



THE ALLIANCE  
ANNUAL REPORT

2019

## High-Value Health Care: *The Intersection of Quality and Cost*

“

*Alliance members are using information about quality and cost to help their employees find doctors and hospitals that do a good job and cost less. We're moving business to them and in the process we're creating a market that recognizes and rewards high value.*

”

- Cheryl DeMars, President and CEO at The Alliance

Watch Cheryl's three-minute presentation given at Disrupt Madison 2019:



# LETTER FROM THE BOARD CHAIR

Dear members and friends:

“High-Value Health Care: The Intersection of Quality and Cost” is this year’s theme for both our annual meeting and annual report. This theme was inspired by a combination of the history and the future strategy of our cooperative.



Employers formed The Alliance in 1990 for the purpose of obtaining high-value health care. Since that time, there have been enormous changes in the health care industry, and in our region, driven by regulatory forces and natural market evolution.

The Alliance invests its resources on initiatives that are likely to have the biggest impact in terms of both value for members and influence on the market.

This is why your cooperative is focused on the four core drivers employers, as purchasers, can use to have a positive impact on health care cost and quality.

## THE ALLIANCE’S HIGH-VALUE HEALTH CARE CORE DRIVERS ARE:

- 1 Transparency** - We can’t manage what we can’t measure. The Alliance works to expand access to information comparing cost and quality, so we can choose providers that deliver good results at lower prices.
- 2 Provider network design** - The Alliance contracts directly with providers on our behalf to ensure convenient access to care for our employees while encouraging competition on price and quality. Our provider network is expanding to include doctors and hospitals in new markets, based on the needs of current and prospective cooperative members, giving employees more high-value care options.
- 3 Payment reform** - The way we pay for health care influences the behavior of clinicians and hospitals. That is why The Alliance is continuing to refine our payment methodology to reward cost effective, high quality care rather than volume of services.
- 4 Benefit plan design** - Employers can add incentives to their benefit plans encouraging employee use of certain doctors and hospitals - not to limit choice but to choose those that deliver the best care at the lowest cost. When enough employers adopt this approach, physicians will be motivated to improve the value of their care. Each Alliance member company can do its part to improve our local health care market by adopting a value-based approach to benefit plan design.

On behalf of The Alliance Board of Directors, I encourage you to learn more about your cooperative’s work to achieve high-value health care and your role in moving health care forward. We all want better health for our organizations, employees and families. And The Alliance can help.

Best regards,

**Larry Pribyl**

Board Chair, The Alliance

Chief Financial Officer, Trachte Building Systems, Sun Prairie, Wis.

# THE ALLIANCE BOARD OF DIRECTORS



**Richard Campbell**  
Head of Human Resources  
ABS Global, a division of  
Genus PLC  
DeForest, Wis.



**Lisa Henke**  
Benefits Manager  
County of Walworth  
Elkhorn, Wis.



**Larry Pribyl**  
Board Chair  
CFO  
Trachte Building Systems  
Sun Prairie, Wis.



**Diana Clark**  
Benefits Manager  
Promega Corporation  
Madison, Wis.



**Annette Mikula**  
Vice Chair  
Human Resources Director  
Rock County  
Janesville, Wis.



**Kyle Reading**  
President  
Spuncast, Inc.  
Watertown, Wis.



**Wendy Culver**  
Immediate Past Chair  
Chief Human  
Resources Officer  
Mead & Hunt  
Madison, Wis.



**Brad Olm**  
Vice President of  
Human Resources  
Gordon Flesch  
Company, Inc.  
Madison, Wis.



**Shirley Reif**  
Secretary-Treasurer  
Crest Foods Company, Inc.  
Ashton, Ill.



**Mick Gronewold**  
Owner  
Fehr Graham -  
Engineering &  
Environmental  
Rockford, Ill.



**Craig Parsons**  
President  
Palmer Johnson Power  
Systems  
Sun Prairie, Wis.

# READING THE ROADMAP TO SUCCESS

The Alliance offers our employer members initiatives that align to our four core drivers of success. We believe these will have the most impact attaining high-value health care. The more employers utilize the strategies, the larger the impact will be.

**United, we accomplish more than any one of us can do on our own.**



## ALLIANCE INITIATIVES IN PURSUIT OF HIGH-VALUE HEALTH CARE



The Alliance is providing personalized, strategic data analysis to inform employers where they can offer incentives to steer employees for optimal savings. Alliance members using this service can expect to save an average of 10-12% annually.



The Alliance is rolling out a model for employer Shared Site Primary Clinics. Evidence shows that investing in high-value primary care results in better patient experiences and health status, while saving money for both employer and employee.



The Alliance *QualityPath* initiative has shown success reducing cost and guaranteeing quality for select procedures; hip replacement, knee replacement, CT scans, MRI scans and colonoscopies.



The Alliance is monitoring both state and federal health policy legislation on behalf of our members. The Alliance Board of Directors Health Policy Committee is working to engage Alliance members in grassroots advocacy, ensuring policy-makers hear the employer perspective.



The Alliance provider network is expanding to additional geographic regions, based on where our members are seeking care. As our members expand their businesses, we expand our network.



The Alliance is focusing on payment reform, moving to a percent-of-Medicare contracting method. This strategy rewards value and results rather than volume.

# OUR NETWORK

We contract directly with providers on employer's behalf to ensure convenient access to care for our employees while encouraging competition on price and quality. Our provider network is expanding to include doctors and hospitals in new markets, based on the needs of current and prospective cooperative members. Greater choice gives employees more high-value options, making any incentives may provide more effective.

## THE ALLIANCE PROVIDER NETWORK INCLUDES MORE THAN:

**131** hospitals

**11,000** medical doctors

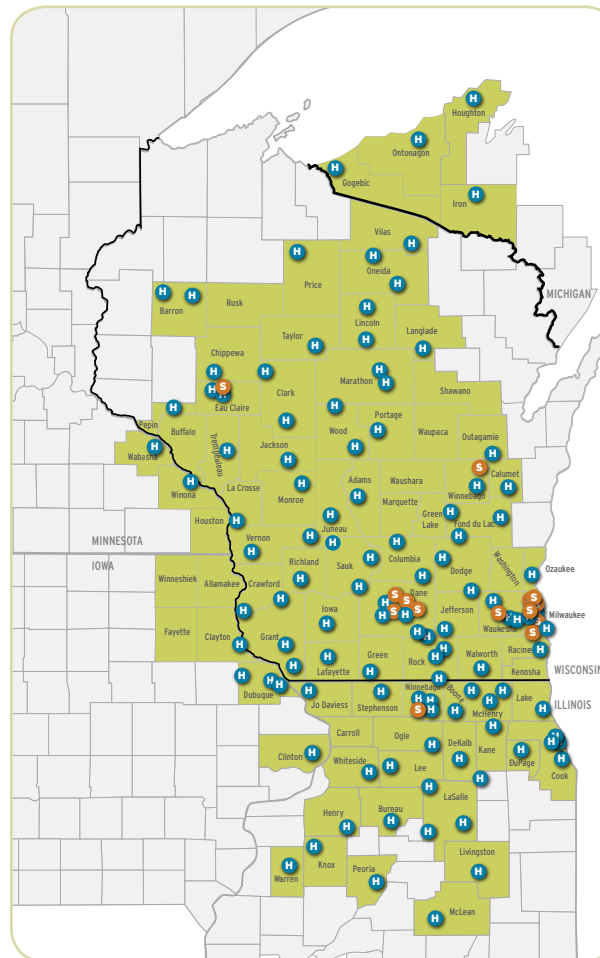
**4,700** medical clinic sites

**515** chiropractic clinic sites

**825** mental health clinic sites

**300** home health/durable medical equipment agency locations

**23,000** total professional service providers in Wisconsin, Illinois, Minnesota and Iowa.



## THE ALLIANCE IN WISCONSIN & MINNESOTA

**WIS.** - Adams, Barron, Buffalo, Calumet, Chippewa, Clark, Columbia, Crawford, Dane, Dodge, Eau Claire, Fond du Lac, Grant, Green Lake, Green, Iowa, Jackson, Jefferson, Juneau, La Crosse, Lafayette, Langlade, Lincoln, Marathon, Marquette, Milwaukee, Monroe, Oneida, Outagamie, Ozaukee, Pepin, Portage, Price, Racine, Richland, Rock, Rusk, Sauk, Shawano, Taylor, Trempealeau, Vernon Vilas, Walworth, Washington, Waukesha, Waupaca, Waushara, Winnebago, Wood

**MINN.** - Wabasha, Winona, Houston

## THE ALLIANCE IN ILLINOIS & IOWA

**ILL.** - Boone, Bureau, Carroll, DeKalb, Henry, Jo Daviess, Kane, Knox, La Salle, Lee, Livingston, McHenry, McLean, Ogle, Peoria, Stephenson, Warren, Whiteside, Winnebago

**IOWA** - Allamakee, Clayton, Clinton, Dubuque, Fayette, Winneshiek

# HEALTH POLICY

The Alliance Board of Directors adopted a health policy platform to guide decision-making by The Alliance staff, members and health policy consultants on specific issues that may arise.

**PLANK 1** Cost and Quality Transparency

**PLANK 2** Aligning Incentives for Providers - Redesigning Payment Mechanisms to Promote Better Value

**PLANK 3** Supporting Consumers

**PLANK 4** The Health Care Marketplace - Preserve What Works, Fix What Doesn't and Remain Open to Change

Your voice matters! Make sure your elected representatives know where you stand on public policy issues that matter to employers. The Alliance Health Policy Committee plays a key role in charting our course toward effective advocacy work at both the state and federal level.



[LEARN MORE ABOUT HEALTH POLICY AT THE ALLIANCE](#) ▶

## U.S. SENATE TESTIMONY

Cheryl DeMars, president and CEO at The Alliance testified on behalf of employers at the U.S. Senate Health Education, Labor and Pensions (HELP) committee hearing in Washington, D.C. Several of our member-employers joined her at the hearing to offer their support.

[READ MORE ABOUT THE HEARING](#) ▶





# EMPLOYER EDUCATION EVENTS

The Alliance hosts numerous events throughout the year, designed to provide a forum to learn, discuss, and network with your peers. Sign up here to stay apprised of upcoming Alliance events.

## 2018 - 2019 EVENT SEASON

July 24, 2018	The Opioid Epidemic Summit: Its Impact in the Workplace
Aug. 8 & 22, 2018	High-Value Primary Care Webinars
Sept. 11, 2018	The Alliance Annual Meeting 2018: Keeping a Lid on Specialty Rx Costs
Jan. 15, 2019	Wellness and Caregiving Benefits: Healthy Minds, Healthy Employees, Healthy Company
Feb. 21 & 22, 2019	A Different Approach to Primary Care
March 21, 2019	Health Policy: Keeping You in the Know, Post-Elections
April 11, 2019	Employer Connections in Northern Illinois
May 21, 2019	The Alliance Annual Seminar: Finding the Value in High-Value Primary Care



### DID YOU MISS AN EVENT?

Most event materials are available for download. Review presentations, photos, handouts and recordings on the [events section of our website](#). Or check out our [blog](#) for articles based on speaker presentations and more.

# HEALTH TRANSFORMATION AWARDS

The Alliance Board of Directors has selected individuals or organizations to receive The Alliance's Health Transformation Award based on their commitment to moving health care forward for consumers, employers and other purchasers. Individuals and organizations that played a key role in efforts to advance health care were selected for recognition.



## NOVO HEALTH



NOVO Health is transforming the way health care is delivered and reimbursed. Their direct contracting model offers employer-partners transparent, bundled pricing on over 60 outpatient medical procedures. Their model encourages employee engagement which educates and empowers consumers to make better decisions about their own health and the care they receive.

## PROMEGA CORPORATION



Promega Corporation created a Caregiver Leave policy as a part of their employee health benefits. Caregiver Leave can apply to parents of newborns or older children, a spouse or partner, or aging parents. The scope of employee need was not well known, so rolling out this benefit on Jan. 1, 2018 required a leap of faith. The policy was so well received, Promega expanded the program in 2019 to include additional support resources.

## MARILYN BARTLETT AND THE MONTANA STATE EMPLOYEE HEALTH PLAN



Marilyn Bartlett and the Montana State Employee Health Plan are being recognized for their turnaround plan using Medicare rates to benchmark and then reset hospital payments, which had been found to have large pricing variations. For hospital care, prices paid by their plan were as high as three times what Medicare paid. The outpatient services prices paid by their plan were as high as 600 percent of Medicare. Bartlett wanted to pay a fair price - cost to deliver care plus a reasonable margin. This was estimated to be between 220 to 250 percent of what Medicare pays. Getting hospitals to accept this reduction in fees took determination plus a willingness to withstand conflict at all levels.



## THE ALLIANCE MISSION STATEMENT

### THE MISSION THAT GUIDES US EVERY DAY

The Alliance moves health care forward by controlling costs, improving quality and engaging individuals in their health.

5510 Nobel Drive, Suite 200 | PO Box 44365 | Madison WI 53744-4365 | 800.223.4139 | [www.the-alliance.org](http://www.the-alliance.org)