



4 Facts to Help Employers Understand Value-Based Healthcare

Value-based health care is an important trend in delivering quality care to consumers in general and, in group health insurance, to employees and their families. It is a delivery model in which self-insured employers and health insurance carriers compensate providers based upon their outcomes, instead of a negotiated fee for services rendered. Research indicates that value-based health care positively impacts both employee recovery and time away from work. It also reduces the amount of waste that occurs in the medical field.

The following tips reflect the highlights captured from the upcoming podcast hosted by Carol Harnett, *president* of The Council for Disability Awareness and Dr. Stephen Schutzer, *president* of the Connecticut Joint Replacement Surgeons, *physician executive* for the Orthopedic Service Line at St. Francis Hospital and Medical Center, and the *physician director* of the Connecticut Joint Replacement Institute at St. Francis Hospital and Medical Center.

1 What is a Center of Excellence?

Many consumers with complicated diagnoses often wind up receiving complex treatments—such as spinal surgeries, joint replacements, or organ transplants—without access to a network of specialists who produce the best outcomes in their fields of expertise. Instead, people will choose to see a local physician for treatment regardless of that provider’s performance history. Employers, however, possess the ability to align their health insurance plan design with centers of excellence where the best patient outcomes are achieved.

2 Giving Employees Access to Quality Health Care

Providing a competitive benefits package helps employers in their effort to attract and retain talent. Health insurance that gives employees and their families access to the best available care garners employee loyalty and appreciation. With value-based healthcare, workplace productivity increases, as employees get back to work more quickly and waste associated with unnecessary procedures is reduced.

3 Employers Face Challenges in Their Goal for Moving to Value

According to Dr. Schutzer, the overall healthcare ecosystem is complex, and the various entities are not always aligned. Research indicates that the health care industry often gets stuck in its old ways. As a \$3.2 trillion dollar business, different players may resist change, especially when saving money for some means taking it away from others.

4 How to Move Beyond Obstacles—Change Happens When Employers Engage

Dr. Schutzer named health insurance benefit design as one of the biggest obstacles to moving toward value-based health care. Employees need incentives to opt for a center of excellence for their care, and the onus largely falls on employers to encourage its workers to choose health care quality over convenience or habit. To do this Dr. Schutzer recommends employers:

- Do your homework when choosing contracts for health care providers for your insurance plan; make sure to review the data carefully at the benefit level. Dig deep.
- Make sure the data is clean, and then recruit experts to provide insight.