

DEFINING THE FUTURE OF HEALTHCARE

Q&A WITH RENYA SPAK, MERCER'S CENTER FOR HEALTH INNOVATION LEADER

Renya Spak, the leader of Mercer's Center for Health Innovation, shares the "Four Vitals" for change employers must focus on to see true transformation in employee benefits costs, quality and outcomes.

Q. WHAT ARE THE FOUR VITALS FOR CHANGE THAT MERCER IDENTIFIES AS BEING CRITICAL FOR EMPLOYER-DRIVEN HEALTHCARE TRANSFORMATION?

- **Drive to Quality** — This means ensuring the right care is delivered at the right time in the right setting — and that it's error-free the first time.
- **Pay for Value** — When we say "pay for value," we mean reimbursing care based on quality and outcomes, not simply based on volume of care delivered. It's about shared accountability and shared risk for better results.
- **Personalize the Experience** — This vital is about engaging benefits consumers with their health differently than we've engaged them in the past. We want to create personally accountable healthcare consumers who think about their health each and every day, not just during open enrollment season.

- **Embrace Disruption** — Consider new alternatives, and test long-standing assumptions about what employees (your benefits consumers) want and value.

Employers can focus on these four vitals to drive true change in employee benefits costs, quality and outcomes. In partnership with the Catalyst for Payment Reform, Mercer crafted the [Vitals for Change Scorecard](#), a tool available to all employers to help assess progress against each of the four vitals.



Q. MERCER'S VITALS FOR CHANGE CAME OUT IN 2016. WHAT HAS CHANGED SINCE THEN?

Employers have made progress in driving healthcare transformation, and we've seen the fruits of those labors across many of our Mercer clients. Employers are driving to quality by providing quality information to their benefits consumers and embracing disruption by participating in local and regional employer groups. In fact, nearly 60%* of respondents to the Vitals for Change Scorecard indicate that they're pushing their health plan partners to improve or expand their pay-for-value strategies. We've also learned that employers are personalizing the experience by leveraging data from those same healthcare partners. We at Mercer are thrilled to see the progress that has been made, and we're looking forward to helping employers continue their transformative efforts.

Q. WHY DO EMPLOYERS NEED TO CONTINUE DRIVING TRANSFORMATION IN THE HEALTHCARE SYSTEM?

Despite the great progress employers have made, costs continue to rise, and there is still work to be done. For example, only 26%* of Scorecard respondents understand how doctors are rewarded for providing quality care to health plan members. Employers have a tremendous opportunity based on their collective purchasing power to improve the benefits consumer experience and to drive down costs. The Vitals for Change provide employers with a roadmap for continued progress in driving healthcare transformation.

Q. WHAT SHOULD EMPLOYERS BE PREPARED FOR IN THE COMING MONTHS AND YEARS?

The healthcare market will continue to change rapidly, and market forces like new disruptive companies and increasingly engaged consumers demand that employers stay nimble in their benefits

strategies. Consumer demands are already transforming healthcare delivery, and employers have an opportunity to gain consumer trust through innovating on their benefits design. To do so, employers must be prepared to use data in new and inventive ways to reimagine a healthcare strategy that is truly consumer-centric.

Q. WHAT MORE CAN EMPLOYERS DO TO DRIVE HEALTHCARE TRANSFORMATION?

Employers have an opportunity to transform healthcare through consumer-centric design. This means reconstructing your programs through the eyes of your employees and thinking about what brings them value. Once you've seen their perspective, you might find your benefits look different than what you have today – in a good way. When programs are intuitive and valued, consumers will engage with those programs – getting them to the right resources at the right time, preventing them from experiencing today's fragmented, confusing status quo. A consumer-centric design helps your employees get the services or the support they need, whether that's caring for a family member with cancer or simply trying to lose weight and get healthy.

Employers who put consumers' wants and needs first when designing their benefits will find themselves with healthier, more productive employees and better business outcomes. At Mercer, we're working to develop programs and strategies you can offer to your employees that meet their individual needs and those of their families.

* From the Mercer and Catalyst for Payment Reform *Vitals for Change Scorecard Results*, September 2018, n = 46.