

# Payment Reform: A Driver of Savings for Employers



**Kyle Monroe**

Vice President of Network Strategy and Value Measurement, The Alliance

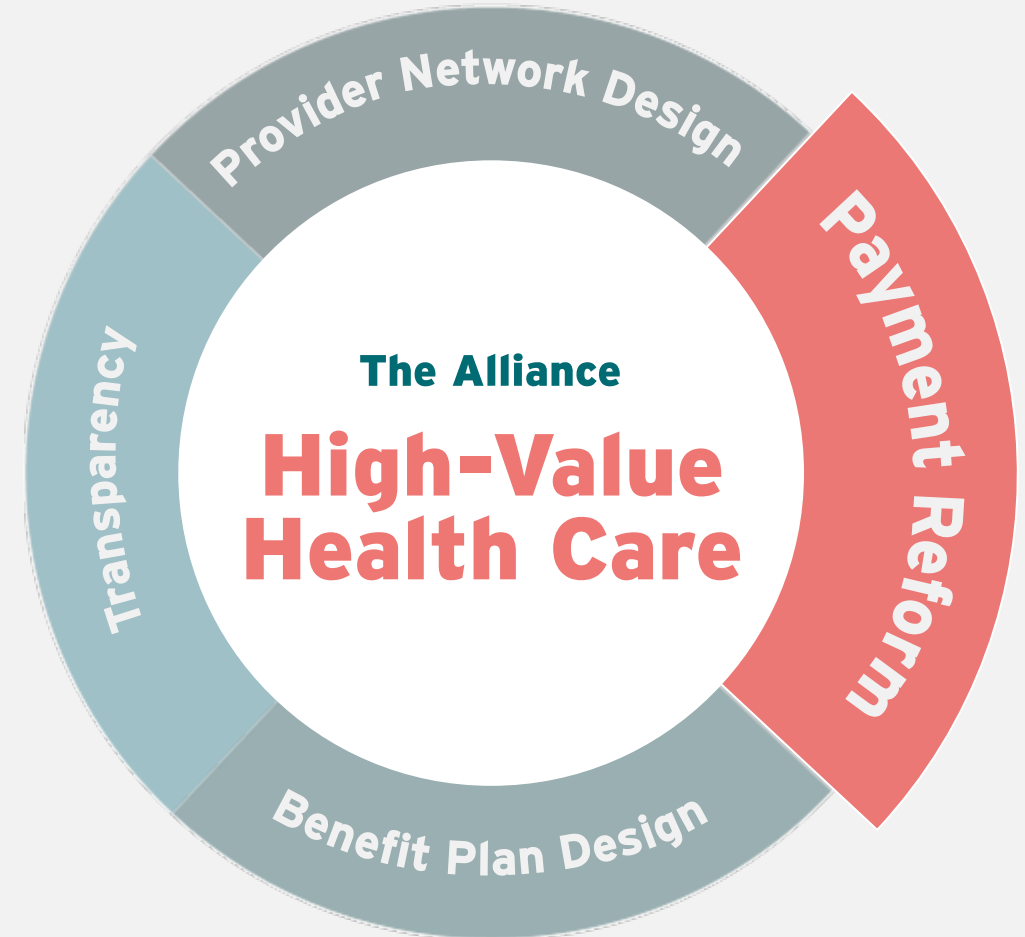
# Payment Reform: A Driver of Savings for Employers



# The Alliance is the Voice of Employers

The Alliance is the voice of self-funded employers, working on their behalf to provide **high-value healthcare**.

*We give employers the control they seek --  
improving access and quality of care and  
reducing costs.*



# About The Alliance Network

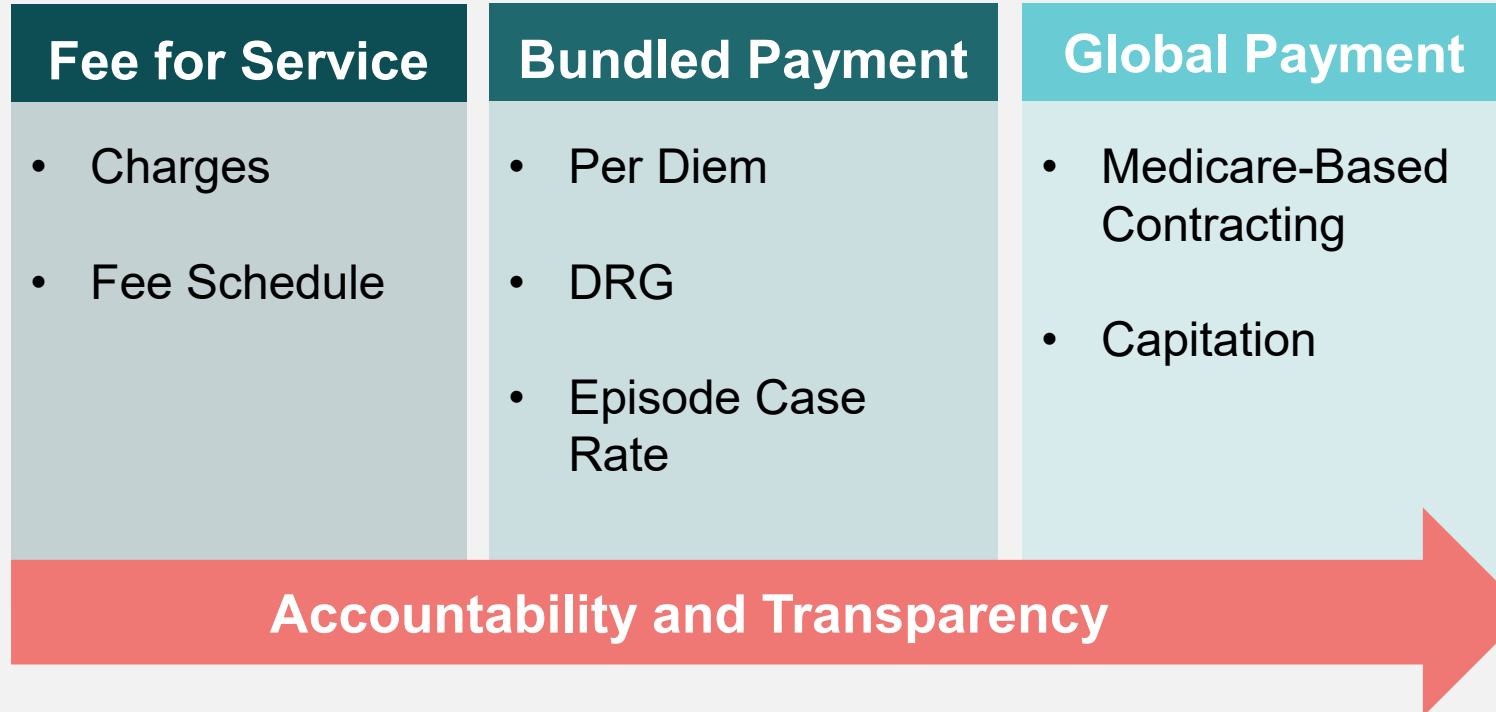
- In 2019 our clients bought \$873 million in health care, which generated more than 40% in savings.
- Our Provider Network and Service Area covers over **90%** of Wisconsin, offering broad freedom of choice and protection against out-of-network surprise billing.



# Network Expansion

- 110 new behavioral health providers encompassing 850+ physicians.
- New high-value imaging services providers in the La Crosse (***Coulee Diagnostic Radiology***) and Milwaukee (***MH Imaging, SimonMed***) areas.
- New providers from ***Prevea Health*** and ***Hospital Sisters Health Systems (HSHS)*** includes:
  - 4 hospitals
  - 100 Prevea Health locations
  - 900+ physicians

# Continuum of Health Care Purchasing Methods



Advantages for Employers & Employees:

- Predictability
- Simplicity
- Transparency

# Reference-Based Contracting by The Alliance<sup>®</sup>

How does Medicare pay?

Base Payment



+

Provider-Specific Adjustments\*



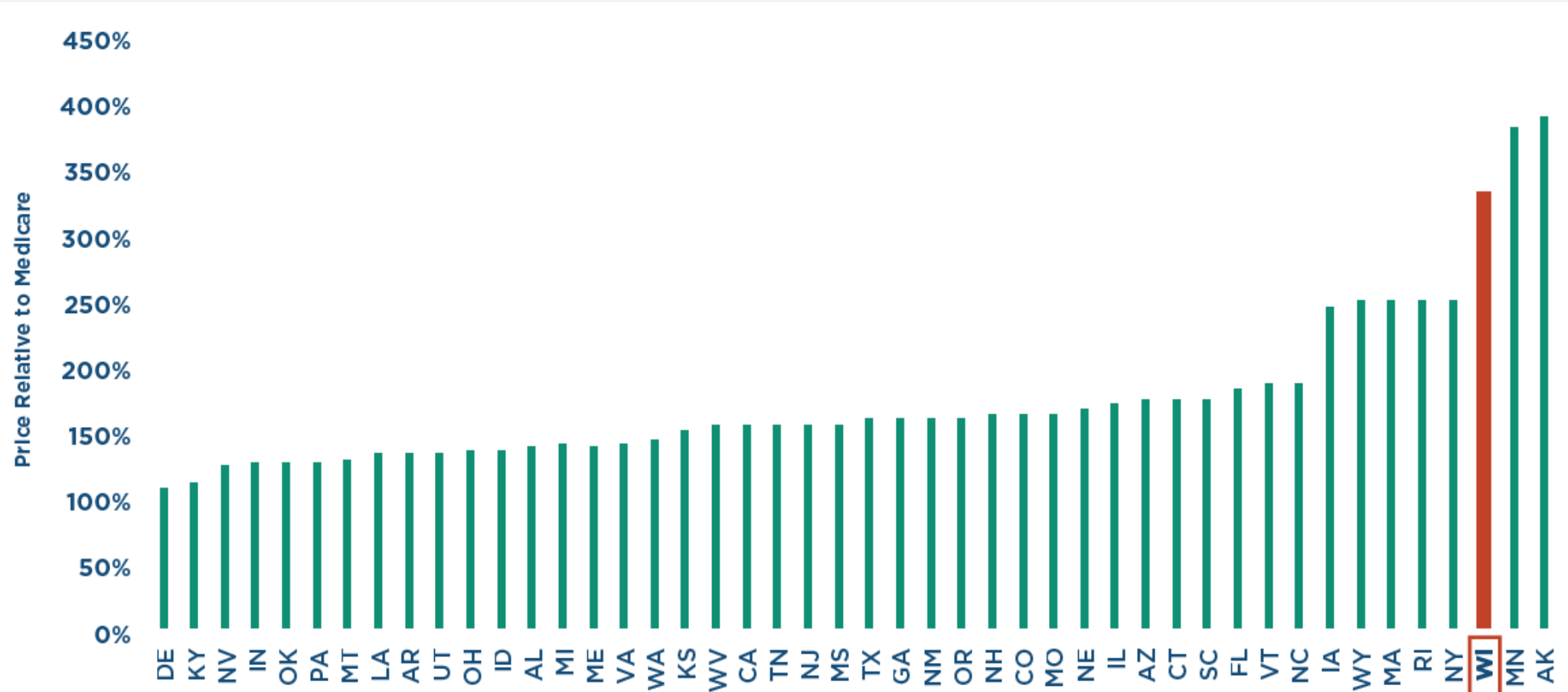
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Centers for Medicare and Medicaid Services



\*Provider-Specific Adjustments include, but are not limited to: Payor Mix, Readmission, Pay for Performance, and Meaningful Use.

# Wisconsin is near the top in pay to doctors and specialists relative to Medicare

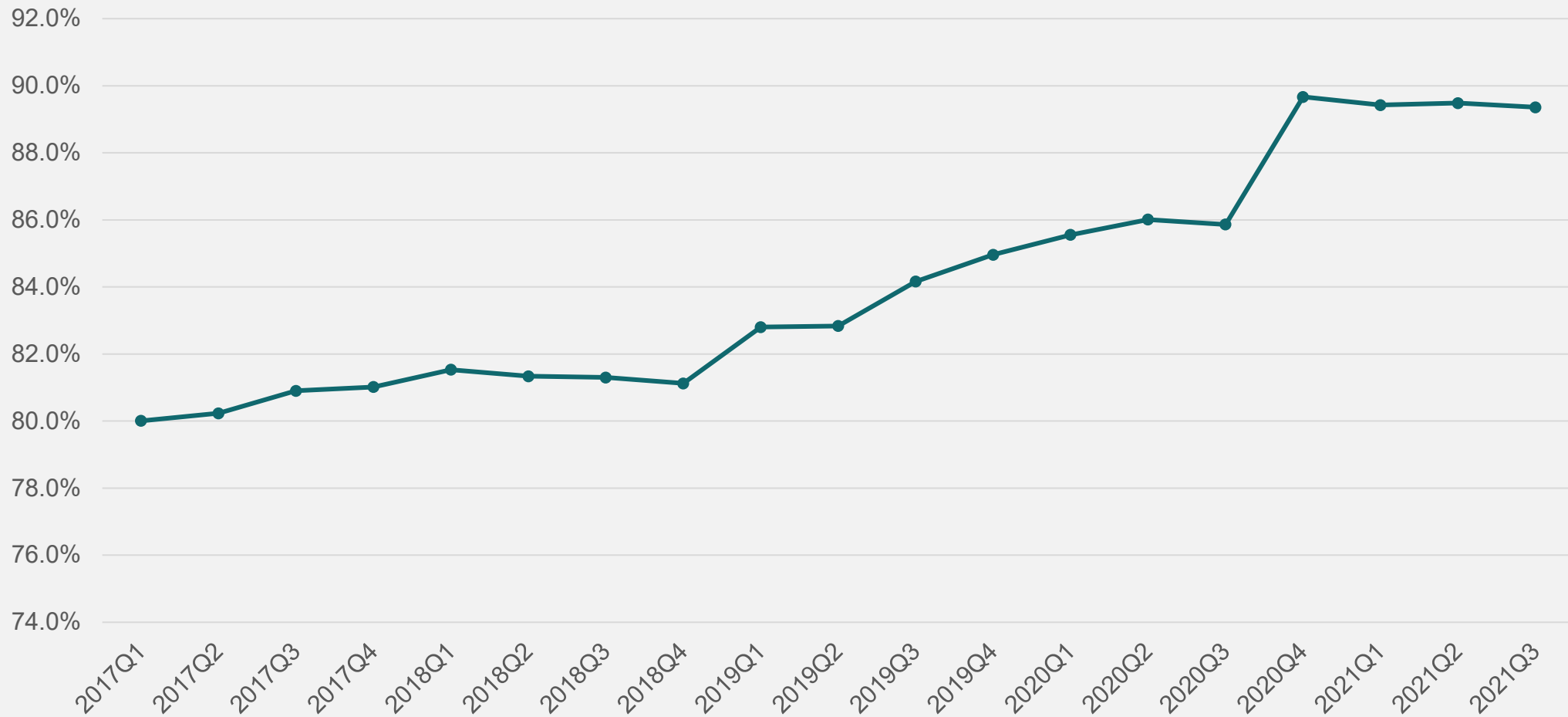


Source: RAND 3.0 Hospital Price Transparency Study, September 2020 - [https://www.rand.org/pubs/research\\_reports/RR4394.html](https://www.rand.org/pubs/research_reports/RR4394.html)



# Reference-Based Contracting by The Alliance®

Percentage of Medicare-Based Agreements, by Quarter



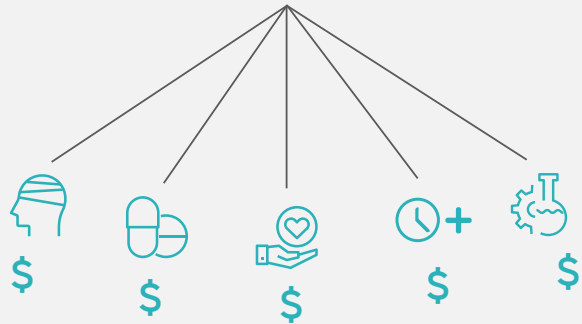
# The Alliance Health Care Purchasing Methods

Payments designed to cut waste and reward quality

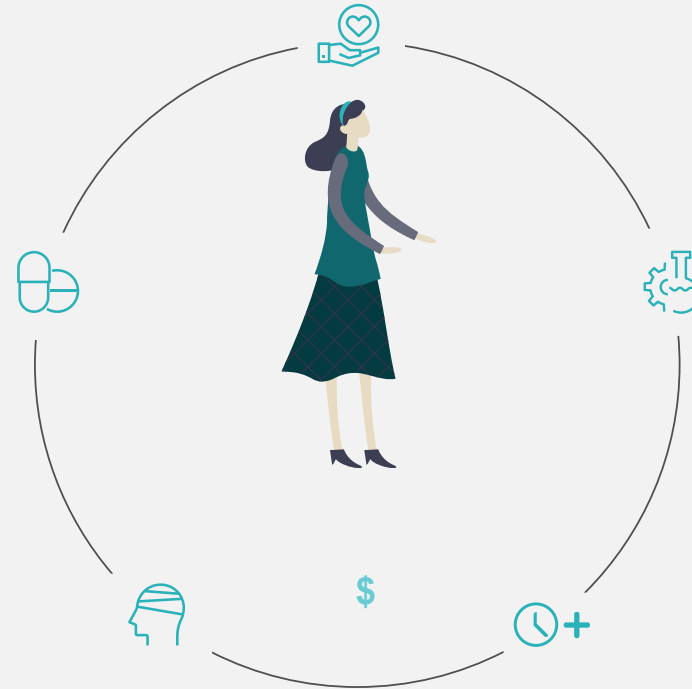
**Old** Fee-for-Service model



Single primary care visit incurs **multiple billable charges**



**New** Contracting Models



# Bundles

**The Alliance offers more than 350 bundled services through 8 providers:**

- NOVO Health
- Minnesota Gastro
- Twin Cities Orthopedic
- Ortho Illinois
- Bhatti GI
- OakLeaf
- Gold Coast Surgicenter
- Wausau Surgery Center

# QualityPath®

QualityPath offers a low price and warranty from a high-performing provider on select surgeries and tests.

- Colonoscopy
  - Upland Hills Health - Dr. Patrick Ryberg
- Knee & Hip Replacement
  - Beloit Health System - Dr. Ajmal Matloob
  - Gundersen - Dr. Edward Riley, Dr. Mark Topolski, Dr. Scott Bassuener
  - Monroe Clinic – Dr. Lance Sathoff, Dr. Jonathan Swindle
  - Sauk Prairie Healthcare – Dr. Matthew Hebert, Dr. Diana Kruse, Dr. Michael Lamson, Dr. David Marcu
  - Southwest Health – Dr. Joshua Lindsey
- MRI / CT scans
  - Forest City Diagnostic Imaging – Rockford, WI
  - Forest HealthCare – Fort Atkinson, WI
  - Gundersen Health System – La Crosse, WI
  - Midwest OpenMRI – Middleton, WI
  - Orthollinois – Rockford, IL
  - Southwest Health – Platteville, WI
  - Upland Hills Health – Dodgeville, WI



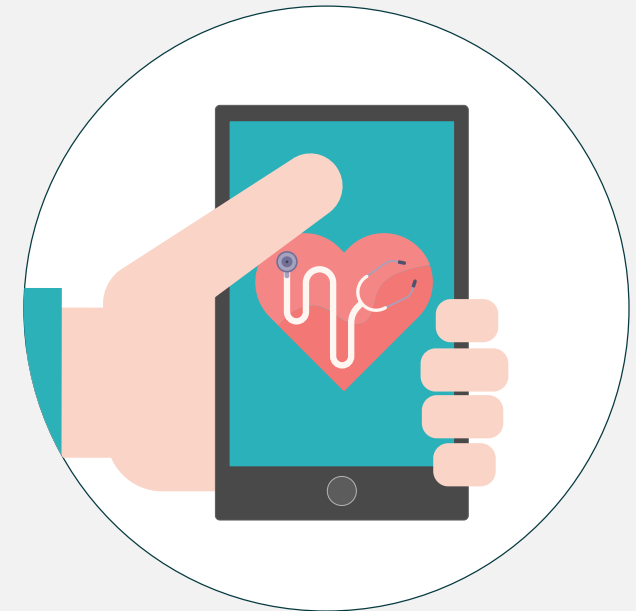
# Future of Health Care Purchasing Methods



Quality



Total Cost-of-Care Contracting



Telehealth

# Questions and Answers



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