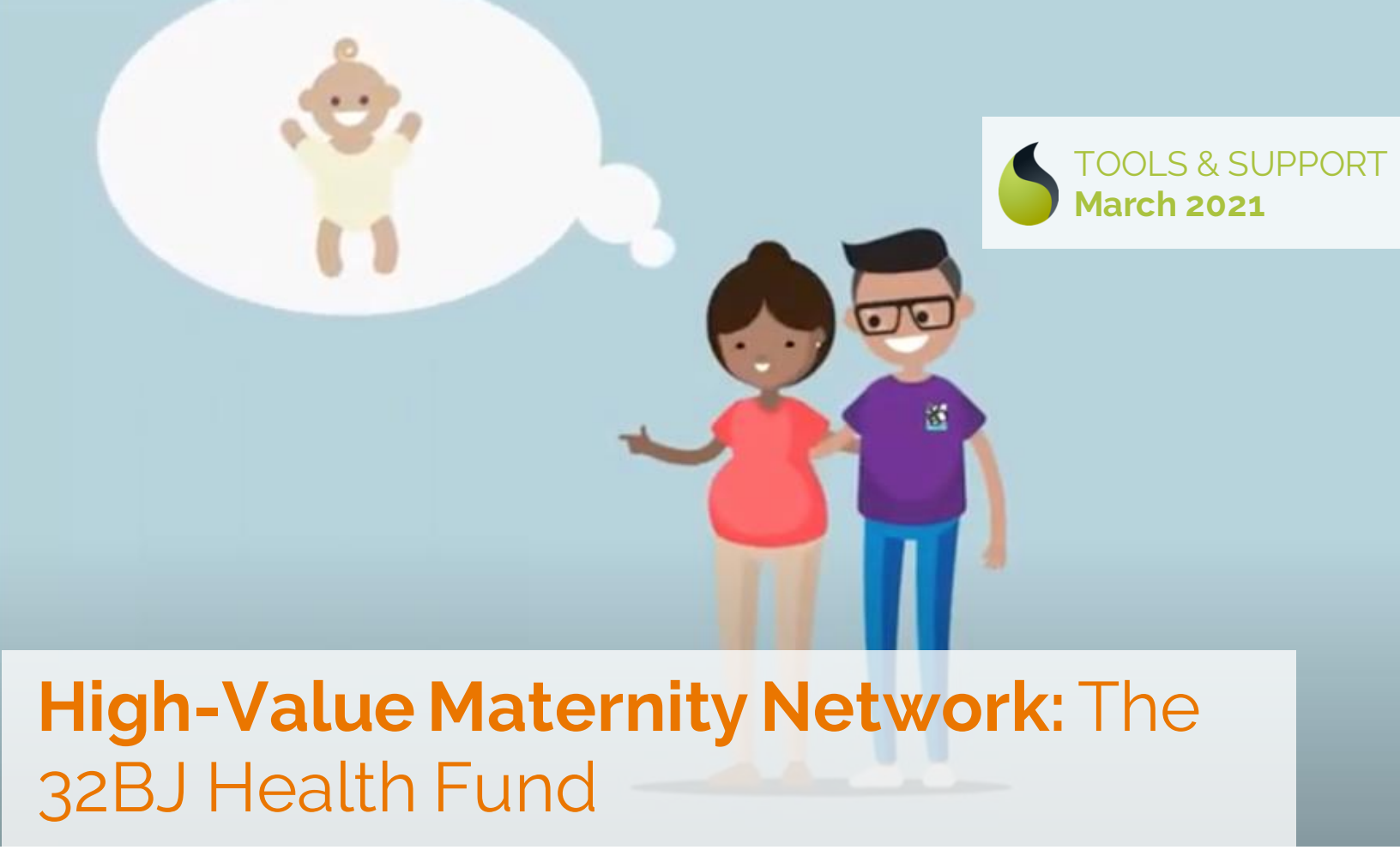

TOOLS & SUPPORT
March 2021

High-Value Maternity Network: The 32BJ Health Fund

After analyzing its own maternity care data and finding high rates of complications and overuse of episiotomies, the 32BJ Health Fund wanted to improve the quality of maternity care for its plan participants. Using a data-driven, custom-built Request for Information (RFI), the Health Fund identified eight high-value hospitals and developed a benefits program to encourage maternity patients to use these providers.

Support for this work was provided by the New York State Health Foundation.

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Case Study
High-Value Maternity Network

The 32BJ Health Fund is a joint labor management partnership providing health care benefits to union members of the Service Employees International Union (SEIU) 32BJ – the largest property service workers union in the country – and their eligible dependents. The 32BJ Health Fund (or Health Fund) self-funds health care coverage for nearly 200,000 plan participants across more than 5,000 separate employers. Approximately 168,000 Health Fund participants live or work in the metropolitan area around Northern New Jersey and New York City where the 32BJ Health Fund contracts with Empire BlueCross BlueShield (Empire) as its third-party administrator (TPA). As a TPA, Empire supplies the provider network and adjudicates claims for the Health Fund.

The 32BJ Health Fund has developed a strategic plan design and internal resources to ensure its plan participants can access high-quality care, including:

- A direct contract that covers joint replacement and bariatric surgeries in a bundled payment arrangement;
- Benefit design that encourages patients to use lower-cost facilities;
- In-house data warehousing and analytics;
- In-house call center to provide care navigation assistance to plan participants; and
- Streamlined plan design and enrollment – all plan participants get the same health plan with rich benefits, allowing the Health Fund more flexibility when implementing changes.

What is a joint labor management partnership?

Joint labor management partnerships are multi-employer plans governed jointly by a board of union and employer trustees. Often known as "Taft-Hartley Funds" in reference to the 1947 federal law that regulates labor unions, these types of plans cover approximately 10 million people in the US.[1]

Health Fund plan participants – cleaners, property maintenance workers, doormen and doorwomen, security officers, window cleaners, building engineers, school and food service workers, and their families – pay zero monthly premium contributions and have access to a wide network of health care providers. The Health Fund takes an active role in navigating the complexities and lack of transparency in health care to help plan participants make informed decisions and find high-quality, lower-cost health care services.

Maternity care comprises a significant portion of the Health Fund's health care spending. In 2018, the Health Fund covered over 1,000 births in New York and New Jersey, amounting to almost $23 million in spending for labor and delivery. Analysis of the Health Fund's claims data showed significant opportunities for quality improvement, based on the rate of c-sections, episiotomies, and severe maternal morbidity among plan participants. The Health Fund used that data to

[1] Introduction to Multiemployer Plans | Pension Benefit Guaranty Corporation. Retrieved 10 February 2021, from https://www.pbgc.gov/prac/multiemployer/introduction-to-multiemployer-plans

design a new program focused on improving the quality of maternity care for its covered population.

In 2020, the Health Fund successfully developed a High-Value Maternity Care Network (HVMN) and received a grant from the New York State Health Foundation to develop a toolkit to help other health care purchasers replicate it. This case study is part of that toolkit and describes the Health Fund's process for selecting high-value hospitals and developing a benefit design to encourage maternity patients to use these hospitals and their associated clinicians. To understand the initiative, CPR interviewed Sara Rothstein, Director of the 32BJ Health Fund, and Jackie Meilak, the Health Fund's Director of Clinical Partnerships, in June 2020, and drew from a presentation by Sara Rothstein from March 2020, "High-Value Maternity Care: Payment and Benefit Design Solutions."

Background

Public reporting and investigative journalism have exposed the uneven quality of care in maternity across the United States, where the maternal mortality rate rose sharply in the early 2000s.[2] Due to structural and interpersonal racism, people of color – particularly Black and Indigenous women – bear a disproportionate share of maternal harm. Those with private insurance are not protected from the ills of racial health inequities. According to an analysis by the New York State Health Foundation, Black New Yorkers with private insurance suffered from severe maternal morbidity (SMM) at a rate of 2.3x that of privately-insured white New Yorkers in 2018.[3,4] Because women of color comprise the majority of the Health Fund's population of expectant mothers, the Health Fund recognized that its plan participants were potentially at higher-risk for poor maternal outcomes.[5]

An analysis of the Health Fund's claims data from plan years 2016-2018 showed that SMM among plan participants occurred in about 290 out of every 10,000 births, more than twice the 2014 national rate, and slightly higher than the 2014 rate for New York City. Additionally, over 25% of plan participants who gave birth vaginally had received an episiotomy - more than twice the 2016 rate for the general New York population, and five times The Leapfrog Group's target rate.

	# of Cases Per 10,000 Births		
	U.S.*	NYC*	32BJ Health Fund**
SMM Rates	144.0	277.8	290.1

	% of Births		
	Target (The Leapfrog Group)	NY State***	32BJ Health Fund**
Episiotomy Rates	5%	12%	25.6%

[2] Eugene Declercq and Laurie Zephyrin, *Maternal Mortality in the United States: A Primer* (Commonwealth Fund, Dec. 2020). https://doi.org/10.26099/ta1q-mw24

[3] SMM classifies unexpected outcomes of labor and delivery that result in significant consequences to a patient's health.

[4] New York State Health Foundation analysis of 2011–2018 New York State Statewide Planning and Research Cooperative System (SPARCS) data, *Complications of Childbirth: Racial & Ethnic Disparities in Severe Maternal Morbidity in New York State*, August 2020. https://nyshealthfoundation.org/resource/complications-of-childbirth-racial-ethnic-disparities-in-severe-maternal-morbidity-in-new-york-state/

[5] Melanie G West, *New York City Union Uses Its Size to Leverage Improved Maternity Care.* (*The Wall Street Journal*. Aug 2019) https://www.wsj.com/articles/new-york-city-union-uses-its-size-to-leverage-improved-maternity-care-11566256083

* 2014 Measurement Period

**2016-2018 Measurement Period

***2016 Measurement Period

As a member of Catalyst for Payment Reform, the Health Fund is part of a community of purchasers committed to implementing strategies that produce higher-value health care and improve the functioning of the health care marketplace. The Health Fund decided to work directly with local, in-network hospitals in New York and New Jersey to improve the quality of maternity care services available to its plan participants. On the heels of the Health Fund's success in launching a cost-effective hospital network for facility care, it decided to develop a high-value maternity network.

Designing the Strategy: High-Value Maternity Network

Developing the RFI

The journey to a high-value maternity network began with developing the right tool for selecting hospitals and providers. Committed to building its own tool, the Health Fund – with the guidance and input of a consultant – designed a Request for Information (RFI) to distribute to hospitals. The Health Fund's goals for the RFI process included:

- Establishing a set of minimum criteria candidate hospitals must meet to be in the network, including certain maternity care outcomes and a commitment to data reporting requirements;
- Evaluating hospitals' current maternity-related services, staffing model, adherence to clinical guidelines, outcomes, and quality improvement efforts; and
- Identifying high-performing hospitals that are dedicated to continued quality improvement and that are committed to partnering with the Health Fund in achieving better maternal outcomes.

The Health Fund followed two guiding principles in its use of the RFI. First, wherever possible, it relied on nationally recognized external sources for quality, performance improvement, and operational standards of excellence. The Health Fund used resources and data reporting standards from the Centers for Disease Control and Prevention (CDC), the California Maternal Quality Care Collaborative (CMQCC), The Leapfrog Group, and the Alliance for Innovation on Maternal Health (AIM). The RFI also deferred to regional standards for clinical excellence from both the New York and New Jersey state departments of health. Incorporating these external standards helped the Health Fund establish concrete expectations around clinical best practices. Second, the Health Fund developed a set of questions to ensure it received the necessary data to perform meaningful comparisons across hospitals and their care delivery practices, structuring the questions around a constrained set of answer choices.

The RFI focused on a hospital's efforts, successes, and willingness in the following areas:

- **Staffing:** availability and qualifications of in-network physicians, midwives, doulas, and lactation consultants; specifically, the RFI asked hospitals to ensure that all labor, anesthesia, and delivery services, including Neonatal Intensive Care Unit (NICU) care, are delivered by in-network providers and that plan participants will not be subject to surprise bills.

- **Reporting:** agreement to provide ongoing quality performance data broken down by race and ethnicity. This includes reporting on instances of SMM and the Leapfrog Hospital Survey on Maternity Outcomes measures; the RFI also asked hospitals to report on their adherence to evidence-based guidelines, as defined by the American College of Obstetricians and Gynecologists (ACOG) and state-specific protocols.
- **Quality improvement:** actions taken to improve maternity and post-partum care, including a hospital's incorporation of the CMQCC Maternal Quality Improvement Toolkits.
- **Patient experience and satisfaction:** availability of translation services as well as the measurement and reporting of patient satisfaction for maternity care, at both the hospital and the clinician level.
- **Compliance:** adherence to the Health Insurance Portability and Accountability Act (HIPAA) patient protections for privacy and data security.
- **Payment reform:** experience with and openness to alternative payment models for maternity services.

What about prices?

Cost containment is a pillar in the Health Fund's purchasing strategy as it strives to provide benefits that are high-quality and affordable. In 2018, the Health Fund's analysis of price variation within New York City led to the creation of a cost-effective network, complemented by benefit design that encourages plan participants to avoid hospitals that charge higher prices for common procedures.[6] The Health Fund incorporated this groundwork into its Maternity RFI by requiring that hospitals have "*preferred*" status in the Health Fund's cost-effective network to participate in the RFI. The Health Fund also assessed eligible hospitals' willingness to provide a discount if a hospital's prices were above the Health Fund's median cost for maternity care.

Spotlight on reporting

The Health Fund intentionally put forward strict data reporting requirements in the RFI to set a precedent for the reporting that would be required from selected hospitals on an ongoing basis. Based on hospital feedback during the RFI process, the Health Fund learned that many hospitals were challenged by the requirement to provide SMM, maternal mortality, and other quality data that was broken out by patient race and ethnicity, and payer type (commercial, Medicaid, Medicare). This requirement reflected the Health Fund's commitment to addressing racial and ethnic disparities in care, as such data is necessary to measure and address inequities.[7]

Managing the RFI process

The Health Fund's first step was to convince hospitals to bid for the opportunity. To do so, Jackie Meilak set up calls to introduce hospital and health system leadership to the Health Fund and explain the benefits of a direct partnership for maternity care. Finding the right points of contact proved challenging: each health system had a different organizational structure and scope of

[6] The benefit design for the cost-effective network stipulates a $100 co-pay for inpatient admission at a *preferred* hospital, and a $1,000 co-pay at *non-preferred* hospitals. For more information, visit https://www.catalyze.org/product/health-fund-hospital-prices/

[7] Hardeman, R., Medina, E., & Boyd, R. (2020). Stolen Breaths. *New England Journal Of Medicine*, *383*(3), 197-199. doi: 10.1056/nejmp2021072 (see "*Mandate and measure equitable outcomes.*")

responsibilities assigned to administrative leadership. The ideal initial point of contact was a senior manager with contracting and decision-making authority, able to rally the right resources from the appropriate departments. The RFI also required participation from clinical leadership, particularly the department of Obstetrics and Gynecology, as well as the involvement of the hospital's legal counsel.

After securing contacts from prospective hospitals, the Health Fund began tracking and monitoring RFI milestones and responses. In addition to the submission due date, the Health Fund set interim milestones for hospitals to express their intent to bid and submit questions. The Health Fund hosted a bidder's conference to answer the hospitals' questions. The Health Fund also issued multiple communications to prospective hospitals to keep them engaged.

Staffing and resources

Managing the RFI process proved to be an intensive aspect of this project, requiring two dedicated people to track and review responses. Jackie Meilak served as the project lead and a project manager helped her follow up with the hospitals. Additionally, in hospital-facing activities, Sara Rothstein reinforced the Health Fund's commitment to the project.

Selecting the finalists

Once the Health Fund had the RFI submissions in hand, it set out to evaluate the responses and select finalists to include in the HVMN. At this stage, the Health Fund declined proposals from hospitals that did not provide a complete response or otherwise failed to meet the minimum requirements.

Next, the Health Fund selected hospital finalists and performed onsite interviews, engaging in dialogue on the hospitals' services, outcomes, and strategies for performance improvement. According to Sara Rothstein, "Our goal was to assess how the systems' quality performance and standards aligned with best practices as determined by industry experts."

Results

The Health Fund ultimately selected eight hospitals to participate in the maternity network due to their:

- Alignment with industry standards of care;
- Outcomes relative to the Health Fund's baseline rates of C-sections, episiotomies, & SMM;
- Responses and reported results relative to other respondents; and
- Thoroughness and rigor in continuous quality improvement.

The Health Fund asked selected hospitals to sign a memorandum of understanding (MOU), committing them to a mutually developed set of goals for inpatient labor and delivery services, and to entering into alternative payment arrangements – specifically bundled payment – in subsequent years.

In addition to these commitments, the MOU asks participating providers to report health outcomes by race and ethnicity, and to address instances in which patients report negative experiences. To do this, the Health Fund will ask patients who deliver through the HVMN to respond to a patient satisfaction survey that asks: "Were you treated with dignity and respect

during your labor and delivery experience? Were your concerns heard?" If a patient reports a negative experience, the Health Fund will alert hospital leadership. This process establishes accountability and helps to ensure that Health Fund plan participants have a voice in the care delivery program.

The Health Fund did not include any hospitals solely to meet geographic access concerns but selected hospitals that will be accessible to most plan participants in New York City and Northern New Jersey. At a later date, the Health Fund will consider adding hospitals to expand the program's geographic footprint if there are additional hospitals that meet the Health Fund's criteria.

Designing the Benefit Design & Communications Strategy

Finding the right hospitals was the first part of the equation; the second was to craft a benefit design and communications strategy to generate excitement about the HVMN and bolster trust between the Health Fund and its plan participants.

The Health Fund wanted the benefit design to maximize plan participants' use of the HVMN while maintaining their ability to choose where to seek care. Prior to the HVMN, plan participants could pay $100 for a maternity admission at a *preferred* hospital or $1,000 at a *non-preferred* hospital. Through the HVMN, plan participants who enroll in the program and deliver at one of the eight HVMN partner hospitals would have their $100 co-pay rebated. The Health Fund also used the program to promote use of Empire's Future Moms program, which provides free 24/7 access to nurses, to help further engage plan participants in their maternity care. With an initial draft of the benefit design in hand, the Health Fund turned its attention to communicating the program to its plan participants.

Sara Rothstein recognized that the only way to understand what plan participants prioritize in a maternity program was to ask them directly. To this end, the Health Fund contracted an independent research group to conduct four focus group sessions with plan participants and dependents. The focus groups included plan participants who had either given birth or were thinking about having children in the future, as well as a focus group of male plan participants who had children under age ten. The focus group facilitators probed plan participants about the qualities they cared most about when selecting a maternity care provider and how they wanted to receive communications about their maternity care options from the Health Fund.

The focus groups found broad support for the High-Value Maternity Network, but also identified certain factors that helped direct the Health Fund's communications and outreach strategy:

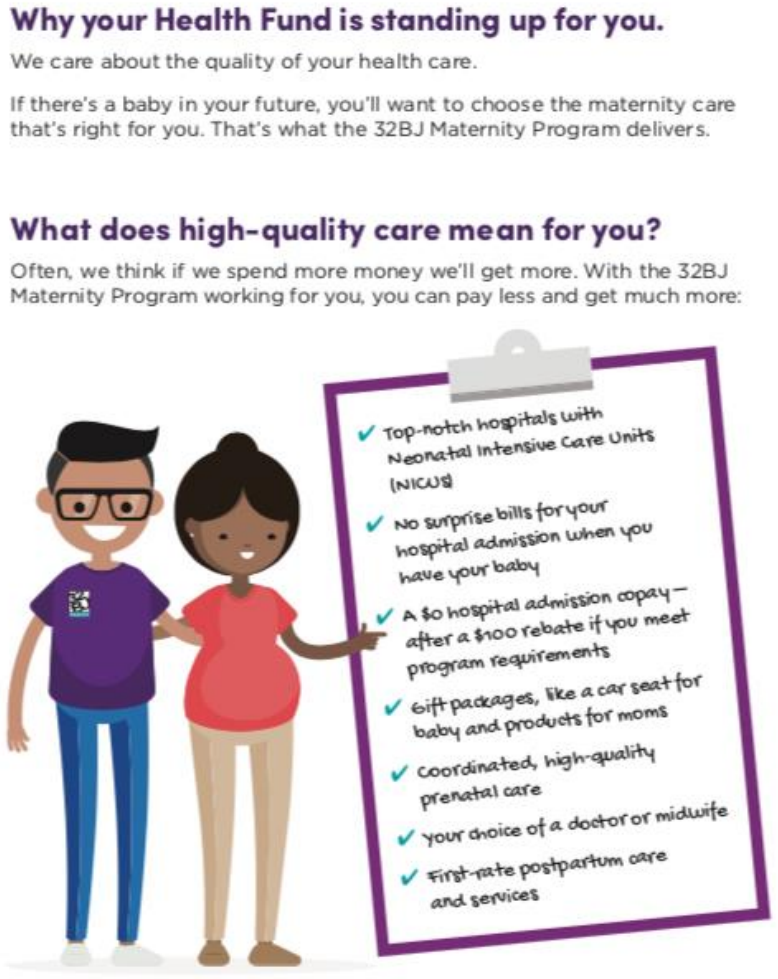
- Many women are attached to the doctors and hospitals they have used in the past; and
- Plan participants and their families value quality of care over cost; therefore, financial incentives alone may not alter a family's plans for maternity care.

The focus group facilitators explored how the Health Fund could address these factors.

When shown the criteria that the Health Fund used to develop the HVMN, the plan participants consistently selected the following factors as the most compelling:

- Having a NICU;
- Offering comprehensive postpartum care; and
- Guaranteeing no surprise bills from hospitals and providers.

The focus groups confirmed that the Health Fund's planned benefit design addressed plan participants' needs. They also gave the Health Fund further insight into how to frame the program's core messages to plan participants. Given that some focus group participants expressed a willingness to pay more out-of-pocket to stay with their doctors, the focus group research signaled that the Health Fund should lead with quality of care as the central benefit to the program, instead of emphasizing the out-of-pocket cost differentials.



Excerpt of the 32BJ Maternity Program brochure

The Health Fund worked with a marketing consultant to develop program materials in both English and Spanish. Based on the focus group insights, the Health Fund created postcards, brochures, and a comprehensive website. The website detailed the new maternity network and benefit design, and it also provided insights and educational materials on maternity care. The Health Fund made plans to send a mailer to all female plan participants of reproductive age on a quarterly basis and conduct other types of ongoing outreach to eligible plan participants to keep the maternity program top of mind.

Lessons Learned

Sara Rothstein and Jackie Meilak highlighted a few insights garnered through the RFI process that could help other purchasers interested in replicating the effort:

- **Build flexible deadlines:** Despite proactive communications to the bidders, many hospitals required extra time and multiple RFI iterations to complete a bid to participate in the HVMN. Building an ample cushion after RFI response deadlines ensures that downstream milestones are not put at risk.
- **Escalate early:** Unlike health plans, who staff and maintain proposal management

departments, hospitals may not be staffed to respond to RFIs from purchasers. Engagement from hospital executive leadership is imperative, and the Health Fund quickly learned that escalating to C-suite champions early was the most efficient way to capture and sustain respondents' attention.

- **Involve hospital counsel from the outset:** Hospital legal teams raise questions and concerns about partnerships with a purchaser that are separate from the focus of executive and clinical leadership teams. Involving legal counsel from the beginning ensures these questions are addressed upfront, avoiding unnecessary delays.
- **Consult experts:** Whether it is for developing a custom RFI to reflect the needs of plan participants or reviewing proposals from hospital bidders, it is important for purchasers to use subject matter experts. It is particularly helpful to have maternity experts review the data provided by the hospitals, given that case-mix and other factors can impact the non-risk adjusted data.
- **Advantages of scale:** With nearly 200,000 plan participants and over 1,000 births per year, the Health Fund recognized that it was uniquely positioned to capture the attention of the local hospitals and entice them to participate in the HVMN. For purchasers with smaller health plan membership, Sara Rothstein recommends pooling volume with other local purchasers before embarking on the initiative. If that's not feasible, benefit staff can instead advocate for improving maternity care quality at a more macro-level by participating in state-based or national organizations working on the cause.

Is a high-value maternity network right for your organization?

Not every purchaser will have the necessary scale to build a high-value maternity network independently. Executing this kind of direct contracting strategy requires a large population of plan participants of reproductive age, who are concentrated in a region where there are multiple competing hospitals.

Reflecting on the process to develop the benefit design and communication strategy, Rothstein and Meilak shared the following considerations for other purchasers:

- **Pregnancy is a sensitive topic:** Benefits staff should be sensitive to the fact that plan participants experience pregnancy in myriad ways and that about 10-15% of pregnancies end in miscarriage.[8] Staff in the Health Fund's call center take this into consideration when they reach out to plan participants who may be eligible for the program.
- **Find common ground:** The Health Fund designed the program materials to appeal to a wide range of experiences and emotions about pregnancy. For this reason, the Health Fund emphasizes the high-quality of HVMN hospitals (something that all plan participants identified as important) as the program's main benefit.
- **Use paths of least resistance:** The Health Fund worked closely with its TPA to figure out how to implement the benefit design in a way that both met the Health Fund's needs and

[8] March of Dimes, "Miscarriage." (2017). Retrieved 10 February 2021, from https://www.marchofdimes.org/complications/miscarriage.aspx

fit with the TPA's capabilities. Additionally, the Health Fund incorporated the TPA's patient-facing maternity programs where applicable.

Next Steps

The global outbreak of COVID-19 temporarily delayed rolling out the program, but, in July 2020, the Health Fund launched the High-Value Maternity Network. Because the Health Fund operates a single benefits plan for all plan participants, it is not beholden to an annual launch and enrollment cycle and can introduce new benefit programs at any point during the year.

The Health Fund introduced the public website to orient its plan participants to the program. The website allows visitors to access an informational brochure, understand the roles obstetrician-gynecologists (OBGYNs), midwives, and doulas play in a maternity care team, access informational videos about healthy pregnancies, find out what services are covered, learn more about program benefits and the HVMN hospitals and, most importantly, find out how to enroll in the program. To enroll, plan participants must:

- Choose a HVMN hospital and an OBGYN or midwife from a list of participating providers;
- Call Empire to enroll in its Future Moms program, which provides free 24/7 access to nurses who can answer questions related to pregnancy, and labor and delivery; and
- Notify the Heath Fund before their 32nd week of pregnancy after completing steps above.

Once there is at least two years' worth of claims data, the Health Fund expects to analyze the impact of program on quality, safety, and cost. To measure success on an ongoing basis, the Health Fund will track the number of people who enroll and evaluate patient satisfaction through follow-up phone surveys. The Health Fund will also use its claims data to analyze the quality of care being provided and the cost savings of the program to the Health Fund and its plan participants. Lastly, Rothstein hopes to inspire others with the example of a purchaser pushing hospitals and clinicians to share comprehensive data on their performance and spurring competition based on the quality of their care. In an Op-Ed in the NY Daily News, she left readers with this message: "[The Health Fund] will keep looking for ways to make innovation on quality and cost a priority for all types of care. If more purchasers do the same with committed providers, there's no telling what other innovations are possible."[9]

[9] Rothstein, S. (2020). Childbirth, costs and all of us: What we learned can help make health-care better and cheaper across the b. *New York Daily News*. Retrieved from https://www.nydailynews.com/opinion/ny-oped-what-we-learned-about-childbirth-20200310-i4sz34hrtnhmfnthr2ed4gtt6m-story.html