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# National health alliance eying Philadelphia for future expansion

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A national organization led by a former South Jersey congressman, and comprised of large corporations seeking to overhaul how health care is delivered to their employees, has its sights set on expanding into the Philadelphia market.

Rob Andrews, CEO of the 2-year-old Health Transformation Alliance, outlined the organization's plans at the annual conference of the [Greater Philadelphia Business Coalition on Health](#).



PHILADELPHIA PHOTOGRAPHER  
Health Transformation Alliance CEO Rob Andrews

"Philadelphia is very much on our radar screen," said Andrews, a Camden, N.J. native who represented New Jersey's first congressional district from 1990 to 2014. "I live 20 minutes from here. We are coming to Philadelphia."

When is another matter.

Andrews — who was working as an attorney advising the organization before becoming its CEO — said the alliance has already begun work in its first three markets: Chicago, Phoenix and Dallas/Fort Worth. Philadelphia, he said, could be added as early as the start of 2019 or as late as 2021.

The Health Transformation Alliance's members are 40 large employers that provide health benefits to 6.5 million people and spend \$25 billion annually on health care. Local alliance members include Lincoln Financial and DuPont.

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Andrews said premiums, co-payments and deductibles are rising at a rate that is making health care unaffordable to millions of workers, as well as their employers. He said the health care system is now

titled toward rewarding doctors and hospitals based on how many diagnostic tests and therapeutic procedures they perform, instead of providing incentives for preventive care and quality of care that keeps people healthy. To use a baseball analogy, Andrews said, the way health care works would compare the Philadelphia Phillies paying manager Peter Mackanin based on how many pitchers he put on the mound in a game instead of how well the team performed on the field.

The alliance plans to leverage its size to bring about improvements in how its members obtain coverage for their workers, he said. That effort will go beyond seeking volume discounts on care. Its objectives include achieving greater marketplace efficiency; using data to identify best treatments, good outcomes and cost reductions; and educating employees about making smart health care choices and breaking bad habits.

In its first three markets, the alliance is contracting with doctors and other health-care providers to care for employees with chronic conditions like diabetes or undergoing certain procedures such as hip and knee replacements. Payments will be based not on how many tests or procedures are performed, but on how well quality of care or outcome targets are achieved. Andrews said the alliance is also working with IBM to use its supercomputer Watson to help member companies choose doctors and drugs that provide the best value.

Andrews said members will not be able to go wherever they want for care because provider networks will be limited, based on analytics. “To go back to the baseball analogy, if somebody can throw a 90 mile-per-hour fastball or hit 40 home runs, we will want them,” he said.

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Neil Goldfarb, president and CEO of the Greater Philadelphia Business Coalition on Health, said what the alliance is planning complements what the coalition is doing in this region — namely collaborating with health plans, health care providers, and other system stakeholders to improve the value of health benefit spending.

“We’re still exploring how we can work together,” Goldfarb said. “We expect we will work with them to help the alliance identify who the high-quality, low-cost providers are.”

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