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Health Care Purchaser Group Takes A Bold Step Forward Toward Payment Reform in the Private Sector

New Request for Information helps health plans know what clients want

SAN FRANCISCO – June 21, 2011 – Catalyst for Payment Reform (CPR), an organization of influential large employers working to improve health care quality and value by changing how they pay for care, unveiled today a new request for information (RFI) for employers and other health care purchasers to use when evaluating health plans prior to selection. The new RFI features a common set of questions on payment reform to help employers work with health plans to meet their shared goals of aligning costs with the quality of care.

The RFI allows health plan clients to assess health plan progress toward increasing the percentage of total physician and hospital compensation tied to value-based purchasing programs. It also provides a framework to help purchasers understand how health plans are aligning their business strategies to the U.S. Department of Health and Human Services' Partnership for Patients initiative, what metrics health plans have in place to measure the success of accountable care organizations (ACOs) in providing evidence-based, cost-effective care, and insurers' plans for future payment reforms. The RFI has six sections:

1. Assessing Performance-Based Payment
2. Evidence of Performance-Based Payment Impact
3. Future Planned Payment Strategies
4. Measuring Performance for Payment Purposes
5. Evaluating Partnership for Patients Activities
6. Assessing Accountable Care Organization Strategies

“As long as the US continues to spend significantly more per capita than other countries without producing superior outcomes, we need to scrutinize how we can reform the incentives and rewards in the health care system to produce better value,” said Sally Welborn, Senior Vice President, Global Benefits, Wal-Mart Stores, Inc.. “The CPR RFI helps health plan clients understand the payment models used by health plans to pay

physicians and hospitals as well as corresponding performance-based compensation and the depth with which those incentives are applied—a first step in understanding a plan’s progress with reforming payment.”

“Employers and other purchasers have a window of opportunity to use the momentum of health reform and the cost crisis to take a leadership role in jumpstarting private-sector payment reform,” said Suzanne Delbanco, executive director, CPR. “When American employers, who shoulder a huge proportion of health care costs, use the CPR RFI, they will send a strong signal to both health plans and providers that it is time for reform.”

The RFI embodies a strategic menu of reform areas that gives health care purchasers and insurers the capacity to plan, implement and evaluate payment policies that promote high-quality and cost-effective care. Working with the National Business Coalition on Health (NBCH), CPR will continue to evolve its payment reform RFI and integrate it into [eValue8](#), NBCH’s comprehensive health plan RFI used by many regional employer coalitions across the country. This fall, CPR will release companion health plan contract language for purchasers to use when contracting for services from the health plans they select, transforming the areas of inquiry in the RFI into purchaser expectations. The model contract language will give further shape to the shared agenda now sought by a critical mass of each major health plan’s customers.

CPR invites all health care purchasers and plans to use its RFI and welcomes suggestions for improvement. It is available free of charge and can be downloaded from CPR’s web site <http://www.catalyzepaymentreform.org/RFI.html>.

About Catalyst for Payment Reform (www.catalyzepaymentreform.org)

Catalyst for Payment Reform is an independent, non-profit corporation working on behalf of large employers to catalyze improvements to how we pay for health care in the U.S. to signal powerful expectations for better and higher-value care. CPR is advised by multi-stakeholder Leadership and Technical Advisory Committees of influential health care experts and decision makers and received input on the RFI from members of both committees, as well as additional health plans. Distribution of the RFI is made possible through the support of Aetna Inc. and the Aetna Foundation. The [Pacific Business Group on Health](#) is a founding partner of CPR and is working collaboratively to advance payment redesign.

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