

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

Findings from a Confidential Survey

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Methods

In June 2020, The Leapfrog Group, an independent national health care watchdog organization, conducted a confidential online survey of executives of companies that administer and fund benefits for employees and/or dependents. Leapfrog was formed twenty years ago by large employers and other purchasers, aiming for giant leaps forward in the quality, safety and value of health care.

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.

A total of 174 employers representing an estimated 4 million insured lives participated in the survey. Respondents cited their experience with health plans including Aetna, Cigna, UnitedHealthcare, as well as a range of BlueCross and BlueShield (BCBS) plans, including Anthem and over a dozen state BCBS plans.

Survey participants were selected through Leapfrog's longstanding network of employer affiliates and constituents which includes:

- Leapfrog's National Panel of Employer Benefits Innovators
- 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.

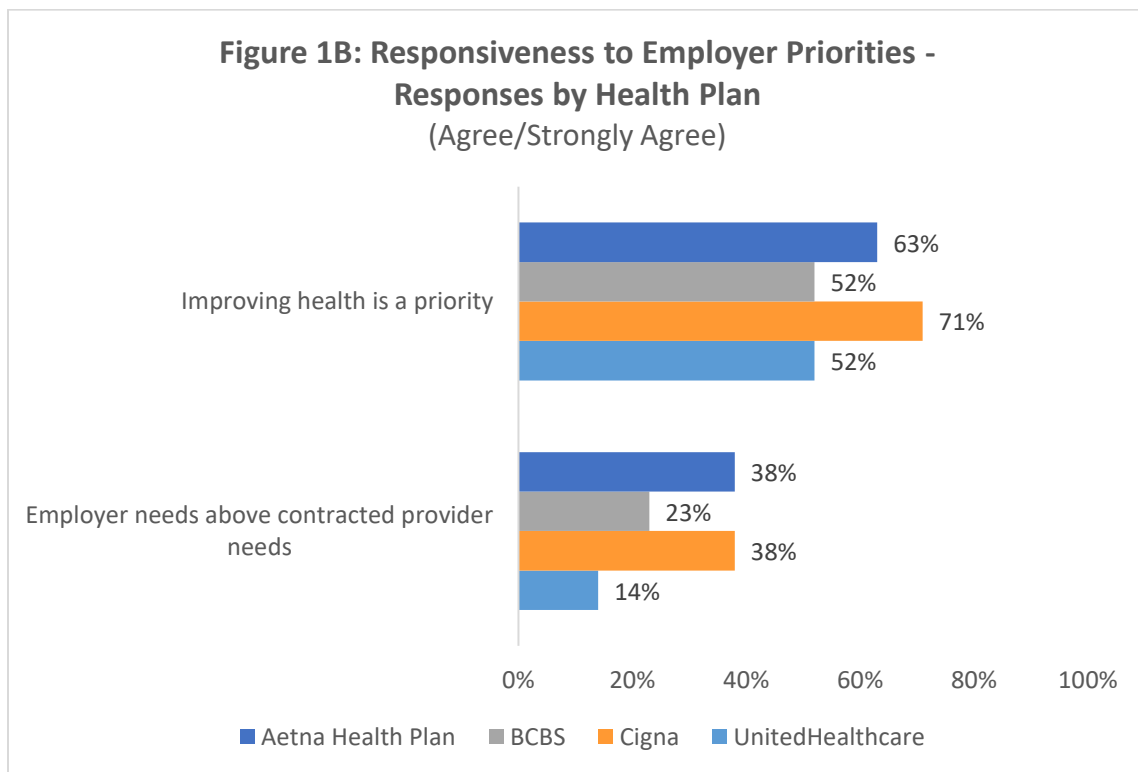
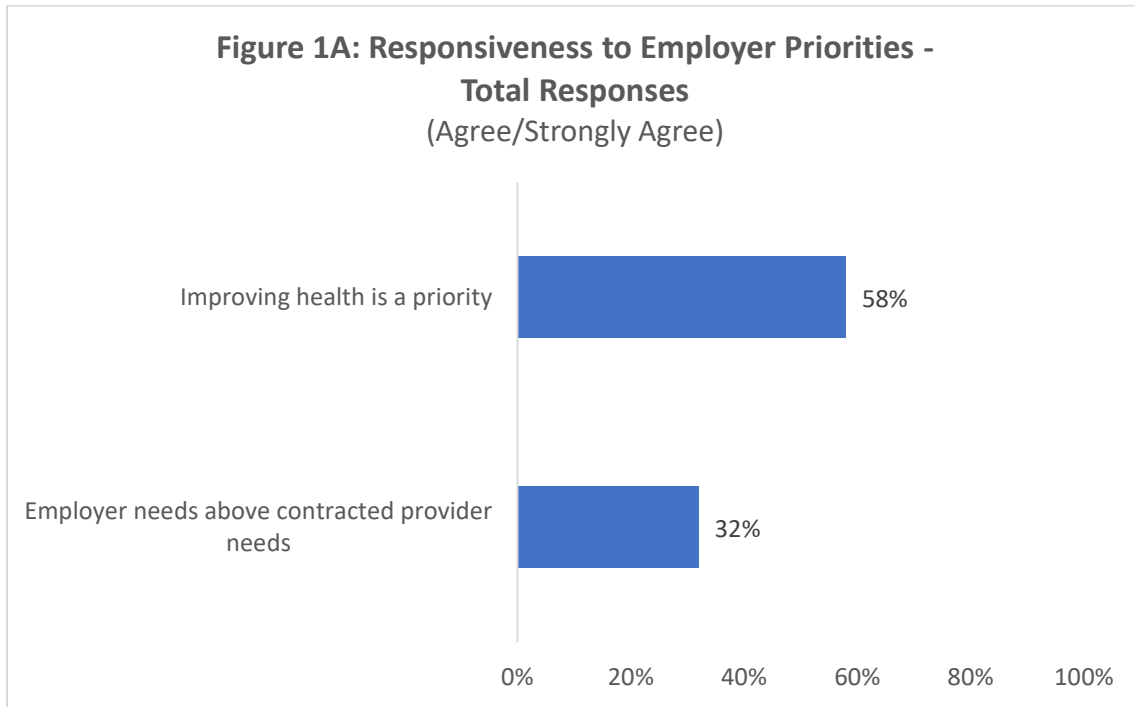
Half of the employer respondents represented midsize or small employers with up to 20,000 covered lives each. The other half of respondents came from large employers including ten respondents from very large employers with more than 100,000 covered lives. Most employer respondents (63%) reported having employees located in multiple states.

1. Responsiveness (Figures 1A and 1B)

Responsiveness is the foundation of an effective partnership between employers and health plans. The survey considered whether health plans understand employer goals and put a priority on improving employee health. While overall 58% of employers were satisfied with their health plans, they report significant room for improvement in pursuing employer goals for quality and value.

Cigna earned the highest ratings from respondents for putting a priority on improving the health of employees, with 71% approval from those that identified Cigna as their health plan, while UnitedHealthcare and BCBS plans earned the lowest ratings with 52% approval.

Most employer respondents appeared to have reservations about whether their health plan puts their needs above the preferences of contracted providers. About a third of Cigna and Aetna clients believed their plan puts them first, while only 14% of UnitedHealthcare employers were similarly satisfied.



2. Transparency (Figures 2A and 2B)

Employers have long advocated for more information about the price and quality of health care services, which helps employees and other consumers make more informed decisions about their care.

Survey respondents offered discouraging ratings of health plan effectiveness helping employees compare among providers. Employers reported a dismal 29% satisfaction level with their health plan’s transparency in comparing the quality of different hospital systems that their employees use. Aetna achieved the highest ratings for transparency, with 31% approval among employer respondents, while BCBS plans earned the lowest ratings at 21% satisfaction. Employer satisfaction with health plans sharing independent quality and safety data such as Leapfrog was even lower, with only 13% of employer respondents satisfied.

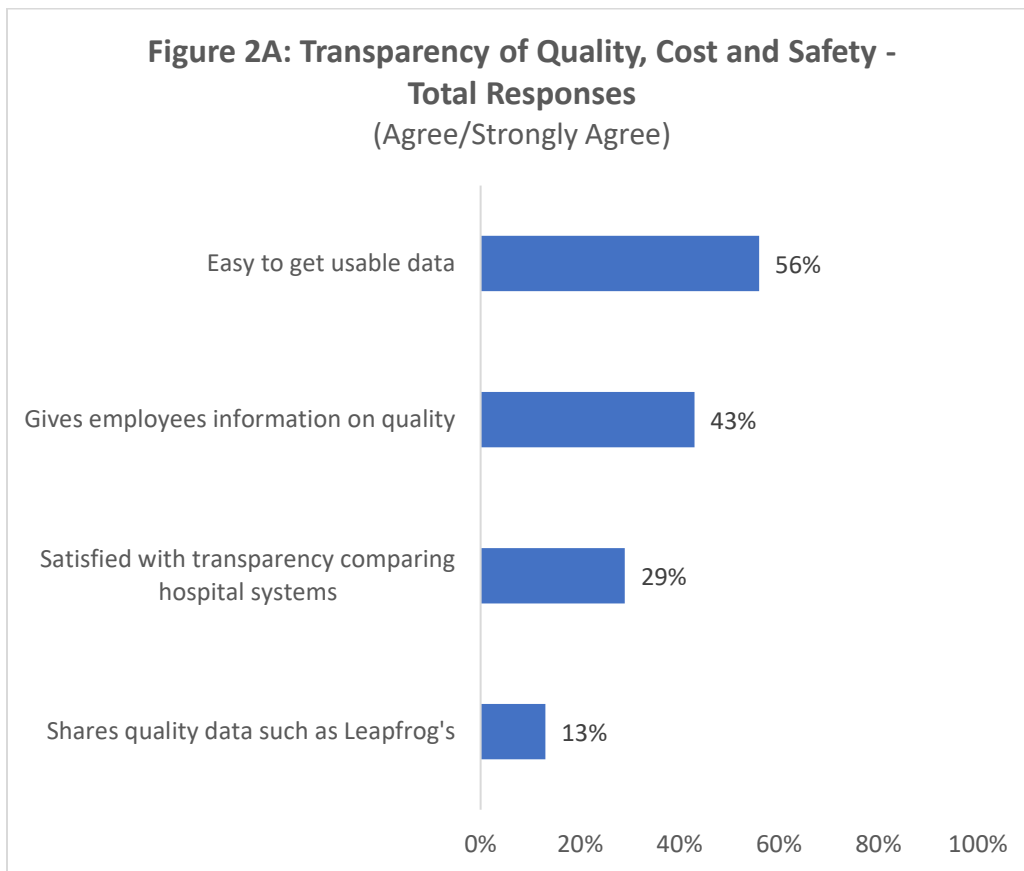
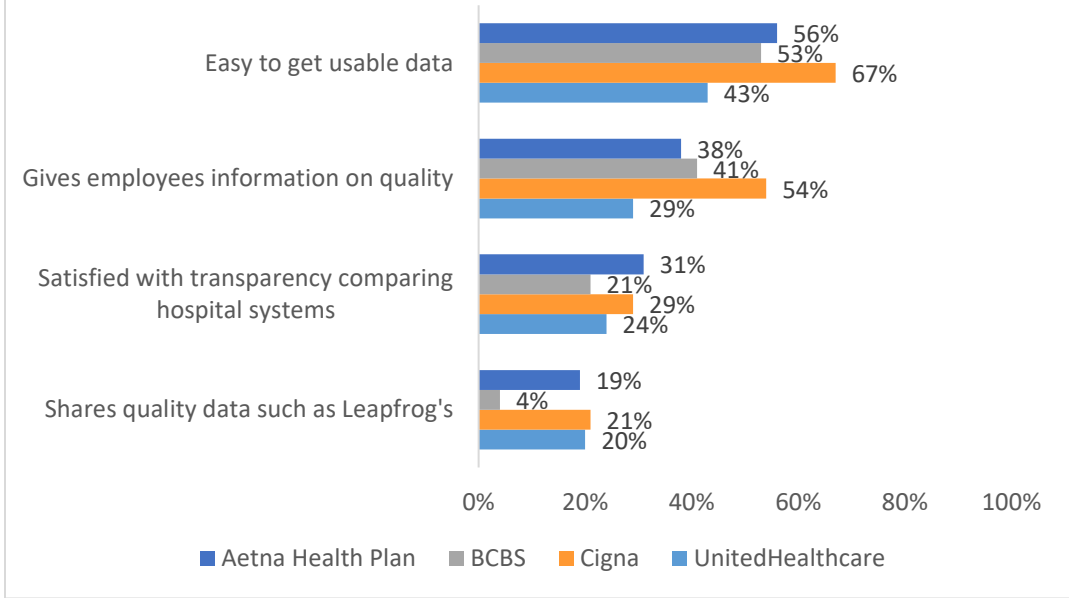


Figure 2B: Transparency of Quality, Cost and Safety - Responses by Health Plan
(Agree/Strongly Agree)



3. Payment Reform (Figures 3A, 3B and 3C)

Traditional fee-for-service payment formulas pay providers a set rate for every delivered service, regardless of whether the patient needs the service or benefits from it. This creates perverse incentives to deliver more services even if it is not better care. As a result, employers are among the nation’s strongest champions of payment reform, including advancement of alternative payment models (APMs) such as bundled payments, centers of excellence, direct contracting and value-based purchasing.

About a quarter of employer respondents reported using APMs, and most survey respondents were not satisfied with health plans’ use of APMs. About a third of employers (31%) with Aetna reported satisfaction with APM deployment, compared with only one in five (17%) respondents with a BCBS plan.

Leapfrog also asked if employers developed their own APM outside of their health plan: 20% reported yes, with an additional eight percent reporting that they plan to pursue this direction within the next two years. Larger employers were more likely to report use of APMs, with three quarters using either an APM through their plan or on their own.

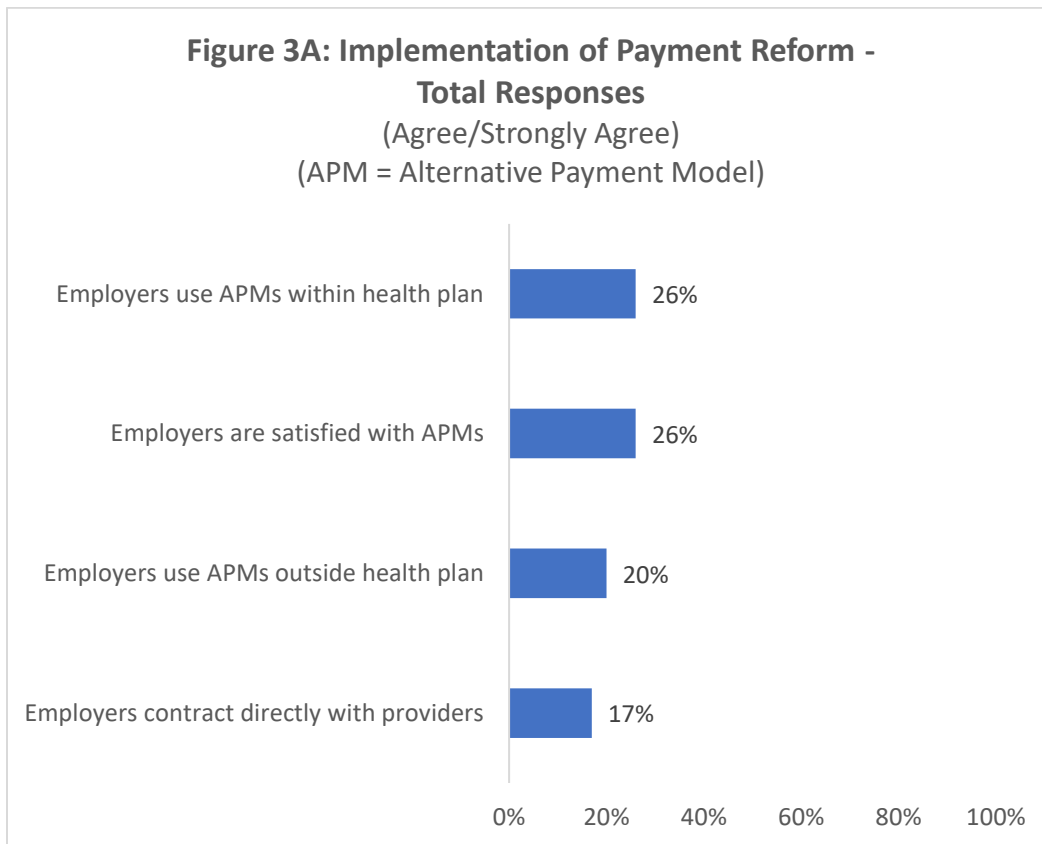


Figure 3B: Implementation of Payment Reform - Responses by Health Plan

(Agree/Strongly Agree)

(APM = Alternative Payment Model)

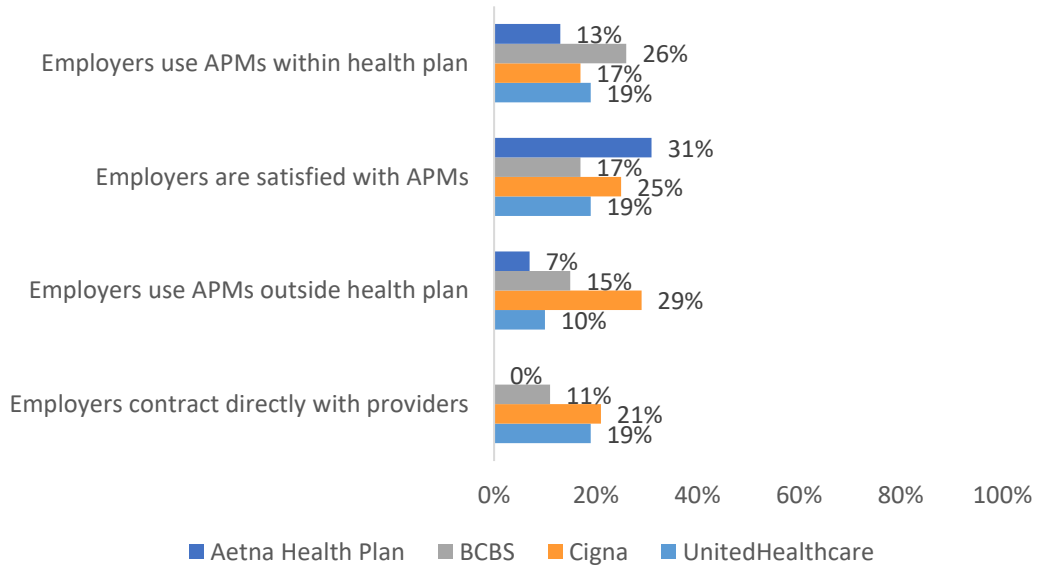
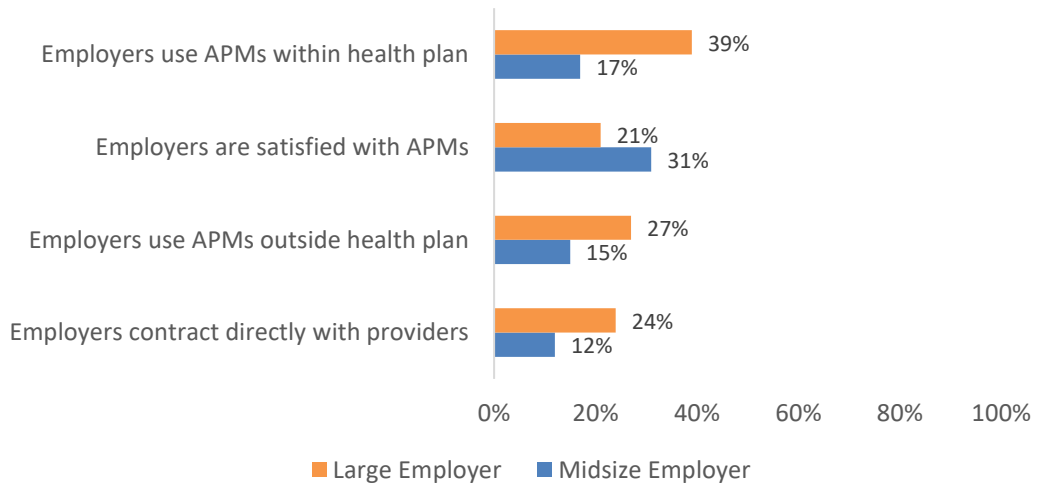


Figure 3C: Implementation of Payment Reform - Responses by Employer Size

(Agree/Strongly Agree)

(APM = Alternative Payment Model)



4.Value (Figures 4A and 4B)

Employers expect plans to partner with them in the drive for value--cost-effective, high quality care.

Just over half of the employer respondents agree that their health plan is on their side in reducing unnecessary health care costs. UnitedHealthcare was rated lowest among plans on this factor, with 43% of their employer clients satisfied. Employers are more satisfied with health plan efforts to advance health care quality, with 64% satisfied. Cigna achieved the highest ratings for advancing quality, with 79% satisfaction, and UnitedHealthcare scored the lowest for achieving quality at 52% satisfaction. Only 9% of employer respondents agreed that their health plan helped encourage Leapfrog Hospital Survey participation, a key employer initiative for quality and value.

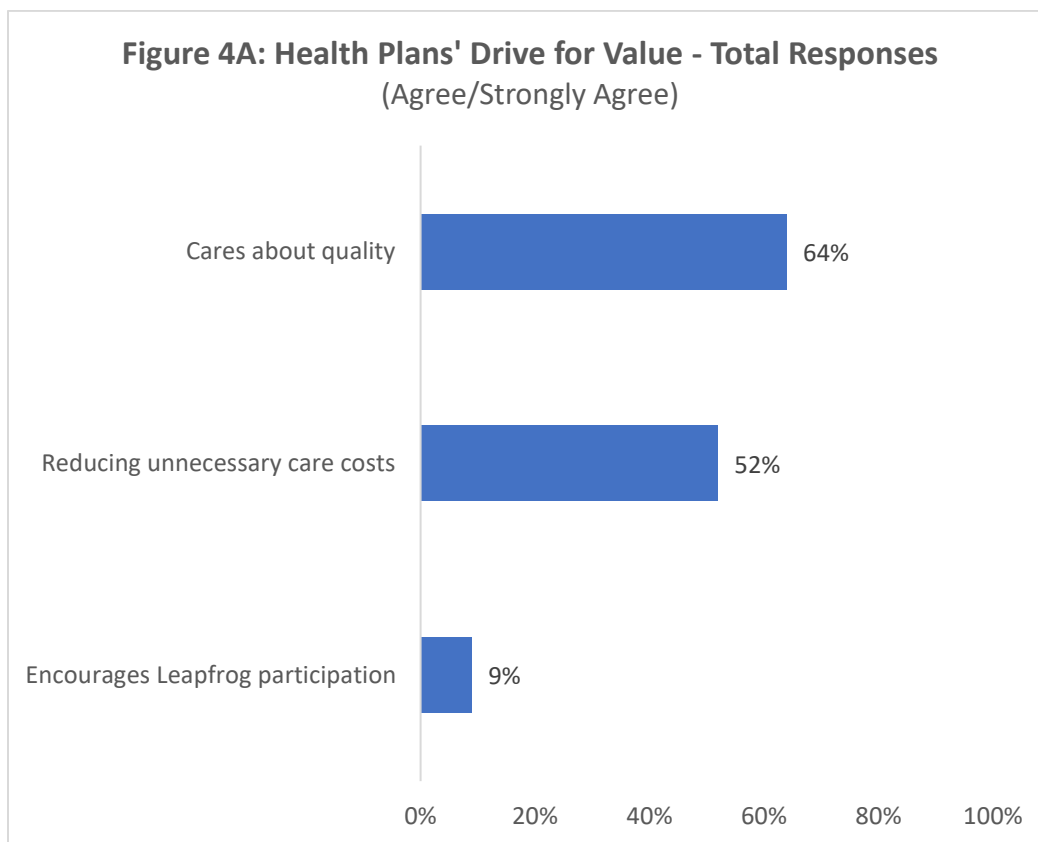
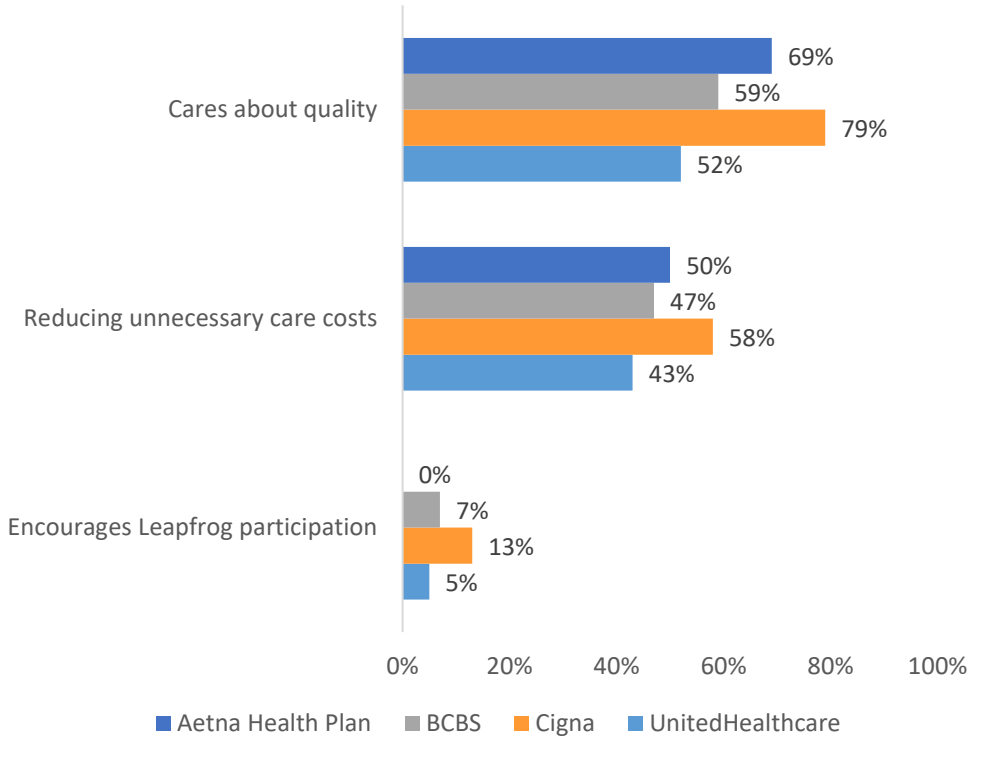
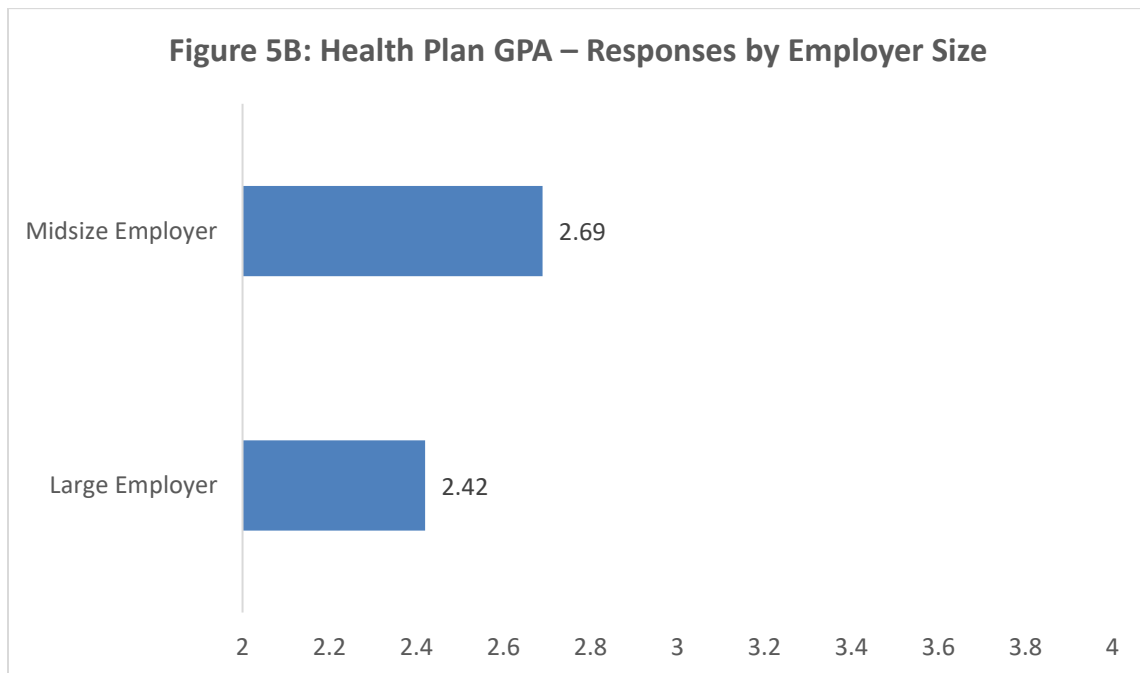
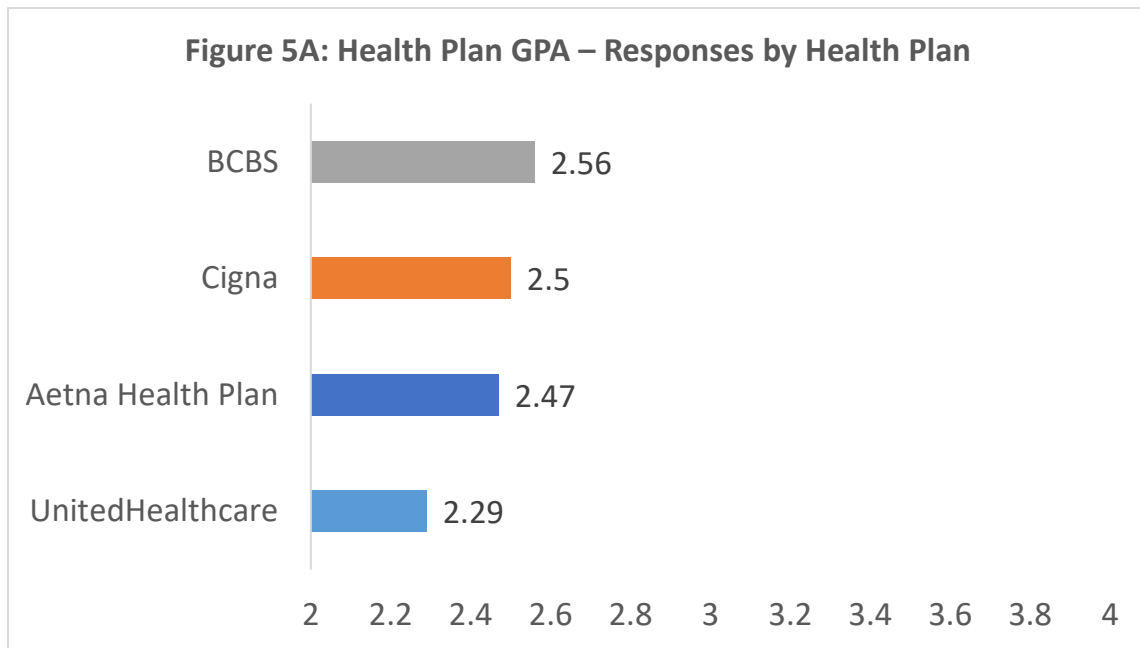


Figure 4B: Health Plans' Drive for Value - Responses by Health Plan
(Agree/Strongly Agree)



Overall Grades (Figures 5A and 5B)

The final question asked of the employers was to grade their health plan, from A to F, on their ability to direct their employees to high-quality health care. Overall, employer respondents gave their plans a C-plus (2.57 GPA). The larger employers were tougher on the health plans than the mid-size to small employers.



Summary

Employers in our survey see significant opportunities for improvement among national health plans in the movement for value in health care. While employers are favorable toward their health plan in general, most are not satisfied with plans' performance in galvanizing quality, value and transparency in health care. Most do not perceive that health plans deliver the necessary tools to improve the quality and safety of care. Nor do the vast majority of employer respondents appear satisfied that their health plan put their needs above the preferences of contracted providers, making it difficult for them to enact effective payment reform. A surprising number of employer respondents did not feel their plans offered adequate information for their employees to compare among providers.

Among the plans reported in the survey, Cigna was a clear leader in the movement for value. Employers gave UnitedHealthcare the lowest ratings, with the most room for improvement in driving for value, reducing costs and improving quality. Aetna led among plans for putting a focus on quality.

Roadmap Forward

Though the survey suggests that overall health plans lag in driving value, the good news is that the path forward is clear and well-paved. Over the past decade, employers collaborated with stakeholders on the regional and national level to expand tools and resources needed to advance quality and value. They removed many barriers to transparency and payment reform, and they built and tested initiatives that work. Health plans can and should take advantage of that progress and build on it.

Employers have supported the expansion of the Leapfrog movement to collect data on safety and quality provided voluntarily by hospitals and ambulatory surgery centers. This data is widely used for value-based purchasing and public reporting, including by many enterprises that publish comparative information on quality and pricing for use by consumers and purchasers alike. Health plans can partner to advance Leapfrog and use its resources to accelerate value. Employers also supported the development of a variety of initiatives and enterprises to advance payment reform that health plans can and should adopt.

Ultimately, the most critical challenge identified by the survey would seem the most easily remediated. The vast majority of employer respondents did not believe their health plan put their needs first. In other industries, the customer comes first, but in health care, too often there is confusion about the identity of the customer. So, let this survey reveal it: In the relationship between employers and health plans, employers are the customer, because they pay the bills. As employers stand for quality of care and demand results for their investment in the health of their employees, they expect their health plan to stand with them and the needs of their employees and their employees' families. When that fundamental market dynamic is in place, better care and better value can cascade forward.