

Are Employers Satisfied that Health Plans Drive Quality, Safety, and Value?

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Are Employers Satisfied that Health Plans Drive Quality, Safety, and Value?

Results of the 2022
employer survey

Purpose of the Survey

The purpose of the confidential survey was to gain employer perspectives on health plan effectiveness in achieving health care quality, safety, and value.

The online survey asked a cross-section of employers to identify which health plan(s) they contracted with, and rate those plans on four key issues including:

1. **Responsiveness** of the health plan to employer concerns;
2. **Transparency** in helping employers and employees choose the best providers;
3. **Payment reform** initiatives that incentivize excellence in the market; and
4. **Value** strategies driven by health plans.

Demographics of Respondents

General:

- Repeats a survey Leapfrog administered in 2020
- While contents of both surveys were the same, the 2022 survey did not allow for statistically significant differentiation of results, so only aggregate results are presented
- Mostly HR Benefits Executives
- Almost a third of the respondents have more than 10,000 covered lives
- 25% of respondents have employees in more than 21 states

Health plans employer respondents most cited:

- Cigna
- United
- Aetna
- Blue Cross Blue Shield Plans

Overall Responses

Figure 1: Percentage of Employer Respondents Agreeing their Health Plan has Key Characteristics Associated with Safety, Quality, and Value
(Agree/Strongly Agree)

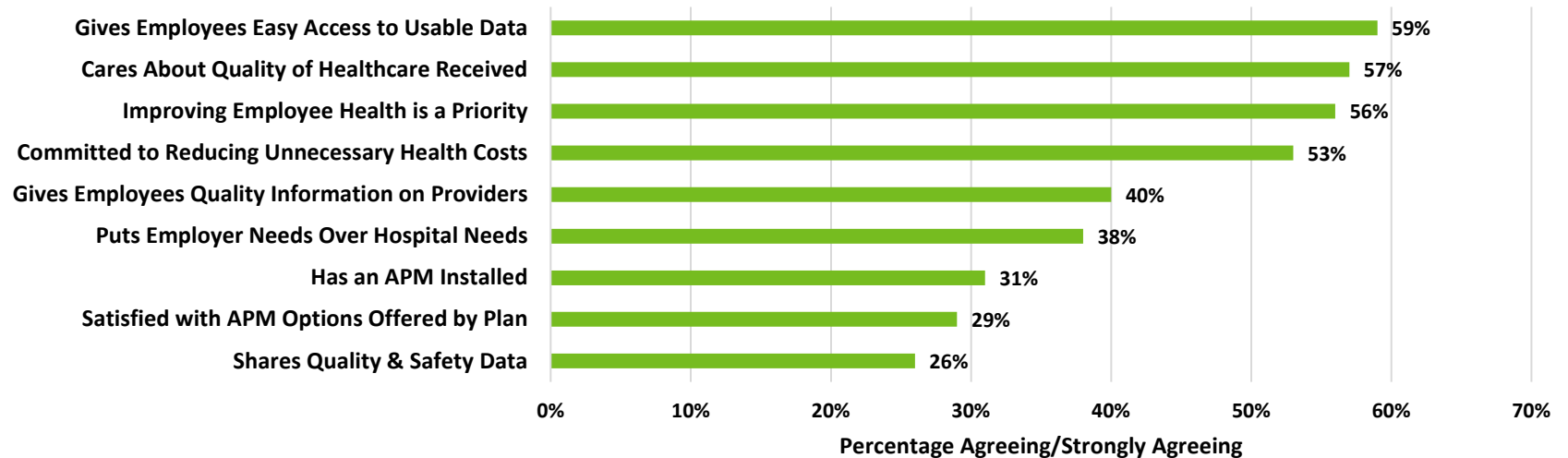
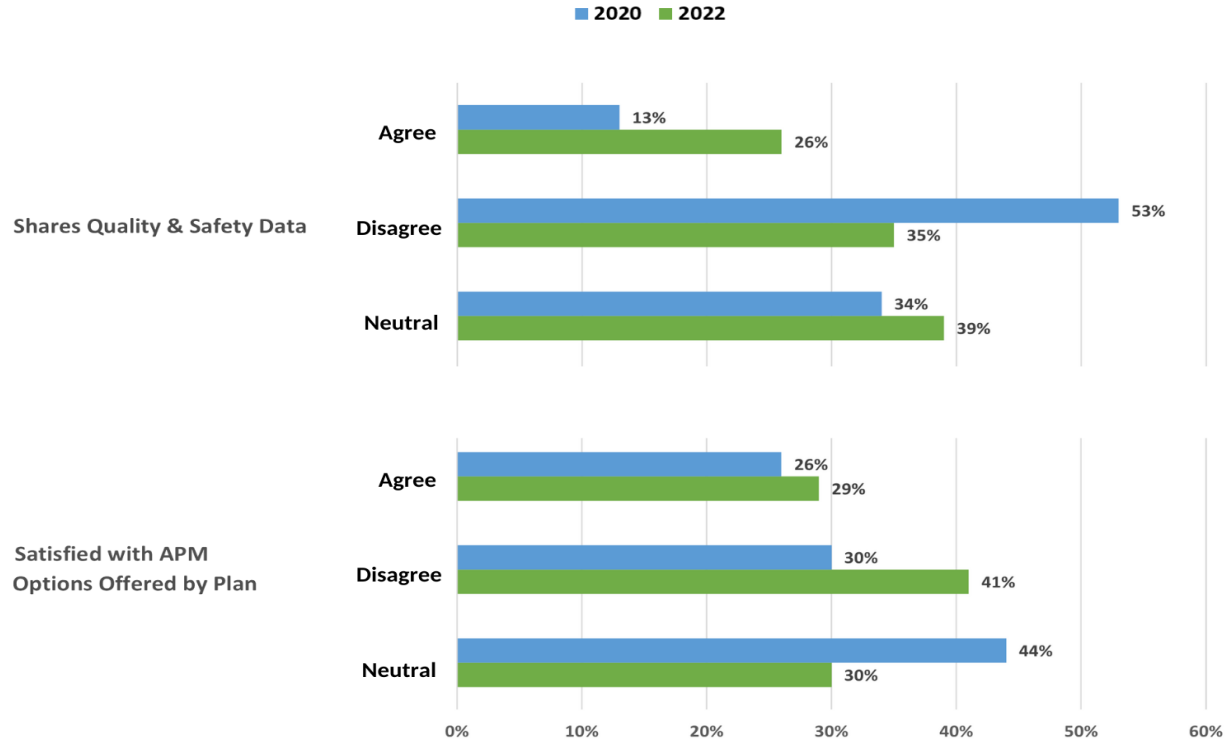
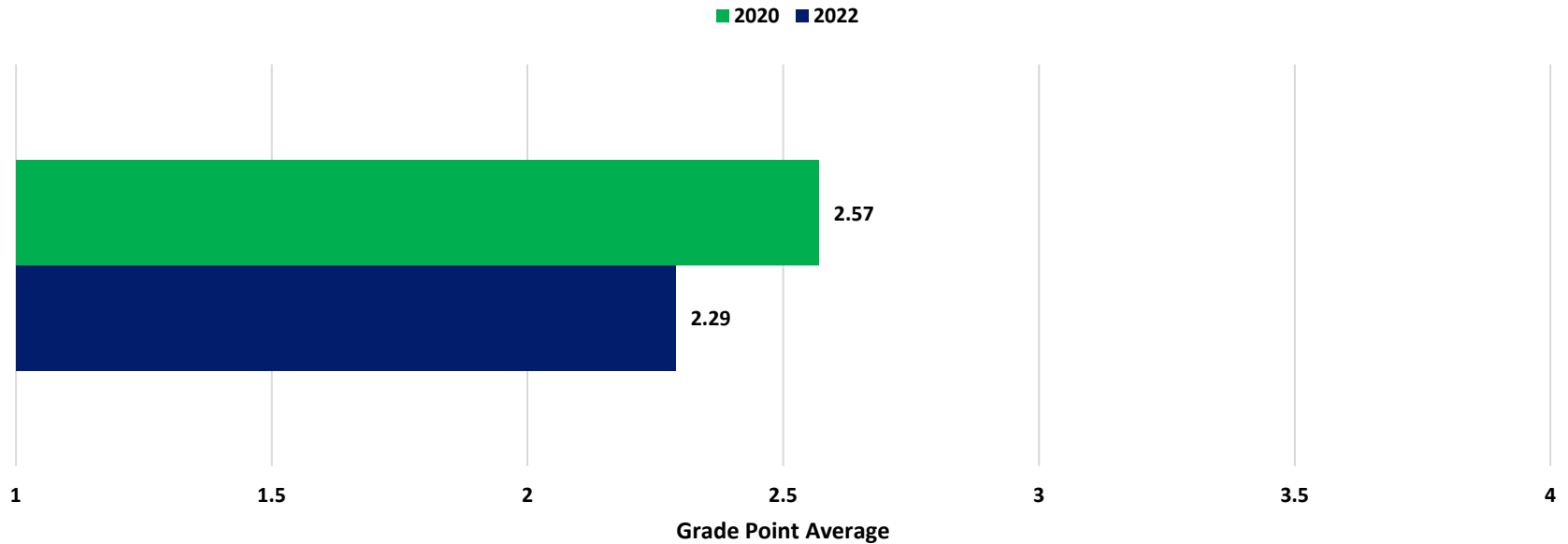


Figure 2: Significant Changes in Responses from 2020 to 2022



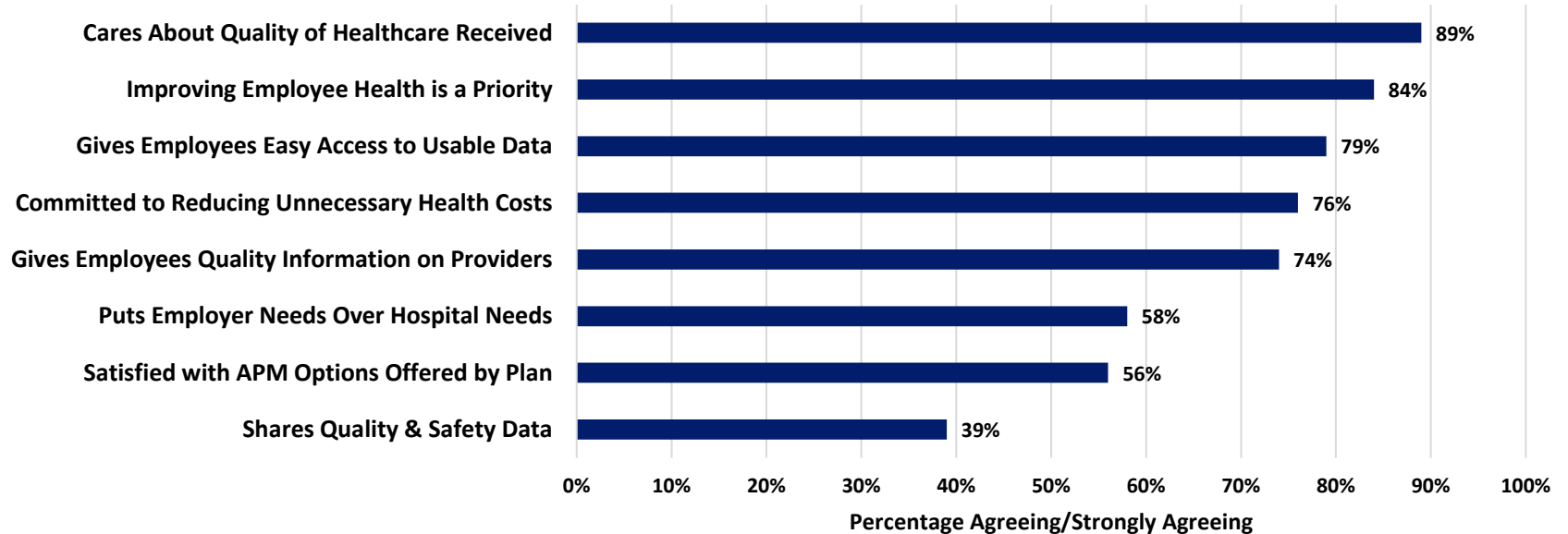
What overall GPA did respondents give their health plan for helping them drive for value?

Overall GPA by Survey Year



Employers who rated their health plan an A or B report the following attributes

Significant Agreement Percentages of A/B Rated Health Plans



Conclusion: Quality Comes First

- Employers remain disappointed in many aspects of health plan performance achieving their goals for high quality, cost-effectiveness, value, transparency, and service.
- This poses serious challenges as employers navigate the new Consolidated Appropriations Act passed in 2020, which enhances employers' fiduciary responsibilities under the Employee Retirement Income Security Act (ERISA).
- Employers now bear more legal responsibility for assuring that benefits they provide are cost-effective and high quality, so the dissatisfaction in this report should be an urgent priority for health plans.

Conclusion: Quality Comes First

- Employers perceive significant rooms for improvement across all categories
- This could provide a competitive edge for health plans that mobilize to give employers what they want:
 - Excellent quality of care for employees
 - Improving the health of their employees
 - Giving employees easy access to usable data to get to the higher performing providers
 - Manage costs

Are Employers Satisfied that Health Plans Drive Quality, Safety, and Value?

Findings from a Confidential Survey of U.S. Employer Executives

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Are Employers Satisfied that Health Plans Drive Quality, Safety, and Value?

Purpose and Methods

In summer 2022, The Leapfrog Group, an independent national health care watchdog organization, conducted a confidential online survey of 114 executives of companies that administer and fund benefits for employees and dependents.

The purpose of the confidential survey was to gain employer perspectives on health plan effectiveness in achieving health care quality, safety, and value.

The online survey asked a cross-section of American employers to identify which health plan(s) they contracted with, and rate those plans on four key issues including:

1. **Responsiveness** of the health plan to employer concerns;
2. **Transparency** in helping employers and employees choose the best providers;
3. **Payment reform** initiatives that incentivize excellence in the market; and
4. **Value** strategies driven by health plans.

This survey repeats a survey of employer executives that Leapfrog administered and reported in 2020, so this year's report offers insight on progress made over the last two years. While the contents of the 2020 and 2022 surveys were the same, in the 2022 survey the range of responses did not allow for statistically significant differentiation of results at the health plan level, so only aggregate results are reported here.

Participants in 2022 include HR Directors/Managers (49%), with HR Senior Executives (14%) and CEO/CFOs (11%). About one-third of all organizations covered a minimum of 10,000 lives. Over 25% of participants reported having employees located in 21 or more states. The characteristics of the 174 respondents who participated in 2020 were similar, representing small, midsize, and large employers covering up to 20,000 to 100,000 lives each, with over half having employees in multiple states.

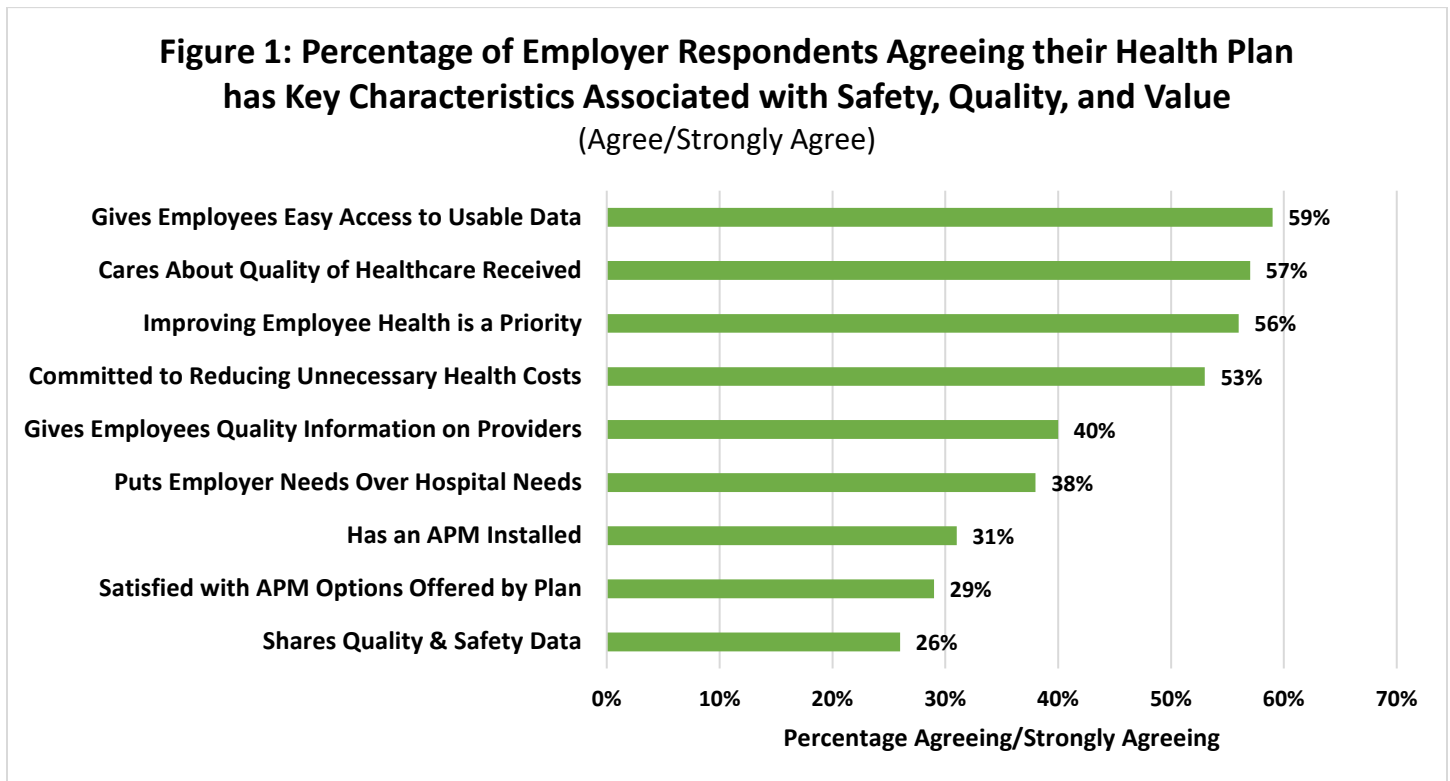
Respondents cited their experience with health plans including Aetna, Cigna, UnitedHealthcare, as well as a range of BlueCross and BlueShield (BCBS) plans.

Survey participation was garnered from Leapfrog's longstanding network of employer affiliates and constituents which includes:

- Leapfrog's National Panel of Employer Benefits Innovators
- ThINC360
- Colleague organizations including the ERISA Industry Committee and the National Alliance of Healthcare Purchaser Coalitions; and
- Employer members of regional business coalitions that serve as Leapfrog Regional Leaders across the country.

Summary of Findings

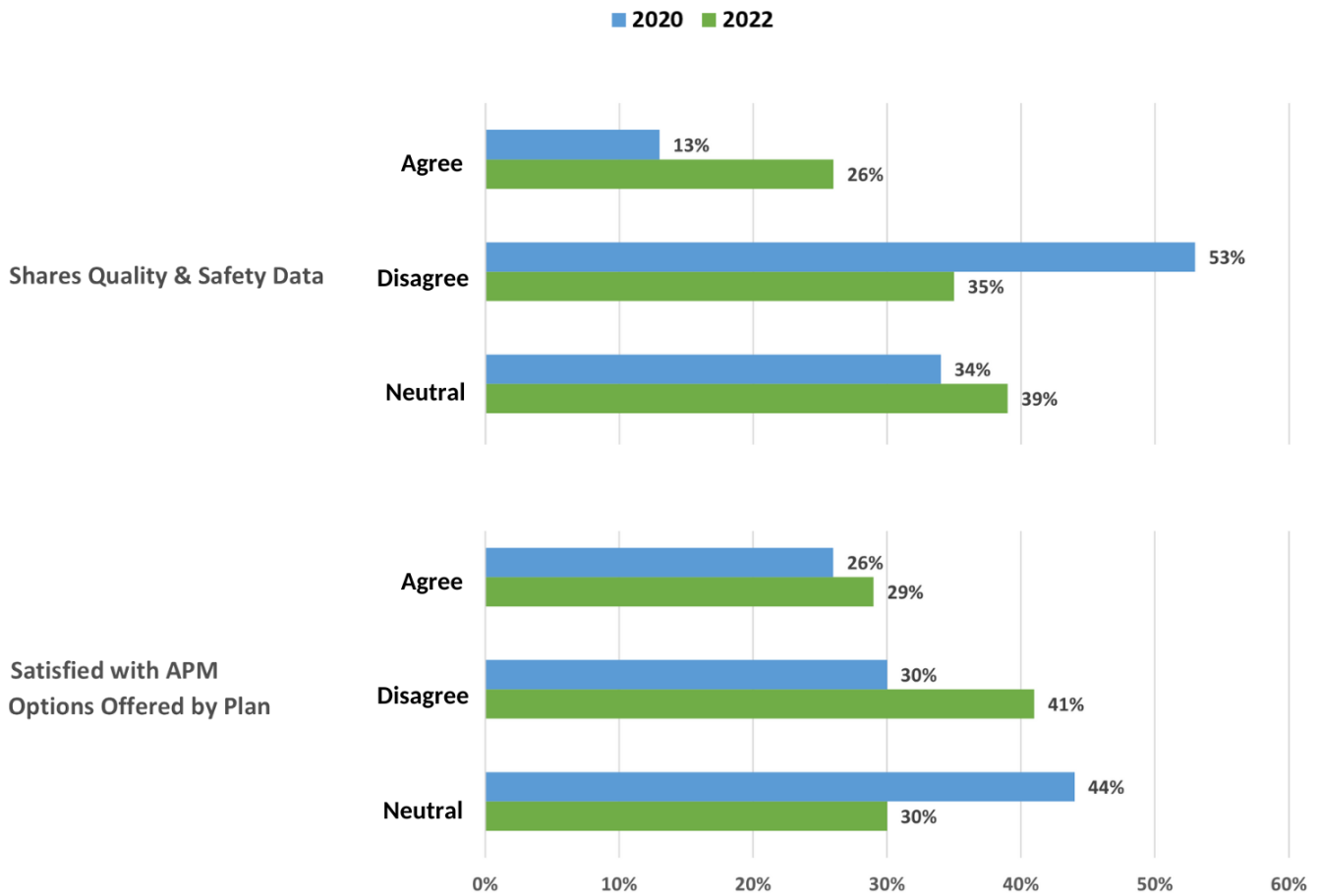
Employer respondents rated the importance of a range of factors pertaining to the safety, quality, and value of their health plans, as shown in Figure 1. Most employers agreed their health plan cares about quality (57%), is committed to reducing unnecessary health costs (53%), gives employees easy access to usable data (59%), and demonstrates a commitment to employee health (56%). There are two major areas where employers were least likely to report a favorable impression of their health plan: sharing of quality and safety data (helping members choose the best providers for them) and alternative payment model (APM) offerings (steering members to the best providers).



Comparing 2020 and 2022 Survey Findings

Over the two-year period between Leapfrog’s administration of the employer surveys, we observed minimal change in employer perceptions of health plan quality, safety, and value. However, as Figure 2 illustrates, two factors did emerge with significant change, one showing positive progress and one moving in the opposite direction. In the most recent 2022 survey, employers were more likely to agree that their health plan shares quality and safety data. Although there was little improvement in respondents agreeing that APMs were satisfactory between the two years, there was a significant increase in the proportion of employers who disagreed that that APM options offered were satisfying in 2022 compared to 2020 (44% vs 30%).

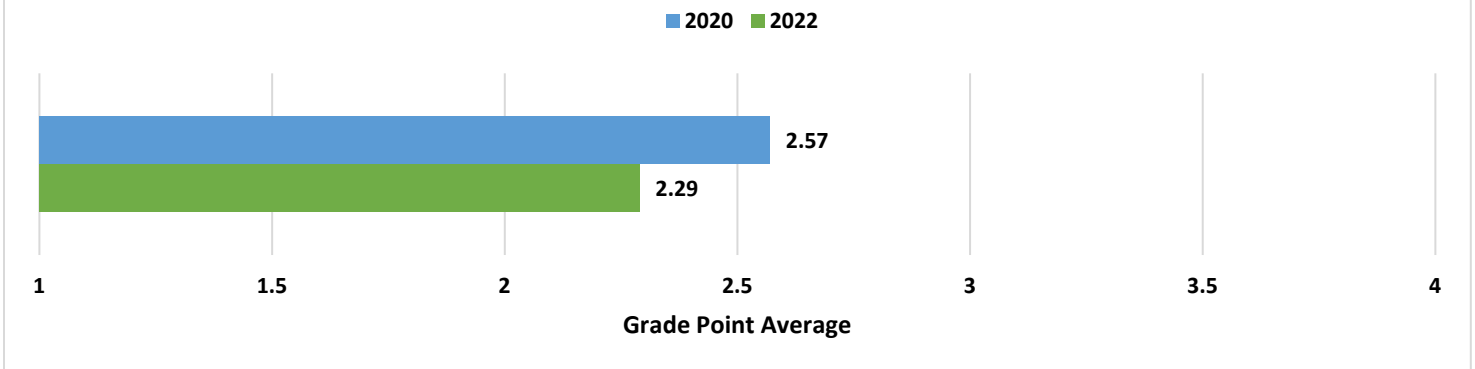
Figure 2: Significant Changes in Responses from 2020 to 2022



In both surveys, employers were asked to assign an “A” through “F” letter grade to their health plan based on their overall quality, cost-effectiveness, and value. Leapfrog calculated health plan GPAs by assigning a standard 4.0 GPA scale to each response (A = 4, B = 3, C = 2, D = 1, F = 0, respectively).

Employers gave health plans a lower grade in 2022 than in the prior survey. GPA decreased from 2.57 in 2020, a C, to 2.29 in 2022, a low C (Figure 3).

Figure 3: Overall Health Plan GPA by Survey Year

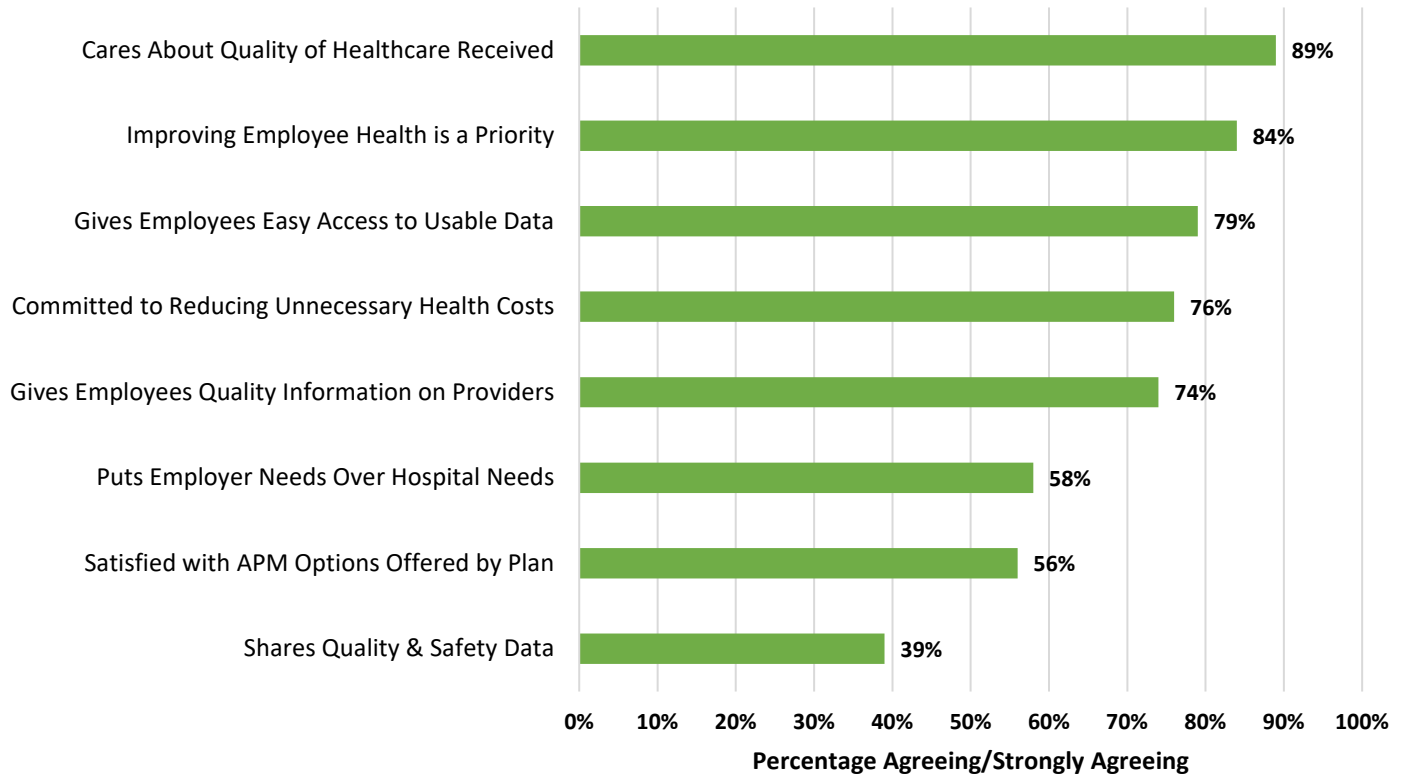


Roadmap Forward: Factors That Lead to a High Grade

To determine which factors correlated with higher grades, we analyzed reporting among employer respondents who gave the highest grades to their health plan (A/B grade).

As Figure 4 shows, the most important factor for high-grading respondents was the belief that the plan cared about the quality of care received (89%). Improving employee health was the second most important factor associated with high grades (84%). Additionally, respondents that gave high grades to health plans agreed their plans offer employees easy access to usable data (79%), were committed to reducing unnecessary health costs (76%), and gave employees quality information on providers (74%). This information offers health plans a roadmap on how to increase satisfaction with employers and purchasers. Foremost along that path: demonstrate a commitment to quality of care.

Figure 4: Among Employer Respondents that Gave the Highest Grades to Plans, Agreement that Health Plans Achieved Key Aspects of Quality, Safety, and Value



Conclusion: Quality Comes First

Overall, these surveys suggest employers remain disappointed in many aspects of health plan performance achieving their goals for high quality, cost-effectiveness, value, transparency, and service. This poses serious challenges as employers navigate the new Consolidated Appropriations Act passed in 2020, which enhances employers’ fiduciary responsibilities under the Employee Retirement Income Security Act (ERISA). Employers now bear more legal responsibility for assuring that benefits they provide are cost-effective and high quality, so the dissatisfaction in this report should be an urgent priority for health plans.

Our findings indicate that while employers generally believe health plans are aiming for quality and value, employers perceive significant room for improvement across all categories surveyed. This also presents a competitive opportunity for health plans that mobilize to improve quality of care, as quality stands out as the most important factor for employers that give their plans high marks. Health plans should look for opportunities to partner with business groups on health and employers and other purchasers to better achieve these shared goals.

Acknowledgements

Leapfrog thanks the employers who participated in the survey, and gratefully acknowledges the supporters, advisors and friends who developed the survey and this report, including Leapfrog Regional Leaders, Leapfrog's National Panel of Employer Benefits Innovators, The ERISA Industry Committee, The National Alliance for Healthcare Purchaser Coalitions, and thinc360. Leapfrog also acknowledges the staff that administered the survey and developed this report Jill Berger, Director, Employee & Payor Engagement; Dylan Eller, Program Analyst; Elizabeth Harmon, Senior Communications Specialist; Lauren Bailey, Senior Communications Advisor; Leah Binder, President and CEO.

About The Leapfrog Group

Founded in 2000 by large employers and other purchasers, [The Leapfrog Group](#) is a national nonprofit organization driving a movement for giant leaps forward in the quality and safety of American health care. The flagship [Leapfrog Hospital Survey](#) and [Leapfrog Ambulatory Surgery Center \(ASC\) Survey](#) collect and [transparently report](#) hospital and ASC performance, empowering purchasers to find the highest-value care and giving consumers the lifesaving information they need to make informed decisions. The [Leapfrog Hospital Safety Grade](#), Leapfrog's other main initiative, assigns letter grades to hospitals based on their record of patient safety, helping consumers protect themselves and their families from errors, injuries, accidents, and infections.

In New Survey, Employers Cite Quality of Care As Top Priority When Ranking Health Plans
Findings on Health Plan Quality, Safety, and Value Demonstrate Critical Need for Improvement

Washington DC, January 26, 2023 – Today, The Leapfrog Group, an independent national watchdog organization of employers and other purchasers focused on health care safety, released [Are Employers Satisfied that Health Plans Drive Quality, Safety, and Value?](#), a report that analyzed findings from a confidential survey of executives at companies that administer and fund benefits for employees and dependents.

Executives from Walmart, The Boeing Company, and Northwestern Mutual, as well as Leapfrog president and CEO Leah Binder, will comment on the report on a webinar today, Jan. 26 at 2 p.m. EST. Further details and registration can be found [here](#).

Most notably, the survey findings suggest that when evaluating health plans, employers prioritize quality in care over other factors. Overall, the survey found employers remain critical of health plans since Leapfrog conducted the same survey in 2020.

When asked to assign letter grades to their health plan based on their ability to provide high-quality health care to employees, employers overall gave their plans a “C” grade, although there was considerable variation between plans. The average grade given to health plans was slightly worse, decreasing from a 2.57 GPA in 2020 to 2.29 in 2022, demonstrating significant room for growth across all categories surveyed.

In the survey, employers were asked to rate their experiences with health plans on four key issues, including:

- Responsiveness of the health plan to employer concerns.
- Transparency in helping employers and employees choose the best providers.
- Payment reform initiatives that incentivize excellence in the market.
- Value strategies driven by health plans.

“We were a little surprised at how clearly the findings showed that employers care first and foremost about quality of care,” Binder said. “They want results. The report points to specific issues that appear to disappoint employers and what successful health plans do to earn their trust.”

Overall, more than half of employer respondents reported feeling that their health plans care about the quality of health care their employees receive, are committed to reducing unnecessary costs, and prioritize improving employee health. Employers were more likely to agree that their health plan shares quality and safety data in 2022 than in 2020, but employer satisfaction with alternative payment model offerings appeared to decline in the two years between surveys.

“It is critical that health plans improve transparency of data,” Binder said.

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[Survey](#) and new [Leapfrog Ambulatory Surgery Center \(ASC\) Survey](#) collect and [transparently report](#) hospital and ASC performance, empowering purchasers to find the highest-value care and giving consumers the lifesaving information they need to make informed decisions. The [Leapfrog Hospital Safety Grade](#), Leapfrog's other main initiative, assigns letter grades to hospitals based on their record of patient safety, helping consumers protect themselves and their families from errors, injuries, accidents, and infections. For more, [follow us on Twitter and Facebook, and sign up for our newsletter](#).

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