

## National and Regional Employer Groups Partner in Colorado to Jointly Contract with High-Quality Health Care Providers, Centers of Excellence

*Eleven Colorado-Based Health Care Purchasers Have Signaled Intent to Participate in a Joint Venture Between the Purchaser Business Group on Health and Colorado Purchasing Alliance with Support of State's Governor*

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The Purchaser Business Group on Health (PBGH) and [The Colorado Purchasing Alliance](#) (TCPA), an affiliate of the Colorado Business Group on Health, have signed an agreement to jointly establish direct contracts with select hospitals and free-standing out-patient facilities across Colorado. This partnership will work to aggregate the efforts of larger, national employers with those of Colorado-based purchasers for the purpose of purchasing higher-quality, more affordable, employee health care benefits.

The first alliance of its kind between a national employer organization and a regional coalition (TCPA), the agreement brings public and private health care purchasers together to work directly and collaboratively with willing providers to improve affordability and employee health outcomes. Together, PBGH and TCPA will jointly identify centers of excellence and establish direct provider relationships only with facilities and their associated physicians that meet national quality standards at competitive prices.

“After decades of health care price increases that hurt Colorado families and communities, the time has come to re-think the basic structure of a dysfunctional health care market,” said Robert Smith, President of The Colorado Purchasing Alliance. “By working with PBGH, a national employer organization that has experience purchasing care based on value, we can create a health care market in which employers purchase health care services with the same due-diligence as other goods and services in the market.”

PBGH and TCPA will contract directly with centers of excellence for select procedures and/or condition categories, including orthopedics, pregnancy and mental health. Physician practices and physician-governed organizations will also be engaged to manage chronic disease, a primary driver of health care costs for employers, more effectively. By integrating high-performing primary care practices with centers of excellence, PBGH and

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TCPA will ensure patients are anchored to a care team able to facilitate appropriate referrals and follow-up care.

"The arrangement between The Colorado Purchasing Alliance and the Purchaser Business Group on Health is an excellent opportunity for Colorado's health care market to not only demonstrate its ability to perform at a national level, but, having done so, to gain business from national employers," said Colorado Governor, Jared Polis. My administration is proud to support this effort and it is another clear example of how we can work together to save people money on health care," Polis said.

The new joint venture will create a common set of standards to evaluate health care providers and systems in a way that leverages local relationships and creates a framework that can be scaled nationally.

"We've seen a readiness on the part of large employers, who pay the lion's share of health care costs in this country, to partner directly with providers who can deliver high-value services that improve the care and well-being of employees," said Elizabeth Mitchell, President and CEO of PBGH. "This initiative builds on PBGH's experience running one of the country's most successful centers of excellence programs, which eliminated unnecessary care, improved patient outcomes and experience and produced significant cost savings."

Eleven employers, including the State of Colorado, the City and County of Denver, the Boards of Education Self-Funded Trust and Colorado Employers Benefit Trust, have signed letters of intent to participate in The Colorado Purchasing Alliance.

"By partnering with other employers and building upon our aligned interests with physicians and willing hospital partners, we can create a health care market that emphasizes effectiveness and efficiency," Smith said.

**About the Colorado Purchasing Alliance:** Established by the Colorado Business Group on Health and comprised of 12 purchasers who have signed letters of intent including the State of Colorado, Colorado PERA, the City and County of Denver, Larimer County, Sheet Metal Workers Local 9, employer trusts, and several school districts, TCPA is authorized by the Colorado Department of Insurance as a statewide healthcare purchasing cooperative under State law. Its efforts to improve outcomes and affordability by directly engaging providers has been endorsed by the Colorado Medical Society and the Colorado Education Association.

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**About Purchaser Business Group on Health.** PBGH is a nonprofit coalition representing nearly 40 private employers and public entities across the U.S. that collectively spend \$100 billion annually purchasing health care services for more than 15 million Americans and their families. In partnership with large employers and other health care purchasers, PBGH initiatives are designed to test innovative operational programs and scale successful approaches that lower health care costs and increase quality across the U.S.

The Purchaser Business Group on Health and the Colorado Business Group are both members of the National Alliance of Healthcare Purchaser Coalitions, a nonprofit, purchaser-led organization with both a national and regional structure dedicated to driving to health care value across the country.

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