

March 2008

# Uncle Sam's Debut on the Value-Based Purchasing Stage

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## Recommended Citation

Goldfarb, Neil I. (2008) "Uncle Sam's Debut on the Value-Based Purchasing Stage," *Value-Based Purchasing Newsletter*: Vol. 2 : Iss. 2 , Article 1.

Available at: <http://jdc.jefferson.edu/vbp/vol2/iss2/1>

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## From the Editor

In the fall of 2006, Secretary Michael Leavitt of the US Department of Health and Human Services announced with great fanfare that Uncle Sam was going to become a value-based purchaser of health benefits. An article in this issue of VBP highlights how the Centers for Medicare and Medicaid Services (CMS) has begun to implement this vision in the Medicare program, starting with an emphasis on hospital inpatient services, but branching out to affect all health care services, including physician services. Now that the “600 pound gorilla” has entered the game, many employers, and indeed some Benefits College alumni, may be wondering what this means for your own benefits purchasing strategy.

In answering that question, I’m reminded of how I first ended up partnering with Jerry Burgess and Andy Webber in the development of the College for Advanced Management of Health Benefits. Our Jefferson Department of Health Policy was engaged in research, supported by the Commonwealth Fund, examining whether the “value based purchasing movement had legs,” i.e. did employers really care about quality? Our initial findings, published in a Fund report, included the important assessment that employers were starting to care about quality and value, and that they played a pivotal role in shaping policy. Government might have the economic and political power to influence the market, but it would not exercise that power in the absence of **proven** interventions. The *employer-led* value-based purchasing movement was, and remains, an essential driver in developing, testing, and disseminating quality and value-improving interventions that government can then adapt and implement on a national scale.

As CMS moves forward with its VBP initiatives, the employer and coalition imperative to work at the local level remains strong. Work is still needed to answer a myriad of important questions not readily approachable by the “big G”, for example:

- How can quality and value data be used to drive appropriate care-seeking by consumers?
- How can the principles of “value-based benefit design” move beyond modifying drug co-payments to a broader range of value-linked benefit offerings?
- To what extent is the current wellness fad going to translate into true health improvement and cost-savings?
- How can employers work in partnership with providers and other community members to best promote value?

The list of important questions is clearly much broader and deeper. Government plays an important role in dissemination, but employers remain the central agents in figuring

out what works (and what doesn't) – and sharing those experiences through publication, presentation at conferences, and networking with colleagues and coalitions. I hope that you will read this issue of Value Based Purchasing, and then get back to the important work at hand.

Neil Goldfarb, Editor  
Value-Based Purchasing