



At the intersection of business and health

Have a safe and happy holiday season!



### **National Alliance Survey Reveals Employers Using Innovative Payment Approaches Experienced Lower Healthcare Costs**

Although premiums for employer-sponsored health insurance continue to rise each year, employers engaged in innovative strategies such as value-based drug formularies and tiered provider networks based on price and quality experienced lower than average healthcare costs. These are among the findings of the latest survey of 188 employers conducted by the [National Alliance of Healthcare Purchaser Coalitions](#) (National Alliance) and its member coalitions.

The Pulse of the Purchaser study gauged concerns and approaches of employers to address the workforce environment, women's health, obesity management, mental health, equity, pharmaceutical drug and hospital prices, high-cost claims, fiduciary strategies, and potential health reforms.

Among the strategies that are correlated to lower costs:

- Employers that use a value-based formulary versus a rebate-driven are nearly three times more likely to have lower spending than average.
- Employers that drive patients to higher quality and lower cost providers through tiered networks are twice as likely to experience lower costs.
- Employers that eliminate the middleman by direct contracting with providers are 50% more likely to experience lower than average costs.

There's a lot more. Click the orange boxes below to read all the survey results and more from the *American Journal of Managed Care* on an employer shift to equity-focused health plan strategies.

*The Collective is a member of the National Alliance of Healthcare Purchaser Coalitions.*

[Employer Survey Recap](#)

## News You Can Use

# FALL 2024 GRADES NOW LIVE



## Latest Leapfrog Hospital Safety Grades Released November 15th

The grades show progress in patient safety across several performance measures, including notable improvements in healthcare-associated infections (HAIs), hand hygiene, and medication safety.

Does accountability through the Leapfrog Hospital Survey really make a difference?

- **Healthcare-Associated Infections** measured since 2016 have been reduced by 36% on average
- **Hand Hygiene** - hospitals achieving the Leapfrog standards soared from 11% to 78%
- **Medication Safety** - in 2018, only 65.6% of hospitals met the computerized physician order entry (CPOE) standards. This year, the number rose to 88.1%. Bar code medication administration (BCMA), which barcodes at bedside, went from 47.3% in 2018 to 86.9% today.
- Learn more about the **national trends in patient safety** [here](#).

**Congratulations to our Oklahoma 'A' hospitals:** Hillcrest Medical Center and Hillcrest South; Integris (8 of 11 hospitals); Mercy Hospital in OKC and Ada; Southwestern Medical Center in Lawton; and Saint Mary's Regional Medical Center in Enid. Click below to see the Safety Grade for all those not making an 'A'.

**Why should employers care what safety grade a hospital gets?** A recent study found that over a third of surgical patients experience adverse events and at least 1 in 5 of these complications is the result of medical errors - highlighting the need for renewed focus on patient safety. You should consider the Safety Grade as one of the metrics you can use when choosing provider partners for your health plan. Healthcare is consumed locally - our hospitals are key to not only keeping your employees healthy, but also key to controlling costs. Patient safety is an important element of an effective, efficient health care system where quality prevails. Good quality costs less. Better choices. Better care.

**REVIEW SAFETY GRADES ON YOUR HOSPITAL PARTNERS**

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## Medical Minute



### Employee Mental Health

Employee mental health is increasingly compromised, costing employers billions of dollars and highlighting missed opportunities to provide effective support to help employees build resilience. In recent years, a major concern for employers is insufficient employee access to affordable, high-quality mental healthcare.

This new Guidebook assists employers in reviewing and refining their approach to a mental health strategy.

[Employer's Guide to Mental Health Strategies](#)

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## Advocacy

***The Collective added its voice to a letter directed to the House and Senate leadership in Washington, D.C. (along with 112 additional employer coalitions, carriers and health organizations), urging them to enact strong PBM transparency and accountability reforms yet this year.***

### Consolidated Appropriations Act (CAA)

**There is reason to keep ERISA fiduciary risk right in front of you.**

*Do you need to overhaul your 2025 Health Benefits Contracts?*

Employers rarely see data on the performance of individual healthcare providers, such as rates of infections or outcomes. Contracts with pharmacy benefits managers, health plans, and consultants often hide the real costs of services. Sometimes employers are even denied access to their own claims data (though you are never denied the obligation to pay those bills).

Compliance with the CAA involves extensive rules and responsibilities, including:

- Removal of gag clauses from service provider contracts, including health plans, third party administrators, consultants, brokers, pharmacy benefits managers, and any other entity involved in health benefits. The purpose is to prevent claims data other than privacy protected data from being withheld.
- Reporting requirements for pharmacy and prescription drug prices.
- Disclosure of direct and indirect compensation from all service providers, so hidden incentive arrangements between brokers and plans or PBMs and drug companies must be fully accounted for. (Employers are responsible for this - read your documents carefully).
- Parity between mental health and substance use disorder benefits and other health benefits. The CAA establishes a vastly more stringent requirement around parity.

Time for a refresher? Visit the Leapfrog [CAA Compliance Resource Center](#) for complimentary webinars, tips, and tools from their series partners: the ERISA Industry Committee (ERIC), the Health Transformation Alliance (HTA), and the National Alliance of Healthcare Purchaser Coalitions. **Employers: YOU are on the hook for CAA compliance - not your health benefit partners. Join the webinar December 4, 2024 (12:00-1:00pm CST) to learn more. Register below.**

Sources: Leapfrog Group, [Forbes](#) (The Collective is a Leapfrog Regional Leader)

## CAA Compliance Webinar With the Leapfrog Group



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