

Getting Better Value for the Healthcare Dollar

National Conference of State Legislators Fall Forum
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NCQA History

- **NCQA** – a non-profit that for 21 years has worked with federal, state, consumer and business leaders to measure, improve and hold plans accountable for quality

Our Mission

- To improve health care quality

Our Vision

- To transform health care through quality measurement, transparency and accountability

Tools Help People Find The Best Health Plan Value

- **Health Plan Accreditation:**
 - Over 500 health plans/107M lives
- **HEDIS Quality Measures**
 - 76 measures of effective, quality care & resource use, plus CAHPS survey of patient experience

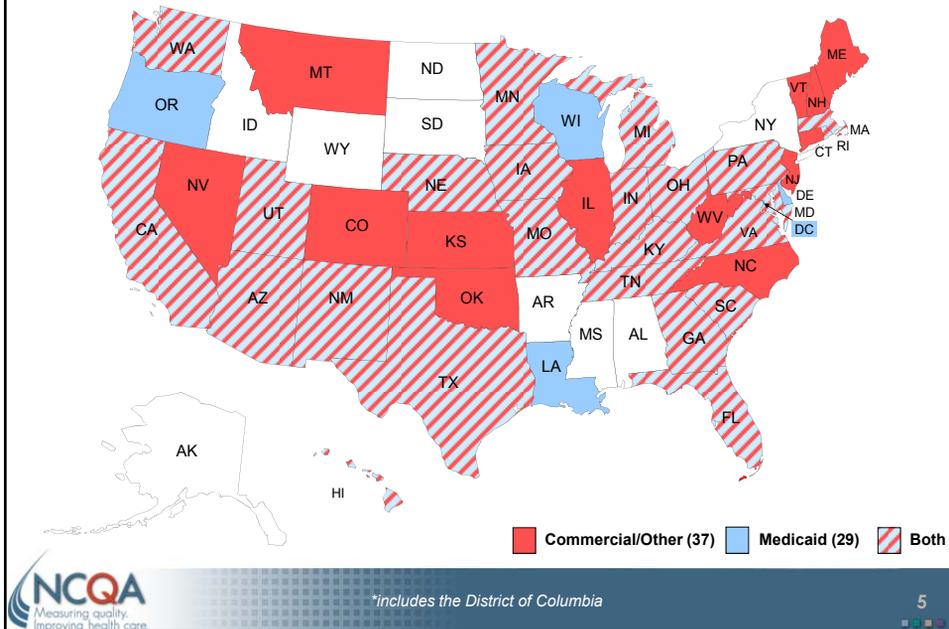
Exchange plans must have accreditation and report on both quality and consumer experience

- **Plan Report Cards & Rankings**
- **Patient-Centered Medical Homes (PCMH)**

What Is Accreditation?

- “Seal of approval” that plans meet specific quality care and service criteria
 - Measuring, analyzing, reporting and improving quality
 - Ensuring member Rights and Responsibilities
- **NCQA** scores quality for each plan:
 - **Determines accreditation level**
 - Accredited, Commendable, Excellent
 - **Results translated in report cards**
 - Compare plans in terms consumers understand and care about
 - **Basis for plan rankings in Consumer Reports**

42 States* Use or Recognize NCQA Accreditation



Plan Report Cards & Rankings

- **Report Cards:** star ratings on plan performance in terms consumers understand and care about:
 - Access and Service
 - Qualified Providers
 - Staying Healthy
 - Getting Better
 - Living with Illness
 - By state/product line @ reportcard.ncqa.org
- **Plan Rankings:** in Consumer Reports

Building Exchanges to Get Value

- Promoting competition based on value, not just premiums, will get better results
 - Competition based on low premiums alone can increase costs long-term by promoting plans with low-quality care or high cost-sharing barriers to needed care, leading to costly, preventable complications
 - Competition based instead on value encourages plans work to keep people healthy and prevent the need for costlier care, which will lower costs in the long-term

How Exchanges Can Promote Value

1. Choice architecture
 - “Nudge” consumers towards best value
2. Benefit design
 - Foster value-based designs that steer people to better treatment options
 - Integrate patient activation tools
3. Network design
 - Tier providers based on quality and cost data
4. Health plans as “market makers”
 - Health plans can be change agents, supporting (with data) and driving (with payment) improvements in care delivery

1. Choice Architecture

- **Make it easy to see and pick plans that provide the best value by presenting cost and quality together *up front!***
- **Educate consumers that *value* means both quality and total cost (including deductibles and copays) together, *not just premiums***
- **Make sure brokers and navigators use this information to help people pick plans**
- **Give people who don't want to pick their plan option of default to high-value plans**

Choice Architecture: Decision Support

Promote informed consumer decisions by:

- **Providing and managing information**
- **Clarifying preferences**
- **Presenting tradeoffs among choices**

Examples

- **Basic – Report card displays comparative information on the benefits of different plans**
- **Advanced – Personal worksheets let consumers identify/compare specific features of plan options**
- **Sophisticated – Computer-based interactive application on internet portal**

2. Benefit design

- Exchanges create an opportunity to use cost sharing to “nudge” people toward better value services
 - Reduce or eliminate cost sharing to encourage prevention, chronic care and maintenance medications
 - Raise cost sharing for unproven and over-used services with less benefit
 - Reward use of decision aids to engage and inform patients about options

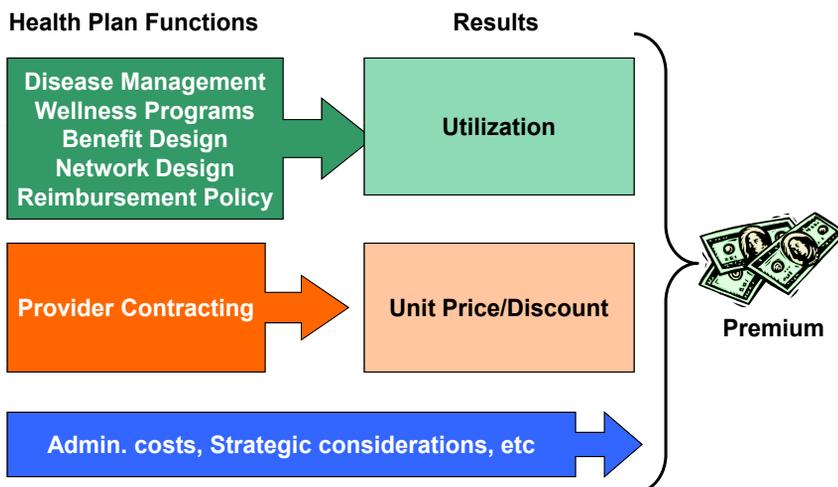
3. Tiering and limited network products

- Tier providers on cost and quality ratings
 - Charge less for high-value providers
 - Charge more for low-value providers
- Limit plan networks
 - To promote use of high-value providers
 - To reduce use of providers that charge high prices not justified by value

4. Health Plans as Market Makers

- Exchange health plans have tools to promote value:
 - Population perspective - data on overall patterns of service use, quality of care
 - Payment leverage
 - Benefit design to reinforce incentives for enrollees
- Models of plans working on delivery system reforms
 - Patient centered medical home
 - Alternative quality contract
 - Accountable care organizations
 - Care transitions

Health Plans Can Improve Value



States Can Support Quality to Get Better Value in Exchanges

- 1. Build on existing quality reporting**
- 2. Demand standardized performance data**
- 3. Align Exchange quality strategy with existing public and private quality initiatives**