



Kansas City Collaborative (KC²): A Value Based Initiative

A collaboration of employers committed to investing in the health of their workforce by ensuring that employees receive high-quality, cost-effective, evidence-based health care. Employers will utilize data to better align incentives and remove health care barriers for employees and their families.

Program Overview

The Problem: Employers are paying more for health care without unlocking the full value of their benefits

Employers fund almost 60 percent of health care in the United States,¹ often without understanding how to fully measure the return on their health investments. As health care costs rise, more employers are recognizing the value of tailoring benefits to the health risks in their employee populations.

Historically, most employers have not had the ability to understand their complete health care picture, as the data typically have been available in various internal and external “silos.”

The Solution: Collaboration to gain insight into implementing Value Based Benefits that can be shared with employers nationwide

To improve health benefits and develop a replicable and sustainable model to assist employers in identifying programs that offer high value, the Mid-America Coalition on Health Care (MACHC) and the National Business Coalition on Health (NBCH), in collaboration with Pfizer Inc, which is providing financial and technical support, launched a program called the Kansas City Collaborative (KC²). Consisting of 15 Kansas City employers (with a total of 358,000 covered lives), KC² uses Value Based Benefits concepts and “real world” principles to help employers improve the health of employees and their families, promote employee wellness, and manage long-term health care costs through sophisticated benefit strategies and health improvement programs.

Through this structured, data-driven learning process, each employer will be able to look at its own organization's high-level summarized data (blinded, not individual employee), from a variety of sources including health claims, workers' comp, Employee Assistance Programs, health risk assessments, and pharmacy benefits. Employers can then determine those health strategies that will be most helpful for the health risks in their specific workforce.

The Process:

- Each employer works with MACHC and Pfizer to analyze and interpret their data
- They then make changes to their benefits programs (including insurance, health and wellness, pharmacy and/or disability) based on their own health care risks and priorities
- Through participation in this program an employer can determine if their health management and benefits programs are making an impact in improving care and lowering costs
- At the conclusion of the process, employers will then measure the impact of these changes (using the same data process), and begin the process again, addressing the specific health risks of their workforce

The Results: Data-driven resources to help employers invest more effectively in employee health and wellness

Through its data collection and assessments, KC² will:

- Provide data-driven resources and tools to help employers better understand why and how to implement Value Based Benefits concepts in their own worksites and corporate cultures
- Build on Value Based Benefits evidence and share lessons learned and best practices with other employers across the country, to inform their benefit decision-making and spur the broader adoption of Value Based Benefits concepts
- Create a platform in which to introduce Value Based Benefits concepts as part of the solution to reforming the health care system (e.g., improved health outcomes)

This three-year pilot program will be completed in 2011. Similar initiatives are now being implemented with five NBCH member-coalitions as part of the American Health Strategy Project.

Value Based Benefits:

A value based approach is one used by employers to ensure their workforce has access to high quality, proven and cost-effective health care by reducing barriers (such as waiving co-pays) to essential services and providing incentives (such as lower premiums) to employees to make healthy life-style choices and access health care in ways that achieve optimal health.

For more information, contact Sara Poage spoage@machc.org at the Mid-America Coalition on Health Care (MACHC), Dennis White DWhite@nbch.org at the National Business Coalition on Health (NBCH).

¹ DeNavas-Walt, Carmen; Bernadette D. Proctor; and Jessica C. Smith, U.S. Census Bureau, Current Population Reports, P60-235, *Income, Poverty, and Health Insurance Coverage in the United States: 2007*, August 2008.