

**“Better Ways to Pay for Health Care” Recommended by
National Health Care Quality Coalition**
*Network for Regional Healthcare Improvement report describes ways to improve
health care quality and control costs*

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Washington, D.C., Pittsburgh, Pa. (January 14, 2009) – As Congress and the Obama Administration search for ways to reform health care, a new report demonstrates that rationing and price controls are not the only ways to control health care costs. “Better Ways to Pay for Health Care: A Primer on Healthcare Payment Reform” provides an easy-to-understand explanation of the problems with current health care payment systems and describes alternative payment systems that will address these problems.

The concise guidebook, produced by the national nonprofit Network for Regional Healthcare Improvement (NRHI) with support from the Robert Wood Johnson Foundation, demonstrates how the way we pay for health care today drives up costs and penalizes doctors and hospitals that deliver higher-quality care. But the report doesn’t just document the problems – it explains alternative payment systems that can *so/lve* the problems without placing the kinds of restrictions on doctors and patients that doomed many managed care initiatives a decade ago.

For example, the report shows how “episode of care” payment systems provide the incentives for hospitals and physicians to coordinate their efforts in order to eliminate quality problems, such as hospital-acquired infections, and to improve efficiencies in care delivery. It also shows how “risk-adjusted global fees” can provide primary care physicians the resources they need to help people with chronic diseases stay well enough to avoid preventable hospitalizations, which is consistent with current national efforts to promote the use of “patient-centered medical homes.”

The information in the guidebook was originally prepared for NRHI’s 2008 national Summit on Healthcare Payment Reform. At that Summit, more than 100 health care leaders from across the country developed recommendations on how to implement the improved payment systems described in the report. (The recommendations on implementation are described in NRHI’s previously released report, “From Volume to Value: Transforming Health Care Payment and Delivery Systems to Improve Quality and Reduce Costs.”) The payment systems described in the “Better Ways to Pay for Health Care” report were developed and endorsed at a previous national summit organized by NRHI in 2007.

“Creating a better health care payment system is an essential part of any health care reform initiative. This report should help policymakers and others interested in health reform understand that there are alternative payment systems that can foster higher-quality care while helping control costs,” said Michael W. Painter, J.D., M.D., a senior program officer at the Robert Wood Johnson Foundation, which has provided financial support for NRHI and the 2008 Payment Reform Summit.

“The improved payment systems described in this report are not ivory-tower theories—versions of them have been tested successfully in various parts of the country over the past two decades,” said Harold Miller, president and CEO of NRHI, who authored the report. “Moreover, health care leaders from across the country have endorsed these payment systems in two successive national summits convened by the Network for Regional Healthcare Improvement.”

This is the second in a series of reports from NRHI examining ways to reform payment systems in order to improve quality and reduce costs in the health care system. NRHI plans to hold another national summit on payment reform this year, and to encourage implementation of the reforms the report recommends in regions across the nation.

To download and read the report: www.nrhi.org/reports.html.

The Network for Regional Healthcare Improvement (NRHI) is a national coalition of regionally-based, multi-stakeholder organizations that are working to improve the quality and value of health care delivery. NRHI facilitates information sharing among regions and encourages national policies that support regional quality improvement efforts. NRHI’s members include the California Cooperative Healthcare Reporting Initiative, the California Quality Collaborative, the Greater Detroit Area Health Council, the Institute for Clinical Systems Improvement (ICSI) in Minnesota, the Iowa Healthcare Collaborative, the Louisiana Health Care Quality Forum, Massachusetts Health Quality Partners, Minnesota Community Measurement, the Pacific Business Group on Health, the Pittsburgh Regional Health Initiative, the Puget Sound Health Alliance, the Utah Partnership for Value-Driven Health Care, and the Wisconsin Collaborative for Healthcare Quality. The Robert Wood Johnson Foundation, the Jewish Healthcare Foundation, and the California HealthCare Foundation are providing financial support for NRHI.

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