

**Pacific Business Group on Health**  
**<http://www.pbgh.org/>**

**I. Summary**

The Pacific Business Group on Health (PBGH), a business coalition of 50 purchasers, seeks to improve the quality and availability of health care while moderating cost. Since 1989, PBGH has worked with state and national organizations to promote health care measurement, trend moderation, and system accountability through public reporting of data. PBGH seeks to 1) increase the availability and usability of quality and economic efficiency performance information for all levels of care: health plans, hospitals, medical groups and individual physicians and 2) identify high impact methods to improve performance and create market demand for adoption by plans and providers through effective value purchasing and consumer engagement efforts.

**II. Statement of purpose**

Purchasers often discuss issues of quality but seldom take the initiative to promote it. Pacific Business Group on Health and its members invest directly in quality initiatives through their Quality Improvement Fund. They incorporate quality into their negotiations and ongoing dialogue with health plans, medical groups and hospitals. And, on behalf of its members, PBGH has used quality measurement tools to drive improvement and accountability. PBGH gives a collective voice for purchaser interest in standardized comparable quality information as well as efforts to recognize and reward quality providers. PBGH works with multiple stakeholders and consistently seeks to advance quality efforts while streamlining the collection and reporting of data to minimize new burdens.

**III. Outcomes**

Over the past ten years, much has been accomplished to improve the measurement of health care quality at the health plan level. While those efforts continue to be critical, there is substantial need for quality information at other levels of care—medical groups, hospitals and individual physicians. Examples of PBGH activities are listed below and described in the profiles linked above and below:

**Health Plan:** PBGH focuses on supporting efficient collection of standardized plan information, assuring robust measures and expanding our understanding of traditional health plans delivery of care to the chronically ill and providing tools for purchasers to better understand quality in PPOs. PBGH activities include the following:

- Maintaining the full range of health plan-level quality measures to inform purchasing and consumer choice.
- Assessing the relative effectiveness of health plan disease management programs, providing health plans with benchmark information and PBGH members with plan-specific comparisons.
- Assessing consumers' experience in the largest PPOs in California, providing tools for comparison among PPOs and between HMOs and PPOs.
- Providing ongoing assessment of "consumer-driven" elements of traditional and new health plans.

**Hospital:** PBGH is leading efforts for hospital-level comparison and improvement by the following activities:

- Leveraging purchaser action to drive hospital reporting and implementation of practices that reduce medical errors through Leapfrog California.
- Collaborating with health plans on the Hospital Value Initiative (HVI). HVI is designed to develop consensus among California stakeholders on a standard, scientifically-defensible way to measure the cost efficiency of hospitals, and generate comparative results in 2006. For more information, see the Hospital Value Initiative Project Description. HVI reports include "Hospital Cost Efficiency Measurement: Methodological Approaches", an introduction to the methods and terminology underlying cost-efficiency measurement. A report summary is here. Also see Cost Efficiency at Hospital Facilities in California: A Report Based on Publicly Available Data. See the summary here.
- Building on PBGH's partnership with the State of California to disseminate the Coronary Artery Bypass Graft (CABG) outcomes report, (which motivated passage of SB680 calling for mandatory reporting by hospitals), and encouraging the State of California to do similar reports for other conditions.
- Collaborating with health plans, hospitals, purchasers and consumer groups on the California Hospital Assessment and Reporting Taskforce (CHART). The goal of CHART is to develop data systems and reporting mechanisms for hospital performance reporting.
- Working to promote national standardization efforts.

**Medical Group and Individual Physicians:** PBGH leads efforts to drive quality measurement and improvement at the medical group and physician level. PBGH activities include the following:

- Expanding the assessment of patient experience at the medical group level through the Patient Assessment Survey to encompass 155 groups, reflecting over 80% of California's health plan enrollees.
- Developing a sustainable, ongoing measurement and reporting system for individual physicians.
- Improving the clinical care of patients with chronic conditions by fostering coordination between health plans and medical groups through the California Quality Collaborative.

**Completed Programs:** The following PBGH initiatives have been concluded.

- The Provider Group Oversight Improvement Project brought together medical groups, plans, accreditors and regulators to reduce the administrative burden.
- The Silicon Valley e-Health pilots sought to enhance patient-doctor communication and tested new ways to reimburse physicians for e-visits.
- CALINX, the California Information Exchange, was a pioneering effort by California purchasers, plans and providers to collaborate in the development of standards for the exchange of health care information.

#### **IV. Additional References**

##### **Measuring Health Plans Disease Management Programs**

**<http://www.pbgh.org/programs/dmep/default.asp>**

The Disease Management Effectiveness Program evaluates existing disease management programs against criteria endorsed by national experts recognized as leaders in this field.

##### **Preferred Provider Organization Customer Survey**

**[http://www.pbgh.org/programs/ppo\\_survey.asp](http://www.pbgh.org/programs/ppo_survey.asp)**

The survey provided the first in-depth effort to compare consumer experiences in the major PPOs with which PBGH members contract.

##### **California Hospital Assessment and Reporting Taskforce (CHART)**

The California Hospital Assessment and Reporting Taskforce (CHART) was created to address some of these concerns by investigating the feasibility

of producing a statewide hospital report card through a collaborative process.

<http://www.chcf.org/topics/hospitals/index.cfm?itemID=111065>