

## Multi-state employers should participate in payment reform

**Better health, better care and lower costs**

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### Payment reform works for multi-state employers

As the largest purchasers of health care in America, employers are paying a high price for care of variable quality. To control soaring costs, some employers — including those with employees in multiple states — are switching from the fee-for-service model to payment models that reward value.

Nationally, there is a movement away from the fee-for-service model, including in Medicare, Medicaid and the commercial market. Examples of payment models that are being implemented nationwide include pay for performance, payment for patient-centered medical home and care management programs, shared savings, episode-based (bundled) payment models, and population-based payments.

The coordinated care model includes various delivery system reform elements (e.g., patient-centered primary care homes, integration of physical and behavioral health) that can be aligned with payment that supports the particular activity. For example, additional payment could be offered to providers who become a patient-centered primary care home or to those providers reducing specific conditions (e.g., asthma, hospital care) for a specific population.

### Examples of multi-state employers participating in payment reform

- Walmart participates in payment reform activities in Arkansas, including episode-based payments and PCMHs
- IBM participates in Vermont's PCMH program

### Benefits of using alternative payment models

- Moves accountability for health outcomes and reduced costs to the providers
- Increases focus on quality outcomes
- Reduces incentives to over-utilize services
- Increases incentives to focus on employee engagement and coordinated care. Employees get the services they need when they need them, resulting in improved health outcomes and patient satisfaction