

QualityPath™ Designation: Guiding Principles and Beliefs

Preamble

1. Directing care to high-value providers is one of many strategies Alliance members are pursuing to control costs, improve quality and engage consumers in their health. In addition, employers are investing in:
 - a. Workplace wellness and health promotion efforts;
 - b. Ongoing employee education regarding the appropriate use of health care services;
 - c. Value-based benefits design
 - d. Strategies that improve disease management and care coordination; and
 - e. Redesigning health care payment to reward results instead of volume.
2. We recognize that many clinicians and health care professionals are equally concerned about improving health care value. We will eagerly collaborate with providers who share our interests.
3. Physicians want to do the right thing for their patients. They also want the right thing for patients to be what the market rewards.

Introduction

The Alliance has been reporting cost and quality information to our members for more than a decade, yet this information has had little impact on moving market share to better-performing providers. Employers are increasingly willing to create incentives to encourage their employees to use better-value providers, but they need more definitive information to support this strategy. Therefore, we are taking the significant step of designating “best value” hospitals and physician pairings for high-cost, high-frequency procedures. While designating best value may seem like a nuance, taking this step changes our role from that of *objective reporter* of information to *interpreter*. And if employers use this designation to steer employees as we intend, there will be real market consequences (potential gains for those with higher value or losses in market share where value is not higher) for providers. We expect this will create tension with some providers. An important early step toward managing this tension is establishing a set of beliefs and guiding principles as the foundation for our work. We are seeking feedback from other purchasers, physicians, hospitals and their state-based associations and national specialty societies and others who may want to partner with us in determining this designation.

Beliefs

1. There is significant variation in the cost and quality of health care and the two are not correlated: High cost facilities and clinicians don't necessarily deliver better quality; high-quality facilities and clinicians often cost less.
2. Cost and quality can be measured. This is an imperfect science and there are gaps in what we can measure and how accurately we can measure it. But currently available data and methods are sufficient to start to guide our actions. Measuring value and taking action on the results will, over time, improve the data, the measures and care itself.
3. As purchasers who want better value care, we have a responsibility to act on differences in cost and quality information. We will seek:
 - > Benefit plan designs that encourage use of high value providers
 - > Payment methodologies that reward value rather than volume, and where possible impact the physician directly
4. Creating market rewards for better value will accelerate efforts by all those who deliver care - health systems, hospitals, clinics, physicians and more - to improve quality and reduce costs.

5. Consumers have a right to know about differences in cost and quality between health care facilities, physicians and other clinicians; and a responsibility to educate themselves about these differences as part of making health care decisions.
6. Physicians need timely, accurate and clinically relevant information to improve patient outcomes, determine appropriate care, engage patients in decision-making and be good stewards of scarce resources.

Guiding principles and values

1. **Setting purchaser and consumer priorities:** The measures we use will reflect aspects of care that are meaningful to purchasers and consumers.
2. **Relying on national standards:** Where possible, we will use nationally recognized measures and methods to assess value to minimize multiple measures of the same behavior. We will add or substitute measures that providers demonstrate are more accurate reflections of performance or that more closely align with better care.
3. **Committing to transparency:** We will be completely open about our process, measures, data sources and results.
4. **Practicing inclusiveness:** We will encourage the active involvement of those who are being measured and will provide the opportunity to review results prior to public disclosure or use for payment adjustments or steerage.
5. **Seeking continuous improvement:** We will evaluate and improve how we measure value and how we use this information in our purchasing practices.