



FACT SHEET

Our Payment System Needs CPR

The U.S. health care system needs new systems of payment that promote affordability, advance clinical quality and foster prevention, coordination, safety and better patient outcomes. While recent health reform legislation begins to address this for the Medicare and Medicaid programs, we need an organized private sector response. As we continue to work to engage patients to make more informed health-care decisions, we must partner that with changes to payment. Details matter. Adhering to a clear set of goals and principles supported by a broad array of public and private sector stakeholders could make all the difference.

Mission

The Center for Payment Reform was formed in January 2009 to address two challenges: 1) the barriers created by the current payment system to improving the value of health care, and 2) the lack of a unified, strategic approach to changing payment. Our mission is to accelerate reforms to payment that promote the Institute of Medicine's six aims. We will create a national framework for payment reform along with tools that catalyze change in the marketplace and align public and private sector strategies.

Focus On Change Today – A Unique Perspective

Recognizing that changing payment is crucial to getting higher value, the Center will report on the shortfalls of the current payment system and then accelerate payment reform through a national framework and strategy for change. Core to our beliefs are that purchasers have a central role in catalyzing change, and there is no 'one size fits all' solution. Markets are unique and approaches to payment reform will differ by location based on a host of variables such as delivery system structure and provider organization, purchaser and payer involvement, regulatory environment, history and culture, etc. Further, incremental reforms can improve quality and cost efficiency while we rapidly test new forms of payment in the marketplace.

To improve the quality and affordability of care, purchasers can catalyze opportunities to increase value through payment, including:

- Paying proportionately more for primary care than we do today to ensure that primary care services are available, utilized appropriately, and that overall patient care is well coordinated;
- Rewarding higher value care by providing advantageous compensation to physicians and delivery systems that deliver high quality and more cost-effective care;
- Catalyzing the use of performance-based payments linked to both evidence-based and appropriate care aligned to clinical guidelines and patient preferences; and
- Assuring payments by public (Medicare, Medicaid, public employees) and private (employers and exchanges) sectors are aligned and assure a competitive health care marketplace.

About Us

The Center for Payment Reform (CPR) is an independent organization led by large employers, with the active involvement of providers, health plans, consumers and labor groups working to improve health care quality and reduce costs by identifying and coordinating workable solutions to improve how we pay for health care the U.S.



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A Central Role for Purchasers

Public and private purchasers alike can make a difference in catalyzing change through effective reforms to our health care payment systems. CPR purchasers agree to the following:

- Advocate consistently for continuous and significant change to how payers provide payment for health care through user groups and other public forums - payment reform is a necessary and core element to improving the quality and affordability of care;
- Base their advocacy on CPR's principles and goals;
- Create unified purchaser signals by using common tools such as standardized RFI and contract language; and ultimately,
- Consciously synchronize benefit strategies and consumer incentives with payer efforts to reform payment to improve value for both the users and payers of care.

The Center's Support Tools

To support purchasers and other stakeholders to take coordinated actions, the Center has developed a strategy and tools to guide payment reform. As such, there are four key components to the Center's work, including:

- A **Payment Reform Toolkit**, including a national framework for payment reform, market assessment tools and action briefs to inform and support stakeholders as they take action;
- A national and local **Purchaser Strategy** to coordinate action by using standardize purchasing tools and to share best practices on reforming payment;
- A **National Scorecard on Payment** that annually measures the country's progress toward meaningful payment across a strategic set of metrics; and,
- An advocacy strategy to facilitate **Payment Alignment** within and across public and private sectors.

Additional information about the Center and its activities, including the Center's principles for payment reform, is available at www.centerforpaymentreform.org.

CPR is supported by foundations and contributions of employer, consumer, health plan, physician and other provider organizations and is an initiative of the Consumer-Purchaser Disclosure Project. Learn more about the Center for Payment Reform at www.centerforpaymentreform.org.