



## **Purchaser Value Network (PVN) Frequently Asked Questions**

### **What is the Purchaser Value Network (PVN)?**

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PVN is a network of and for purchasers that aims to accelerate the adoption of high value healthcare delivery and payment models through policy advocacy, education and purchaser engagement.

The network seeks to:

- Inject purchaser perspectives and innovative best practices into federal and state policy decision making
- Educate employers about value-based purchasing and advocacy opportunities
- Align the three critical purchaser sectors—private employers, states and the federal government—around evidence-based practices

### **Why was PVN created?**

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The current healthcare system is not optimally designed to achieve the best outcomes for patients. The system largely focuses on paying for volume – the number of medical services delivered – rather than the value of these services. Physicians and hospitals are not financially rewarded for delivering high quality care, and they receive little incentive to coordinate with other specialists and hospitals to improve patients’ care experience and outcomes.

Healthcare purchasers are the most powerful voice for consumers and patients in the U.S. and, because they hold the dollars, they have the influence to change how healthcare is delivered – but many of them don’t know how to use this influence. While some purchasers in the public and private sectors have recognized the potential of value-based payment models to reduce costs and improve patient care, and have even successfully transitioned to these payment models, the pace of implementation has been slow.

PVN was created to educate key purchaser sectors – private employers, states and federal purchasers – on value-based purchasing and to leverage the lessons learned from successful models to accelerate the pace of value-based payment adoption.



## **What does PVN offer/do for purchasers?**

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PVN offers U.S. purchasers educational tools and resources that help them understand and implement value-based arrangements for their own population and in their community, including:

- **Toolkits:** PVN offers toolkits that highlight practical steps that employers can take to adopt value-based payment models. Each toolkit will focus on specific practical areas such as improving maternity care, evaluating ACOs in your community, and entering into bundled payments for orthopedics or cancer care.
- **Best practices:** PVN develops, aggregates and shares best practices and tools from our partners and other value-based payment pioneers.
- **Webinars:** PVN hosts regular webinars for employers to help them understand value-based purchasing and highlight real-world applications currently being deployed out in the field.
- **Meetings:** PVN hosts ongoing regional meetings with employers in conjunction with partners and other regional purchaser coalitions.

PVN also collaborates with groups in the private and public sectors to ensure that the purchaser's voice is heard when new policies affecting new payment and delivery models are being made.

Detailed information about all the activities and offerings listed above can be found on the PVN website: [www.PVNetwork.org](http://www.PVNetwork.org).

## **What makes PVN different from other groups that have been created to increase adoption of value-based payment models?**

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PVN is the only initiative exclusively focused on educating and advocating for all three purchaser groups – private employers, state and federal purchasers – to accelerate value-based healthcare payment adoption.

PVN is led by the Pacific Business Group on Health (PBGH), which represents 60 large healthcare purchasers that collectively purchase healthcare services for more than 10 million individuals in the United States. PBGH has extensive experience in collaborating with its member organizations to test and scale innovative approaches across the U.S. to drive improvement in the healthcare system.



## **What is value-based purchasing and why does it matter to employers?**

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Value-based purchasing is a strategy used by purchasers to promote quality and value of healthcare services. The goal of any value-based purchasing model is to shift from paying for quantity of care to quality of care with the ultimate goal of reducing healthcare spending and improving patient outcomes. Examples of such payments include pay-for-performance programs that reward improvements in quality metrics; medical homes for care coordination; bundled payments for episodes of care; and accountable care arrangements that promote coordination between providers.

By purchasing care based on quality, service, and cost, rather than cost alone, purchasers can help to shift healthcare to a value-driven system in which higher quality of care is achieved at the lowest possible cost.

## **How can purchasers get involved?**

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Below are the many ways that employers can get involved in the PVN and/or help to implement value-based purchasing for their population or within their community:

- Join a local business health coalition. A list of regional coalitions can be found at [www.nbch.org](http://www.nbch.org).
- Inform your benefit consultant you want to adopt a value-based payment arrangement.
- Leverage all of PVN's offerings, including:
  - Download a PVN toolkit and other resources to start putting value-based purchasing strategies into practice
  - Participate in a PVN event or webinar
  - Sign up for the PVN newsletter for the latest updates on value-based purchasing
  - Take action based on the guidance provided through PVN's materials
  - Share your experiences and best practices with PVN
  - Join the PVN Advisory Board

## **Is there a specific value-based purchasing model that the PVN thinks is the best?**

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While there is no peer reviewed evidence that definitively supports one value-based purchasing model over others, successful value-based models generally are those that effectively address most, if not all, of the following tenets:



- Affordability. Value-based payment should promote affordability and be designed to moderate the total cost of health care.
- Multi-payer alignment. Promote value-based payments across multiple public and private payers to amplify the impact of incentives, mitigate cost shift and ease the administrative burden on providers.
- Information transparency. Share information about clinical performance and financial arrangements to promote accountability. Encourage participation in collaborative measurement and performance reporting at the level that matters for individual decision-making.
- Outcomes-focused. Use measures that hold providers accountable for outcomes rather than rely on structure and process indicators. Leverage emerging sources source of information including electronic medical records, clinical data registries, and community-wide health information exchanges.
- Patient-centered. Use a patient-centered, team-based approach to care delivery and member engagement that supports shared decision-making between patients and providers. Support expanded avenues for access via email, Web and telemedicine.
- Competitive marketplace. Support competition and transparency, providing consumers with information about the relative performance, cost and efficiency of providers.
- Meaningful use of health information technology. Support effective use of health information technology for clinical decision support, clinical integration, information exchange among providers and with members.

However, at its essence, all health care is local – a value-based model that works for one particular community might not work well for another. Ultimately, if we are to improve healthcare delivery and lower costs, the goal isn't to have one model or one answer, but to leverage learnings and experiences to develop a suite of tools that can help accelerate this process.

## **What is PBGH?**

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The Pacific Business Group on Health (PBGH), based in San Francisco, Calif., is a not-for-profit business coalition focused on improving the quality and affordability of health care. The group represents 60 large health care purchaser members with more than 10 million employees, retirees and dependents.

## **Where can I get more information?**

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For more information about PVN and how you can get involved, visit [www.PVNetwork.org](http://www.PVNetwork.org) or email us at [PVNinfo@pbgh.org](mailto:PVNinfo@pbgh.org).