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Healthy Spending

Coalition explores direct contracting

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The Greater Philadelphia Business Coalition on Health — an organization formed in 2012 to represent the employer community in working with health insurers and providers to improve the value of health benefit spending — held its third annual meeting last week. The main topic of conversation was value-based purchasing of health care. Here's the latest from the coalition on:

Membership: The group now has 38 employer members that represent 750,000 covered lives in the region. Members include Wawa, AstraZeneca, Aqua America, Vanguard, Herr Foods and SEPTA. "We've had slow and steady growth," said [Neil Goldfarb](#), the coalition's president and CEO.

Its major accomplishment: The coalition has worked behind the scenes to increase the number of area hospitals participating in Leapfrog Group reports. The LeapFrog Group is a national nonprofit organization formed by large employers to mobilize and leverage their purchasing power for health services. It promotes improvements in the safety of health care by giving consumers data to make more informed hospital choices. Before the Greater Philadelphia Business Coalition on Health — which is affiliated with The Leapfrog Group — was formed, three area hospitals submitted data to Leapfrog. Now 21 hospital report data. "I have commitments from several more to participate this year," Goldfarb said.

Plans for 2015: The coalition is exploring and developing direct-contract relationships between large employers and providers. Specifically, the group is focusing on contracts that carve out specific service areas such as elective orthopedic surgeries. "We are looking at who can deliver high-quality care at a reasonable costs, and what they'd be willing to do for us in return for an increase in patient volume," Goldfarb said.

John George covers health care, biotech/pharmaceuticals and sports business.