2024

THE GREAT STEEPLECHASE:

Purchaser Hurdles to Cost and Quality of Care Management and How to Overcome Them

catalyst
FOR PAYMENT REFORM

THANK YOU TO THE SPONSORS WHO MADE THIS RESEARCH POSSIBLE AND TO THE FOCUS GROUP PARTICIPANTS WHO OFFERED EXTREMELY INSIGHTFUL PERSPECTIVES.

RESEARCH SPONSORS

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In addition, thank you to those who distributed Catalyst for Payment Reform's survey on hurdles to disruptive purchasing and enabling factors to overcome the hurdles; and to those employer-purchasers who completed the survey.

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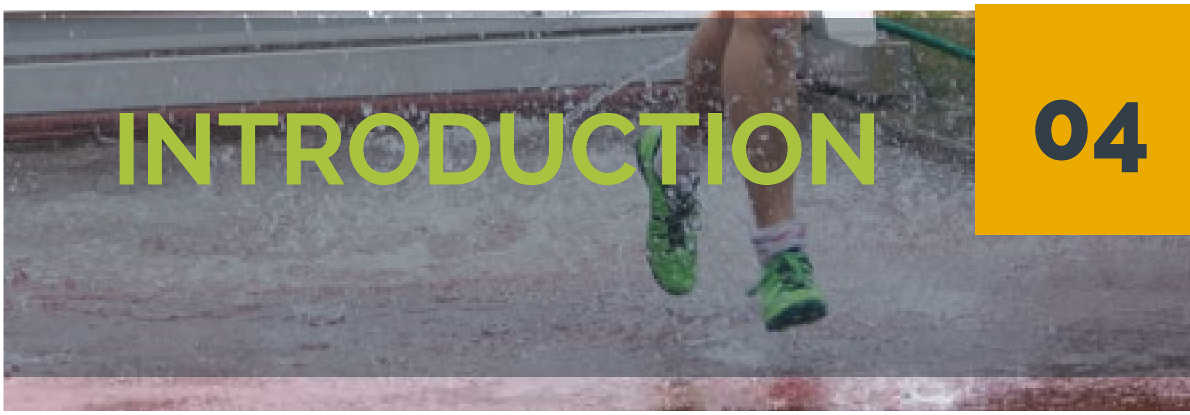

INTRODUCTION

Buying Health Care is Akin to Running a Steeplechase Race

Generally, the way employers and other health care purchasers (hereafter "purchasers") traditionally purchase health care is akin to a steeplechase track race. Each year, purchasers formulate their strategy, renew with most service providers, evaluate potential new vendors, implement any changes, and communicate benefits to employees and their families at annual enrollment. Then, they start the process again. Benefits leaders typically think ahead to ensure the actions they take on lap one sets them up for future laps. Despite their best intentions by planning ahead, the truth is that benefits staff will encounter hurdles and obstacles on each lap that they must overcome to remain on track to achieve their objectives.

CPR defines "disruptive purchasing" as a suite of innovative strategies that help employers and other health care purchasers regain control of the cost and quality of care delivered to their population.

For years, Catalyst for Payment Reform (CPR) has observed purchasers tend to be overly optimistic when responding to forward-looking surveys about their planned implementation of certain disruptive purchasing strategies. At the time they respond to a survey, many purchasers report they intend to implement a disruptive strategy two- to five-years later. But when measured at the later date, the percentage of purchasers following through by implementing the strategy has not been as high as anticipated. CPR conducted a systematic investigation into the hurdles purchasers encounter along the way and factors that can enable them to overcome these obstacles.

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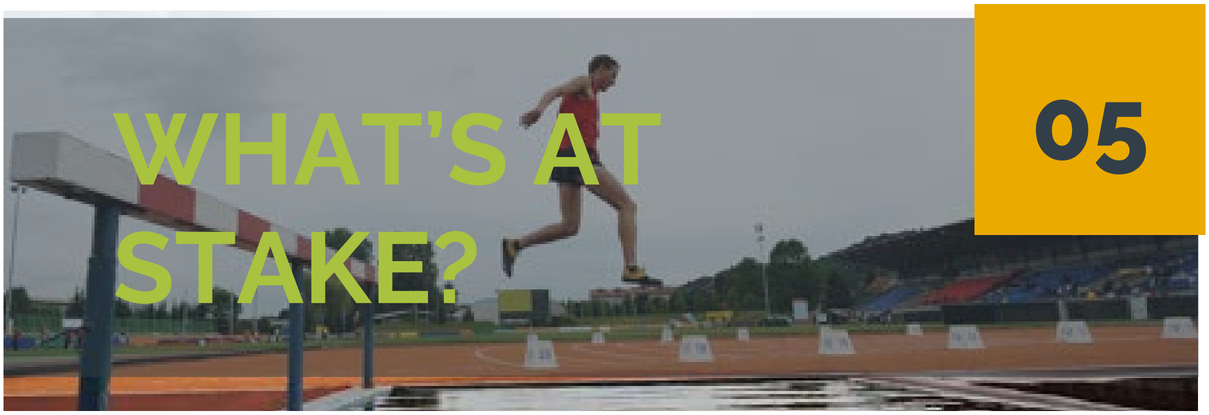
WHAT'S AT STAKE?



CPR is an independent, 501(c)3 nonprofit corporation with a mission to catalyze employers, public purchasers, and others to implement strategies that produce higher value health care and improve the functioning of the health care marketplace. A major focus for CPR is addressing fundamental challenges in marketplace dynamics for purchasers and their plan members. For years, the sell side of the health care market (i.e., providers and payers) has increased its market power through mergers and consolidation[i], while the buy side (i.e., purchasers and consumers) has remained uncoordinated and at times at odds with each other.

For example, purchasers may better coordinate on the buy side by aggregating[ii] their purchasing efforts. Furthermore, plan participants may vocalize their disapproval when their employer implements a disruptive strategy, like offering a narrow network product. The sell-buy dynamics have resulted in rising costs for purchasers, to the detriment[iii] of human capital investment (i.e., wages and benefits), and affordability challenges and underinsurance for consumers.

Arguably, over the past decade, many purchasers have prioritized increased access to care over strategies that can fundamentally tilt market dynamics in favor of purchasers and consumers. A few examples include:

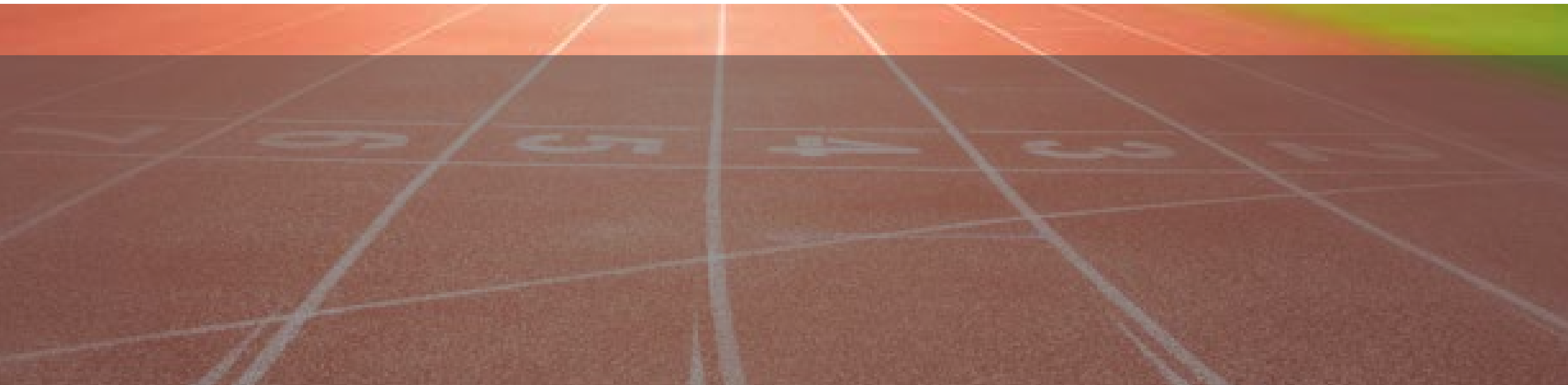
- Point solutions have offered another avenue for member engagement for certain conditions[iv];
- Purchasers have increased access to mental health benefits, specifically virtual care[v], addressing stigma;
- Telemedicine exploded during the COVID-19 pandemic and utilization remains above pre-pandemic norms[vi].

Just when purchasers tackle one initiative, it seems a few more arise that require immediate attention, shifting the priority away from the holy grail of greater value and better market dynamics for the buy side. As we write this report in early 2024, the new challenges for purchasers include the increasing use of glucagon-like peptide 1, or GLP-1s, to treat obesity in addition to managing diabetes, and purchasers responding to plan member demand[vii]. Or possibly, the cost management of gene therapies to treat or cure disease[viii], which could result in meaningful quality of life improvements for a small, high-cost portion of the population.

However, with health care costs on the rise[ix] due to provider contract renewals and healthcare workforce shortages, among other cost drivers, it is more imperative than ever that purchasers continue to implement new and innovative solutions to enhance health care value. In other words, purchasers should address ongoing phenomena as they arise, and not allow those and/or other hurdles to divert them from a greater goal of addressing fundamental long-term challenges around affordability and underinsurance.

"The continued rise in health care costs has resulted in less employer investment in salary, R&D, and technology. Purchasers are tired of the year-over-year cost increases."
- Paul Grady, Principal, Alera Group, Inc.

By educating purchasers about the potential hurdles to implementing disruptive strategies and how to overcome them in this report, CPR furthers its mission. Purchasers and consumers, by embracing disruptive strategies, will send a stronger signal to the sell side of the market that quality and cost of care are paramount to a sustainable marketplace.



ABOUT THIS RESEARCH

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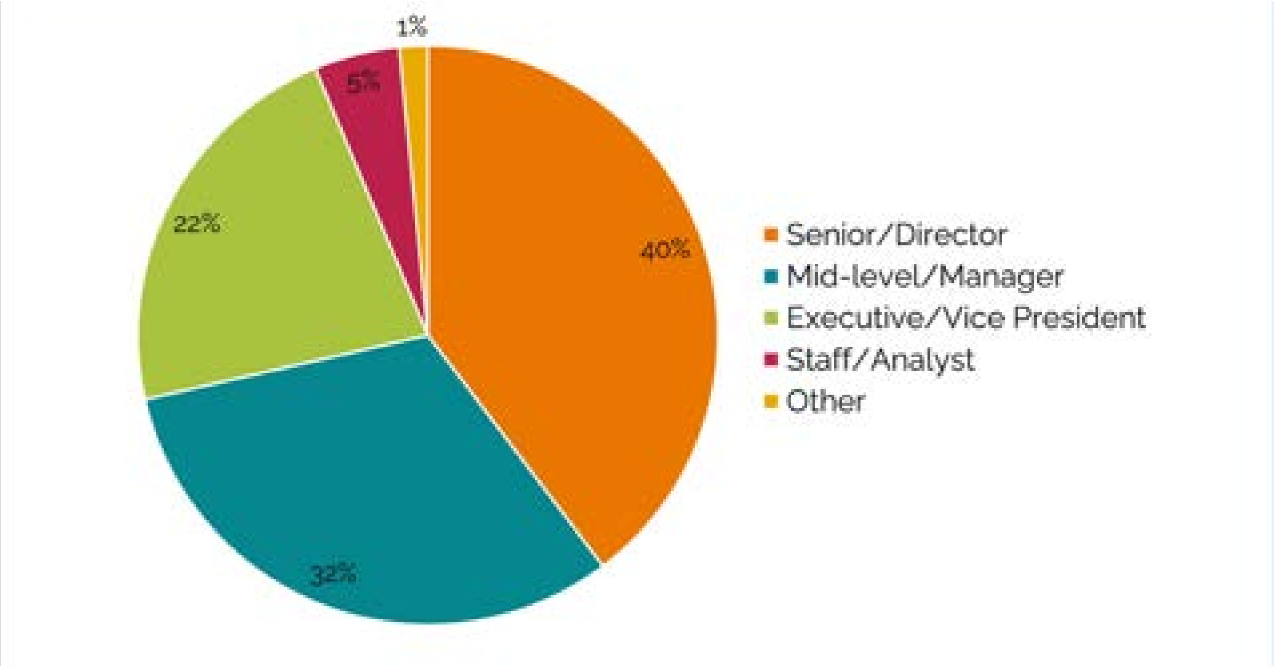
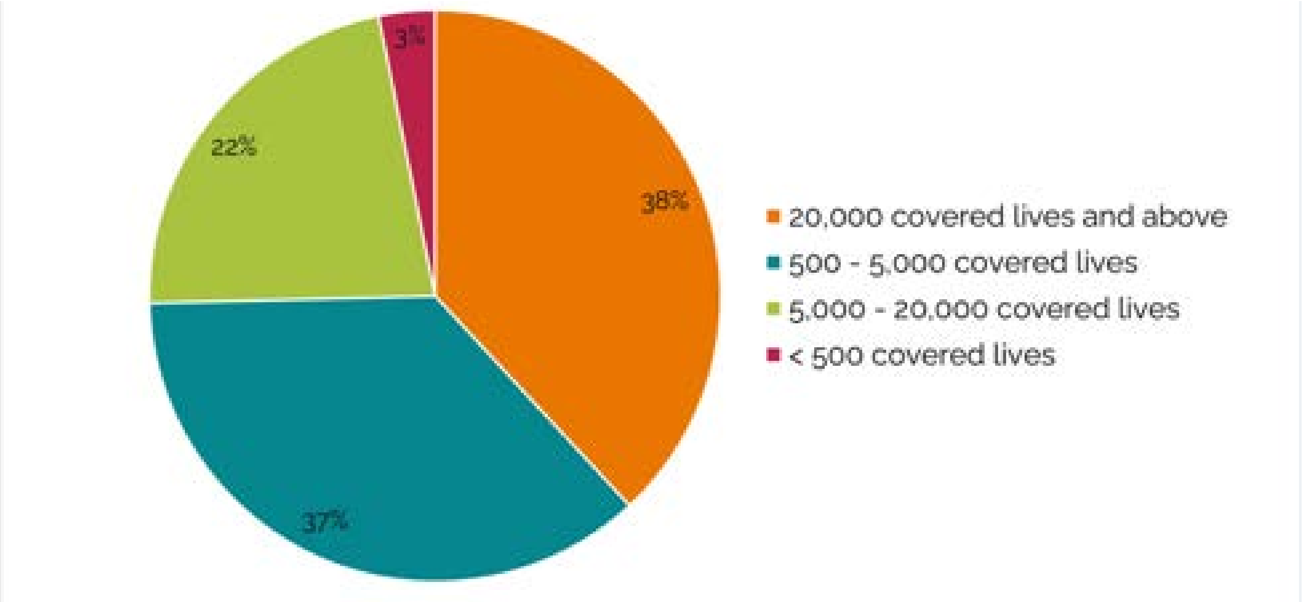
For this research on hurdles and enabling factors for disruptive purchasing, CPR deployed a mixed methods approach, hosting purchaser-only focus groups and multi-stakeholder sessions that included the purchaser focus group participants as well as representatives from sponsoring organizations – Alera Group, Centivo, and Transcarent. CPR also interviewed thought leaders from the sponsoring organizations, and their observations are contained throughout this report. Finally, CPR developed a survey leveraging learnings from the group discussions and administered it to a broader audience of purchasers.

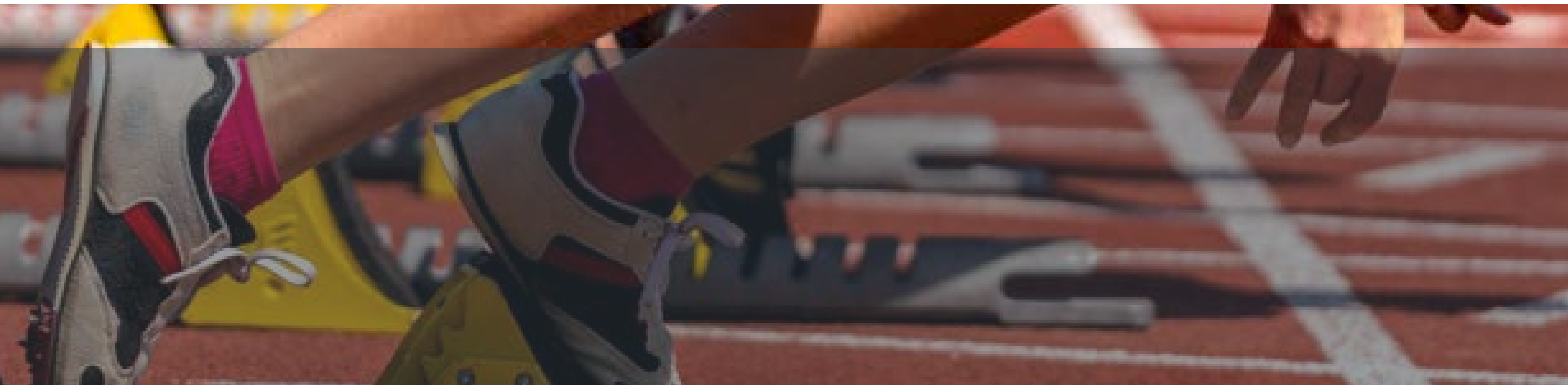
Between July and September 2023, CPR administered the purchaser survey to human resources/benefits staff. Sixty-three respondents completed the survey. The participants represented a cross-section of mid- to senior-level staff at their organizations. In addition, the organizations represented were diverse in size, from less than 500 employees to tens of thousands of employees.

Graph 1. Which Best Describes Your Level Within Your HR/Benefits Team?



Graph 2. For How Many Covered Lives Do You Buy Health Care?





THE TERM, DISRUPTION

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Benefits Leadership's Perceptions of "Disruptive Purchasing" and "Disruption"

CPR defines "disruptive purchasing" as a suite of innovative strategies that help employers and other health care purchasers regain control of the cost and quality of care delivered to their population. While we perceive disruptive purchasing in a positive light, we recognize that not all benefits staff may think similarly. So, in our survey, we asked benefits staff how they defined the term. Most respondents defined it similarly to how CPR did – in an innovative, positive way for purchasers. Perhaps it was because they knew who was asking the question and wanted to "ace the quiz", though there were no wrong answers. However, the answers ran the gamut, including respondents replying in a neutral manner where a strategy may have a positive or negative impact, in a negative manner indicating that disruptive purchasing excludes a population, or in an uncertain manner indicating this is the first time they have heard of the term.

"Disruptive purchasing means not putting a bandage on a bad solution. High deductibles leave plan members functionally uninsured and offering broad networks result in purchasers paying for health care with little consideration of value."
-Laurel Pickering, Director, Strategic Growth Development, Centivo

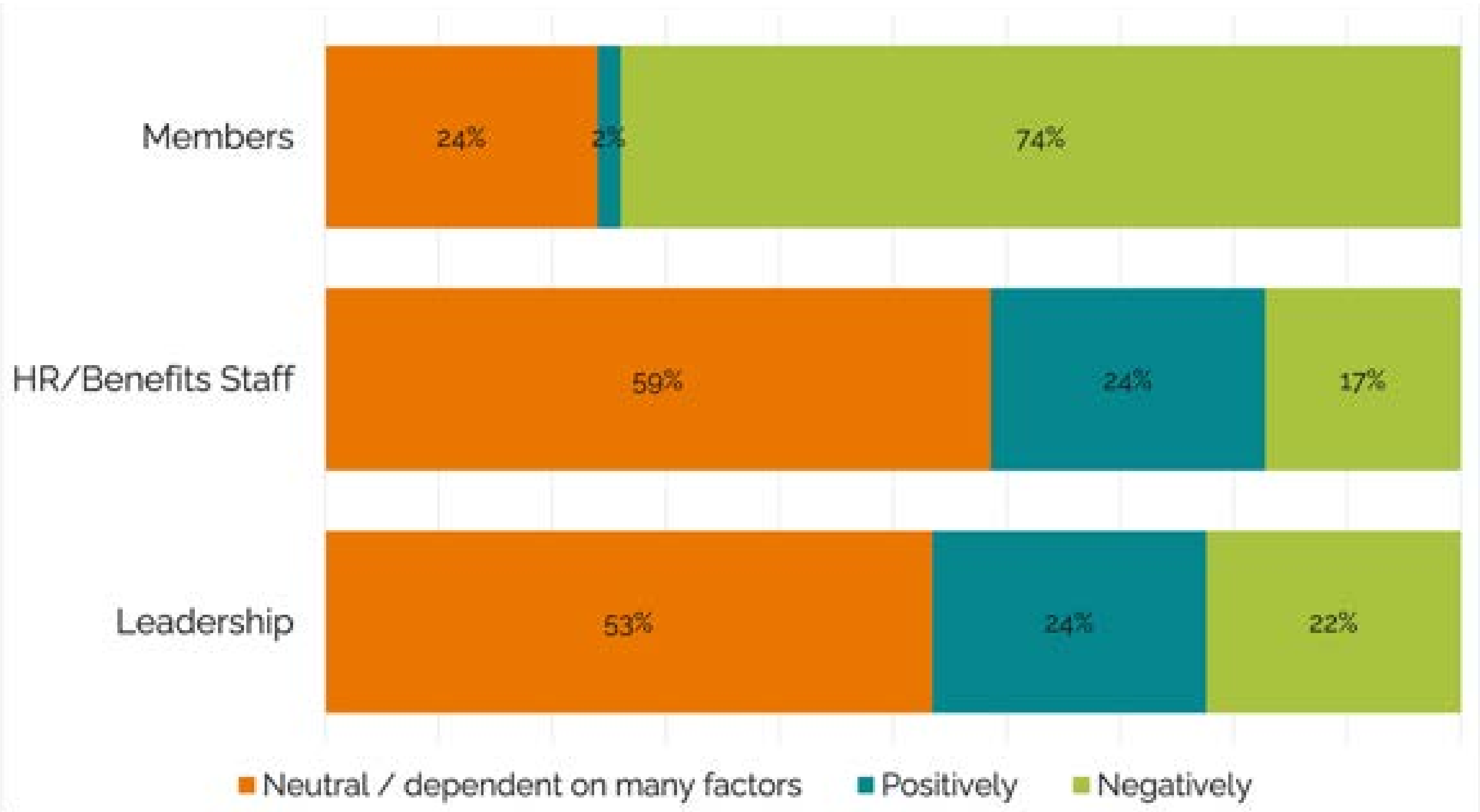
Table 1. What Does Disruptive Purchasing Mean to You?

Furthermore, we asked benefits staff how they think leadership perceives the term 'disruption' versus how they think plan members perceive it. Benefits staff respondents indicated they view 'disruption' as a neutral term dependent on multiple factors. They believe that leadership shares a similar view. However, 74% of respondents indicated that members view the term 'disruption' as negative. Everything from changing a health plan network, to increasing co-payments or premiums, to changing a process for accessing care can be perceived as disruptive by a plan member. With benefits staff serving on the front lines, bombarded with employee feedback, their perspective that plan members view disruption as negative is understandable. While CPR did not survey consumers, it would be informative for a consumer group and/or benefits staff to directly survey consumers/plan members about the term. Because they are on the front lines, are benefits staff overly sensitized to employee and plan member feedback? Might there be greater plan member appetite for disruption if they understood the potential benefits to them in the form of higher wages, reduced premiums, enhanced benefits, etc.?

"In many circumstances purchasers associate the term "disruption" with something negative. It shouldn't be. I see an opportunity for industry alignment around 'disruption with intent,' which is simply another way of saying 'change' or 'evolution,' concepts we all need to embrace."

-Thi Montalvo, Vice President, Reporting & Analytics, Transcarent

Graph 3. Within Your Organization, How Do You Think the Term "Disruption" is Generally Perceived by...?



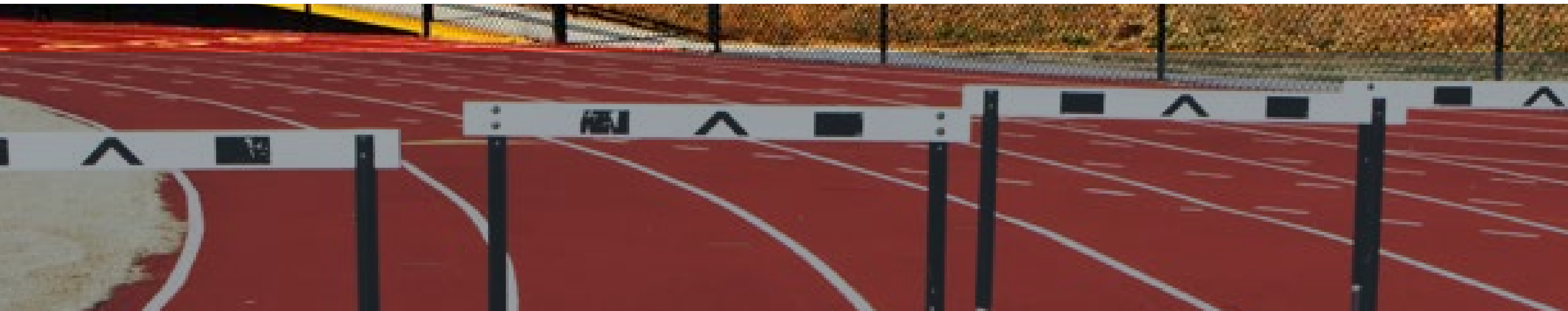
DISRUPTIVE PURCHASING STRATEGIES

Disruptive Purchasing Strategies & What Makes Them Disruptive

Over the years, CPR has created education resources for purchasers on various disruptive purchasing strategies. These resources include online education courses, purchaser case studies, webinars, interviews with purchasers and others on our podcast, plug-and-play toolkits for evaluating a vendor's product, and research from product evaluations. While the findings in this report are intended to help purchasers overcome the hurdles, it is worth identifying some disruptive purchasing strategies and the qualities that make them disruptive.

> *"Really good, high-value providers are even frustrated by how the health care system performs today."*
> - Paul Grady, Principal, Alera Group, Inc.

Disruptive Purchasing Strategy	A Brief Definition	Why is the Strategy Disruptive?
Advanced primary care	A strategy that focuses on high-quality primary care through use of data and technology, better care coordination, and prioritizing total cost of care.	This strategy can result in more appropriate, efficient use of care, such as reducing emergency room visits and hospitalizations, navigation to high-value providers, in addition to leveraging alternative payment models.
Centers of excellence (CoE)	A strategy in which purchasers direct plan members to a limited set of high-value providers for specific services, usually elective procedures.	Patient volume and revenue is directed away from low-quality and/or high-cost providers for applicable services. Purchasers may require or incentivize plan members to seek care at the CoE providers.
Direct contracting and semi-direct contracting	A strategy in which a purchaser bypasses a health plan's broader network to establish a contract directly with a health care provider. Semi-direct contracting can involve contracting with a provider while delegating claims and customer service administration to a health plan or third-party administrator.	By direct or semi-direct contracting with a high-value provider, purchasers can guide their plan members away from low-quality and/or high-cost providers, and obtain volume discounts and enhanced services and support.
High-performance network	A curated subset of providers that offer a combination of higher-quality, lower-cost, and more efficient care delivery.	The provider network is narrower. In this product, patient volume and revenue are diverted from lower-value providers to those offering the best value.

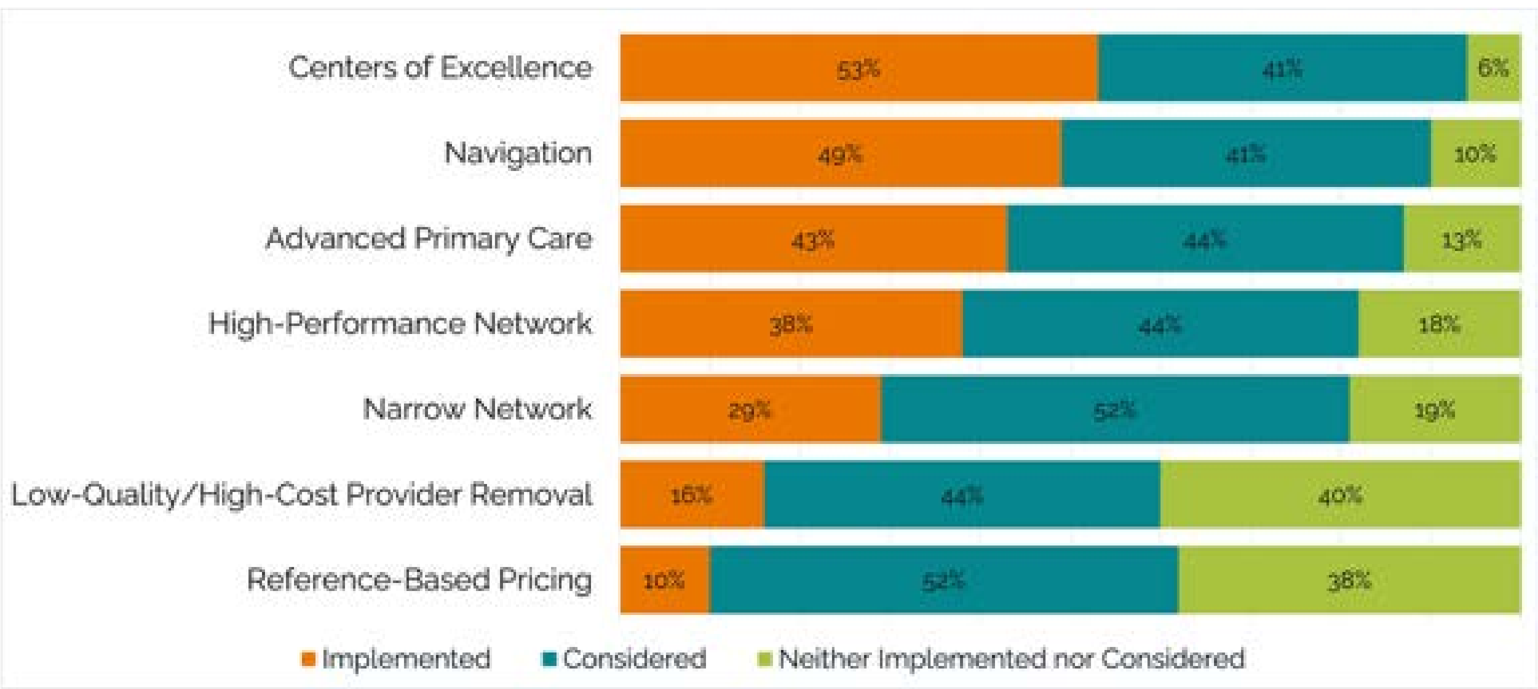


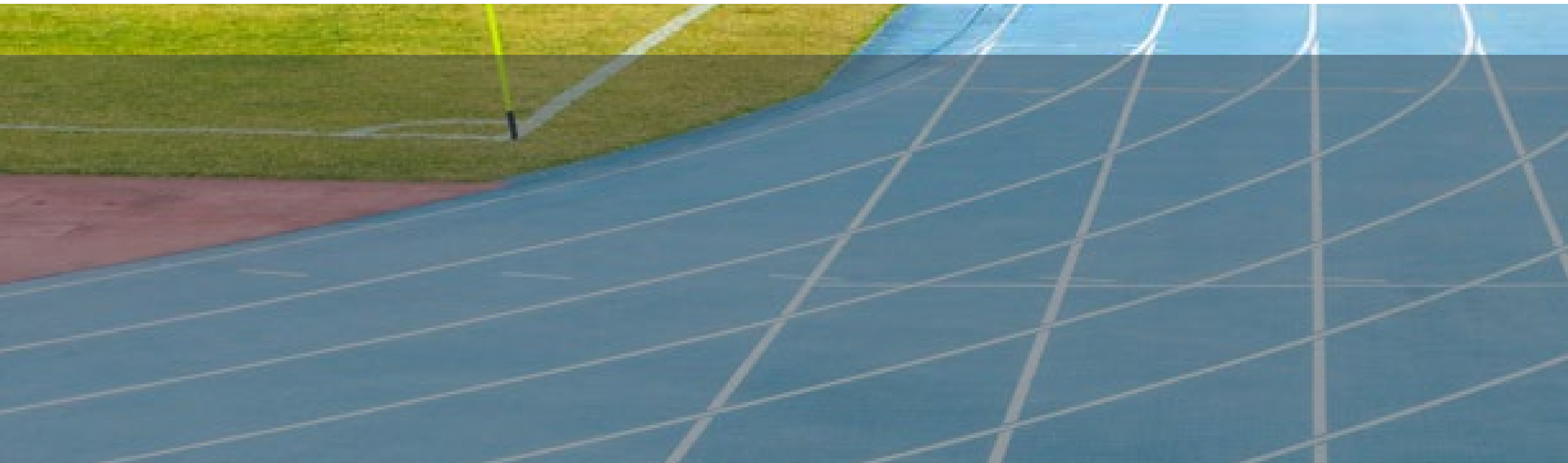
Disruptive Purchasing Strategy	A Brief Definition	Why is the Strategy Disruptive?
Narrow network	A curated subset of providers evaluated primarily based on the cost of their services.	The provider network omits higher-cost providers. Providers who want to participate in the network could explore reducing their costs to meet the qualifications for inclusion in the narrow network.
Navigation support	A strategy geared at navigating plan members to the highest-value providers, typically within the existing health plan network.	The navigator recommends high-quality, low-cost providers to plan members prior to seeking care, diverting patient volume and revenue away from low-value providers.
On-site/near-site clinic	A strategy that typically offers preventive and ancillary services near a large purchaser location.	A purchaser directs patient volume for certain services to a provider where the purchaser has greater control of the quality and cost of care, as well as convenience where access challenges may exist.
Reference-based pricing\	A strategy in which a purchaser (in collaboration with a plan or other vendor) establishes a standard price that the plan will pay a provider for a specific health care service.	Patients maintain freedom to seek care where they wish but may have to take on financial responsibility for such choices. Providers are motivated to lower their prices to maintain patient volume.
Removal of a provider(s) from a network\	A strategy in which a purchaser removes a low-quality and/or high-cost provider from a health plan network for its plan members.	This strategy diverts patient volume and revenue from a low-value provider to better performing providers.

In the survey, CPR asked benefits staff which disruptive purchasing strategies they have implemented, considered, and not considered. The respondents were more likely to have implemented disruptive strategies such as centers of excellence (53% implemented), navigation (49%), and virtual primary care (43%), than a narrow network plan (29%), removing a low-value provider from the network (16%), or reference-based pricing (10%).

"Continued provider consolidation, consumer expectations, and high health care inflation will lead to a tipping point in which purchasers will need to do things differently."
-Thi Montalvo, Vice President, Reporting & Analytics, Transcarent

Graph 4. Has Your Organization Implemented or Considered a Disruptive Purchasing Strategy?





TWO TYPES OF HURDLES

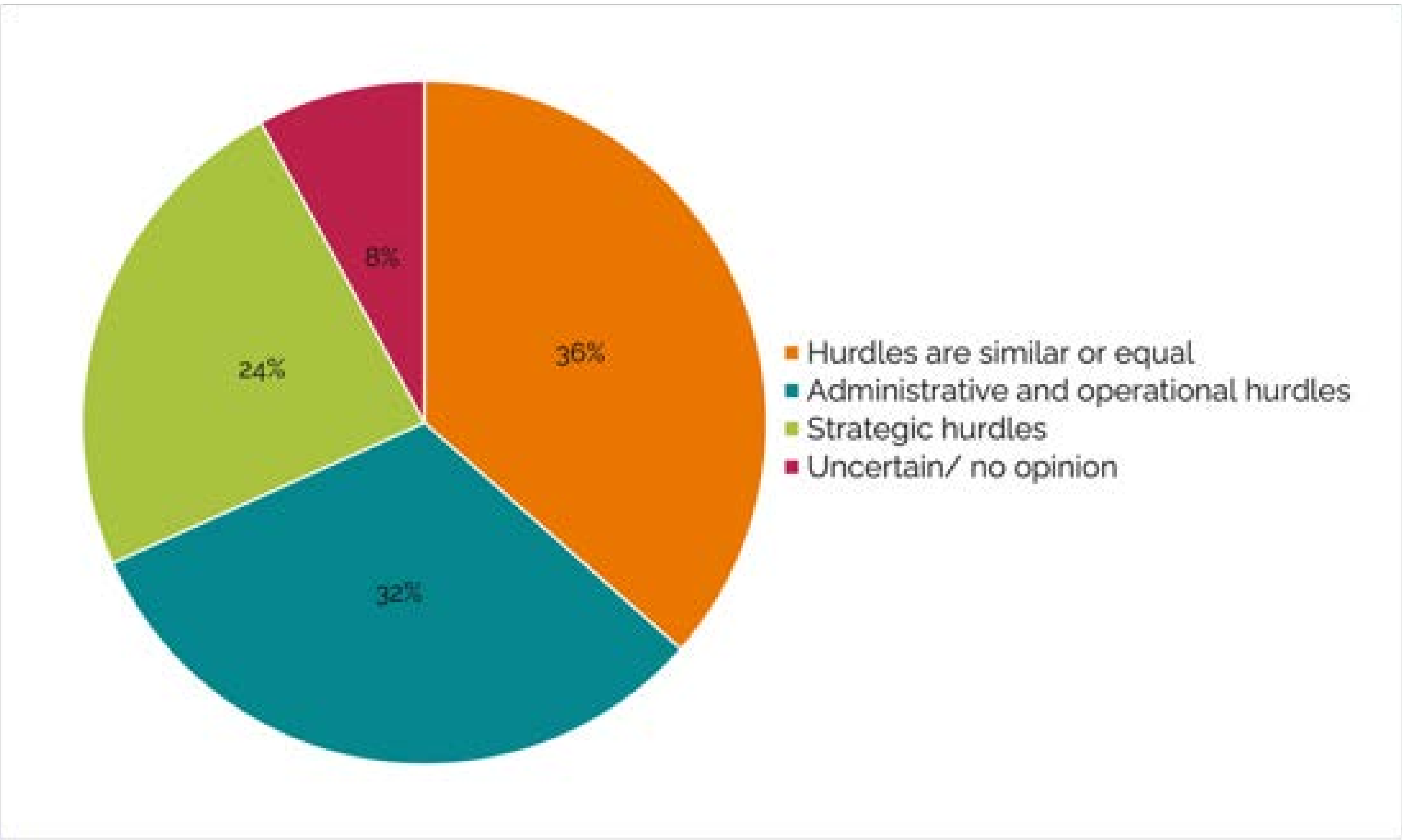
Two Types of Hurdles – Strategic and Operational

Leveraging the feedback from purchaser participants in the focus group and from the experience of contributor organizations working with purchasers, CPR compiled a list of potential hurdles that purchasers face when implementing a disruptive strategy. CPR observed that some hurdles are erected during the benefits strategic planning process while other hurdles were primarily a result of existing plan operations or administration. For example, a strategic hurdle might be the inability or challenge for the benefits team to obtain buy-in on a strategy from the leadership team, while a common operational hurdle might be benefits team bandwidth due to competing priorities.

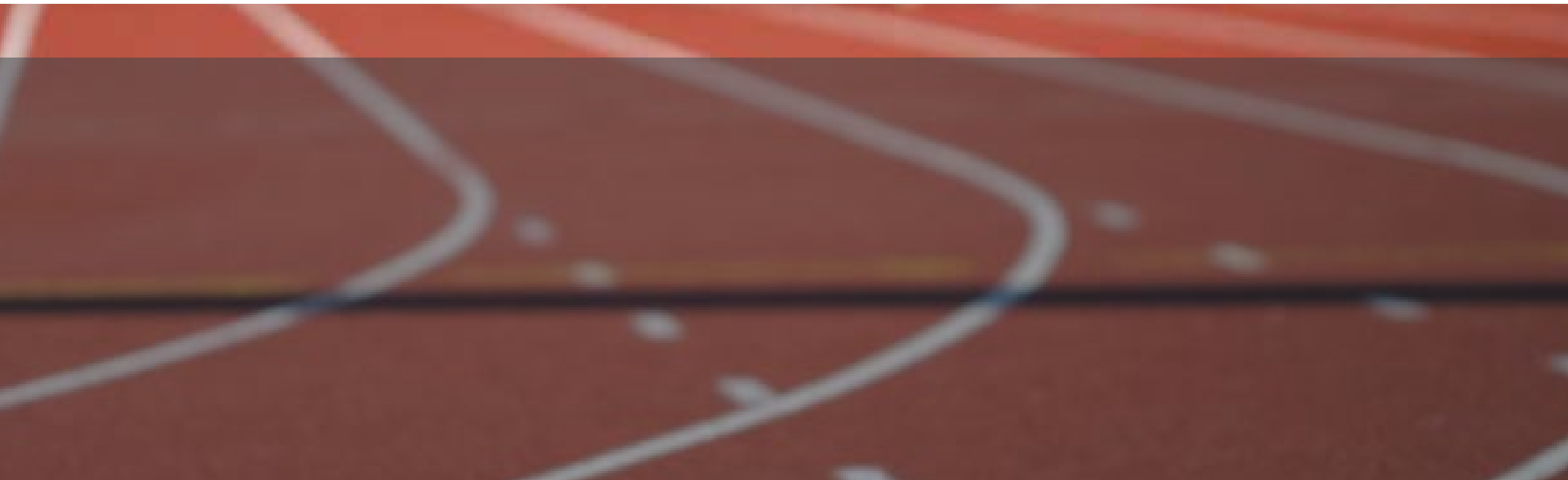
Which are the greater hurdles to overcome – strategic or operational hurdles? Thirty-six percent of respondents indicated the hurdles are similar or equal to overcome. The remaining respondents said operational hurdles (32%) are more difficult to overcome than strategic hurdles (24%). Eight (8%) percent had no opinion or were uncertain. This result may suggest benefits staff appear more confident in their ability to "sell" a disruptive strategy to leadership and obtain their buy-in. However, they only get one opportunity with plan members to implement a new program well, and if there are competing priorities that may put at risk a strong rollout, then benefits staff could leverage vendor and/or consultant support to avoid delay in the implementation of disruptive strategies.

"In my opinion, strategic hurdles are definitely more challenging. Purchasers who have the strategic imperative can figure the operations part out."
-Laurel Pickering, Director, Strategic Growth Development, Centivo

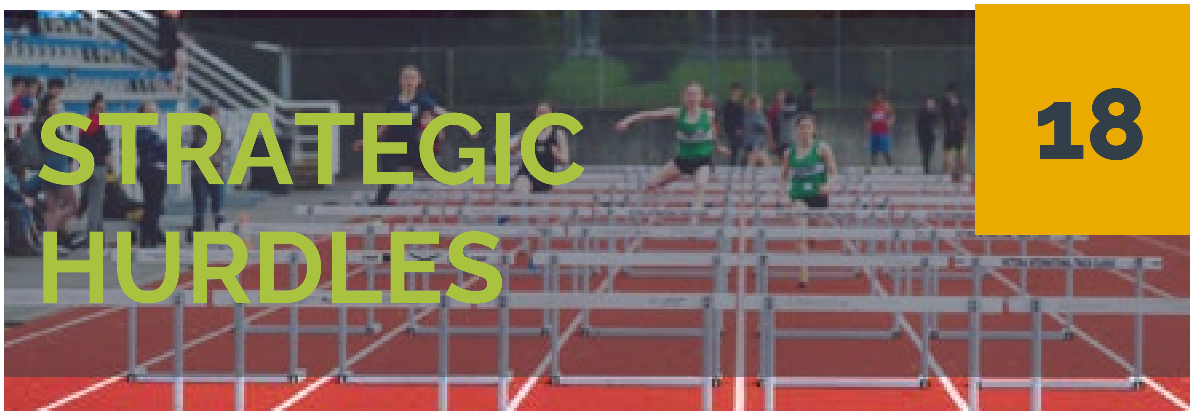
Graph 5. Overall, Do You Think Strategic or Operational Hurdles are the Bigger Hurdles to Purchasers Pursuing Disruptive Purchasing Strategies?



Furthermore, for each strategic and operational hurdle, CPR asked benefits respondents to rate the hurdle on a scale of one to five, with one representing little or no hurdle and five representing a significant hurdle.



STRATEGIC HURDLES



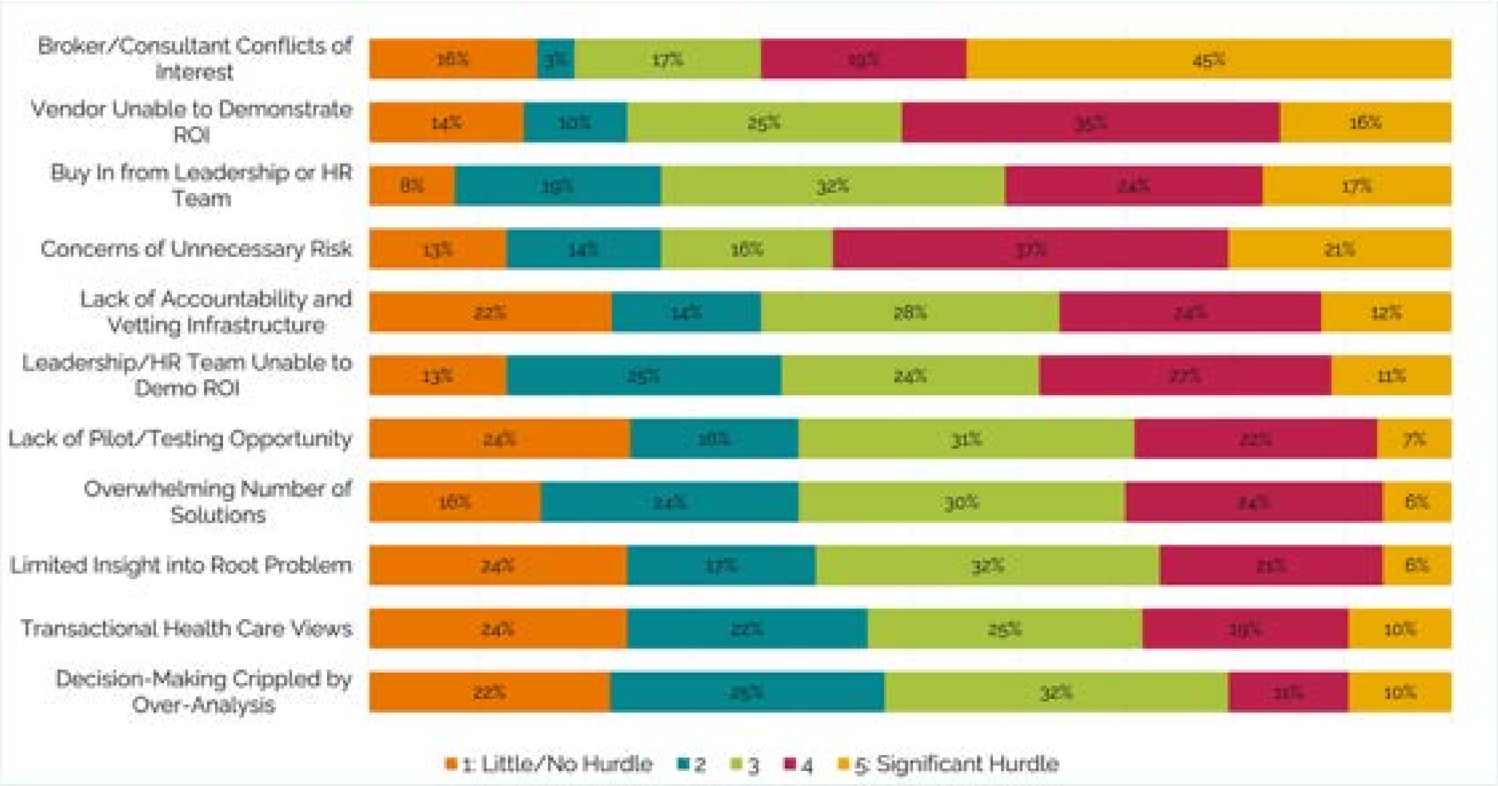
Strategic Hurdles & Observations

The survey findings imply that benefits staff do not view themselves as the biggest source of a strategic hurdle, and rather other stakeholders carry the mantle.

Eighty-one percent (81%) of respondents rated broker-consultant conflicts of interest as a moderate (3) to significant hurdle (5). Forty-five percent rated it as a significant– more than double the next highest hurdle. As an example, focus group participants shared that joining a consultant's group purchasing collaborative locks them into that firm as their advisor as well. If a purchaser wanted to change consultants later, it would also have to transition from the group purchasing program at that time. Purchasers seeking immediate savings through group purchasing programs must strategically consider any potential hurdles they may experience down the road. Seventy-six percent (76%) of respondents said a vendor's inability to demonstrate return on investment is a moderate to significant hurdle. Seventy-three (73%) indicate strategic buy-in from Leadership or the broader Human Resources team is a moderate to significant hurdle.

Meanwhile, factors that benefits staff have more control over were rated as lower strategic hurdles to overcome. Decision-making crippled by over-analysis was rated by 53% as a moderate to significant hurdle. An organization's views of health care as transactional was next at 54%, followed by having limited insight into the root problem for which an organization is trying to solve (59%).

Graph 6. How Much of a Hurdle are the Following Strategic Hurdles?

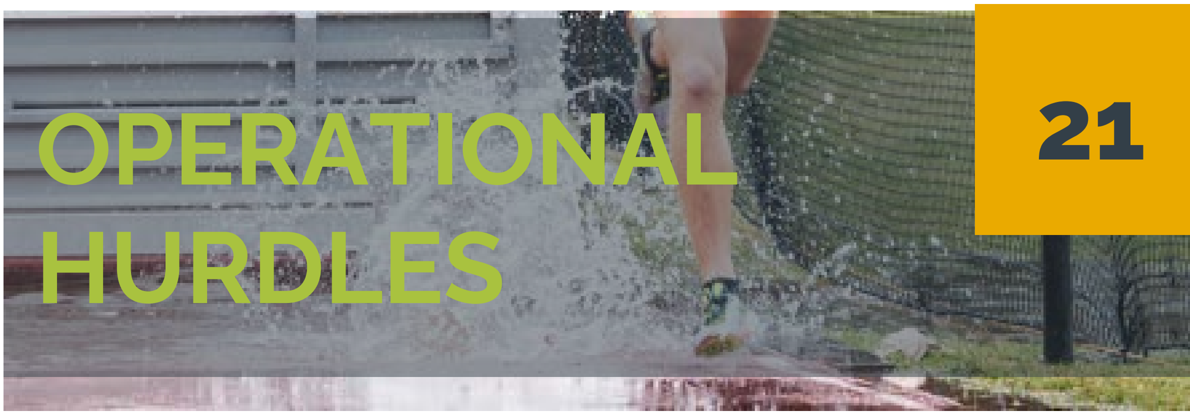


Survey respondents identified other hurdles that are strategic in nature and could result in challenges with decision-making or program failure. Market dynamics is one such hurdle. Even with the best developed disruptive purchasing strategy, a dominant provider can flex its market power muscle by hitting the airwaves in a particular geography, sending mixed messages to consumers. Providers can establish a narrative that insurer reimbursements have not kept up with rising provider costs and the loss of the provider from the network will impact access to care[x], making the payer appear at fault. Only in recent years with greater provider price transparency data has the narrative shifted to the provider commercial payments already being high relative to Medicare reimbursement[xi]. Combatting challenging market dynamics requires building trust with your plan member population by educating them on the dynamics the organization faces as a purchaser of health care.

Politics is another such hurdle. As an example, it could be challenging when a member of a purchaser's leadership team is also on the board of the dominant regional health system. The executive has a fiduciary responsibility to its organization as well as to the health system. One can imagine the difficulty benefits staff may face evaluating and securing leadership approval to contract with another regional health system for a direct contract relationship.

Member geographic distribution can also pose a challenge to the type of disruptive strategy on which a purchaser embarks. A larger, geographically concentrated purchaser could explore a diverse array of disruptive strategies (e.g., direct contracting, removing a low-value provider from the network, etc.), while a geographically dispersed purchaser may be limited to strategies that it can apply across its multiple geographies and populations (e.g., navigation, advanced primary care, etc.).

Another hurdle reported by survey respondents is that a vendor may be too green (i.e., the vendor does not have a track record on implementation success). This would be an interesting area in which to dig deeper. Is "greenness" defined by some sort of criteria or is it a feeling? For purchasers who have certain criteria defining how established a vendor is, what are those criteria? Every organization starts from ground zero, new entrants tend to be disruptors, and for deserving vendors to succeed, one or a handful of purchasers must take the plunge first. Perhaps there is opportunity for benefits staff to establish goals and objectives for piloting new solutions.



OPERATIONAL HURDLES

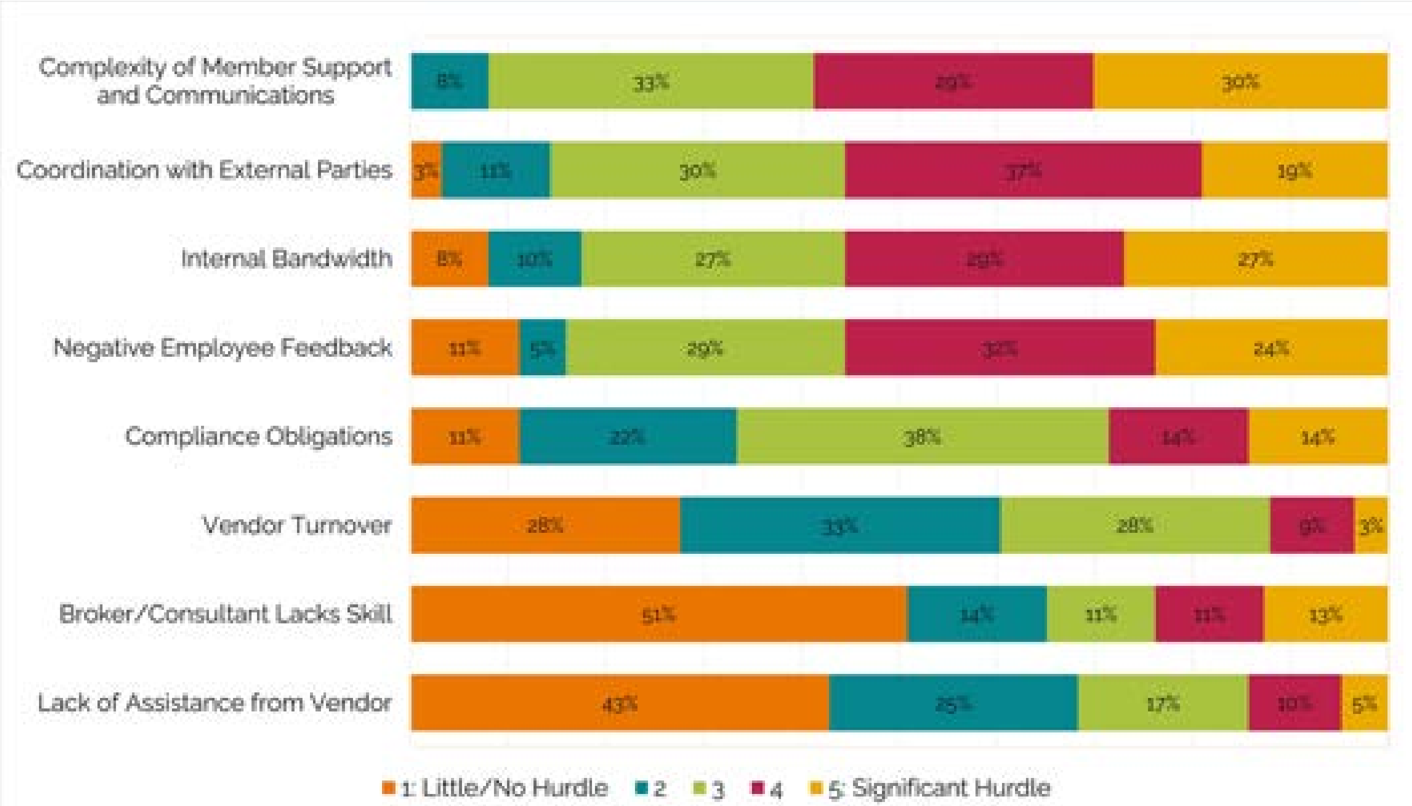
Operational Hurdles & Observations

While the benefits staff respondents did not feel most responsible for the biggest strategic hurdles, the operational hurdle survey findings relate more directly to their role.

Ninety-two percent (92%) rated the complexity of member support and communications as a moderate to significant hurdle. While they may have substantial support from a communications consultant, benefits staff play the primary role in brainstorming, reviewing, finalizing, and deploying the communications for a new strategy. They are also on the front lines during annual enrollment, responding to member questions, confusion, and concerns about a new disruptive strategy. Next was coordination with external parties (86% rated it a moderate to strategic hurdle) followed by internal bandwidth (83%). These findings show that benefits staff think about the added future operational work associated with putting in a disruptive strategy as a greater hurdle than not considering a disruptive strategy in the first place due to current bandwidth.

On the positive side, the findings imply that benefits staff generally feel supported by others when overcoming operational hurdles. Only 32% responded that lack of assistance from a vendor is a moderate to significant hurdle, followed by their broker/consultant lacking skill to provide support (35%) and vendor turnover (40%). Given the significant internal operational hurdles benefits staff cited for implementing a disruptive purchasing strategy, it appears that benefits staff should seek ways to increasingly leverage their partners. In turn, vendors and consulting partners should think outside of the box about new ways they can provide greater support to their purchaser clients when implementing a disruptive purchasing strategy.

Graph 7. How Much of a Hurdle are the Following Operational Hurdles?



Respondents identified a few other operational hurdles worth noting. Poor reporting is one such hurdle. An opportunity for overcoming this hurdle is for benefits staff to communicate what it needs from a vendor for reporting to leadership and partnering with the vendor to develop the reporting metrics. While most, if not all, vendors offer standard reporting, they are generally open to offering custom reporting or analysis as well.

An operational hurdle (and technically, a strategic one too) cited for a product is that it may simply be difficult to remove the program once it is in place. Perhaps there are just as many factors to be considered, if not more, that go into this decision-making and de-implementation process compared to putting in a disruptive strategy. Even if a purchaser has experimented with a program and it wasn't successful, there is something that purchaser learned and can share with others who can benefit from its experience. In other words, fear of the "what if" should not be a reason to not pilot a strategy.

"In the past several years, purchasers have increasingly evaluated the number of point solutions they offer to simplify administration and improve the member experience. They want to send their members to one guide to get care as opposed to five."
-Thi Montalvo, Vice President, Reporting & Analytics, Transcarent

SUCCESS FACTORS

Success Factors to Offering a Disruptive Strategy

Several of the nation's most disruptive employer-purchasers responded to the survey, citing various success factors to implementing and maintaining a disruptive program. Many of the success factors cited respond directly to hurdles already referenced, while other factors are more nuanced.

- **Strategic Development and Design.** Respondents indicated that ongoing program success begins during the research and design phase, well in advance of even program launch.. In other words, it is important to be comprehensive in the first phase and to get it right, as a purchaser could set itself up for failure at the very beginning of the strategic development process. With regard to design factors, purchasers indicated it may be good to offer choices, but to make the disruptive strategy an easy, even obvious, decision. This could mean taking an incentive-based, "carrot" approach by pairing the network product with a rich benefit design (i.e., no or low co-payments or deductibles) and no or low employee premium contributions.
- **Leadership/Benefits Committee Buy-In.** The survey respondents identified this as a moderate to significant strategic hurdle, so it is no surprise that those respondents who have implemented successful disruptive strategies cited leadership buy-in as a success factor. Focus group participants indicated there is an opportunity to educate finance staff about health care purchasing, as buying health care is quite different than buying materials or office space. Perhaps it goes without saying, but survey respondents said it anyways – leadership/benefits committee buy-in is not a check-the-box item. Implementing and maintaining a disruptive strategy also involves the participation and engagement of these stakeholders.

Success Factors to Offering a Disruptive Strategy (continued)

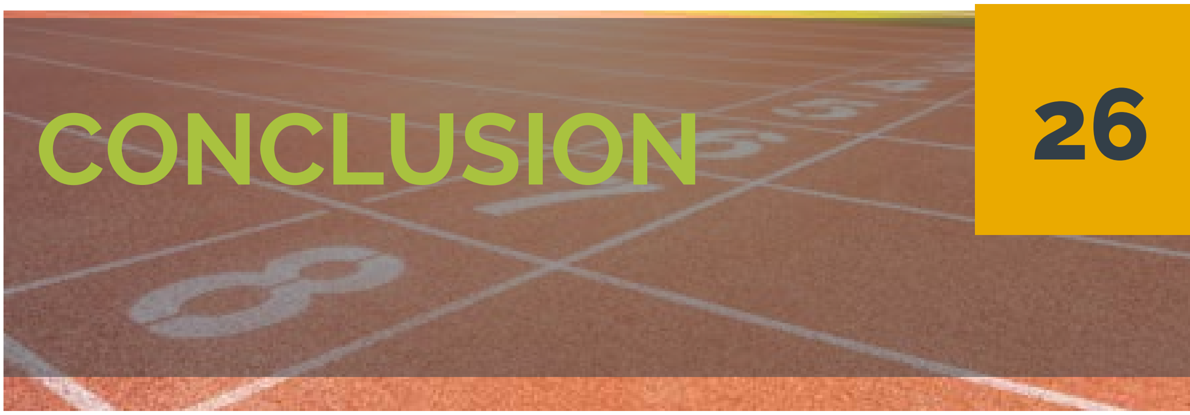
- **Financial Impact.** Financial impact can take on multiple forms in the context of implementing a disruptive strategy. It might be out of financial necessity, e.g., the finance team mandates you to come up with ten percent savings off health care costs (note, see the prior reference identifying the opportunity to educate the Finance team). Financial success might look like achieving some lower level of savings or health care cost trend below benchmarks. Financial impact may even be viewed more broadly, e.g., are multiple or even all stakeholders benefiting financially from the strategy? Respondents even cited the ability to demonstrate that savings are being reinvested, e.g., to higher wages, as a powerful message.
- **Implementation.** There was an interesting dichotomy of survey responses as it related to implementation as a success factor. For some, a turnkey implementation resulted in a successful rollout. For others, a long, staggered, detailed implementation led to success. The responses suggest that the length of an implementation must be right-sized to the strategy. Implementing a navigation product likely requires less time than establishing a direct contract arrangement. Seeking opportunities to make aspects of an implementation more turnkey can allow increased attention to aspects that are not turnkey. Additionally, approaching an implementation timeline like you might a contractor's timeline for a home improvement project could be prudent – build in a twenty percent time buffer.
- **Communications.** Member communications may be the most significant operational hurdle, but those purchasers that have implemented successful disruptive strategies commonly cited strong communications as the major success factor. Respondents cited that communications must be clear, honest, transparent, as well as targeted and frequent. In addition, respondents indicated supporting activities are critical to the program's success, such as surveying plan members about the strategy and delivery and obtaining testimonials on an ongoing basis. Just-in-time communications and encouraging word-of-mouth stories/experiences requires ongoing effort towards an effective communications strategy.

Success Factors to Offering a Disruptive Strategy (continued)

- **Partnership.** Benefits staff who had a successful and sustained implementation indicate they view their vendor and consultant as a true partner. During the rollout, this means a streamlined contracting process, strategic alignment across the teams, and mutual trust in the implementation process. Benefits staff seek external teams as dedicated as they are. They seek a willingness for and an ability of the program to seamlessly integrate with the existing benefits ecosystem. In addition, partners being flexible to shifting internal dynamics was also an important quality sought by benefits staff. For ongoing program management, partnership meant strong account management and support and meeting with benefits staff and employees onsite to nurture relationships. It also meant having a continuous improvement mindset.
- **Analytics.** Analytics is a necessity in this day-and-age of monitoring performance of a disruptive strategy in self-insured health plans. One survey respondent said it perfectly when citing the need for accountability metrics. Purchasers should work with their vendor partner to create and finalize a dashboard of accountability metrics before going live. Yes, it is an additional activity during implementation, but it will establish mutual expectations for the purchaser and its vendor partner to work towards.

"Broker-consultants are key since purchasers rely on them significantly. As a result, much of disruptive purchasing is in their hands. At Centivo, we develop relationships with innovative brokers who challenge the status quo and put affordability and access at the forefront, while still delivering rich benefits."

-Laurel Pickering, Director, Strategic Growth Development, Centivo



CONCLUSION

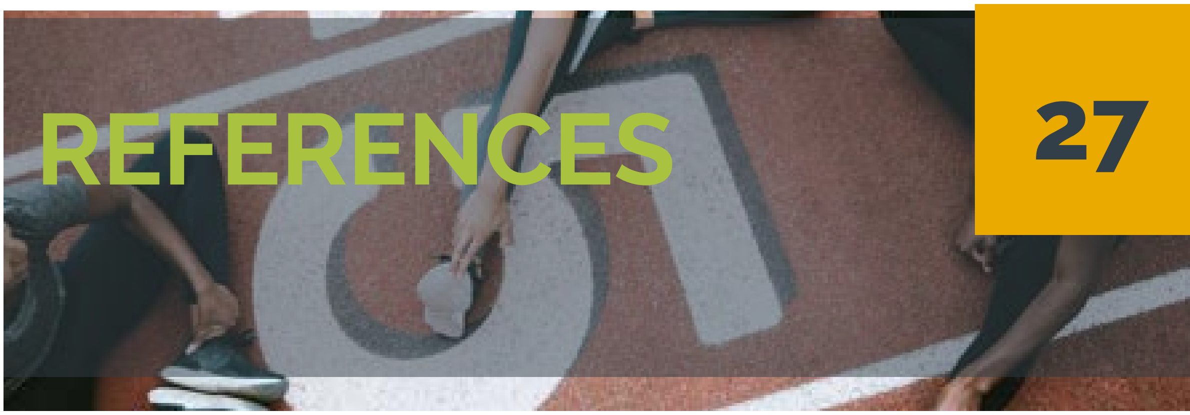
Looking Ahead to Future Laps

Health care purchasing is a steeplechase race. This research and report intend to acknowledge that the hurdles and water pits to implementing disruptive purchasing strategies are real and must be identified at the outset. While some hurdles are higher and some water pits are longer and deeper than others, the bottom line is that they can all be overcome with proper recognition, planning, and stakeholder engagement. By surveying purchasers, many of whom have implemented successful disruptive strategies, CPR's hope is that for benefits staff who are looking ahead to a future "lap" of health care purchasing, the hurdles will be a little shorter and the water pits will be a little smaller, inspiring more benefits staff to say "I can overcome those hurdles." The stakes are high for purchasers to lead as buyers of high-value health care and to support their plan members by offering affordable and comprehensive coverage.

"Purchasers' expanding fiduciary responsibilities may very well be the tipping point for greater implementation of disruptive purchasing strategies."
-Paul Grady, Principal, Alera Group, Inc.

CPR is not vested in any one or more disruptive strategy and recognizes different strategies can work for different purchaser populations, based on purchaser size, geographic distribution, and other purchaser and marketplace factors. For many of the disruptive strategies cited in this report, CPR offers supplemental education and tools on its website, www.catalyze.org. To achieve its mission, CPR allows benefits staff to create a free account to access its resources or CPR membership is an alternative option.

CPR looks forward to seeing purchaser leaps in the implementation of successful disruptive strategies in the years to come!



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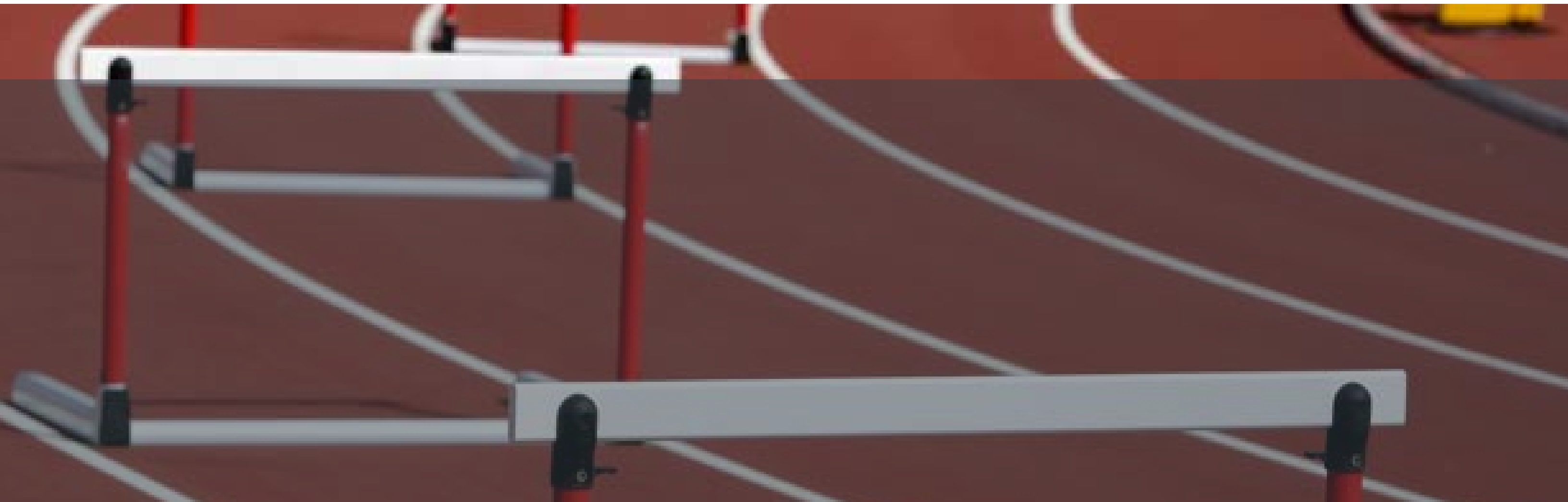

Catalyst for Payment Reform (CPR) is an independent, 501c3 nonprofit corporation with the mission to catalyze employers, public purchasers, and others to implement strategies that produce higher-value health care and improve the functioning of the health care marketplace.

catalyst
FOR PAYMENT REFORM

In the one dozen years since CPR launched, we have successfully catalyzed the payment reform movement as well as much greater transparency into health care prices. We have shined a light on growing provider market power and the need to address rising commercial health care prices and the affordability of care. We have helped myriad health care purchasers push for better value from the health care system and have educated policymakers about how they can improve the functioning of health care markets.
To serve our mission, we provide the bulk of our resources to employers and health care purchasers for free, as their willingness to be catalysts is critical to our success.

CPR is funded primarily through philanthropic foundations, membership dues, revenue generated from commissioned and contract work, as well as the sale of CPR products and services.