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Profile: In-Depth Look at an Initiative that Is Making a Difference

The Puget Sound Health Alliance: Bringing Together Purchasers, Payers, Providers, and Consumers to Change the System

Summary: Motivated by the desire to stem the growing cost of health coverage for public employees, Washington State's King County Executive formed the Puget Sound Health Alliance, an organization of stakeholders that includes payers, purchasers, providers, and consumers. The Alliance's goal is to develop reforms to promote high-quality, evidence-based medicine and purchasing that will also address rising health costs. The Alliance is using its broad market share to encourage providers and insurers to offer better value to consumers, and giving consumers tools to manage their care more effectively. While other organizations around the country have brought together purchasers and payers, the Alliance is unusual in that it also includes providers and patients. The Alliance began in late 2004, and planners hope to see results of their efforts by early 2007.

Founded in December 2004, the Puget Sound Health Alliance is a private, nonprofit organization representing nearly 1 million covered lives in Washington State's Puget Sound region. Its more than 110 member organizations include public and private employers, health plans, providers and hospitals, and consumers—all dedicated to using value-based purchasing and evidence-based practices to control spiraling health costs and improve the quality of care. The members were brought to the table by King County Executive Ron Simms and Alliance Executive Director Margaret Stanley, following the recommendation of the King County Health Advisory Task Force in 2004.^[1] Members were drawn together by a common objective: to develop solutions that could be supported by all stakeholders, so that real change could occur.

The group seeks to build strong alliances among patients, doctors, hospitals, employers, and health plans to promote health and improve quality and affordability by reducing overuse, underuse, and misuse of health services. In line with this mission, the Alliance has outlined several initiatives:

- develop evidence-based clinical guidelines for diabetes, heart disease, back pain, depression, and pharmaceutical prescribing;
- produce publicly available reports measuring quality performance of providers in the Puget Sound area, and potentially across the state;^[2]
- encourage greater adoption of health information technology and electronic health records and prescriptions;
- recommend incentives to encourage improved health and treatment outcomes while simultaneously rewarding quality, affordability, and patient satisfaction; and
- provide tools for employees on how to manage their health and health care and for employers and unions to support better health.

Shared Concerns

The Alliance's goals—improving quality of services, improving outcomes, slowing the rate of cost increases, strengthening partnerships between patients and providers, expanding use of evidence-based decision-making, and ensuring collaboration rather than duplication—resonate

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with a broad swath of health care stakeholders. This has enabled the Alliance to broaden its reach, attracting members not only in King County but also from the four adjoining counties of Kitsap, Pierce, Snohomish, and Thurston. King County Executive Sims and Alliance Director Stanley meet potential members to explain the impact that the Alliance could have on the state's health care system. As the Alliance's reputation spreads, membership is growing.

Several months ago, the Alliance conducted an online consumer survey. It received nearly 2,900 responses from individuals across the targeted five-county area. Among the issues that emerged as most important to respondents were: making health care more affordable; making it easier to access information to help patients choose clinics and hospitals; and improving quality of care. These findings are consistent with the views expressed by patients who sit on the Alliance's consumer advisory group, which meets at least once a month to provide input on these and other issues.

Taking Steps to Lower Costs and Improve Quality

The Alliance is organized according to four committees: health information technology, quality improvement, communication, and an incentives work group, as well as a very active consumer advisory group. The quality improvement committee has already released its evidence-based treatment guidelines for heart disease and diabetes, and is in the process of developing guidelines for treatment of back pain, depression, and pharmaceutical prescribing. As the guidelines are completed, they are disseminated to the appropriate professionals and organizations, along with change strategies for incorporating them into common practice.

In early 2007, the Alliance will publish a report comparing data on quality, cost, and patient experiences in clinics and hospitals across the region. The Alliance is using measures outlined in the Institute of Medicine's 2005 *Performance Measurement* report, and is in the process of collecting insurance claims data for analysis.^[3]

The Alliance has published one-page "toolkits" for consumers, outlining steps to work effectively with providers to prevent and manage illness. Future toolkits will be geared toward employers and union/consumer representatives and suggest ways to support employees' healthy living.

In addition, the incentives work group is developing recommendations on how to align incentives for employees and providers, considering employee benefit design and pay-for-performance programs.

Finally, responding to a request from physician leaders on the quality improvement committee and the pharmaceutical clinical improvement team, the Alliance Board made recommendations to medical clinics, hospitals, and other patient care facilities urging them to adopt policies that reduce or eliminate the influence of pharmaceutical sales and marketing on provider prescribing decisions. Specifically, the Board recommends that these facilities not allow drug representatives to have unfettered access to physicians or distribute free drug samples. These positions are supported by the Washington State Medical Association and the Washington Chapter of the American Academy of Family Physicians.

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Challenges and Next Steps

Reaching consensus among stakeholders that often have different goals and incentives is tricky, even under the best circumstances. But through strong leadership and a clear mission, the Alliance has succeeded in the first and perhaps hardest step toward reform: bringing all parties to the table.

The next challenge for the Alliance is to develop meaningful recommendations and convert them to practical strategies. It is still too early in the process to see tangible results, such as changes in employee benefit packages or widespread adoption of evidence-based care guidelines. But according to Alliance officials, participating members are receptive to recommendations on how to align their varying incentives. This leads them to believe that, despite the challenges, there will be significant results in the not-too-distant future. For example, King County is establishing a health assessment program for county employees. The program is projected to reduce the county's health care cost increases by about 30 percent over the next two years through better detection and management of health conditions. Some private employers have expressed interest in pursuing a similar program for their employees. The Alliance is helping to facilitate discussion about the program between public and private employers.

The Alliance is also on the national radar screen, having recently been awarded a multi-year grant from the Robert Wood Johnson Foundation. The funding and technical support will assist the Alliance in creating a sustainable infrastructure for quality improvement through aligned incentives. In addition, the foundation has been working with the Alliance and three other [Aligning Forces for Quality](#) regions on a shared challenge: how to design and implement effective approaches to engage consumers in improving the health care system.

The Secretary of the U.S. Department of Health and Human Services recently visited Alliance leaders in Seattle to discuss shared priorities for greater health care transparency, use of incentives, and expanded use and interoperability of health information technology.

As the Alliance develops its products, recommendations, and strategies, it will serve as a guidepost for communities around the country on how to bring together stakeholders to make changes that improve health outcomes and the health care system as a whole.

Notes

[1] E. Hersh and D. Kendall, [The Puget Sound Health Alliance](#), Washington, D.C.: Progressive Policy Institute Case Studies in Innovation, January 2006.

[2] While the Alliance is not at this time expanding beyond the current five counties, the public quality report may include data from additional counties.

[3] Institute of Medicine, [Performance Measurement: Accelerating Improvement](#), Washington, D.C.: National Academies Press, December 2005.