



NEWS RELEASE

Healthcare Leaders to Congress and Administration: Improve the Value-Based Care Movement

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Clinicians, employers, hospitals, pharmacists, consumer groups and insurance providers coalesce around 10 key policy principles to support a modernized, sustainable healthcare system

WASHINGTON, D.C.--(BUSINESS WIRE)-- In a **letter** to Congress and the Administration, leading healthcare organizations today called for a renewed effort to move to value-based, patient-centered payment models that reward improved quality and cost-effective care. Central to this effort is addressing the perverse incentives in the fee-for-service system, and antiquated laws and regulations that impede innovation and care coordination.

The bipartisan journey toward value-based care began more than 15 years ago with pay for performance, bundled payment and accountable care organizations (ACOs). Healthcare providers, clinicians and insurers have invested significantly in moving healthcare toward this direction. Policy changes and payment model improvements are critical to strengthen and expand on this movement, which is starting to generate results. For instance, Medicare ACOs have collectively generated \$1.29 billion in savings since 2012 while improving quality.

"I am confident that the migration toward value-based care will continue regardless of what happens over the next few months," said the Honorable Michael O. Leavitt, Chairman and Co-Founder, Leavitt Partners, three-term Governor of Utah and Former U.S. Secretary of HHS. "There is a remarkable amount of bipartisan agreement when it comes to payment and delivery reforms, as evidenced by legislation like MACRA, and the Republican Congress has established a clear pattern of supporting the transition from fee-for-service to value payment."

As policymakers debate the direction of federal healthcare policy, signers of the letter recommended 10 principles

to build momentum behind value-based care and shift incentives away from a reactive healthcare system to one that is centered on the patient's health, high-quality and cost-effective care. Supporters include the American Society of Anesthesiologists (ASA), Healthcare Leadership Council (HLC), Health Care Transformation Task Force (HCTTF), National Coalition on Health Care (NCHC) and Premier Inc., as well as more than 120 co-signers representing clinicians, employers, labor, hospitals, pharmacists, consumer groups, biopharmaceutical companies and insurance carriers.

10 policy principles to improve the value-based care movement:

- Empower and engage patients to make healthcare decisions with information and support from their healthcare team.
- Invest in engaging patients on the development of measures on provider performance that are relevant to them to be consistently and transparently reported by all public and private payers.
- Improve clinician and provider access to timely, accurate and complete claims data to better facilitate care management.
- Recognize that the socioeconomic status of many patients creates challenges in providing care, and adjust payments to providers as appropriate.
- Design and refine payment models so that they provide a reasonable return on investment, and support high-value services at a reduced cost based on patient choice and competitive markets.
- Expand the use of waivers from fee-for-service legal and regulatory requirements that impede collaboration and shared accountability, while preserving consumer protections and safeguards against fraud.
- Build on and expand payment models that promote collaborative financial and care coordination arrangements using incentives that align payers, healthcare providers, providers of long-term care services and clinicians.
- Appropriately incent access to medical innovations and treatments that hold the potential to improve quality of care and reduce overall system cost.
- Promote public and private investment in the transparent, evidence-based testing and scaling of new alternative payment models as directed in MACRA so that clinicians, other healthcare providers and payers can learn how payment models work and evolve in the clinical setting.
- Ensure alignment between private and public sector programs, which is critical to a sustainable value-based payment marketplace.

"As a purpose-driven organization, Aurora Health Care is committed improving the health and well-being of the

people and communities we serve in eastern Wisconsin,” said Nick W. Turkal, MD, president and CEO, Aurora Health Care. “As a participant in a Medicare ACO, we have achieved top performance in clinical quality, while sharing in associated cost savings with the federal government. We have also shared the insights we have gained nationally through Premier’s population health collaborative. We strongly believe that alternative payment models can effectively align incentives to improve clinical quality and reduce costs and have demonstrated this in our ACO performance.”

“Our member organizations have committed to moving 75 percent of their business to value-based models by 2020, a move that has required a significant investment and planning,” said Jeff Micklos, Executive Director of the Health Care Transformation Task Force. “With so many organizations on the cusp of meaningful, long-term change, we need clear signals of support, and a strong commitment to move value-based care forward – now and in the future.”

In support of the 10 principles, the sponsoring organizations are hosting an educational briefing on value-based care today at 2:30 p.m. EST in the Hart Senate Office Building, room 902. Moderated by Blair Childs, senior vice president of public affairs at Premier, speakers include Governor Leavitt; Kevin Klobucar, executive vice president of healthcare value at Blue Cross Blue Shield Michigan; Stanley Stead, MD, MBA, ASA vice president for Professional Affairs and CEO and founder, Stead Health Group, Inc.; Nick W. Turkal, MD, president and CEO, Aurora Health Care; and Bill Kramer, Executive Director, National Policy, Pacific Business Group on Health.

“Through value-based models like the Perioperative Surgical Home, we are better managing care before, during and after a surgical procedure,” said Stanley Stead, MD, MBA, ASA vice president for Professional Affairs and Founder of Stead Health Group, Inc. “As a result, we’re reducing complications, readmissions and speeding up recovery times for patients. This is exactly the kind of experimentation that we must continue to invest in for the future.”

“Despite all that we’ve managed to do, healthcare is increasingly unaffordable- for families, for businesses and for taxpayers. Even in the relatively stable employer-sponsored insurance market, deductibles are climbing and the average premium for a family plan has topped \$18,000 a year. If we are to have any hope of taming these increases, we must accelerate, not slowdown, the transition from volume to value,” said John Rother, President and CEO of the National Coalition on Health Care.

About the American Society of Anesthesiologists

Founded in 1905, the American Society of Anesthesiologists (ASA®) is an educational, research and scientific society with more than 52,000 members organized to raise and maintain the standards of the medical practice of anesthesiology. ASA is committed to ensuring physician anesthesiologists evaluate and supervise the medical care of patients before, during and after surgery to provide the highest quality and safest care every patient

deserves. For more information on the field of anesthesiology, visit the American Society of Anesthesiologists online at asahq.org. To learn more about the role physician anesthesiologists play in ensuring patient safety, visit asahq.org/WhenSecondsCount.

About the Healthcare Leadership Council

The Healthcare Leadership Council (HLC), a coalition of chief executives from all disciplines within American healthcare, is the exclusive forum for the nation's healthcare leaders to jointly develop policies, plans and programs to achieve their vision of a 21st century system that makes affordable, high-quality care accessible to all Americans. Members of HLC – hospitals, health plans, pharmaceutical companies, medical device manufacturers, biotech firms, health product distributors, pharmacies, post-acute care providers and academic health centers – envision a quality-driven system that fosters innovation. HLC members advocate measures to increase the cost-effectiveness of American healthcare by emphasizing wellness and prevention, care coordination and the use of evidence-based medicine, while utilizing consumer choice and competition to elevate value.

About the Health Care Transformation Task Force

Health Care Transformation Task Force is a unique industry consortium of patients, payers, providers and purchasers working to lead a sweeping transformation of the health care system. By aspiring to have 75 percent of their business in value-based models by 2020, Task Force members are committed to accelerating the transformation to value in health care by producing policy recommendations, best practices and tool kits. To learn more, visit www.hcttf.org.

About the National Coalition on Health Care

The **National Coalition on Health Care** (NCHC), the oldest and most diverse group working to achieve comprehensive health system reform, is a 501(c)(3) organization representing more than 80 participating organizations, including medical societies, businesses, unions, health care providers, faith-based associations, pension and health funds, insurers and groups representing consumers, patients, women, minorities and persons with disabilities. Member organizations collectively represent – as employees, members, or congregants – over 100 million Americans.

About Premier Inc.

Premier Inc. (NASDAQ: PINC) is a leading healthcare improvement company, uniting an alliance of approximately 3,750 U.S. hospitals and more than 130,000 other providers of care. With integrated data and analytics, collaboratives, supply chain solutions, and advisory and other services, Premier enables better care and outcomes

at a lower cost. Premier, a Malcolm Baldrige National Quality Award recipient, plays a critical role in the rapidly evolving healthcare industry, collaborating with members to co-develop long-term innovations that reinvent and improve the way care is delivered to patients nationwide. Headquartered in Charlotte, N.C., Premier is passionate about transforming American healthcare. Please visit Premier's news and investor sites on www.premierinc.com; as well as **Twitter**, **Facebook**, **LinkedIn**, **YouTube**, **Instagram** and **Premier's blog** for more information about the company.

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