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Dallas/Fort Worth Employers Team Up to Leverage Purchasing Power to Improve Healthcare

Supply Chain Management approach to impact care process around quality and patient safety

Dallas (Oct. 4, 2016) – The [Dallas-Fort Worth Business Group on Health](#) (DFWBGH), a non-profit coalition of DFW area employers, has launched the Innovative Quality Healthcare Collaborative (IQHC) to improve healthcare quality, efficiency and patient safety in our community. Leveraging the collective impact of local employers – the ultimate purchasers of healthcare – the goal of the collaborative is to work more closely with healthcare suppliers (i.e., physicians and health systems) to re-design the fragmented process of care.

“Studies have shown that 30% of the cost in our healthcare system today is waste, which represents a savings opportunity of more than \$1 trillion,” said Cyndie Ewert, VP Total Rewards & HR Services, Energy Future Holdings. “Even with the numerous efforts around wellness and performance-based provider contracts, costs are still projected to increase annually at a rate of almost 6% for the next decade, which is simply not sustainable. We can and must take action.”

IQHC will use a proven “Six Sigma” approach, rooted in evidence-based treatment guidelines, to achieve the healthcare improvement goal. By following supply chain management principles, the employers can recognize the healthcare suppliers who are delivering higher quality healthcare on a consistent basis, so employees are better educated of their care options for the common medical conditions. Today, many patients access a doctor or hospital based on the close proximity to their home or office, or on a recommendation from a friend or relative. The reality is that the selection of the right physician can have a material impact of the quality of care being received and the resulting costs.

“We applaud the self-insured employers on this initiative, and by involving the health plans, we are able to provide clearer expectations of quality and value to healthcare providers,” said Paul Hain, MD, Market President, North Texas Region of Blue Cross and Blue Shield of Texas. “While we are fortunate to have top-rated doctors and hospitals in the DFW market, there are significant opportunities for greater efficiencies in the system.

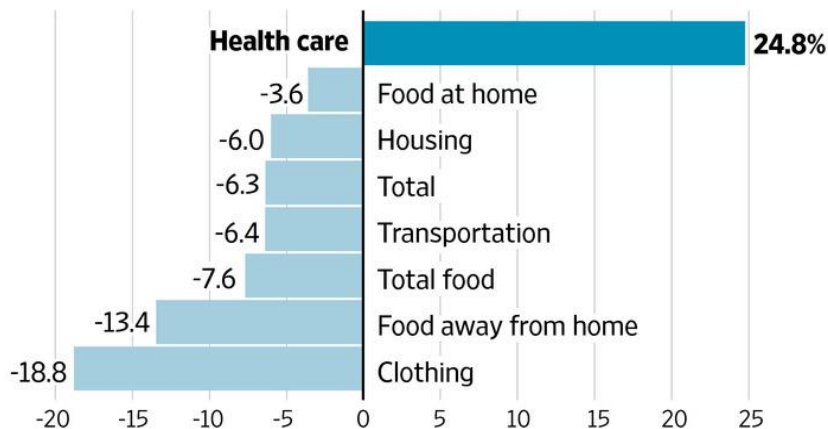
The first area of focus for IQHC will be musculoskeletal conditions, specifically uncomplicated low back pain. The industry has seen a 15-fold increase in the number of complex back surgeries over a five year period, and the employers’ data identified this area as a potentially significant avoidable expense.

In a recent Brookings Study featured in *The Wall Street Journal*, the middle class is spending significantly more on healthcare, as employers are encouraging greater consumerism among their enrolled population through higher deductible health plan offerings.

A Bigger Bite

Middle-class families' spending on health care has increased 25% since 2007. Other basic needs, such as clothing and food, have decreased.

Percent change in middle-income households' spending on basic needs (2007 to 2014)



Sources: Brookings Institution analysis of Consumer Expenditure Survey, Labor Department
THE WALL STREET JOURNAL.

“Being a public entity, there is a lot of competition for budget dollars. The rising cost of health care over the recent past has squeezed out funds for employee compensation and for other programs that serve the public, such as maintaining roads and filling potholes,” said Brian Dickerson, HR Director for the City of Fort Worth. “We look forward to collaborating with healthcare providers to lower the City of Fort Worth’s medical plan costs, which will enable us to offer a more balanced plan for employees and for the City’s public services.”

According to Marianne Fazen, DFWBGH executive director, “The IQHC initiative was introduced to the leadership of both the major insurance health plans in DFW and the hospital systems and musculoskeletal physician groups, and their feedback was overwhelmingly positive.”

Dr. Christopher Crow, President of the Catalyst Network added, “We welcome the opportunity to work directly with local employers, so we can leverage our physicians to impact the health and overall spending. Through direct relationships with healthcare purchasers, we can provide meaningful solutions to the employers’ challenges.”

For further information about DFWBGH’s mission and purpose of the Innovative Quality Health Care Collaborative, please contact Donita Doubet, IQHC Program Manager at doubet@dfwbgh.org or 214-382-3036.

About DFWBGH

The [Dallas-Fort Worth Business Group on Health](#) (DFWBGH) is a regional coalition of Dallas and Fort Worth employers dedicated to improving health care quality, cost-effectiveness, transparency and accountability. Representing over 75 corporate members with 750,000 local individuals spending over \$4 billion in healthcare annually, members include American Airlines, Brinker International, City of Fort Worth, Dallas Area Rapid Transit, DynCorp International, Energy Future Holdings, Greyhound Lines, Inc., JC Penney, The Neiman Marcus Group, Sabre Holdings, Southwest Airlines, and Texas Instruments. A member of the Texas Business Group on Health and the National Business Coalition on Health, DFWBGH's goals are to educate and empower employers and their employees to make informed health care-related decisions and to encourage health care providers to continuously improve their performance. Follow on [Twitter](#) and [LinkedIn](#).

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