Lowe's is offering employees nationwide incentives in the form of reduced out-of-pocket costs to come to the Cleveland Clinic for heart procedures. CLEVELAND, Ohio -- With medical costs climbing and health care reform stalled, Lowe's Companies Inc. decided to shop nationally for the best deal in heart surgery for its employees, and it landed at the Cleveland Clinic.

The nation's second-largest home improvement retailer reached a three-year agreement with the Clinic. Lowe's is offering employees nationwide incentives in the form of reduced out-of-pocket costs to come to the Cleveland Clinic for heart procedures. Lowe's said it chose the Clinic among five hospitals nationwide in an effort to improve the quality of medical care for its workers and to lower costs.

"This is the first I've seen a multistate, national company choose a center of excellence and make it available to their employees," said Dr. Jack Lewin, chief executive of the American College of Cardiology. Lowe's is offering employees incentives in the form of reduced out-of-pocket costs to come to the Clinic for heart procedures. Lowe's said it chose the Clinic among five hospitals nationwide in an effort to improve the quality of medical care for its workers and to lower costs.

The arrangement shows how cost and quality, which won the Clinic praise last summer from President Barack Obama, can drive business to top-performing hospitals.

Neither the Clinic nor Lowe's would divulge financial details, but the Clinic said it gave the company a package price for doctor and hospital services.
The Clinic model of employing its doctors and paying salaries allows it to control costs, which Bob Ihrie, Lowe's senior vice president in charge of benefits, said attracted the Mooresville, N.C., company.

Ihrie said about 100,000 U.S. employees -- plus about another 100,000 dependents -- in Lowe's self-insurance plan are eligible for the program. Based on past claims, Lowe's estimates that some 125 patients a year could take advantage of the program. Patients must be approved for surgery in advance.

"How many take it depends on employee choice," said Ihrie. "We firmly believe the best quality in the long run will also deliver lower overall costs."

The arrangement was attractive enough that Lowe's will pay travel and lodging expenses for patients and a companion, and waive a $500 deductible and other out-of-pocket costs.

Good cardiac surgery outcomes are a selling point for the Clinic, says J.B. Silvers, a professor of health systems management at Case Western Reserve University. But equally important is that the Clinic model of employing physicians removes incentives for unnecessary surgeries to drive up volume and fees.

"I'm sure what they [Lowe's] concluded is they were overusing cardiovascular services," Silvers said. "I'm sure they have data that shows they're doing more than they should for the population they've got, and they want to control it. The Clinic will say no, where local hospitals may not."

Clinic doctors don't get paid for doing more procedures. "So [the doctor] is perfectly happy to say 'You don't need it,'" Silvers said. "I got 10 more right behind you who need it. I don't need to pump up my volume."

Ihrie of Lowe's declined to provide details about the company's cost projections for going with the Clinic plan.

The Clinic greatly expanded its capacity to treat heart patients with the opening of the Sydell and Arnold Miller Family Pavilion in 2008. Last year the hospital performed a record 4,128 heart surgeries. Forty-four percent of heart and chest surgeries patients were from outside Ohio.

Lowe's approached the Clinic about a year ago, said Michael McMillan, executive director of market and network services for the Clinic.

"The thing we will want to demonstrate together is that by an employee traveling to a place with better outcomes, fewer re-operations and lower complication rates, over time it will lead to lower costs," he said.

No other such deals are in the works, McMillan said, but "we would anticipate other employers would be interested as well."

Barbara Belovich of the Health Action Council, a local non-profit business coalition, said the arrangement is a sign of things to come. More often, businesses will shop for health care based on cost and outcomes data.

"It's leading edge and it's where medicine is headed," Belovich said. "The Cleveland Clinic has been and remains aggressive and smart in using data they've got to show they are doing things well."

"This is really medical tourism within this country, which is where we ought to keep it," she said.

The Clinic-Lowe's deal is sure to have a positive impact on the region, said Carin
Lowe's will bring its workers to Cleveland Clinic for heart surgery | cleveland.com

"There are only a few hospitals in the world that export their health care," Rockind said.

The Clinic is in a unique position to draw people to Cleveland, she said. The immediate impact on the local economy would be money spent on food, lodging and other needs. And, people might get a chance to see other amenities of the city.

Plain Dealer reporter Ellen Kleinerman contributed to this story.

Rockind of Team NEO (http://www.clevelandplusbusiness.com/), the region's business attraction group.

Cleveland Browns came out flat in 23-7 loss to Houston Texans, Desmond Bryant says 'I don't think we were really prepared' (http://www.cleveland.com/browns/index.ssf/2014/11/cleveland_browns_waste_an_oppo.html#incart_most-read)

Man accused of killing Akron cop served three stints in prison, including once for nearly running over over an officer (http://www.cleveland.com/akron/index.ssf/2014/11/man_accused_of_killing Akron_cop.html#incart_most-read)


Bryant says 'I don't think we were really prepared'
you are not covered. This would keep costs way down and everyone would be able to access excellent health care.

Just an idea!

grumpygramp - did you actually read the article?
This is a win win for everyone - Cleveland, Cleveland Clinic, patient and their family and Lowes. Why always so negative?

Wow what a great story.
In addition to the food and lodging revenue, bringing new patients in will also increase the demand for doctors. So this deal, and especially if there is more to come, will also bring highly paid health professionals into the Cleveland area to live and work.

will lowes pay for TRANSPORTATION and HOUSING????
probably not so many will not be done thus saving a lot of money

This is good news for Cleveland and the region. Medical tourists pay for hotel rooms for family members along with rental cars and meals. They pump money into our economy and require nothing more than service and a smile. It's a win for Cleveland.

What if a competing health care provider has a better procedure? Does Lowe's refuse to pay if?
This is what happens when there's no public option on the table. Thanks congress!

This is a great idea and indeed a sign of things to come. Companies are shopping for the best value and best bang for thier buck.

Smart move and seems to make sense for both parties

lumpster - You haven't realized that good news is really bad news in Cleveland. People that read cleveland.com need something to complain about, and the PeeDee usually serves up something negative fresh daily.

Had Lowe's chose the Mayo clinic or any other hospital, there would have been 40-50 posts by now, exclaiming that Cleveland sucks.

One thought. If you live in another city or state while working for Lowe's and have a heart attack, are you going to Cleveland Clinic first?

The city needs more jobs...period. We are not in a position to be selective and say that we only want jobs that aren't medical related, are manufacturing, are green or whatever.

We happen to be very good at medicine and we need to leverage that competency and expertise at every available opportunity. People are willing to travel for cardiac care and for other specialized medical services. The Clinic and UH realize that they cannot sustain growth in a geographic area where the population is shrinking. Lowe's sought the Clinic out in this case and the fact that they have been the top-rated heart center in the US for the past 15 years certainly had a lot to do with their decision.

Lowe's is based in Charlotte, NC and could have done this contract anywhere...but they chose Cleveland. For God's sake will you people just look at this as a "win" for the local economy and quit searching for the dark clouds?
City needs more jobs that aren’t medical related...you can’t provide health care to people that are out of work....they have no way to pay for it....health care today is a scam anyhow...educated crooks similar to lawyers....get rid of them all!

Great (no doubt) for CCF’s bottom line and for our local economy....

...however, thinking of the global healthcare delivery system this is likely to do some damage if this becomes a more common phenomenon. Cardiothoracic surgery and cardiovascular procedures in general are the part of cardiac care that keeps a hospital solvent. If, as the article suggests, you have the patients managed before hand and evaluated elsewhere only to ship them to CCF for the financially rewarding part, other hospitals are going to feel the pinch... might hurt healthcare delivery elsewhere... or they may adapt, but too often the healthcare debate is one of everyone only looking at their slice of the pie rather than the big picture... The big picture here may end up looking like the Big Kid On The Block stealing other hospitals’ lunch money by snipping the money making procedures.

I suppose it’s just the natural stepping stone to the robotic surgeon operated out of India by a surgeon we’ll never meet in person. Does our economy finally collapse after we’ve outsourced the manufacture of the robot, it’s programming, and highest of the high skill professionals who will actually operate it?

We’ll never meet in person.

Clearly I’m in a glass half empty mood this morning. But congrats to the Clinic for pulling in the business even if it’s only temporary :)

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