

Engaging Purchasers, Driving Improvement

Puget Sound



The Aligning Forces for Quality (AF4Q) Puget Sound Health Alliance had long been reporting physician and hospital performance when the local provider community asked, “When are you [also] going to focus on the performance of health plans?”

The Alliance answered the call by exploring existing health plan performance measurement tools and processes, landing finally on eValue8™, a standardized request-for-information (RFI) tool developed by the National Business Coalition on Health and used by large purchasers and coalitions around the country.

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Lessons Learned

- Currently, the publicly reported eValue8 results are not likely to be very useful to consumers who receive coverage through their employers because they often have little choice about their health plans. However, when state-run health insurance exchanges come on line for the individual market, eValue8 results may be useful in providing rating information for consumers.
- Health plans care about how their results stack up in comparison to their competitors, and the public transparency helps stimulate improvement.
- eValue8 is a good way to organize purchasers and help educate them about what health plans can and should be doing to drive improved value in the market.

Puget Sound got the ball rolling by assembling a dozen purchasers interested in sponsoring the eValue8 effort and subsequently approached all six major commercial health plans in the area to participate.

eValue8 works by asking health plans detailed questions about how they operate, with a particular focus on their commitment to accelerating quality improvement in the delivery of care and “results-oriented” reimbursement. The National Business Coalition on Health scores the answers nationally and then provides users, including Puget Sound, with detailed results it can use to compare participating health plans to others in its market and against national best practices for HMOs and PPOs. The Alliance then publicly reports summary-level, unblinded results.

“It has been an excellent tool to evaluate and report on the performance of health plans,” said Susie Dade, the Alliance’s deputy director. “But more than that, the eValue8 process has been a superb organizing tool for purchasers to come together with health plans to talk about successful programs and issues of common concern in improving value and to review specific areas where they can improve.”

Health plan involvement has been very successful, with five of the six major local health plans participating in the eValue8 effort on an ongoing basis. The Puget Sound Alliance continues to encourage the other plan to re-engage, after it dropped out of eValue8 after two years of participation.

So far, the results have been encouraging. Purchasers say they have learned much about what health plans can do to drive value in the market, and what they each are actually doing – and not doing – to push toward value-based purchasing. The process also has brought health plans and purchasers together to brainstorm strategies for reducing variation and waste in health care delivery.

“Purchasers can be very effective in driving change, but they need assistance in tackling these complex, thorny issues, and eValue8 is one effective way to structure the discussions,” said Dade.

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