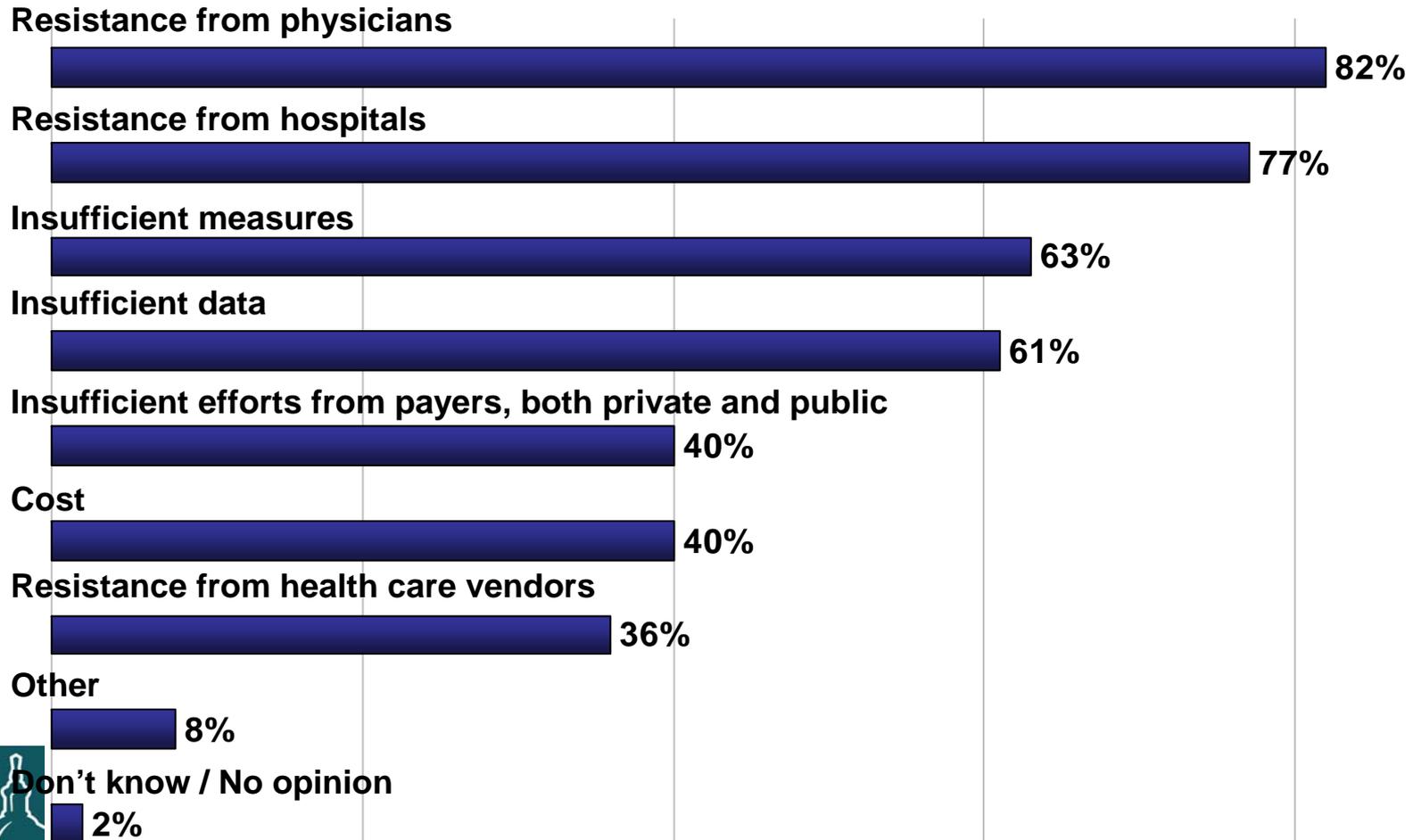
Are We Ready to Measure Provider Performance? Employer Opinion



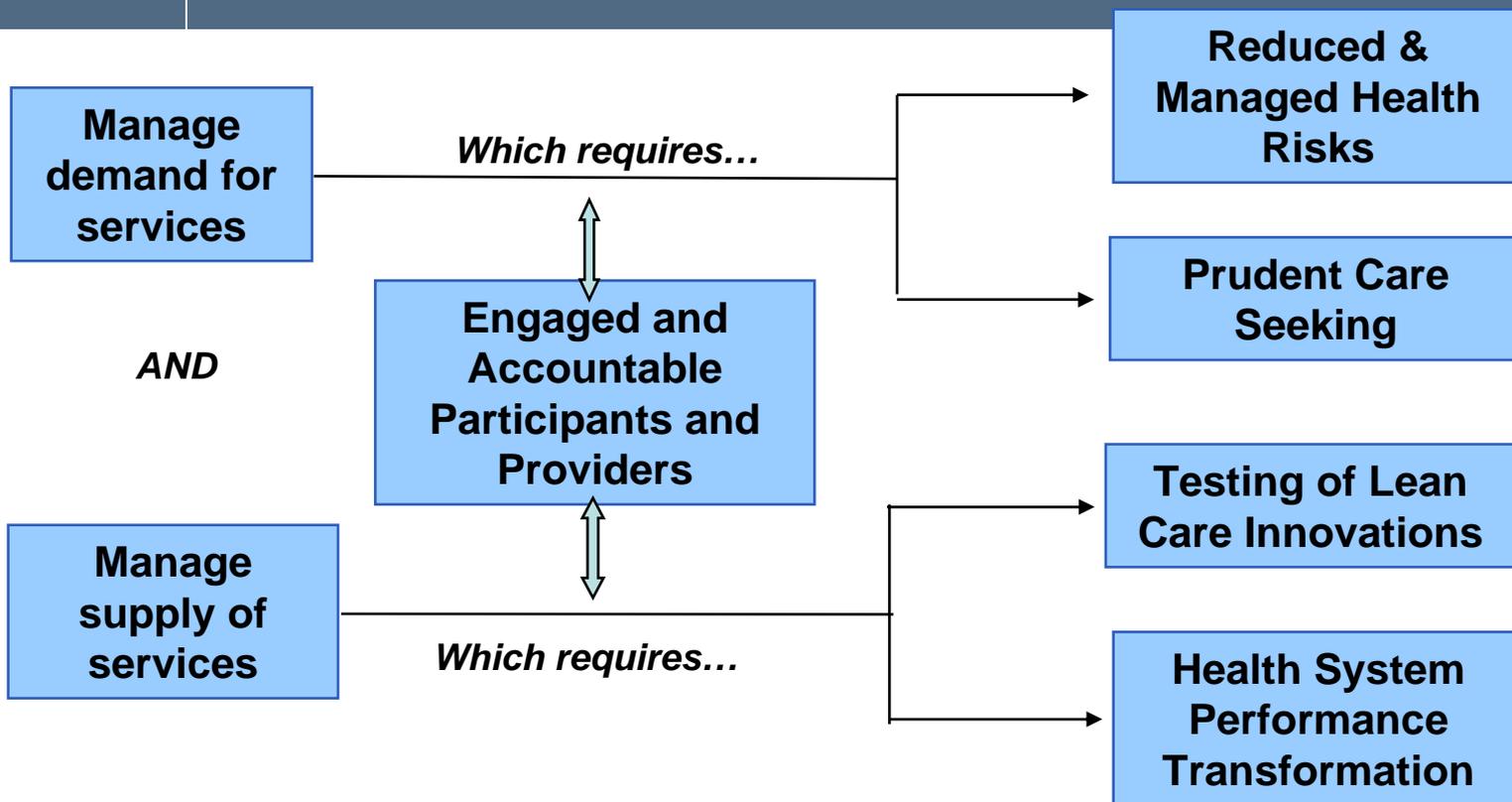
Priority Placed on The Release of Medicare Claims Data for Use in Performance Measurement



Most Significant Barriers in Efforts to Measure Physician and Hospital Performance



To Effectively Manage Costs, Employers Must Advance Market Innovation

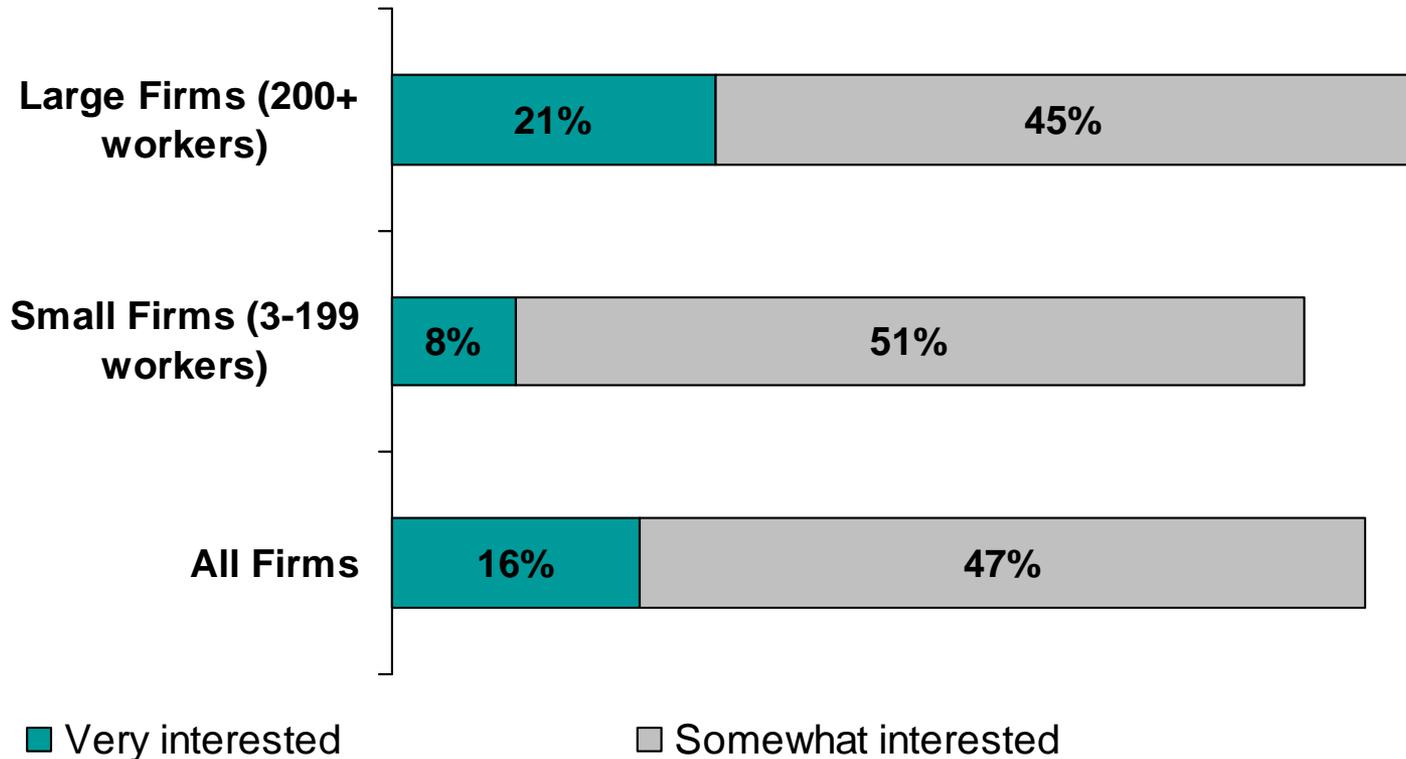


The HHS initiative is a broad-based effort to move the market in the necessary direction

Employers Want Improved Care

Executive Series

Q. How interested are you in offering a high performance provider network to employees, even if it means employees might have a smaller number of providers to choose from?



Note: The difference between subgroups are all statistically significant at the $p < .05$ level.

Source: H. Whitmore, S.R. Collins, J.R. Gabel, J.D. Pickering, "Employer Views on Incremental Measures to Expand Health Insurance," *Health Affairs*, November/December 2006.



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Institute
Health Care
Costs and
Solutions

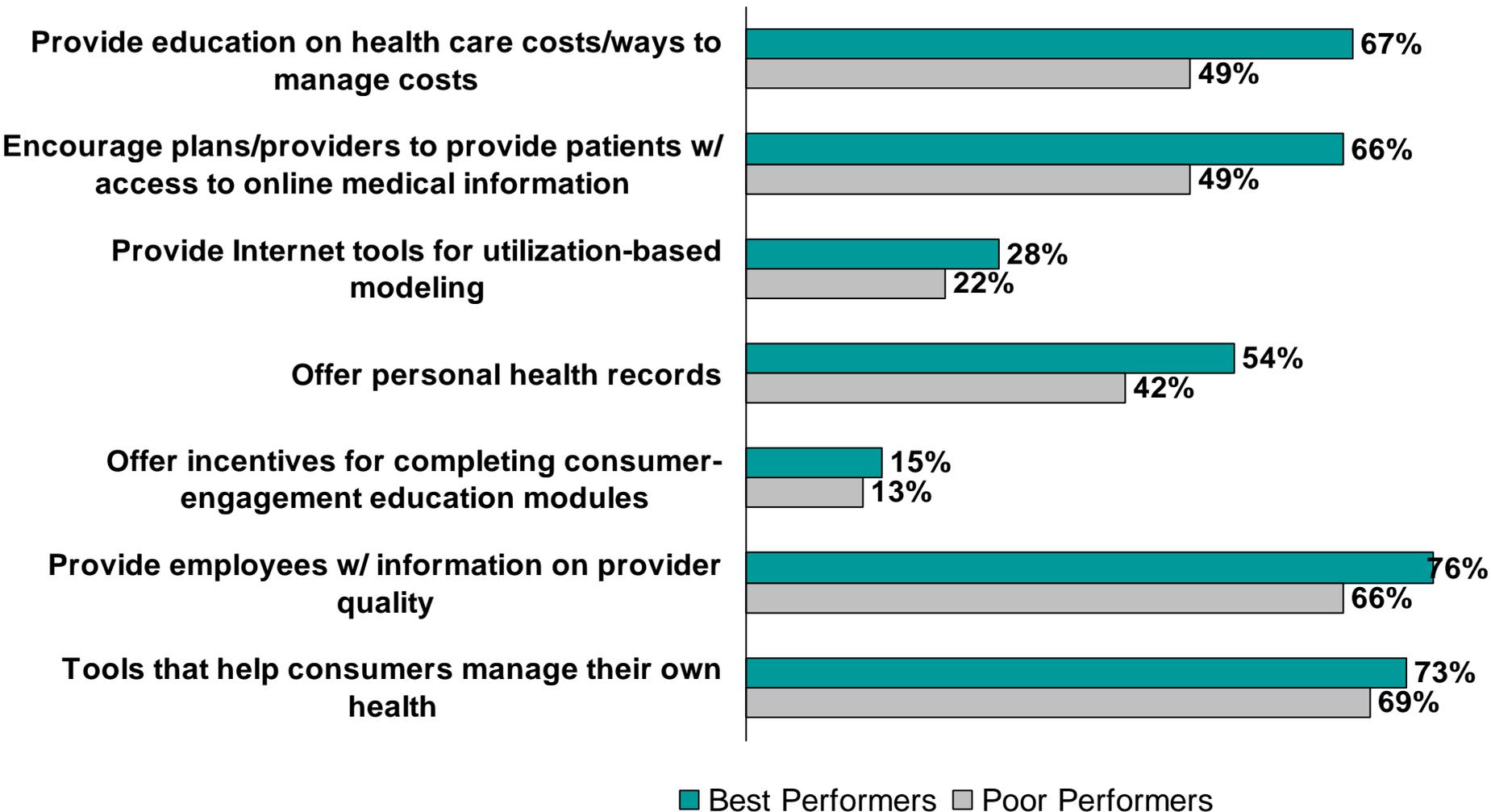
Employers and Consumers Want Information

Executive Series

- **A Commonwealth Fund study surveyed consumers about the importance of information on quality. The survey found:**
 - **95% of survey respondents indicated that it was very or somewhat important to have information on the quality of care provided by different doctors or hospitals.**
 - **91% said it was very or somewhat important to have information about the costs of care before you actually get the care.**
 - **87% indicated it was very or somewhat important that insurance companies identify and reward doctors and hospitals who achieve excellence in the quality and efficiency of care.***

Best Performers Provide Effective Information To Employees

Executive Series



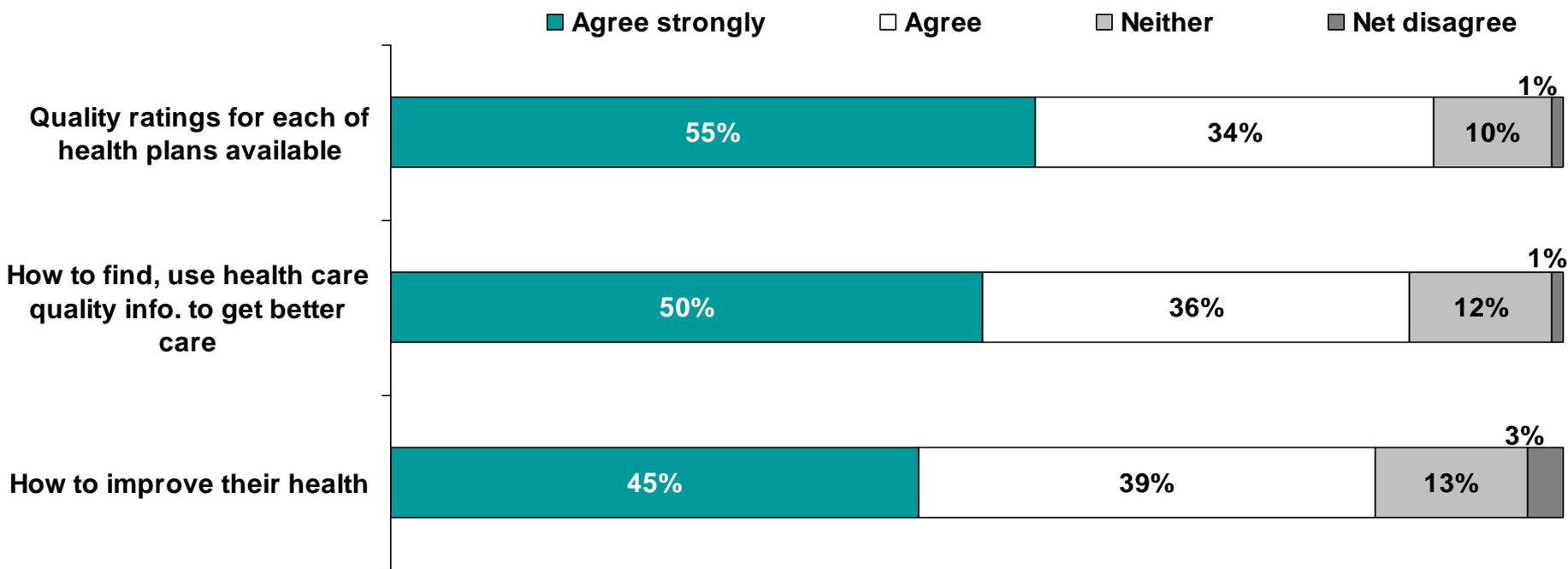
Source: 13th Annual National Business Group on Health/Watson Wyatt Employer Survey, 2008.

Employees Want Employers to Provide Information

Executive Series

Q. Mark how strongly you agree or disagree with each statement about whether employers should or should not provide such information to employees

n=1,558



Note: Net disagree includes Disagree strongly and Disagree.

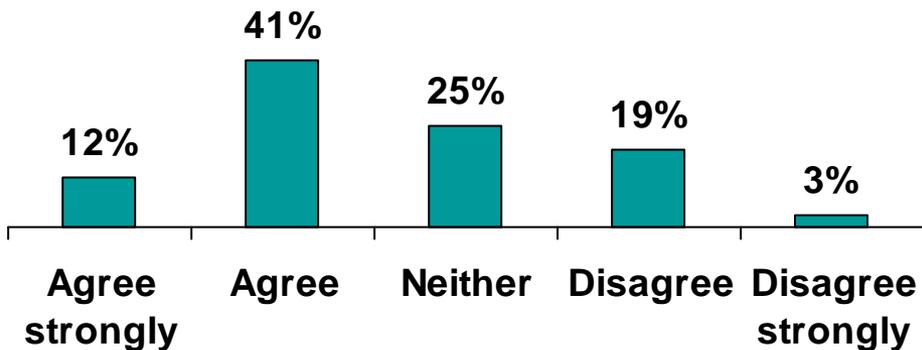
Source: National Business Group on Health Survey on Employees and Health Care Decision Making, 2007.

Employees Need and Want Tools to Make Decisions

Executive Series

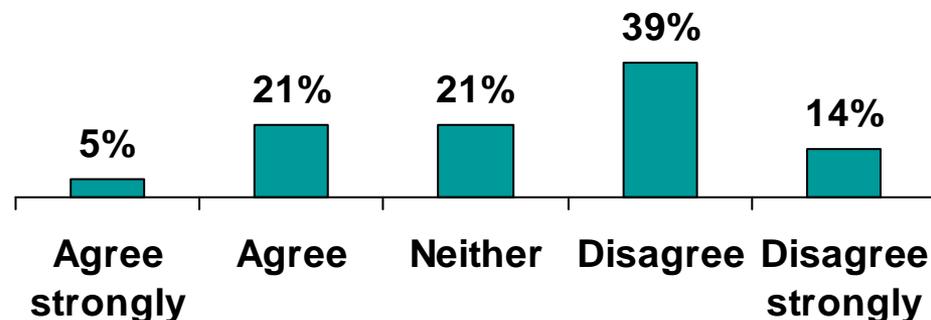
Q. Most medical information available to consumers is too hard for the average person to understand.

n=1,558



Q. Because medicine is so complicated today, there's little a person can do except trust the doctor to know what is best for them.

n=1,558





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Conclusions

Executive Series

- We have a very expensive health care system that doesn't consistently deliver high quality, safe care.
- The higher percentage of our economy we spend wastefully on health care, the less we have to spend on other essential needs, such as education, national security, science, public safety and other quality of life issues.
- With a tsunami of obesity bearing down on the nation, we have to find new ways to control costs, eliminate duplication, waste and excess capacity in the health care system, and improve the health of the American people.