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Innovative Uses of Cost and Quality Data

"How can my organization benefit from your data and reports?" At PHC4, we hear that question often. When health care purchasers face complex decisions, they turn to PHC4 for reliable information. One way to benefit is to use PHC4's own Web site, which offers a wealth of data and information. In addition, several organizations have used PHC4's reports and information in a number of ways. This FYI offers some good examples from our data users.

Kitty Gallagher, President of the **Lehigh Valley Business Conference on Health Care** and a Council Member, recently encouraged LVBCHC member companies to share PHC4 reports with their employees. Several have done so, including:

* **Mack Trucks, Inc.** of Allentown. Mack believes that reports like PHC4's *Pennsylvania's Guide to Coronary Artery Bypass Graft Surgery 2000* (CABG Report) can only improve quality of care, which will ultimately decrease the cost of care. For this reason, Mack distributes the CABG report to all employees and retirees. "PHC4's CABG report can be a useful tool for our 7,000 employees and retirees," said Joe Huxta, Director, Administration & Benefits Strategy. He calls it a win-win situation for the patient and the employer.

* **Binney & Smith, Inc.** of Easton. The firm is beginning a health care promotion program for employees. Ann Kozak, Sr. Benefits Analyst says the CABG Report was distributed to employees 40 years of age and older along with a cover letter asking employees to keep the report for future reference. Binney & Smith says it is providing health care cost and quality information to employees so they can consider preventive measures and make better health care decisions.

* **Air Products and Chemicals, Inc.** of Allentown. APCI developed a three-step approach to use PHC4 information in their health promotion program for employees. Lori

Lukow, Human Resources Program Manager, said the firm began by holding an employee "lunch 'n learn" during the health care benefits open enrollment period. A speaker from PHC4 highlighted the Council's HMO report, *Measuring the Quality of Pennsylvania's Commercial HMOs*, and explained to employees how they could use the report as a tool to assist their families in selecting health care benefits. Next, an educational piece developed by Air Products, *Using Quality and Cost Data as Healthcare Consumers* was attached to PHC4's *Hospital Performance Report* and was mailed to all Pennsylvania employees. Most recently, Air Products ordered 5,000 copies of the CABG report to distribute to employees.

Members of the Pittsburgh-based **SMC Business Councils** have received PHC4 data for the past several years through the group's monthly magazine, its meetings and its Web site. President and PHC4 Council Member Cliff Shannon encourages member companies to use the information to compare health plan outcomes and patient outcomes before renewing group coverage.

The 9,400 members of **Law Enforcement Health Benefits (LEHB)**, the Philadelphia Police Blue Cross Fund, use PHC4 reports to evaluate health plans and hospitals. Tom Lamb, LEHB Administrator, finds the PHC4 information a key factor in assisting members' selection of hospitals for certain procedures. Hospital selection is extremely important to LEHB members since the medical services directly affect their families. Mr. Lamb meets with small groups using the PHC4 *Hospital Performance Report* to educate his members.

The **Pittsburgh Business Group on Health (PBGH)** has 44 members representing more than 500,000 covered lives in Southwestern Pennsylvania. PHC4 reports are routinely distributed to member companies. Christine Whipple, Executive Director of PBGH, says she has used PHC4's Web site and reports as a reference source to:

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- Compile data on the Southwestern Pennsylvania health delivery system;
- Monitor market concentration of hospital services;
- Develop spreadsheets on services and hospital charges;
- Prepare position papers and analyses for state and federal agencies about market share data.

Ms. Whipple says she believes one project and resulting analysis had an impact on a local issue, and PHC4 data was useful. She would be happy to discuss her project, and other project ideas, and she can be contacted at 724-251-0230.

The negotiating team for the members of **IBEW Local 459**, a unit that includes 32 different employers across the Commonwealth, uses PHC4 reports to evaluate health plans and hospitals prior to contract negotiations. The Local 459 leadership team tells PHC4 that they have gained valuable insight from the data, and PHC4 information has been a big improvement when compared to the "word of mouth" approach to data and information. After reviewing the reports, the IBEW team uses the data to guide its membership on the use of specific health plans contracted at specific hospitals.

About 2,500 employees and corporate benefits managers at **Procter & Gamble**, Mehoopany, PA, received the recent PHC4 HMO report. Martha Hadley, P&G's Health Care Manager, said the company has posted a link to PHC4's Web site on their Intranet Home Page, referencing the HMO report and encouraging employees to read the report before their health care benefit open enrollment. "We are very fortunate to have an independent state agency which evaluates the HMOs in our region. And we are encouraging employees to do their own comparison shopping with this unbiased source of both quality and service measures." Just before open enrollment, she says she will remind employees to visit the site. "PHC4 data seems to validate some of our experience in the health care service arena," according to Hadley.

The HMO report was shared with the **Pennsylvania Employees Benefit Trust Fund's (PEBTF)** health care consultant, William M. Mercer Company. PEBTF staff and some members also study the report carefully. PEBTF says Mercer utilized the HMO study to compare data reported by HMO plans to PEBTF with the data reported to PHC4.

Gary Laabs, **Utz Quality Foods, Inc.** Vice-President, uses the reports in-house to assist in evaluating providers and

HMOs. He also serves as a member of the Hanover Area Health Alliance, where he distributes PHC4 reports. He is one of many participants in the purchasers' education and networking meetings hosted by PHC4, where reports are discussed in depth.

David Smalley, a principal at **Tra-Tech, Inc.**, a consulting firm for educators, distributed about 2,400 copies of an executive summary of the PHC4 CABG report. Smalley encouraged Western Pennsylvania teachers, support staff and administration to take an active role in their health care and to understand the high costs that employers shoulder.

Area Labor Management Committees in locales such as York, Wilkes-Barre, Westmoreland County and the Lehigh Valley have distributed reports to their board members and/or invited PHC4 staff to give presentations to their memberships.

Lancaster County Business Group on Health (LCBGH) has included the monthly topic paper *PHC4 FYI* in its member newsletters. The LCBGH also distributes PHC4 publications at member meetings. In a recent letter to the agency, Carol Szutowicz, Executive Director noted, "We owe you folks a lot for saving us money and time in collecting relevant data and tracking outcomes. You are light years ahead [of other states]."

Could your organization use PHC4 data to support your analysis of a tough issue, or for outcome comparisons, or in your negotiations? Could our data help your employees during open enrollment? Could you create a hot-link to our Web site, use PHC4 information in one of your internal publications or introduce a new user to PHC4 data? Have you shared PHC4 information with your consultants, or used our data to validate data from another source? Do you want a health care database customized to your membership needs? Are you developing a "Centers of Excellence" approach that could benefit from PHC4 data? Can you distribute or offer PHC4 reports to the ultimate customer - the individual patient? Could you use a PHC4 speaker for your next meeting?

If any of these ideas suggest projects for your organization, we encourage you to contact us. Please consult with us on your special request, or download our enhanced reports directly from the Web; and if you need help, or want to give us another great idea, call us at 717-232-6787. We want to serve you!

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