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American Health Policy Institute Publishes Strategies to Reform Medical Network and Payment Systems to Increase Health Care Value

Pacific Business Group on Health experts share insights on how employers' adoption of value-differentiating strategies can address health care cost and quality

Washington, D.C. – Today, the American Health Policy Institute (AHPI) releases its study, “Medical Network and Payment Reform Strategies to Increase Health Care Value,” in collaboration with the Pacific Business Group on Health (PBGH). The study, written by PBGH’s Director Emma Hoo and CEO Dr. David Lansky, reasons that new approaches for health care delivery and provider payment are needed to address cost drivers and shortfalls in health care quality.

The study summarizes key limitations in the current payment structures and the prevalent design of health care delivery in the United States. These limitations include the large portion of employees enrolled in traditional Preferred Provider Organization insurance products (PPOs), clinical variation in health care, and geographic differences in health care costs.

According to AHPI CEO Dr. Tevi Troy, “Bold changes in how employers buy health care services are required to adopt value-differentiating strategies that will lead to true innovation. For too long, employers have been limited by the incremental steps taken by the industry. New employer strategies and collaborations such as the Health Transformation Alliance (HTA) will bring the system closer to much needed reform.”

“Many large employers recognize a need to change the current dynamic of volume-based incentives to value-based contracting strategies that better reward quality care and efficiency in resource management,” Dr. Lansky says. “But employers no longer believe that the key differentiation is among health insurance plans; it’s about the differentiation of their provider networks and the underlying provider contracting arrangements.”

As new delivery models expand, private employers have a unique opportunity to work directly with provider organizations and be a catalyst for greater health system accountability for delivering better quality, care and affordability.

To view, please visit the following link:

http://www.americanhealthpolicy.org/Content/documents/resources/Medical_Networks_AHPI_2016.pdf

American Health Policy Institute (AHPI) is a non-partisan 501(c)(3) think tank, established to examine the impact of health policy on large employers, and to explore and propose policies that will help bolster the ability of large employers to provide quality, affordable health care to employees and their dependents. The Affordable Care Act has catalyzed a national debate about the future of health care in the United States, and AHPI serves to provide thought leadership grounded in the practical experience of America's largest employers. To learn more, visit americanhealthpolicy.org.

The Pacific Business Group on Health (PBGH) is a group of private employers and public agencies that serves as a voice for consumers and patients in the U.S. PBGH uses the concentrated power of its member organizations to test innovative health care methods in specific markets, and then take approaches to scale them across the U.S. PBGH utilizes educational forums, user groups, and networking events to maximize their members' impact. To learn more, visit pbgh.org.