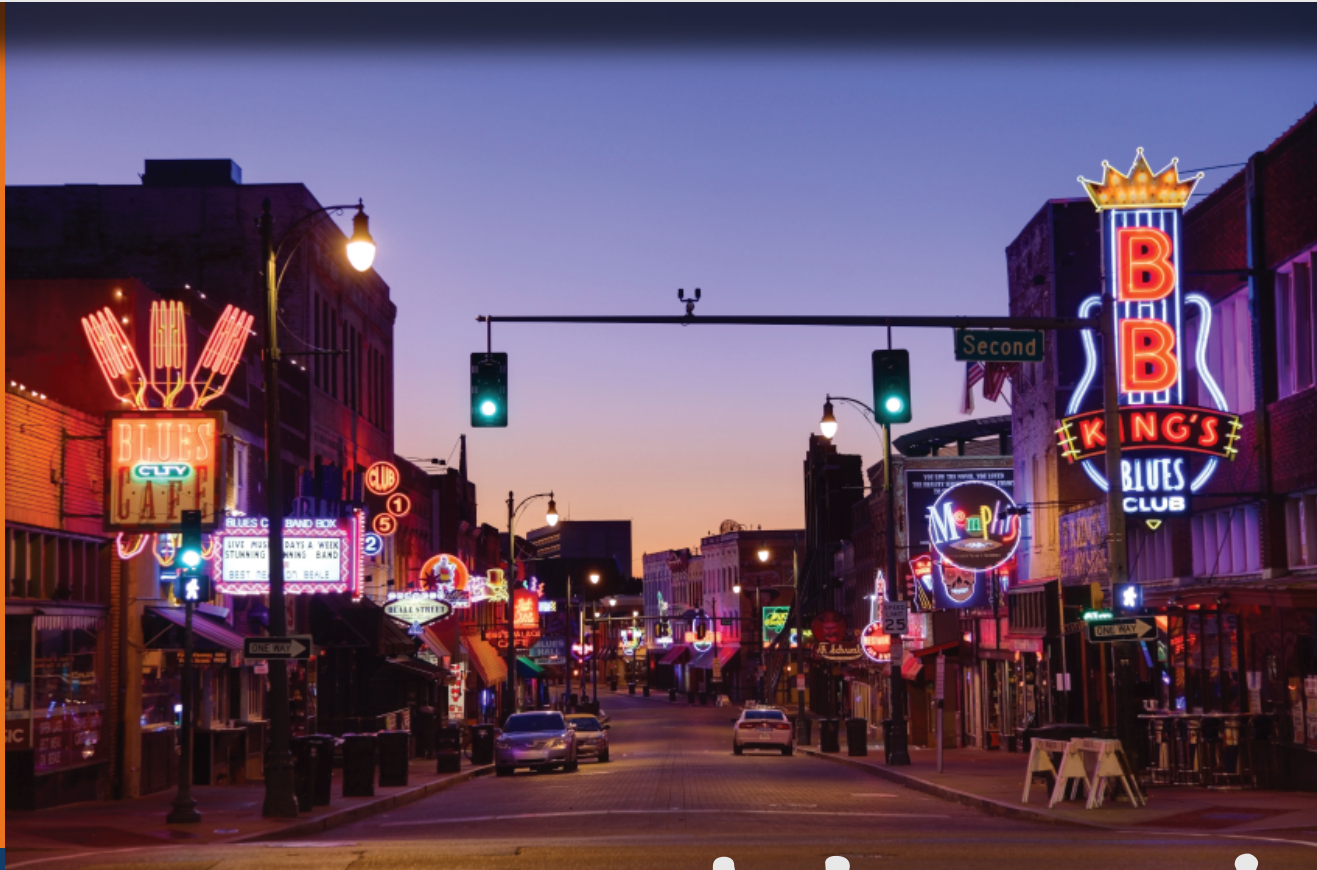


# Lighting the Way to Payment Reform



# Memphis

In the rapidly changing landscape of health care delivery in the United States, one thing is becoming clear: Stakeholders, from purchasers to payers, are looking to alternatives to the fee-for-service payment scheme that will move the market toward safer, higher-quality, affordable health care services.

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## Lessons Learned

- Taking a structured approach with an agreed-upon framework, process, participation, and results sharing is essential to creating a shared understanding at a community level.
- Reliance on one-on-one interviews offers a “safe” environment for stakeholders to be candid in their remarks—but it can limit the number of stakeholders because of time and budget constraints.

The Memphis Business Group on Health (MBGH), a coalition of employers that is a founding Board member of the Healthy Memphis Common Table and a leader in the Common Table’s AF4Q initiative, has already been working to find a different approach to payment.

So it made perfect sense that MBGH was asked to represent one of three markets being asked to pilot test a new tool, Catalyst for Payment Reform’s Market Assessment Tool (MAT), designed to assess the current situation and readiness of hospitals, physicians, health plans, and purchasers to move away from fee-for-service and toward alternative payment methods.

Over the course of three

months, MBGH assisted with recruiting stakeholders, reviewing preliminary results, convening regional stakeholders to hear and discuss the results, and providing feedback about the tool.

Once MBGH tackled the challenge of scheduling the one-on-one interviews with major stakeholders and providing timely summaries of the interview results, the pilot yielded a number of benefits.

“This provided a common understanding and documentation of payment innovation in Memphis,” said Cristie Upshaw Travis, MBGH’s CEO. “We have benefited from following a structured approach to identifying and understanding the current payment pilots in the market and strategic goals of participating organizations. We also believe we can better gauge future interest.”

Additionally, said Travis, the project highlighted market dynamics MGBH had not previously acknowledged, such as physicians equating payment reform with lower reimbursement and health plans viewing payment innovation as a competitive advantage.

Another benefit the project provided was guidance on such matters as considering early payment changes with only an “up side” for physicians, steps they could take to revise the current fee-for-service model, and assisting physician practices in building the infrastructure they need to accept new payment models.

“Our strategies moving forward can incorporate this new information and help us be more effective,” said Travis.

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