

TO: Members of the Care Integration and Payment Reform (CIPR) Work Group
FROM: Beth McMullen, Health Policy Director
DATE: October 31, 2012
RE: Comments on CIPR draft recommendations 9/25/12

The Minnesota Business Partnership (MBP) appreciates the time and effort this work group has put toward developing recommendations to advance payment reform, care integration and consumer responsibility, aligned with the Triple Aim of improved population health, improved patient experience and health care, and decreased health care cost growth.

MBP's goal for any health care reform is to ensure a functioning, responsive health care marketplace that will achieve optimal health outcomes, reduce the cost of health care, reduce the rate of future cost increases, and increase access to affordable health care for Minnesotans.

However, while we support the goal of this work group, we must echo some of the concerns others have raised regarding the recommended strategies to advance the goal.

In order to create a sustainable system that provides higher quality care at lower cost, we advocate comprehensive reforms that engage consumers, align purchasers, and reorient providers and insurers to find and deliver market-driven efficiencies and permanent health care savings. And the Minnesota experience has been to do this through collaboration with the various industries.

A number of our health care reform principles can be applied to the discussion on your recommendations.

Identify appropriate role for government in health care market.

The appropriate role for government is to enhance a strong, functioning marketplace for health care by providing safety net programs, setting standards for the health care sector, and removing barriers for innovation in health care delivery and payment.

The balance between government setting standards and supporting innovation can, at times, be a difficult one. However, we must pay close attention to the concerns a number of the stakeholders have raised about how some of the proposed recommendations may dampen their ability to innovate and remain flexible to address the needs of the market.

Pay for results and outcomes, not volume of procedures.

The Partnership advocates reforms that realign incentives within the system to deliver and reward optimal outcomes, not volume of patients served and the ability to negotiate with health plans. We advocate reform that will create efficiencies and cost savings through improved and coordinated care delivery and will reduce the demand for costly procedures and hospitalizations.

Payers, whether health plans, self-insured employers or government programs, should contract with providers based on results and outcomes, not discounts and should align financial incentives to reward

reductions in total cost, improved quality and consumer satisfaction. But one payer should not be determining the measurement standards for all. We need to ensure flexibility for providers to meet market demands.

Eliminate regulations and mandates that inhibit innovation in insurance.

All too often, government regulations and mandates add to the cost of health coverage, create incentives that encourage cost shifting and cost avoidance, and discourage – even prohibit – activity that could increase efficiency, reduce overall costs and improve quality of care.

In Minnesota, we have history of meaningful reform efforts achieved through collaboration among stakeholders with varied interests. MBP encourages the work group and the Task Force to consider how best to play a part in that collaboration without stifling innovation of our market players.

Again, we share the Triple Aim goal of the work group, but encourage the work group to continue working with stakeholders to achieve consensus on recommendations that will bring healthy competition and reasonable standards.

MBP remains committed to advancing health care reform for Minnesota.