

2006 WCHQ Fall Forum

The Wisconsin State Employee
approach to value-based purchasing

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Looking back

- Old system losing effectiveness
- Encouraged plans to compete by attracting better risks vs. becoming more efficient
- Didn't reward quality nor efficiency
- Employees had little incentive to choose cost-effective plans

New Program Design

- Change employee contribution to 3-tier system to restore incentives
- Use data and risk adjustment to accurately compare health plan performance
- Reward high performing plans using accepted quality measures
- Change negotiation process to help plans identify non-competitive cost centers

New System Results

- Employees sensitive to premium differences and willing to change plans
- Plans now focus on improved efficiency
- Plans financially rewarded for high quality and have refocused on quality improvement
- Has helped plans negotiate with provider groups that are not competitive
- 3 years of single digit premium increases

Looking Forward

- Identify and reward high quality, reasonable cost provider groups through steerage
- Identify meaningful outcome measures and reward high performing groups
- Define cost-effectiveness and encourage progress towards that goal

How Can WCHQ Help?

- Expand participation to all provider groups
- Increase number of care episodes measured
- Make cost information more robust and meaningful - paid vs. billed charges
- Engage more payers to use this data
- Identify key elements of successful programs to help “float all the boats”