

Health providers get C's from employers

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(Photo: The Register)

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Iowa employers, who foot much of the bill for their workers' health care, are dissatisfied with the value they're receiving, a new study suggests.



"They're getting grumpier and grumpier," said David P. Lind, a Clive health care consultant who oversaw the survey of 1,054 employers.

Employers gave mediocre marks to the performance of Iowa hospitals, especially when it came to costs. The employers, on average, gave D grades to their local hospitals on "keeping costs reasonable" and "cost transparency." They gave the hospitals C grades on eight measures, including efficiency, quality of care and concern for patient satisfaction. The employers gave B grades on two measures, "access to care" and "trust in hospitals." They gave out no A grades.

Employers subsidize health insurance costs for more than half of all Iowans. On average, employers spend \$4,634 toward single coverage for each employee and \$9,528 toward employees' family insurance plans, Lind's research shows. Those costs have been shooting up for years, making employers wonder more about health care value, Lind said. "We're paying beyond world-class prices, and what are we really getting in return?"

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Lind's company, Heartland Health Research Institute, has been surveying employers about their health insurance coverage since 1999. Last year, the company added questions about how executives feel about health care providers in their area.

Lind acknowledged that the employers' opinions aren't based on concrete evidence, such as data on how patients fare after being treated at specific hospitals or by specific doctors. "But I think we need to start somewhere," he said.

Employers have slightly higher regard for the value of local doctors' services, the survey showed. On 12 measures, the employers on average gave three B grades, including for access to services, and eight C grades, including for efficiency and focus on wellness. The employers gave physicians a D for "keeping cost reasonable."

Lind said he suspects it's easier for an employer to criticize a relatively faceless hospital than a familiar physician.

Mike Ralston, president of the Iowa Association of Business and Industry, said the survey's results were a little more negative than he would have predicted. However, he said, the

employers who make up his group are increasingly aware of how much they're spending on workers' health care. "If we're going to pay a premium price, gosh, we want a premium outcome," he said.

Ralston said he hoped the survey would prompt discussions between health care providers and employers' human resources leaders. "The bottom line is there's work to be done here, for sure," he said.

Larry Countryman, chief financial officer for Wilson Trailer in Sioux City, said it's hard for employers to evaluate the value of the health care their workers receive. For one thing, he said, privacy laws prevent employers from knowing whether treatments they financed actually improved employees' health.

Countryman, who is on the Association of Business and Industry's board of directors, said his company spends increasingly large amounts of money on health care for its 1,200 workers, and it just has to trust that medical providers are handling them properly. At this point, he said, there's not much solid information showing whether one health care system provides better, more economical care than another. "They all have ads out there saying they're the best."

He said if business leaders had accurate, understandable information about which medical providers offered the best care, they might encourage employees to use those providers. "I think the employees would appreciate that kind of information, too," he said.

Amy DeBruin, executive vice president of Interpower Corp. in Oskaloosa, agreed with Countryman that it's difficult for employers to gauge the quality of health care that workers receive. "Really, from an employer's standpoint, what you know is what you hear from employees, and usually what you hear from employees are concerns," she said.

DeBruin runs the human resources department for Interpower and a related company, Tassel Ridge Winery, which together have 130 employees. She said employers and health care leaders should continue to work together to improve the health of employees.

Lind recently presented the results to leaders of the Iowa Hospital Association. Scott McIntyre, a spokesman for the group, said his association respects Lind's skills at accurately measuring Iowa employers' opinions. McIntyre said employers' concerns about the cost of health care are understandable. "They want to control it, and they want partnership from health care providers to control it," he said.

McIntyre said the survey's questions were a bit subjective, "but in any case, we think it merits dialogue." He said the hospital association is working to set up an Internet-based conference between health care leaders and employers to air concerns and talk about solutions.

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For more information about Heartland Health Research Institute's survey of Iowa employers, go to dplindbenchmark.com.