


# THE ROLE OF PRIVATE PURCHASERS IN PAYMENT REFORM

Leah Binder, MA, MGA, President & CEO, The Leapfrog Group

# Health Affairs


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## National Health Spending In 2012: Rate Of Health Spending Growth Remained Low For The Fourth Consecutive Year

 Expand

Anne B. Martin<sup>1,\*</sup>, Micah Hartman<sup>2</sup>, Lekha Whittle<sup>3</sup>, Aaron Catlin<sup>4</sup>, the National Health Expenditure Accounts Team<sup>5</sup>

 Author Affiliations

 \*Corresponding author

### Abstract

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For the fourth consecutive year, growth in health care spending remained low, increasing by 3.7 percent in 2012 to \$2.8 trillion. At the same time, the share of

[« Previous](#) | [Next Article](#)  
[Table of Contents](#)

### This Article

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Health Spending

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# Why the surprising news?...

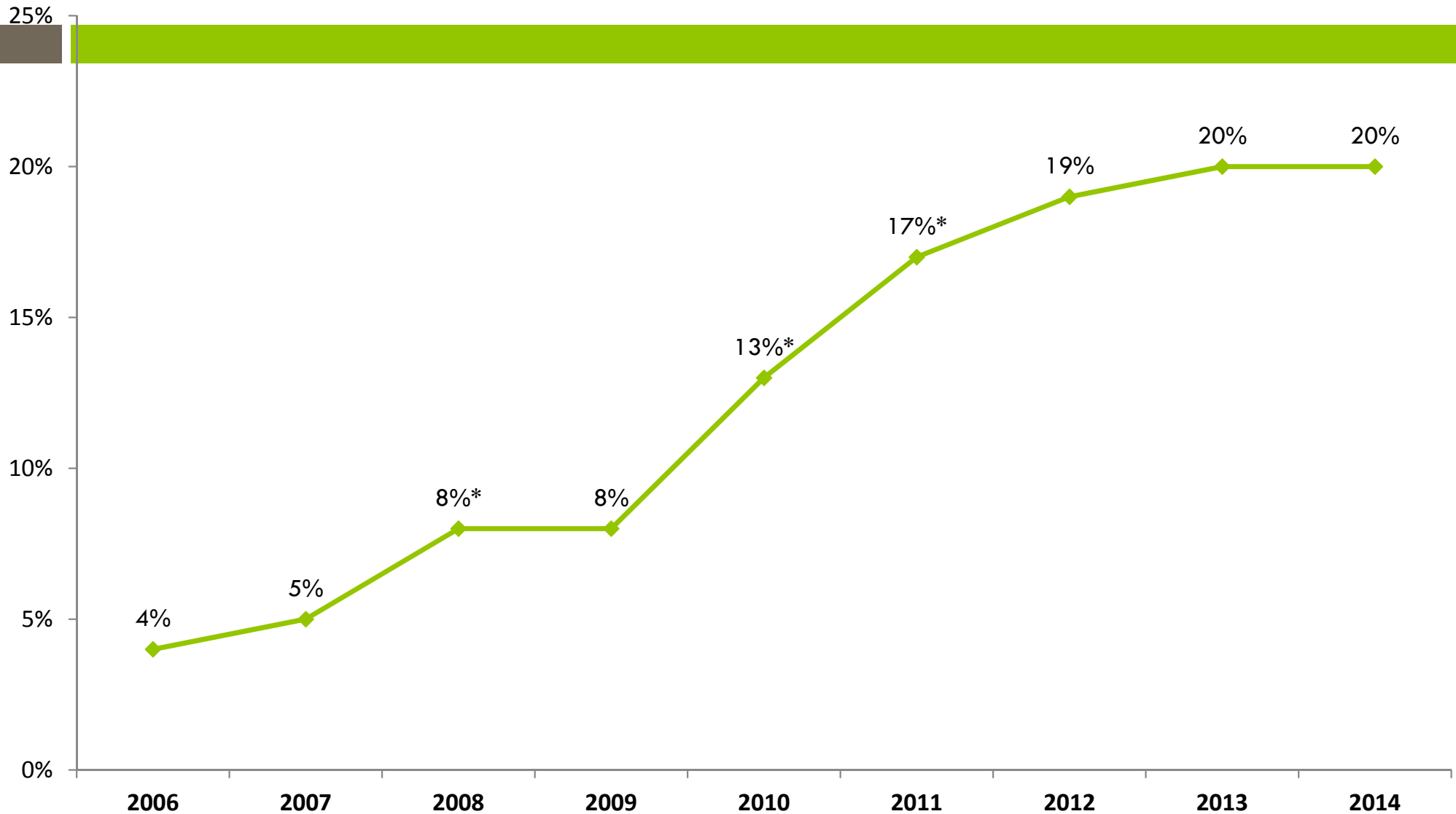
3



Surprise...



# Percentage of Covered Workers Enrolled in Either a HDHP/HRA or HSA-Qualified HDHP, 2006-2014



\* Estimate is statistically different from estimate for the previous year shown ( $p < .05$ ).

SOURCE: Kaiser/HRET Survey of Employer-Sponsored Health Benefits, 2006-2014.

# 6 Private Sector Strategies that Improve Quality and Control Costs

6

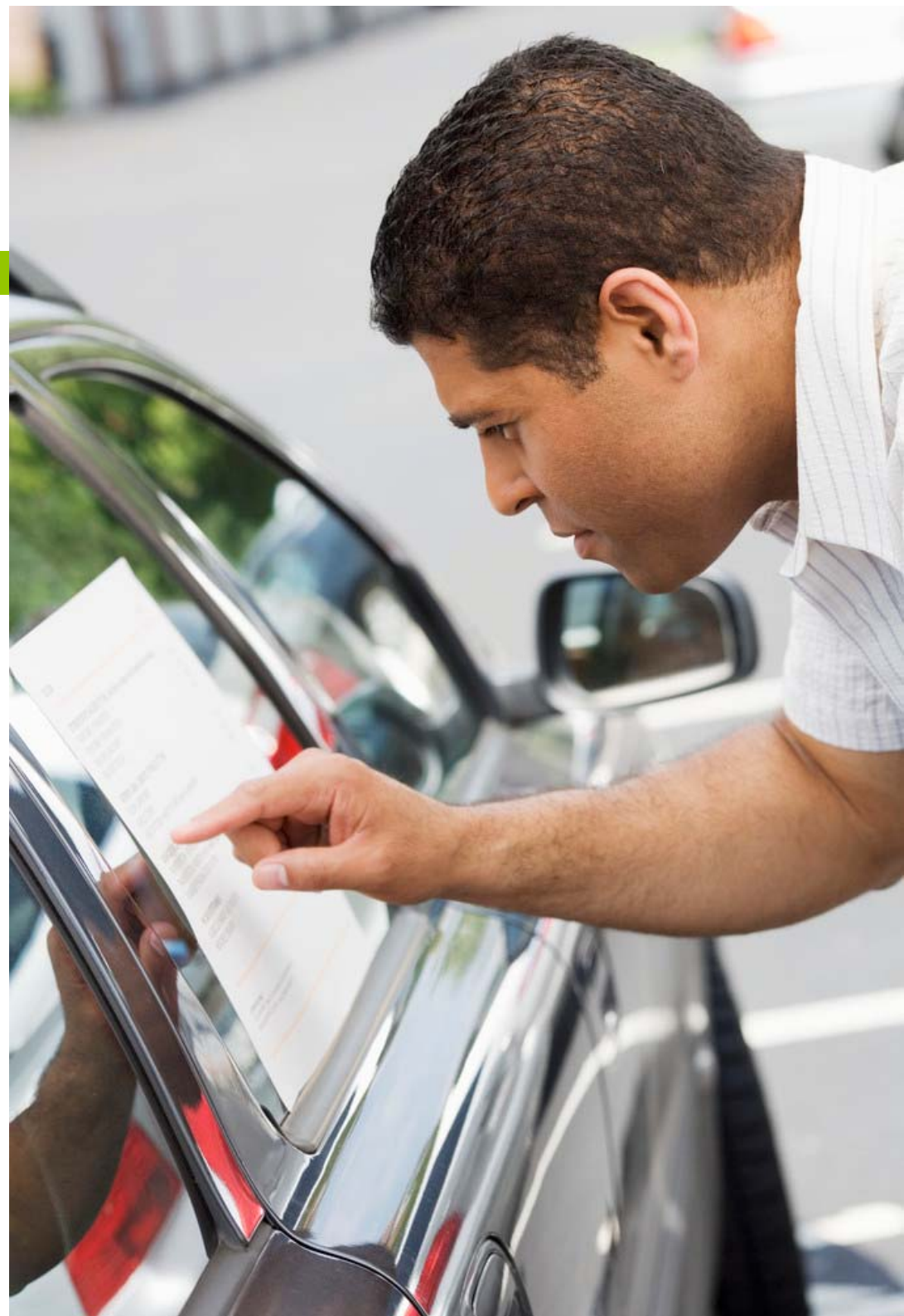


# ...And 1 Strategy I Wish For

7



# 1. Extremely Innovative Transparency Tools





Identical Services.  
Similar Quality.  
Two very different prices.



\$3,186



SEE OUR SOLUTION >

## Simple

An easy-to-use tool means employees use it. That means maximum savings for you and greater satisfaction for plan participants.

- A simple and "clean" user interface
- Easy access via computer, mobile and call center
- High tech transparency for all and "high touch" support where it's needed

## Smart

Better information on cost and quality results in smarter health care decisions and lower health care costs.

- Industry leading objective quality ratings on providers
- Proprietary provider satisfaction ratings from actual plan participants
- Personalized, practical guidance for each employee

## Savings

Now, you and your employees can see the actual cost of health care services. We show employees and dependents—

- Real differences in cost
- How their decisions will save them money
- How their smart shopping behavior compares to their fellow employees



"Caesars could not have achieved 90% engagement and bottom line savings without ClearCost Health. They are innovative, collaborative and help our employees to be smart shoppers for health care."

- Gina Larson, Corporate Benefits, Caesars Entertainment

## 2. Good benefits design strategies

10

- Copay waivers (Maine Business Coalition)
- Exclusion from deductibles (Fedex)

Jump To:

- PAU's
- Our Hospitals
- Find a Doctor
- Return to HackensackUMC

**GAME PLAN**  
For Kids' Health




Home » News » Details

**Horizon Blue Cross Blue Shield and Leapfrog CEO Present HackensackUMC with Financial Recognition for 2011 Hospital Performance**

June 1, 2012 09:18 AM



Representatives from Horizon Blue Cross Blue Shield of New Jersey and the CEO of The Leapfrog Group present HackensackUMC with its 2011 financial recognition of \$250,000.

Two representatives from Horizon Blue Cross Blue Shield of New Jersey - Mark Calderon, M.D., medical director, and Michelle Merchant, manager of Network Hospital Relations - joined Leah Binder, chief executive officer of The Leapfrog Group in presenting HackensackUMC with its 2011 financial recognition of \$250,000 - the highest amount that could be awarded. This is the direct result of the medical center being a top performing hospital not only in New Jersey, but nationwide according to the 2011 Leapfrog Hospital Survey findings conducted by the Leapfrog Hospital Recognition Program™ (LRHP).

"On behalf of the entire medical center, I am proud to accept this award from Horizon Blue Cross Blue Shield of New Jersey," said Robert C. Gansz, president and chief executive officer of HackensackUMC. "The monetary aspect of the award is greatly appreciated, but the recognition of HackensackUMC as a top performing hospital is even more important to us. This signifies significant and measurable clinical excellence, and I want to thank our team of dedicated professionals for their hard work."

More than 1,000 hospitals across the United States in 48 states were scored based on Leapfrog's rigorous standards. Individual scores, ranging from zero to 100, are compared to state and national averages, and are calculated using the LRHP Scoring Methodology. These scores are then used to evaluate performance in various clinical areas, which include: Computerized Physician Order Entry (CPOE), ICU Physician Staffing (IPS), Outcomes of High Risk Procedures, Common Acute Conditions, Hospital Acquired Conditions, Safe Practices, and Never Events.

About Hackensack University Medical Center  
HackensackUMC, a non-profit teaching and research hospital located in Bergen County, New Jersey, is the largest provider of inpatient and outpatient services in the state, and home to the only Level II Trauma Center in the county. This 775-bed facility has gone beyond traditional medicine by creating an entire campus of care, including the Heart & Vascular Hospital, the John Theurer Cancer Center, the Joseph M. Sanzari Children's Hospital, and the Donna J. Sanzari Women's Hospital. As a result of using science and creativity to push medicine further, HackensackUMC has been named one of the Thomson Reuters 100 Top Hospitals® and one of America's 50 Best Hospitals by HealthGrades. It is listed among the Leapfrog Top Hospitals List, received 17 Gold Seals of Approval™ by the Joint Commission, is ranked in Cancer, Cardiology and Heart Surgery, and featured by U.S. News and World Reports' "2011-12 Best Hospitals" by the John Commission, is ranked by U.S. News & World Reports' "Best Hospitals Metro Area Top 10," is listed as one of the 50 Best Hospitals in America by Becker's Hospital Review, and is a Magnet® recognized hospital for nursing excellence, the first hospital in New Jersey to receive this distinction. The medical center is the hometown hospital of the New York Giants and the New Jersey Devils.

3.P4P

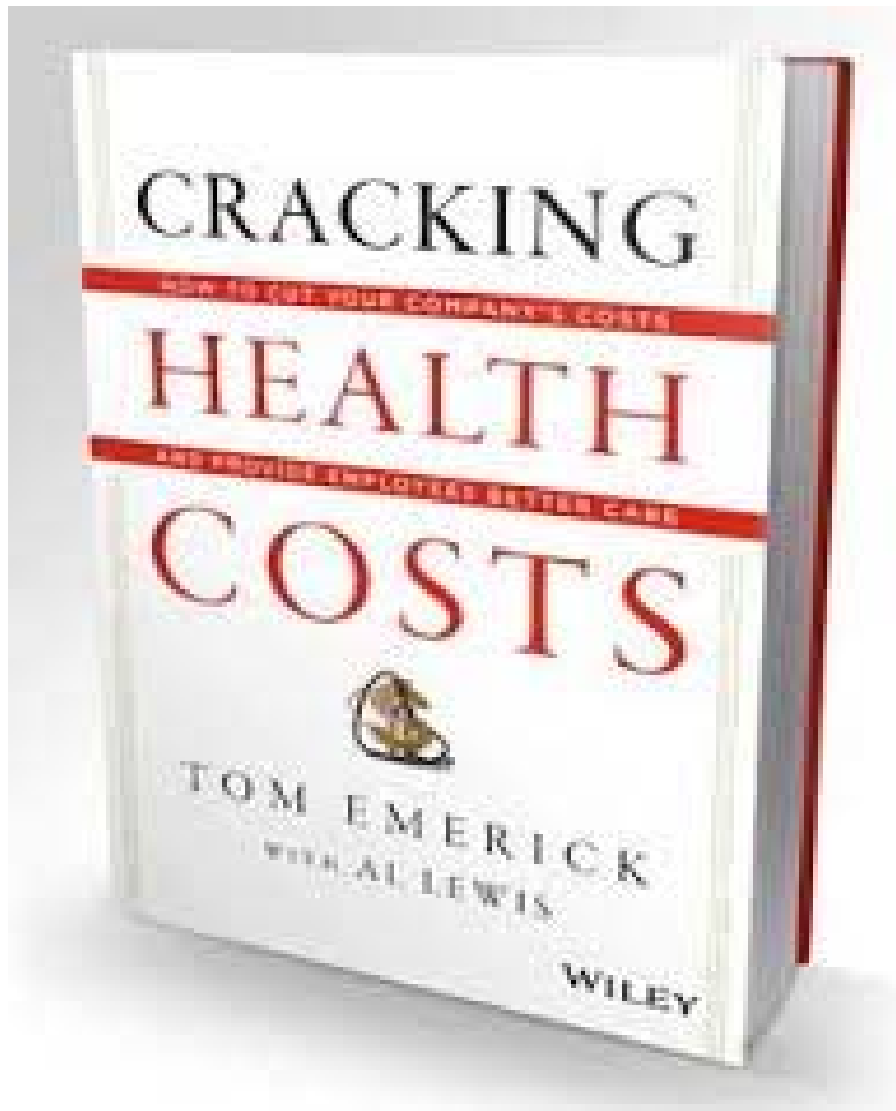
# 4. Centers of Excellence (Real ones)

12

- Lowes, Walmart, Boeing, Pepsi, Honeywell

# 25%-40%+ unnecessary referrals

13



## You read it right

- “During my career, I’ve used CSCOE’s to reduce the cost per transplant actually performed by about 20 percent and helped companies avoid roughly 40% of transplants altogether.”

# 5. Reference pricing (Safeway, 2010)

14

- ❑ Screening Colonoscopy
- ❑ Range: \$900-\$7200
- ❑ Reference: \$1,250
- ❑ No change in utilization
- ❑ New rules: must show adequate number of providers available accepting reference price (including for ERISA plans)

# 6. Medical Tourism (Hannaford)

15



# Now for that 1 wish...

16







# Surgical Site Infection

18

**\$900**



**\$3000**



**MEDICAID**

**MEDICARE**

**PURCHASERS**

The image features five vertical stacks of US one-dollar bills, each stack containing approximately 39 bills. The bills are arranged in a way that they appear to be fanned out slightly, creating a sense of depth and volume. The stacks are positioned against a plain white background. In the center of the image, the text "\$39,000" is displayed in a large, bold, black font, with the dollar sign being particularly prominent. The text is centered horizontally and vertically, overlapping the middle of the stacks of bills.

**\$39,000**

**PURCHASERS**

# Improve Quality, Control Costs

20

## The Purchaser Checklist

- ❑ Transparency tools (including safety)
- ❑ Benefits design
- ❑ Pay for performance
- ❑ Real Centers of Excellence
- ❑ Reference pricing
- ❑ Medical Tourism
- ❑ **Safety:** All strategies above PLUS track it, report it, demand it, withhold payment, use the Hospital Safety Score



# Contact Me

21

Leah Binder

President & CEO

The Leapfrog Group

[www.leapfroggroup.org](http://www.leapfroggroup.org)

[www.hospitalsafetyscore.org](http://www.hospitalsafetyscore.org)

Blog:

<http://www.forbes.com/sites/leahbinder/>