Building a High-Value Maternity Network: Toolkit Overview

A high-value maternity network can help employers and other health care purchasers ensure that plan participants receive maternity care that is consistently high-quality and affordable. This market-based strategy spurs local hospitals to compete with each other on quality and cost to earn preferred status in the purchaser's provider network. Catalyst for Payment Reform developed this Toolkit based on the experience of the 32BJ Health Fund, which launched its High-Value Maternity Network and accompanying 32BJ Maternity Program in July 2020 in New York City and Northern New Jersey. This document provides an overview of the Toolkit to help navigate the resources within.

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32BJ HEALTH

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NYS HEALTH FOUNDATION
Improving the state of New York's health

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Executive Summary

As the leading cause of hospitalization in the United States, childbirth comprises a significant portion of health care spending for employers and other health care purchasers.[1,2] The uneven quality of maternity care at the hospital and provider level reveals an opportunity for purchasers to identify local high-quality, lower-cost maternity care providers by developing a high-value maternity network: a market-based solution that curates a network of high-performing hospitals and their associated providers, and spurs them to compete on quality and cost.

The **Building a High-Value Maternity Network Toolkit** gives employers and other health care purchasers the resources and guidance needed to develop a network of high-quality, affordable maternity providers who are committed to patient-centered care and health equity. When paired with benefit design strategies and an effective communications campaign, this strategy can reduce a purchaser's costs and improve the quality of care that plan participants receive. Moreover, it can create in-roads between purchaser and providers, paving avenues for continuous collaboration and progress toward greater safety, affordability, and patient satisfaction.

This *Toolkit Overview* includes the following sections:

- Introduction to Catalyst for Payment Reform and the 32BJ Health Fund;
- Overview of the state of maternity care in the United States; and
- Summaries for each of the resources that comprise the Toolkit.

While uneven quality of care poses risks for all maternity patients, Black, Hispanic, and Native American patients bear a disproportionate share of adverse outcomes in maternity care, evident in a maternal mortality rate up to 3x higher than that of non-Hispanic white patients. This Toolkit prioritizes advancing racial *health equity* as a central goal of the high-value maternity network strategy. For the purposes of this Toolkit, we define **health equity** as conditions under which "everyone has a fair and just opportunity to be as healthy as possible."[3] Given the diversity of the United States workforce, all health care purchasers – including employers and public purchasers – have a stake in reducing racial health disparities.

About the funder

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[1] Health Care Cost Institute. (2020). *2018 Health Care Cost and Utilization Report*. Retrieved from https://healthcostinstitute.org/images/pdfs/HCCI_2018_Health_Care_Cost_and_Utilization_Report.pdf

[2] National Partnership for Women and Children. (2020). *Maternity Care in the United States: We Can – and Must – Do Better*. https://www.nationalpartnership.org/our-work/resources/health-care/maternity-care-in-the-united.pdf

[3] Braveman P, Arkin E, Orleans T, Proctor D, and Plough A, *What is Health Equity?* (Robert Wood Johnson Foundation, May 2017). https://www.rwjf.org/en/library/research/2017/05/what-is-health-equity-.html

Introduction

Catalyst for Payment Reform is an independent, 501c3 nonprofit on 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. CPR derives momentum from its membership, a group of 30+ progressive employers and other health care purchasers who collaborate to advance health care payment and delivery reforms, innovative benefit and provider network designs, and transparency on costs and quality in the health care system. CPR develops tools, conducts research, and offers education to help purchasers work collectively to push for higher-value health care.

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 benefits for nearly 200,000 plan participants across more than 5,000 separate employers. The Health Fund seeks to improve 32BJ members' quality of life by administering essential and affordable benefits.

In 2020, the Health Fund successfully launched its High-Value Maternity Network and accompanying 32BJ Maternity Program. To complement this work, the Health Fund received a grant from NYSHealth to develop a toolkit to help other health care purchasers replicate the strategy. Recognizing CPR's role in coordinating the actions of self-funded purchasers across the country, and having participated in CPR as a member organization since 2018, the Health Fund asked CPR to develop this resource. CPR is proud to include this Toolkit among the many resources and tools our staff has developed to help purchasers implement strategies proven to improve health care value. CPR commends the Health Fund for its drive to pursue higher-value health care through data-driven and innovative approaches, and for its dedication to help and inspire other purchasers to replicate its efforts.

Figure 1. An example of promotional materials for the 32BJ Maternity Program.

The State of Maternity Care in the United States

In a highly developed and industrialized country like the United States, we've grown accustomed to hearing that the price of health care in this country is too high, but the *quality* of care is unmatched.[4] While this may be the case for some facets of care delivery, it's not the case for maternity care. Recent research findings highlight the uneven quality of care,[5] racial disparities in birth outcomes and incidences of racism,[6] high rates of medically unnecessary cesarean deliveries,[7] and rising maternal morbidity and mortality rates.[8] The United States ranks far below peer countries in Europe and Oceania on maternal safety.[9] Affordability is also a great concern, both for consumers and purchasers.[10]

The following statistics provide a brief overview of some of the biggest pain points in maternity care today:

- The rate of **NTSV Cesarean sections**, which tracks C-sections among nulliparous women with a term, singleton baby in a vertex position,[11] has hovered at 26% from 2014 through 2018, above the national target rate of 23.9%.[12,13] When performed unnecessarily, C-sections put mothers and their babies at significant risk of morbidity and severe complications.[14] Additionally, C-sections are expensive: the average cost of a C-section in the United States is approximately 30% higher than that of a vaginal delivery.
- Routine **episiotomies**, or incisions made in the perineum during childbirth, provide little benefit to mother or baby, cause unnecessary trauma, and prolonged recoveries. The Leapfrog Group established a target episiotomy rate of 5% across all deliveries, but only half of reporting hospitals met this target in 2018. [15,16]

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[4] Roosa Tikkanen and Melinda K. Abrams, *U.S. Health Care from a Global Perspective, 2019: Higher Spending, Worse Outcomes?* (Commonwealth Fund, Jan. 2020). https://doi.org/10.26099/7avy-fc29

[5] The Leapfrog Group. (2019). *Maternity Care Report 2019* [Ebook]. Retrieved from https://www.leapfroggroup.org/maternity-care-report-2019

[6] Dána-Ain Davis, *Obstetric Racism: The Racial Politics of Pregnancy, Labor, and Birthing*. (Medical Anthropology, Dec. 2019). doi:10.1080/01459740.2018.1549389

[7] Ellison, K., & Martin, N. *Nearly Dying In Childbirth: Why Preventable Complications Are Growing In U.S.* (National Public Radio, Dec. 2017). Retrieved from https://www.npr.org/2017/12/22/572298802/nearly-dying-in-childbirth-why-preventable-complications-are-growing-in-u-s

[8] National Partnership for Women and Children. (2020). *Maternity Care in the United States: We Can – and Must – Do Better* [Issue Brief]. Retrieved from https://www.nationalpartnership.org/our-work/resources/health-care/maternity-care-in-the-united.pdf

[9] Munira Z. Gunja et al., *What Is the Status of Women's Health and Health Care in the U.S. Compared to Ten Other Countries?* (Commonwealth Fund, Dec. 2018). https://doi.org/10.26099/wy8a-7w13

[10] Michelle H Moniz et al, Out-Of-Pocket Spending For Maternity Care Among Women With Employer-Based Insurance, (Health Affairs Jan. 2020). https://doi.org/10.1377/hlthaff.2019.00296

[11] Nulliparous (first birth), Term pregnancy, Singleton, in Vertex position. The NTSV Cesarean Section rate examines a population segment whose method of delivery is most affected by variation in use of clinical quality. improvement activities as it is viewed as a risk adjusted measure. The Joint Commission, *Specifications Manual for Joint Commission National Quality Measures (v2013A1), Measure Information Form PC-02*. (2012). https://manual.jointcommission.org/releases/TJC2013A/MIF0167.html

[12] Cesarean Rates, Cesarean Rates by State. Retrieved 11 February 2021, from https://www.cesareanrates.org/cesarean-rates-by-state

[13] The Leapfrog Group, Factsheet: Maternity Care (Apr. 2020) https://ratings.leapfroggroup.org/sites/default/files/inlinefiles/2020%20Maternity%20Care%20Fact%20Sheet.pdf

[14] National Partnership for Women & Families. "Vaginal or Cesarean Birth: What Is at Stake for Women and Babies?" (2012) http://www.nationalpartnership.org/our-work/resources/health-care/maternity/vaginal-or-cesarean-birth-what-is-at-stake.pdf

[15] Jiang H, Qian X, Carroli G, Garner P. Selective versus routine use of episiotomy for vaginal birth. (Cochrane Database of Systematic Reviews 2017) https://doi.org/10.1002/14651858.CD000081.pub3.

[16] The Leapfrog Group, *Episiotomies*, https://www.leapfroggroup.org/ratings-reports/rate-episiotomy

- In 2018, the United States' maternal mortality rate was 17.4 **maternal deaths** per 100,000 live births, the highest rate among high-income, developed countries globally.[17] And, for women of color in the U.S., the mortality rate is two to three times higher.[18]
- **Severe Maternal Morbidity (SMM),** a series of complications that cause severe maternal harm during delivery – such as blood transfusions, emergency hysterectomy, blood clots, stroke, heart failure and sepsis, and others – has risen significantly since the late 1990s.[19] In 2018, the SMM rate in New York was 271 per 10,000 births (2.7%).[20] Among women in New York with private health insurance in 2018, the SMM rate for Black women was 2.3x higher relative to that of white women, and the rate for Hispanic and Asian women was 1.7x and 1.5x higher, respectively.[21]
- Childbirth in the United States is the **most expensive in the world** with average costs 40% greater than the next most expensive country (Switzerland).[22] In 2017, FAIR Health determined that the national average charge for a vaginal delivery was $12,290, while the national average charge for a C-section was $16,907,[23] but prices vary widely within and across markets.[24] Consumers – even if they have private insurance – pay a significant portion of these costs out-of-pocket: on average, women with employer-sponsored health coverage paid $4,500 out-of-pocket for maternity care in 2015.[25]

The combination of inflated prices, poor quality outcomes, racial inequities, and a high cost-share burden for health care consumers paints a dire picture of the state of maternity care in the United States. Employers and other health care purchasers are impacted both economically – overpaying for care due high pricing and overuse of costly medical interventions – and through loss of workforce productivity when plan participants suffer preventable complications. With the right data analysis in hand, many employers and other health care purchasers will find that they have a clear business case to invest in strategies that improve maternity care for their plan participants.

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[17] Roosa Tikkanen et al., *Maternal Mortality and Maternity Care in the United States Compared to 10 Other Developed Countries* (Commonwealth Fund, Nov. 2020). https://doi.org/10.26099/411v-9255

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

[19] Centers for Disease Control, *Severe Maternal Morbidity in the United States (Feb. 2021).* https://www.cdc.gov/reproductivehealth/maternalinfanthealth/severematernalmorbidity.html

[20] New York State Health Foundation, *Complications of Childbirth: Racial & Ethnic Disparities in Severe Maternal Morbidity in New York State,* (Aug. 2020). https://nyshealthfoundation.org/resource/complications-of-childbirth-racial-ethnic-disparities-in-severe-maternal-morbidity-in-new-york-state/

[21] NYSHealth (ibid).

[22] Hoffower, H., & Cheng, J. (2018). Kate Middleton's delivery of her third baby probably cost less than a typical birth in the US. *Business Insider*. Retrieved from https://www.businessinsider.com/kate-middleton-royal-baby-lindo-wing-st-marys-delivery-cost-2018-4

[23] FAIR Health, *Royal Birth Spotlights US Childbirth Costs*, https://www.fairhealth.org/article/royal-birth-spotlights-us-childbirth-costs

[24] William Johnson, Anna Milewski, Katie Martin, and Elianna Clayton, *Understanding Variation in Spending on Childbirth Among the Commercially Insured,* (Health Care Cost Institute, May 2020). https://healthcostinstitute.org/hcci-research/understanding-variation-in-spending-on-childbirth-among-the-commercially-insured

[25] Michelle H Moniz et al, Out-Of-Pocket Spending For Maternity Care Among Women With Employer-Based Insurance, (Health Affairs Jan. 2020). https://doi.org/10.1377/hlthaff.2019.00296

A Note on Health Equity

Because adverse maternity outcomes impact women of color disproportionately – even after controlling for health status and socioeconomic factors,[26] efforts to improve maternity care quality should strive *not only* to reduce adverse outcomes overall but *also* reduce significant gaps between rates of adverse outcomes across racial and ethnic groups. This goal of improving **health equity** is described by the Robert Wood Johnson Foundation as creating conditions where "everyone has a fair and just opportunity to be as healthy as possible. This requires removing obstacles to health such as poverty, discrimination, and their consequences, including powerlessness and lack of access to good jobs with fair pay, quality education and housing, safe environments, and health care."[27]

Improving health equity requires policies and best practices *specifically designed* to reduce or eliminate racial and ethnic disparities in maternity care outcomes and patient experience.

Navigating the Toolkit

The need for a High-Value Maternity Network strategy is predicated on the fact that the quality of care that a patient receives during childbirth varies greatly depending on the hospital she chooses.[28] This variation in quality presents an opportunity for purchasers to identify high-performing hospitals who demonstrate a commitment to health equity and quality improvement, and then guide plan participants to these high-value facilities through network and benefit design. Importantly, this approach highlights the purchaser's role in helping their plan participants navigate the complexities and lack of transparency in health care to make informed health care decisions.

Building a purchaser-led high-value maternity network is no small endeavor. It requires significant time and resource investment from a purchaser. What's more, 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. With that said, most of the resources included in this Toolkit will provide insight and instruction to improve care quality and health equity for plan participants, regardless of whether purchasers intend to develop their own HVMN.

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

[27] Braveman P, Arkin E, Orleans T, Proctor D, and Plough A, *What is Health Equity?* (Robert Wood Johnson Foundation, May 2017). https://www.rwjf.org/en/library/research/2017/05/what-is-health-equity-.html

[28] Glance, L. G., Dick, A. W., Glantz, J. C., Wissler, R. N., Qian, F., Marroquin, B. M., Mukamel, D. B., & Kellermann, A. L. *Rates of major obstetrical complications vary almost fivefold among US hospitals.* (Health Affairs, Aug. 2014) https://doi.org/10.1377/hlthaff.2013.1359

The Toolkit includes seven distinct tools to provide guidance to purchasers on pursuing a high-value maternity network strategy.

Case Study: The 32BJ Health Fund's High-Value Maternity Network

This case study documents the 32BJ Health Fund's process for developing and implementing a high-value maternity network in New York City and Northern New Jersey. After analyzing maternity care data and finding high rates of preventable complications and overuse of episiotomies, the Health Fund wanted to improve the quality of maternity care for its plan participants, the majority of whom are people of color. Using a data-driven, custom-built Request for Information (RFI), the Health Fund identified eight high-value hospitals. The Health Fund also used focus group research to understand how plan participants choose maternity care providers and what factors would encourage them to use one of the selected high-value hospitals.

Tool value beyond the HVMN: Understand process and lessons learned from the Health Fund's successful launch of a HVMN.

Request for Information (RFI) Template

This customizable template provides purchasers with a set of evidence-based questions that can be presented to hospitals and health systems in order to evaluate and identify a high-value maternity network. The RFI relies on nationally recognized, external sources for quality metrics, performance improvement, and operational standards of excellence, enabling purchasers to compare hospitals and evaluate their operations and outcomes against clinical best practices. The RFI requires hospitals to provide SMM, maternal mortality, and other quality data summarized by patient race and ethnicity and payer type (commercial, Medicaid, Medicare) to measure and address inequities. Purchasers can use this tool as a template for evaluating clinical partners in their region.

Tool value beyond the HVMN: Purchasers can work with their plan administrator to identify hospitals that meet the criteria specified within the RFI. If a purchaser's plan administrator offers a high-performance designation for maternity providers, purchasers can use this tool to inquire about the requirements for the designation – particularly with respect to health equity.

RFI How to Guide

As an accompaniment to the RFI, the How to Guide offers step by step instructions to help purchasers navigate the RFI process. The tool provides tactical advice on how to select an optimal point-of-contact, manage the timeline, and interpret results, and leverage best practices and important lessons from the experience of the 32BJ Health Fund.

Tool value beyond the HVMN: the processes outlined in the RFI How to Guide can be applied to any direct sourcing activity purchasers choose to engage in; it provides an honest assessment of the resources and human capital required to create a high-performance network of any kind.

Provider Outreach Communication Template

A purchaser-driven high-value maternity network can mutually advantage purchasers and their clinical partners; however, hospitals and health systems may be new to working directly with purchasers and responding to a purchaser-directed Request for Information. The Provider Outreach Communication Template offers messaging that articulates the benefit to providers of entering into clinical partnership through a high-value maternity

network. Purchasers can use this tool as a template for outreach to candidate hospitals and health systems.

Tool value beyond the HVMN: Messages to hospitals about the benefits of participating in a HVMN can be applied to any direct sourcing endeavor.

Maternity Baseline Assessment Tool

Measuring the impact of a high-value maternity network requires an understanding of baseline maternity outcomes within a purchaser's population of health plan participants. This tool highlights the quality, cost, and utilization measures that purchasers will want to analyze to assess the baseline status of maternity care. It also allows purchasers to compare the differences in frequency of C-section and maternal morbidity across various demographic groups within their population

Tool value beyond the HVMN: purchasers can use this tool to understand baseline maternal outcomes for plan participants and assess the degree of disparate outcomes across demographic groups.

Hospital Contracting Options

Hospital payment and contracting models create incentives to improve care efficiency, quality, and patient experience. This tool provides purchasers with an overview of the effectiveness of the most prominent payment reform models in maternity care: pay for performance, blended payment for C-sections and vaginal deliveries, nonpayment for medically unnecessary early elective deliveries, and bundled payment.

Tool value beyond the HVMN: Purchasers can use this tool to understand the types of alternative payment models their plan administrator currently has in place and assess the potential for the administrator's maternity contracting strategy to effect meaningful performance improvement.

Benefit Design Options

The benefit design options tool offers discourse on the types of incentives purchasers can deploy to influence plan participants' choices and behaviors. These include financial incentives for using preferred maternity care providers, incentives for program adherence (particularly for pre-natal care), and coverage for non-traditional providers and programs.

Tool value beyond the HVMN: Purchasers can leverage benefit design strategies to guide plan participants to high-value providers; benefit design can also create incentives for program adherence and offer coverage for non-traditional providers. Purchasers can deploy these strategies even without a dedicated HVMN.