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**Kansas City Employers Saved $11 Million in Health Care Costs by Focusing on Prevention and Improving Health**

*Final results of Kansas City Collaborative project released*

**KANSAS CITY – September 15, 2011 –** A group ofemployers that participated in the Kansas City Collaborative (KC2) announced they successfully avoided almost $11 million in direct health care costs by implementing a value-based benefits project. The effort focused on givingemployees and their dependents access to better health information, reducing barriers to preventive care, engaging them in reducing health risks and accessing earlier treatment of chronic disease. The findings were released on reported data from nine of the 15 participating employers in this three-year value based benefit project led by the non-profit [Mid-America Coalition on Health Care](http://www.machc.org/) (MACHC). The program, supported by the [National Business Coalition on Health](http://nbch.org/) (NBCH) and [Pfizer Inc](http://pfizer.com/home/), involved approximately 400,000 Kansas City-area employees and their dependents.

“The Kansas City Collaborative employers are to be commended for recognizing the importance of investing in the health and well being of their employees and making benefit design decisions based on data,” said Christine T. Wilson, MACHC president and CEO. “By implementing a value based approach to health benefit design, this group of employers has been able to better address worker health and productivity while also lowering overall health care costs.”

**Impact of Kansas City Collaborative**

After reviewing and understanding trends in their specific workforce data and the research on best practices, all of the KC2 employers changed the design of their benefits during the demonstration project to better align incentives with desired behaviors that decrease health risks, promote use of preventive care and foster improved employee health. Benefit design changes largely focused on covering the evidence-based practices proven most effective for those health risks most common to employees and their dependents, including preventive screenings and health behavior changes.

Even with a single year of benefits interventions, nine employers, representing 56,000 employees, were able to report results and outcomes that include:

* Estimated average savings of $194 per employee as a result of focusing on reducing costly chronic diseases through this program.
* Sixty percent began offering preventive care treatment requiring no co-pays from their plan’s beneficiaries and 60 percent waived co-pays for medication for those enrolled in chronic disease management programs offered by their plans.
* Fifty percent charged lower employee insurance premiums for those employees completing a Health Risk Assessment (HRA), obtaining an annual physical, becoming a non-smoker, or reducing body weight by five percent.
* Thirty percent implemented new benefit programs to help employees to quit smoking, one of the most serious causes of costly chronic disease.
* Policy and environmental changes were also instituted, with 100 percent of employers adding healthy cafeteria and vending machine options and 89 percent offering onsite fitness facilities or other convenient options to help employees increase levels of physical activity.

“A valuable result of this project for us was the ability to pull together and interpret our own data, as well as gain insight into what other employers were doing,” said Stephen Best, vice president and director, Compensation & Benefits, JE Dunn Construction Company. “Armed with this information, we were able to work more closely with our vendors to design benefits that removed barriers for things like preventive services and encouraged engagement in wellness activities for our employee partners. And, we were able to do this in a way that reduced costs while improving health.”

Participating employers in the Kansas City Collaborative:

* American Academy of Family Physicians
* American Century Investments
* Blue Cross and Blue Shield of Kansas City
* BlueScope Steel NA
* Cerner Corporation
* Children’s Mercy Hospitals & Clinics
* City of Kansas City, Missouri
* H&R Block Inc.
* Hallmark Cards Inc.
* JE Dunn Construction Group
* Kansas State Employee Health Benefit Plan
* Lockton Companies
* Saint Luke’s Health System
* Sprint
* The University of Kansas Hospital Authority

**American Health Strategy Project**

The Kansas City Collaborative program has expanded to assist employers in other U.S. communities with the many health care challenges faced today through the American Health Strategy Project, a program of NBCH, also supported by Pfizer. NBCH member-coalitions that are working with local employers to take a strategic approach to value based benefits include: Dallas-Fort Worth Business Group on Health, Midwest Business Group on Health, Oregon Coalition of Health Care Purchasers, Pittsburgh Business Group on Health and Virginia Business Coalition on Health.

“Pfizer is proud to have played a role in the success of the Kansas City Collaborative and the savings that employers gained by successfully managing the health care of their employees ,” said Robyn Peters, vice president of U.S. Payers & National Accounts, Pfizer. “This initiative proved that employers have the ability to reduce health care costs while being mindful of their employees’ needs.”

**About the Mid-America Coalition on Health Care**

The [Mid-America Coalition on Health Care](http://www.machc.org/) is one of the oldest and largest health care business coalitions in the country, representing over 500,000 covered lives. MACHC is an employer-driven, non-profit collaboration of all health care stakeholders in the bi-state Kansas City region, seeking to improve the health and wellness of employees, their families and their community, and to develop strategies to reduce health care costs. Members include major employers, health plans, physicians, hospitals, brokers and consultants, academic institutions, public health, government, and pharmaceutical companies. www.MACHC.org

**About the National Business Coalition on Health**

[NBCH](http://www.nbch.org/) is a national, non-profit, membership organization of 53 purchaser-led business and health coalitions, representing over 7,000 employers and 25 million employees and their dependents across the United States. NBCH and its members are dedicated to value-based purchasing of health care services through the collective action of public and private purchasers. www.nbch.org.

**About Pfizer Inc**

[Pfizer](http://www.pfizer.com/home/) applies its science and global resources to improve health and well-being at every stage of life. Consistent with Pfizer’s responsibility as the world’s leading biopharmaceutical company, Pfizer also collaborates with health care providers, governments and local communities to support and expand access to reliable, affordable health care around the world. For more than 150 years, Pfizer has worked to make a difference for all who rely on the company. [www.pfizer.com](http://www.pfizer.com).

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