

Iowa Purchasing Consortium

Background: An Iowa Purchasing Consortium models the Minnesota's Smart Buy Alliance, a public/private health care purchasing group that agrees upon common purchasing principles and strategies to contain health care costs while improving quality of care. The Smart Buy Alliance membership has proposed and adopted several strategies including a common set of quality standards from health plans and providers and a pay-for-performance program for physician practices.

Recommendation: The Iowa Legislature should establish and fund an Iowa Purchasing Consortium to regularly discuss, endorse and implement best practice models within the health care system in Iowa. The IPC would agree upon common principles that would guide and influence supply and demand for health care services in Iowa with the goal of containing costs, providing quality health care services, reducing disparities, and emphasizing population health. Strategies endorsed by the IPC would be evidence-based and voluntarily promoted or adopted by health care payers and purchasers. The Consortium would include representatives from suppliers, patients, purchasers and providers of health care. For example, representatives from Medicaid, public employee health benefit, the Iowa Health Buyers Alliance, Wellmark, Principal, small businesses, the Iowa Healthcare Collaborative, and labor unions would be included in the IPC.

Health Care Purchasing Strategies:

1. Provide smoking cessation program in a standard benefit including reimbursement for treatment and support services.
2. Include a four-tier prescription drug co-payment system within a prescription drug benefit that includes a zero co-pay tier for selected medications. Medications proven to decrease morbidity and mortality would have no co-pay to increase use and compliance
3. Provide a standard medication therapy management program (MTM) within the prescription drug benefit to optimize high-risk patients' medications outcomes. Currently Iowa Medicaid reimburses pharmacists for pharmaceutical case management and Medicare prescription drug plans must include an MTM program.
4. Promote adoption of health information technology through provider incentives.
5. Investigate whether pooled purchasing for a prescription drug benefit (common statewide preferred drug list) would decrease costs.
6. Increase immunization rates for pneumonia and influenza vaccines. Approve administration fee for all providers.
7. Provide incentives (i.e., reduced physician office co-pay) to members participating in wellness programs.
8. Create public awareness campaign to educate consumers on smart health care choices and promoting value based purchasing.