



Recommendations

Best Management Practices for State Coverage Initiatives

Employers have provided real solutions that can benefit current state healthcare reform efforts. The National Business Group on Health recommends the following best management practices to ensure that high quality health coverage remains affordable, effective, and efficient:

Targeted Evidence-Based Preventive Care: Provide incentives such as first-dollar coverage (or little or no copayments) of evidence-based preventive care services for targeted populations to improve plan participant health and reduce future health care costs. Offer education programs to improve plan participant awareness of preventive care.

Emphasize Primary Care: Pay more for care coordination and patient management and evaluation services. Choose providers who incorporate the “advanced medical home concept,” and emphasize primary care coordination.

Evidence-Based Benefits: Implement an evidence-based benefit model. Wherever possible, coverage should be linked to the effectiveness of treatments. Cost-sharing, provider selection and plan payments should be set to support evidence-based care and discourage ineffective care. For example, reduce or eliminate copays for maintenance drugs prescribed for diabetes, asthma, and hypertension care, where the evidence base for their effectiveness is strong.

Meaningful Cost-Sharing: Set cost-sharing for plan participants at levels that reduce excessive and inappropriate utilization, but ensure access to needed medical care when appropriate. Vary cost-sharing based on clinical necessity and therapeutic benefit. For example, reduce cost-sharing when plan participants meet requirements fostering evidence-based care such as using medical consultation services and decision supports, participating in disease or case management, etc.

Prescription Drug Management: Manage prescription drug use and pharmacy spending by establishing plan preferences for select generics and brand-name drugs. Consider step therapy (generic usage before brands), generic substitution requirements or incentives, generic education programs for plan participants and physicians, a separate deductible for prescription drugs, preauthorization for selected drugs, reduced cost sharing for mail order compared to retail purchase, mandatory mail order of maintenance medications, tiered copayments, coinsurance rather than copayments for medications, dose optimization and quantity-duration protocols for certain medications.

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Health Improvement Programs: Offer incentives such as premium discounts to plan participants who participate in health improvement programs and adopt healthier lifestyles. Provide other financial incentives (gifts, prizes, points redeemable for cash) for participation in wellness programs.

Targeted Disease Management Programs: Provide targeted disease management programs for certain chronic and potentially high-cost conditions where evidence demonstrates their effectiveness. Use incentives, rewards, and premium discounts to encourage participation.

Consumer-Directed Healthcare (CDHP) Options: Offer CDHPs, which give consumers greater choice, control, and flexibility and allow many who would not otherwise choose health insurance coverage.

Retail/Convenience Care Clinics: Consider offering access to retail clinics for common, basic medical services to add convenience and reduce inappropriate emergency room visits. Promote services at retail/convenience care clinics to plan participants through education campaigns and offer lower copays for the services clinics provide.

Consumer Decision Support Tools: Offer decision-support tools (plan selection and point-of-care) to help plan participants make informed decisions about their health. Tools include customized comparison and financial modeling to help people choose among health insurance plan options; hospital and physician report cards to assess provider performance against evidence-based standards; and nurse lines, self-care guides, self-study modules, online information and tools, health coaches, health advocates, and consumer medical information services to give plan participants more information about treatment options for conditions or illnesses. Consider requiring that plan participants use decision-support services before non-emergency surgery.

Pay-for-Performance: Link provider payments to healthcare quality, paying more for better outcomes, greater efficiency, and better performance on prevention, chronic care management, and patient satisfaction measures. Provide financial incentives to plan participants to choose better performing providers.

High-Performance Networks: Use high-performance networks to reduce costs and improve quality. Offer specialized services through facilities that meet criteria for volume and clinical outcomes, patient and family-oriented services, and evidence-based medicine. Implement pay-for-performance arrangements and provide incentives to patients who select high-quality, cost-effective facilities. For example, offer a preferred tier of medical groups and hospitals with differential copays based on performance in quality and costs.

Health Information Technology (HIT): Require healthcare vendors to use interoperable HIT wherever possible. Provide personal health records for plan participants.

Transparency (Cost and Quality): Publicly disclose information about the price and quality of care at the provider and facility levels.

