

Health Care Reform That Works.

It Is Not Only Possible, It's Proven.



Health Care

at the
Right Place

at the
Right Time

at the
Right Price



Collaboration that works for you and your employees.

Health care and business are inextricably connected. If your employees aren't healthy, your business could suffer from lost productivity and high health care costs. Health care is taking up more and more of your budget and is costing your employees more. It's clear that the system needs to change. Who will you trust to identify solutions that will lead to long-lasting, effective health care reform for all?

Enter Buyers Health Care Action Group.

When it comes to health care reform, the Buyers Health Care Action Group (BHCAG) has been working to improve the health care system since 1988. Our goal is simple, yet significant: to change health care so consumers receive the right care in the right place, at the right time and at the right price. To achieve this goal, BHCAG collaborates with its member organizations and key players in the health care industry to give voice to the concerns of businesses and consumers, and to facilitate the problem solving process. Our mission is to redirect the health care system to focus on a collective goal of optimal health and total value.

BHCAG is a coalition of private and public employers working together to change the health care system. We use smart, data-driven solutions to improve the quality and value of health care for consumers and employers. Using the collective voice of our member organizations, BHCAG works to improve consumer engagement and access, provider accountability and outcomes, and reduce costs through a variety of successful initiatives. These efforts have produced groundbreaking change in the industry both locally and nationally.



1. Quality Improvement. First and foremost, cost and quality information must be transparent so consumers can make wise health care decisions. In addition, offering performance information to providers helps them improve care and achieve better outcomes.

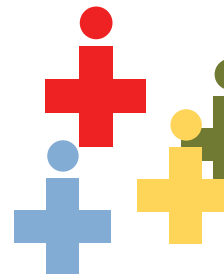
2. Accountability. Health care providers, health plans and other stakeholders must be held accountable for delivering high-value services and for sharing patient satisfaction, cost and outcomes data.

Guiding Principles for Meaningful Change.

3. Efficiency. Efficient health care ensures that patients receive the right care at the right time and at the right price. BHCAG makes this possible by restructuring the way providers are paid for high-quality services. Providers rewarded for high-quality care are no longer incented to provide unnecessary services or treat only the healthiest of patients.

4. Consumer Knowledge and Self-Reliance. BHCAG envisions a health care market where consumers drive competition based on knowledge about quality, service and cost. BHCAG wants consumers to have the price and quality information necessary to make educated decisions.

“Minnesota has some of the most inventive, consumer-driven health care models in the nation. Where employers are organized and actively involved in purchasing and quality initiatives, you will find a community with innovative health-benefit and quality-improvement programs.”
- Regina Herzlinger, Harvard Business School professor and author of *Consumer-Driven Health Care*



The **Advantages** of Membership.

As a member of BHCAG, your organization will gain access to a variety of resources that can help you make better health care purchasing decisions. In addition, you will play an integral role in improving health care in Minnesota by collaborating with other stakeholders and driving results on the issues most important to you and your employees. Here are just a few of the ways you'll benefit from being a BHCAG member organization.

Information

Information is power. And as a BHCAG member, you'll get information on current health care issues and future trends. Our connections allow us to bring together decision makers, experts and data that will help you with long-term strategic planning, while addressing the practical issues that impact your health benefits today. Through our community dialogues and forums you'll be educated on important issues and hear perspectives from employers, health plans and clinicians. You will become part of the solution.

Advocacy

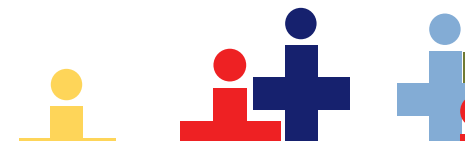
BHCAG advocates for an efficient health care system that provides patients with the best care possible. We believe that when it comes to health care, more is not necessarily better. We believe that employers and individuals need a voice in this debate and BHCAG provides that. We understand that individual patients need the information, skills and tools to effectively manage their own participation in health care. And we have proven that, together, we have the voice, strength, bandwidth and political clout to influence health care reform from Minnesota all the way to Washington, D.C.

Best Practices

Throughout our history, BHCAG has focused on providing value for all health care stakeholders, with a vision for infrastructure changes that have influenced national standards.

- **Health plan evaluation:** BHCAG's eValue8 initiative has become a national benchmark for evaluating the performance of health plans by using standard criteria for performance expectations.
- **Quality improvement:** To reduce practice variation, BHCAG created the Institute for Clinical Systems Improvement, which has become a national model for the development of clinical guidelines.
- **Provider pay-for-performance:** Through Minnesota Bridges to Excellence, BHCAG is shifting the focus from quantity of services delivered to quality of outcomes achieved. By providing financial incentives for specific clinical outcomes, BHCAG is motivating physicians to measure and report outcomes and to focus on implementing best practices to accelerate improvement.
- **Purchasing principles:** As a founding member of the Smart Buy Alliance, BHCAG helped create the market's prevailing best-practice purchasing principles.

“There is no question that BHCAG is having an impact in the marketplace and that its employers are committed to raising awareness of health care quality.” - *Value Purchasers in Health Care: Seven Case Studies*, Milbank Memorial Fund



BHCAG Reform Milestones

1988: BHCAG is born when four Minnesota business leaders, frustrated by escalating health care prices, band together. They theorize that if they collectively apply their purchasing clout to the health care market, they can reform the system, making it more efficient and economical for employers to offer health care to workers.

1992: Nine leading BHCAG employers begin delivering health benefits as a group through a preferred provider organization. The Institute for Clinical Systems Improvement (ICSI) is formed in direct response to BHCAG's stipulation that all participating providers have continuous quality improvement programs in place.

1996: BHCAG creates the Minnesota Health Partnership on Integrated Disability Management, a five-year demonstration project funded by the Robert Wood Johnson Foundation, coordinating health care and disability prevention.

1996: The state of Minnesota, a key public purchaser of health care, joins BHCAG, demonstrating that all health care purchasers – whether public or private – share a common goal of improving the health care marketplace.

1997: BHCAG launches a broad-based pharmacy program to control spiraling drug costs. The pharmacy program is “carved out” of the health plan, and the new approach gives drug rebates directly to health care systems. Physicians are empowered to control costs while prescribing the medications patients need without restrictions set by health plans.

1997: BHCAG breaks ground with Choice Plus, the nation's first health care plan offering direct contracting between employers and physicians. Choice Plus proves to be a successful model, from both business and quality care standpoints. It creates increased competition for health care providers and gives employees new information on health care prices and consumer satisfaction.

1998: BHCAG introduces the annual Excellence in Quality Awards, honoring health care organizations that demonstrate measurable quality improvements with recognition and cash awards. In four years, nearly \$1 million is awarded to organizations that improve quality, safety, preventive care and patient satisfaction.

1998: BHCAG establishes a national Centers of Excellence network for organ transplants, ensuring that its members' employees have access to the best medical talent and services.

1998: An innovator in risk adjustment, BHCAG is among the first in the nation to adjust payments to physicians caring for the sickest patients. Today, BHCAG's experience is being shared with other early innovators and used to develop local and national policies and standards.

1999: BHCAG is honored as the winner of the Ellwood Award for Excellence in Health Care Accountability, presented by FACCT, the Foundation for Accountability.

1999: All Minnesota health plans, including BHCAG employers, accept guidelines developed by ICSI. BHCAG's employers pioneered adoption of the guidelines, ultimately proving that uniform standards can prevent medical errors and paving the way for health plans statewide to accept the ISCI program.

2000: In partnership with local health care systems, BHCAG launches HealthFront, a non-profit organization designed to engage consumers in health care initiatives, particularly programs that promote consumerism and quality care. HealthFront also promotes innovation in patient safety and health care access.

BHCAG Reform Milestones

2001: BHCAG hosts *A Force for Innovation: Consumers Taking Charge of Their Health Care*, a symposium bringing together more than 250 employers, consumers, lawmakers, health care providers and insurers to discuss the forces shaping the future of health care. Keynote speaker Harvard University professor Regina Herzlinger, author of *Consumer-Driven Health Care*, describes a promising future where consumers will force health care providers to be innovative in order to compete on quality and the cost of their services.

2001: The National Health Care Purchasing Institute recognizes BHCAG for its marketplace leadership in value-based benefits purchasing and empowering consumers to choose the best health care systems. BHCAG receives the National Health Care Purchaser Awards Honorable Mention – Private Sector.

2002: BHCAG is a founding member and the regional leader of The Leapfrog Group, a consortium of influential businesses and public health care purchasers that uses its buying clout to encourage health care facilities to reduce medical errors and save lives. The group alerts the health care industry that big leaps in patient safety and customer value will be recognized and rewarded with preferential use.

2002: Organizations nationwide have the power to better measure and manage health care costs and performance through BHCAG's National Healthcare Data Cooperative. Members have access to detailed data on their medical and drug costs, as well as market-based evaluations and analysis that drive reform.

2003: BHCAG highlights health plan performance through eValue8, an annual survey intended to guide health care purchasing and consumer health plan selection based on health plan performance. Through data collected annually, the survey asks health plans to submit information about their clinical quality and administrative efficiency. BHCAG is one of eight organizations who join together to develop the eValue8 Request for Information tool – a set of common quality

performance expectations for health plans that purchasers can use to evaluate plans based on real value, not just price.

2004: BHCAG and a number of influential health care purchasers launch the Smart Buy Alliance. This collaboration of the State of Minnesota, business and labor groups brings together a wide variety of organizations that have agreed to pursue common market-based health care purchasing principles.

2005: BHCAG restructures as a not-for-profit membership organization and invites other health care stakeholders to be part of the solution. While maintaining a purchaser-driven agenda, BHCAG expands its influence in the market through broader collaboration.

2006: Seven employers establish Minnesota Bridges to Excellence, a program that rewards doctors for optimal diabetes care.

2007: Thanks to the influence of BHCAG, clinics start reporting their health care quality information directly to MN Community Measurement, which in turn makes the clinic-level information publicly available for the first time.

2007: BHCAG expands the Minnesota Bridges to Excellence program by recruiting four additional employers and the Minnesota Department of Health and Human Services managed care programs and by adding rewards for optimal vascular disease.

2008: BHCAG launches myHealthfolio, which partners with Microsoft HealthVault – a personal health platform that lets consumers securely gather, store and share health information online. myHealthfolio is different from traditional personal health records because it is completely untethered to a specific provider, health plan or employer which allows consumers to manage their health and health life information.

2009: Two more employers join Minnesota Bridges to Excellence and depression care is added as the third chronic condition in the pay-for-performance program.

BHCAG's Ongoing Legacy.

Being a change agent for health care reform is more than just talk. BHCAG has been successful in developing programs and initiatives that drive real, measurable change for our members and their employees.

BHCAG Foundation

A grant-making, tax exempt 501(c)(3) charitable organization, the BHCAG Foundation supports programs, projects and research that highlight the performance of doctors, hospitals and health plans. In addition, it disseminates the resulting information to broadly facilitate learning and create opportunities for community-wide improvements in health, health care and health care delivery.

Bridges to Excellence

Thousands of Minnesotans are receiving better care for conditions like diabetes, vascular disease and depression as a result of the Minnesota Bridges to Excellence program. This program, which has gained national recognition, provides financial rewards to providers that achieve optimal outcomes for these conditions.

Choice Plus

BHCAG created the nation's first consumer-directed health plan offering direct contracting between employers and physicians. Its revolutionary approach included transparent pricing, quality ratings for providers, and consumer satisfaction measures.

eValue8

eValue8 provides an innovative, standardized tool employers use to annually evaluate health plans on performance and value.

myHealthfolio

myHealthfolio is the nation's first electronic health/life management tool in which consumers own and control their own confidential information. Unlike a personal health record, myHealthfolio is not connected or tethered to any specific provider, health plan or employer.

National Healthcare Data Co-Op

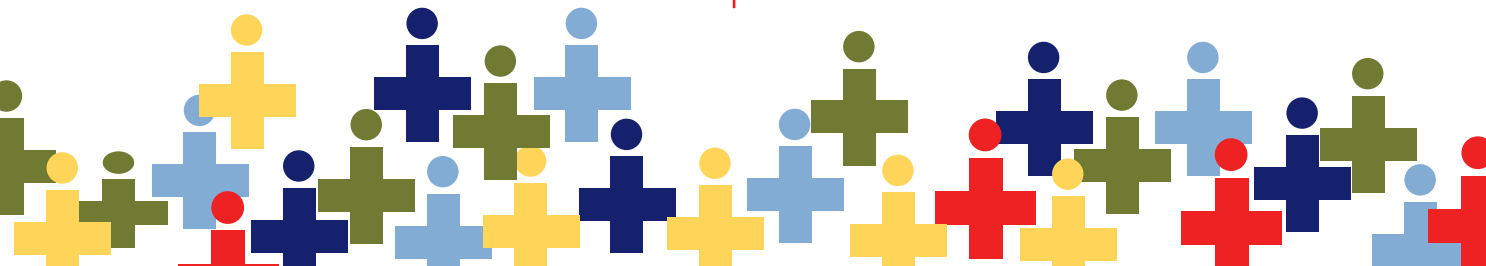
The National Healthcare Data Cooperative was created to provide BHCAG members with a cost-effective data warehousing tool for medical, pharmacy and eligibility data. Now a national employer initiative, it allows employers to evaluate and benchmark the effectiveness of their health care spending.

Patient Safety

As a founding member of The Leapfrog Group, BHCAG is committed to reducing medical errors in hospitals. BHCAG also provided seed money to help establish reporting protocols for Minnesota's Adverse Health Events Reporting Act.

Smart Buy Alliance

As a founding member of the Minnesota Smart Buy Alliance, BHCAG brought together a number of diverse and influential healthcare purchasers to align best-practice purchasing principles to drive improvement in healthcare delivery.



Become Part of the Solution.

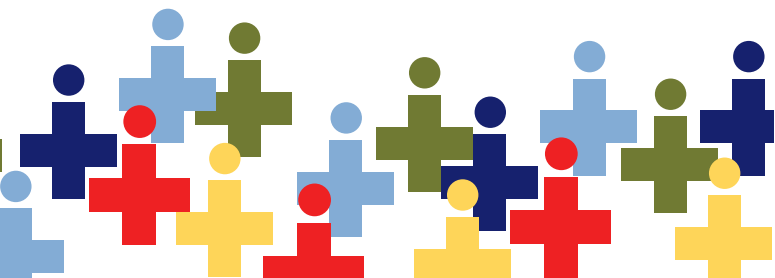
You want the best for your employees and your company. To be your best, you have to face health care head on. But you don't have to do it alone. By becoming a BHCAG member, you have the power to find common solutions that will make health care reform a reality.

Here are some of the strategies that you can be a part of:

- Openly challenge conventional practice and foster innovation
- Aggressively pursue performance improvement
- Actively influence the behavior of all stakeholders to achieve alignment in providing and purchasing health care
- Proactively engage and connect employers to initiatives that further our goal of optimal health and total value

To learn more about BHCAG and how to become a member, call us at 952-896-5186 or send us an e-mail at bhcag@bhcag.com.

With BHCAG, health care reform is not only possible, it's proven.



buyers health care action group
BHCAG

Health Care Reform For All The Right Reasons

7900 International Drive, Suite 1080

Bloomington, MN 55425

(952) 896-5186

www.bhcag.com