Getting Greater Value for Your Health Care Benefits:

Lessons for Success from Employers, Unions and Coalitions in Aligning Forces for Quality

Anne F. Weiss, M.P.P. Robert Wood Johnson Foundation

Aligning Forces for Quality

16 Alliances that bring together those who...

give care,



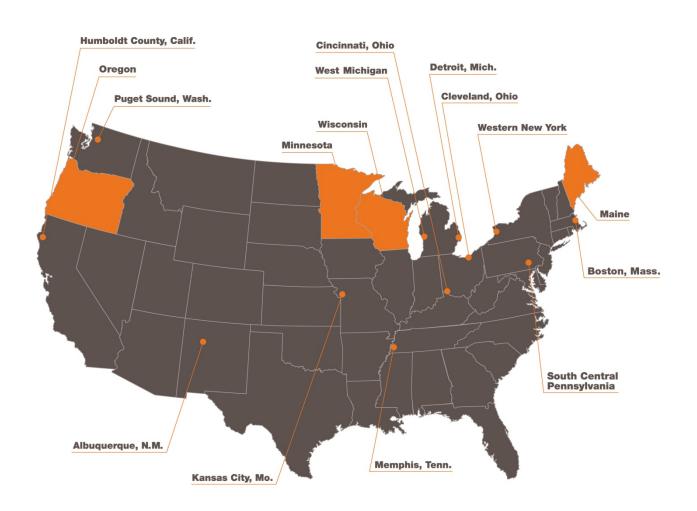
get care,



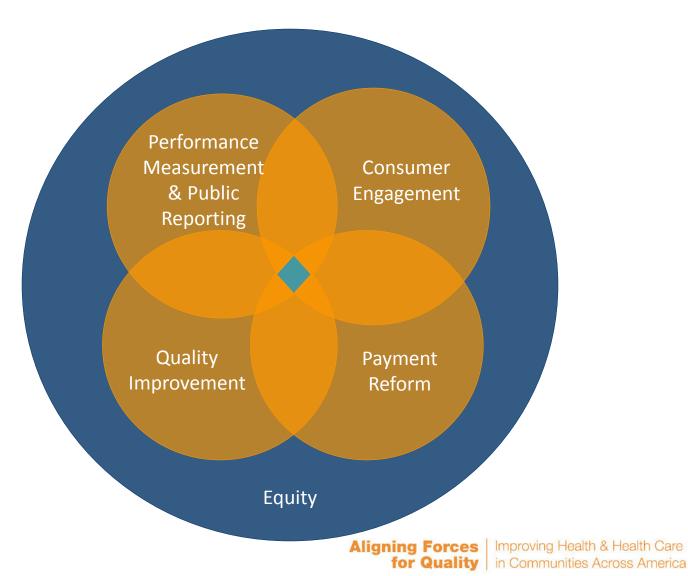
and pay for care.



Aligning Forces for Quality



Aligning Forces for Quality – Principal Activities



Today's Participants



Anna Fallieras



"Employer Innovations In Health Benefits"



Charissa Raynor



"Using Quality Data for Benefit Design"



Elizabeth Mitchell



"Building the Business Case for High Value Health Care"

For More Information



To find public reports in your area, visit our national directory at RWJF.org/QualityEquality/.

Employer Innovations In Health Benefits

Anna Fallieras
Program Leader, Health Care
Initiatives



GE





Asset Management







Making life better with new ideas & technologies



Lighting







Water Technologies



HealthAhead: Central role for consumers





It starts with a clear message: Be an active consumer

You never know when you will need medical care.

But certain factors are within your control. Minimize expenses under GE Health Benefits:

- Use network providers
- Seek care from quality doctors and hospitals
- Use free-standing diagnostic imaging centers when possible
- Avoid unnecessary ER visits by using urgent care centers when available
- Use generic drugs whenever possible
- Get your preventive screenings at no cost to you... catch any issues early
- Eat well, exercise, get fit and stay fit







Benefit design supports the message: GE HealthChoice & Health Benefits

- Financial protection against large expenses
- Move from fixed co-pays to cost sharing
- Outreach to high spenders
- Personal health report card
- No cost for preventive care & screenings
- Incentives
 - Non-smokers pay less
 - Free smoking cessation program and NRTs
 - Lower costs for generic drugs
- "Bankable" savings (spending account) with debit card

Employee Choices



Payroll Contributions

Highest

Deductibles and Co-insurance

Lowest

Savings accounts

GE-funded HRA Employee-funded FSA

You pay the most in payroll contributions, but you pay less when you seek care.



Payroll Contributions

Lower

Deductibles and Co-insurance

Higher

Savings accounts

GE-funded HRA Employee-funded FSA

You pay less in payroll contributions than in Option 1, but pay more when you seek care.



Payroll Contributions

Lowest

Deductibles and Co-insurance

Highest

Savings accounts

Employee-funded HSA
Employee-funded LPFSA
Idental and vision only)

Pay the least in payroll contributions but pay most when you seek care.

Contemporary design... drives active consumers, promotes health & wellness, provides choice



Personalized support: Health Coach from GE

A free confidential and voluntary resource for plan members

- Staffed by registered nurses
- Connects you to high quality doctors
- Helps you determine if you should use the ER or an urgent care center
- Arms you with the right questions to ask your doctor
- Helps you understand information about your condition and treatment options
- Links you to Lifestyle Coaching to help you live healthier



Phone 866-XXX-XXXX Available 24/7 for urgent after-hours care questions and options



Visit Health Answers via Web or cell phone to learn more, including email capabilities



80% brand recognition

and loyalty

Expert Medical Opinion (EMO) Program

Second opinion through Cleveland Clinic, which is confidential and voluntary

GE pays the entire cost

 Health Coach will help you collect and submit the required medical records

Commonly used for the following services:

- Back Surgery
- Hip Replacement
- Cancer Treatment
- Heart Surgery

20% of time patient gets wrong Dx or Tx





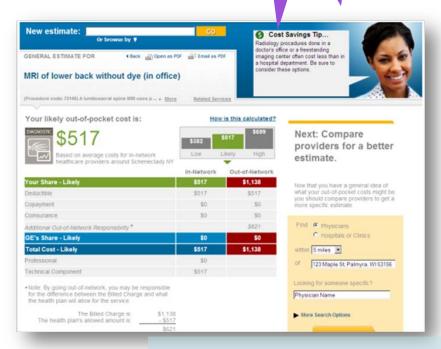
Treatment Cost Calculator

Built by GE and Thomson Reuters

- Guide to treatment costs, not a substitute for medical advice, (via member on-line or Health Coach telephonically January 1, 2012)
- Estimates derived using confidential claims data from GE and other employers
- Types of services:
 - Office visits, Radiology, Outpatient Surgeries, Inpatient Hospital, Ancillary Services (e.g., lab tests, immunizations)
- Cost Information integrated with Quality Data
- Health Tips (e.g., cost savings advice)







Available at: www.treatmentcostcalculator.com/ge



Improving value through payment



Catalyst For Payment Reform

Who We Are

A national independent organization led by large employers, with the active involvement of providers, health plans, consumers and labor groups working to improve health care quality and reduce costs by changing the way we pay for health care in the U.S.

Platform For Change

- Leverage purchasing clout to improve value through payment
- Promote alignment across sectors to reduce cost-shift and other adverse effects
- 3. Measure progress

Founding Members

- 3M
- The Boeing Company
- CalPERS
- Carlson
- Delta Air Lines
- Dow Chemical
- eBay
- Equity Healthcare
- FedEx
- GE

- Group Insurance Commission, State of Massachusetts
- · Intel Corporation
- Marriott
- Safeway
- US Foods
- Verizon
- Wal-Mart
- Xerox

Shared Agenda

Demand Payments Cut Waste or Tied To Performance

- National Scorecard
- 20% by 2020

Create Alignment and Leverage

- Model RFI, contracts
- Market Reform Toolkit
- Direct dialogue plans and policymakers

Implement Innovations

- Price transparency
- Reference/value pricing
- Maternity care payment



www.catalyzepaymentreform.org

HealthAhead: Central role for consumers





Health Alliance

Using Quality Data for Benefit Design

Charissa Raynor
Executive Director, SEIU Healthcare NW Training
Partnership and Health Benefits Trust



SEIU Healthcare NW Training Partnership



- Nonprofit 501(c)3 school formed by SEIU Healthcare
 775NW and participating employers
- Goal is to train and develop professional long-term care workers to deliver high quality care
- The Health Benefits Trust provides affordable medical, prescription drug, vision and dental benefits to home care aides.



Need to Move the Needle

- Time for decision on renewal
- 14,000 covered lives
 - Population had multiple challenges relative to other groups
 - Multiple co-morbidities
 - History of low insurance or no insurance
 - No primary care doctor
- Data did not show substantial progress on appropriate utilization of benefits
- Desire to look for better outcomes for our population and better value for our money





Turning to the Alliance for Assistance

- Analyzed results on quality from the Community Checkup
- Custom report on our population vs. the region
- Reviewed eValue8 results on health plans







The Decision

- Very clear we had to make a change
- A more traditional approach not working with our population
- Opted to move to Group Health Cooperative
 - Performs above regional average more often than any other medical group in region
 - Costs lower than traditional PPO





Early Results are Positive

- Group Health worked with us in partnership on how we can add value to the outcomes and utilization equation
- Still early for results, but utilization rates are showing very positive trend
- Process demonstrated the value of membership in the Alliance
 - Reports and staff support helped us make a crucial decision
 - Something we wouldn't have had if not a member
 - The value of using data and transparency to incentivize behavior

Maine Health Management Coalition www.mhmc.info



The MHMC is an <u>employer-led</u> partnership among multiple stakeholders working collaboratively to <u>maximize improvement in the value of healthcare services</u> delivered to MHMC members' employees and dependents.

The Maine Health Management Coalition Foundation is a public charity whose mission is to bring the purchaser, consumer and provider communities together in a partnership to measure and report to the people of Maine on the value of healthcare services and to educate the public to use information on cost and quality to make informed decisions.

4 Steps to Improving Health Care Value

- Performance Measurement and Public Reporting
- 2) Consumer Engagement
- 3) Value Based Purchasing
- 4) Reformed Payment/Effective Incentives



Poor Quality Costs More

On average, the cost of hospital stays for adults who develop health care-associated infections is about \$43,000 more expensive₂

- Every year 1.7 million people acquire health problems such as bacterial infections and incorrect blood transfusions after arriving at a hospital₃—of these, nearly 100,000 die.₄
- Eighteen types of medical errors account for 2.4 million extra hospital days and \$9.3 billion in excess charges each year.
- 2 Agency for Healthcare Research and Quality. Web. 20 Sept. 2011. http://www.ahrq.gov/ news/nn/nn082510.htm.
- 3 Centers for Disease Control and Prevention. Web. 10 July 2011. http://www.cdc.gov/ncidod/eid/vol7no2/wenzel.htm.
- 4" United States Department of Health and Human Services. Web. 23 Aug. 2011. http://www.hhs.gov/ash/ohq/.
- 9 "Safe Practices for Better Healthcare". National Quality Forum. Web. 20 Sept. 2011. http://www.qualityforum.org/News_And_Resources/Press_Kits/Safe_Practices_for_Better_Healthcare.aspx



Accountability Requires Transparency

Meaningful system performance measurement and public reporting is necessary for accountability to purchasers, patients and community.

- Transparency of cost, resource use and appropriateness
- Transparency of utilization rates and patterns
- Transparency of patient outcomes and experience
- Transparency of quality and safety



Transparency Requires Collaboration

- Pathways to Excellence- a multi-stakeholder consensus process to evaluate and select performance measures for practices and hospitals
- Use only nationally endorsed measures
- Direct provider input: endorsement key for credibility and consumer/employer use
- Continually raise the bar of performance
- Translated for public: value assigned (Good, Better, Best)





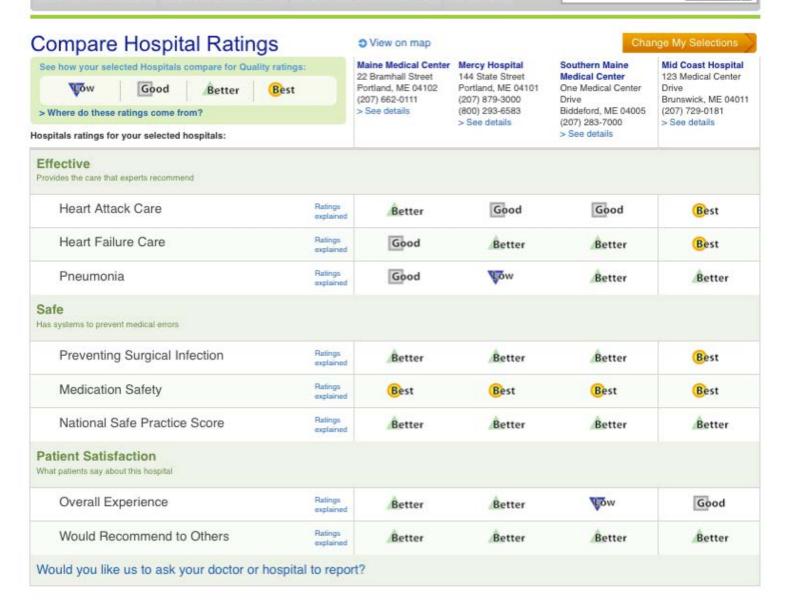
COMPARE DOCTORS

COMPARE HOSPITALS

FIND HEALTH RESOURCES

ABOUT US

SEARCH



Health Plan - Employer Use

- State of Maine Tiered Networks
 - Hospital based on PTE Metrics 2006
 - Added cost of care w/ quality Aug 2011
 - PCPs based on PTE Metrics July 2007
- Other Employers/Plan Sponsors
 - Jackson Lab January 2011
 - U Maine System January 2012
 - MMEHT January 2012



Hospital Tiering – Goals and Objectives

- Encourage public disclosure of provider performance
- Establish attainable performance targets to be incrementally adjusted
- Drive quality improvement
- Give members tools to make informed decisions
- Provide incentives to shape decision-making

What Happened – Short Term?

- Only 14 of 36 acute care hospitals met the criteria for "preferred" hospital
- Members voiced concern to local hospital officials for failing to meet criteria
- By 1/1/07 all Maine hospitals had completed the Leapfrog safe practices and the MHMC medication safety surveys
- Number of preferred hospitals jumped to 25 by 1/1/07

More Results

- Individually and collectively Maine hospital performance has improved despite more challenging benchmarks
- Arguably Maine hospitals may have the safest medication safety protocols in U.S.
- Providers are more engaged in the process of public reporting
- Tiered hospital benefit mean something to providers

 "it's embarrassing not to make the preferred hospital list"
- In 1st year there was 5% shift in outpatient services from non-preferred to preferred hosptials

Where We're Going: Accountable Benefit Design

Option	Explanation/Rationale
Incent Selection of PCP provider in ACO	If primary care is to be foundation of ACO, plan must encourage use of selected practices
Incent PCP visits v. ER visits	Establish significant differential to obtain care at PCP or network urgent care
Incent compliance with preventive care	100% coverage or preventive services and agesensitive screenings linked to health credit
Incent participation in practice based care management	Waive all co-pays for participation in practice based care management for members with chronic conditions



You Get What You Pay For

Employers Want:
Informed Employees
Improved Outcomes
Care Coordination
Prevention
Functional Status
Return to Work

Employers Pay For:

Tests

Visits

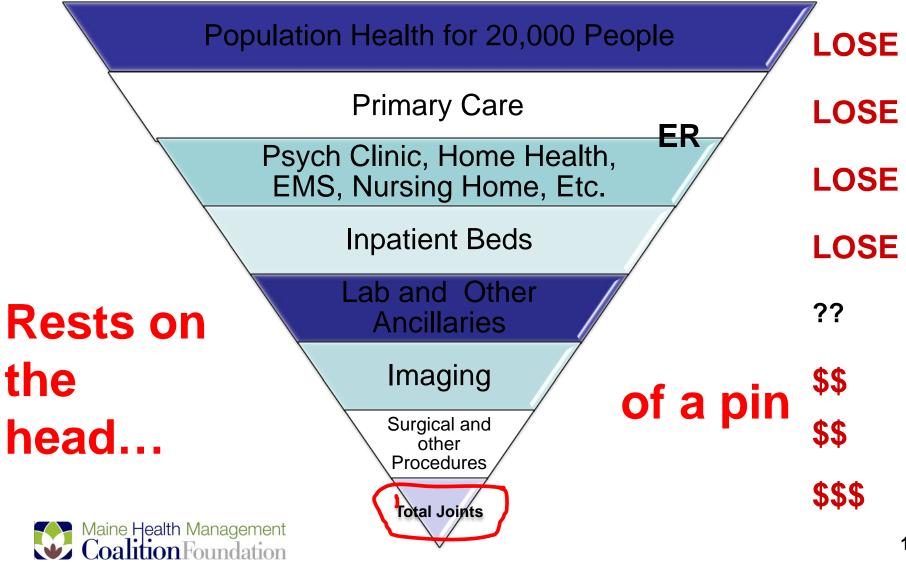
Procedures

Prescriptions

Errors & Complications



The Way **YOU** Pay is Major Part of Problem!

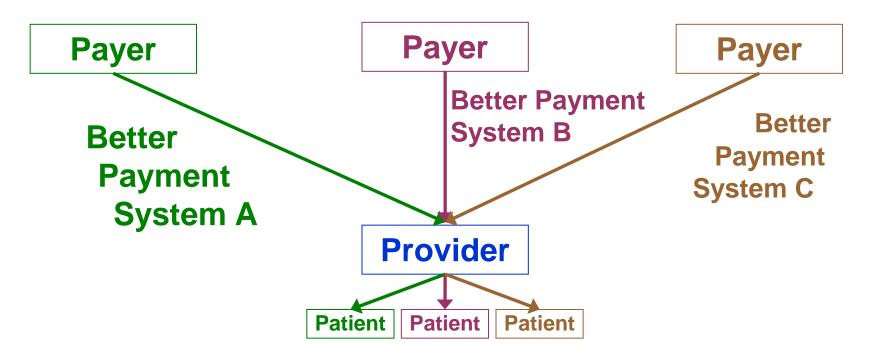


Payment Reforms Needed that Support Care Changes

- It's not about "risk" or "incentives," it's about giving healthcare providers the ability/flexibility to improve outcomes and reduce costs in a way that is financially feasible
- Desired changes in care should drive payment reforms that support them, not the other way around
- Principal Tools:
 - Episode-of-Care Payment
 - Risk-Adjusted Global Payment



Payers Need to Truly *Align* to Allow Focus on Better Care



Even if every payer's system is better than it was, if they're all different, providers will spend too much time and money on administration rather than care improvement





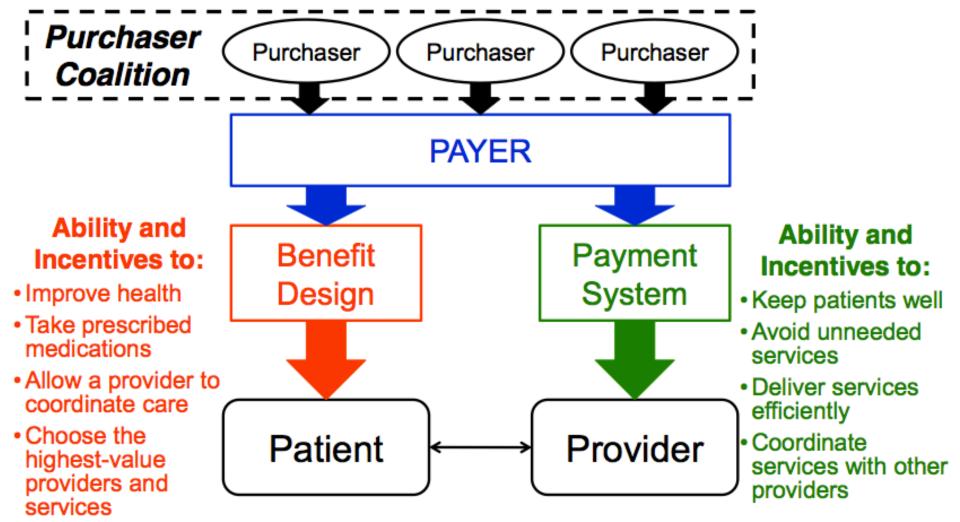
Key Tool: Trusted Data/Analysis to Support New Payment Models

- Provider needs to know what its current ER utilization rates, infection rates, etc. are to know whether an episode or global payment amount will cover its costs
- Purchaser needs to know what its current utilization rates, preventable complication rates, etc. are to know whether an episode or global payment amount is a better deal than they have today
- Both sets of data have to match in order for both purchasers and payers to agree!



Key Role for a Strong Purchaser Coalition, Like MHMC





How We're Helping ME Employers

Phase 1

- Value Based Purchasing College: a series of 7, 2.5 hour long educational and interactive meetings
- Strategy / Support Sessions
- Year-end evaluation / planning meeting

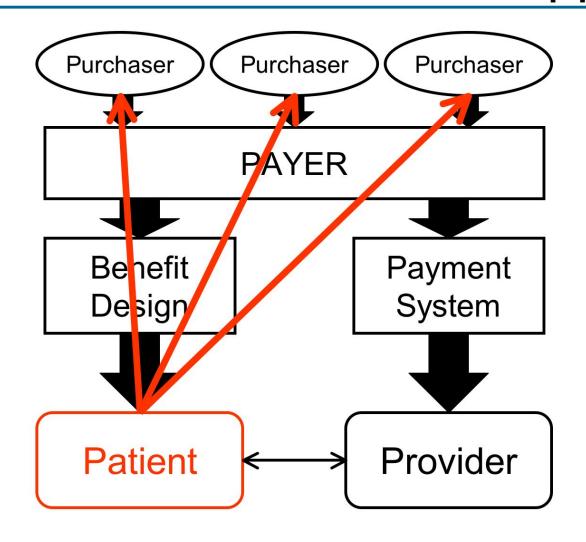
Phase 2

- Employee Communications Development
- Vendor Performance Evaluation
- Local Provider/Hospital Tiering Communications
- Transfer of Tiering Information to Health Plan
- Year-end evaluation / planning meeting



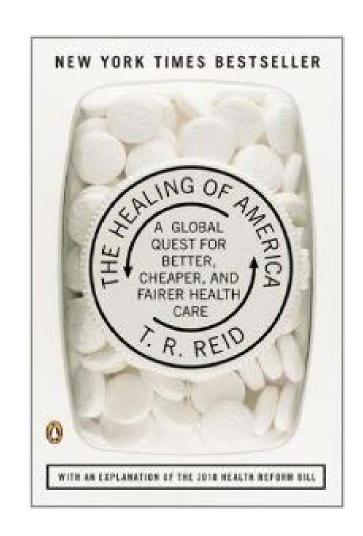


And Consumer Support is Critical for Purchaser/Plan Support



Creating Community Support for Change

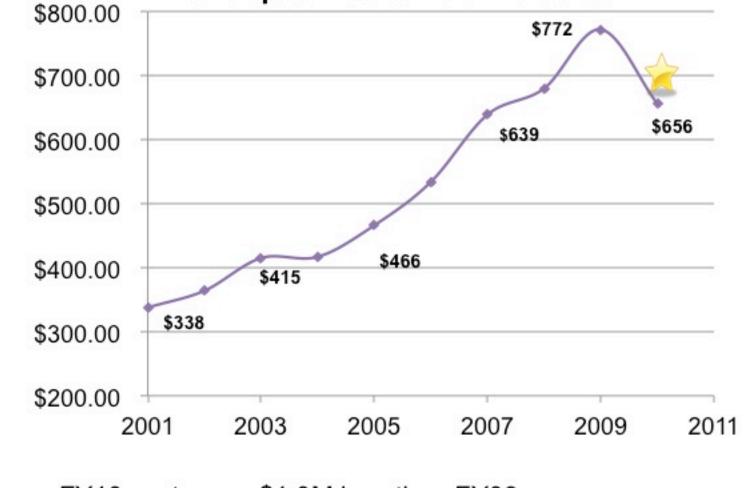
- Statewide book club Nov. 2011
- 10 appearances by T.R.
 Reid including the Maine
 Health Management
 Coalition's annual meeting
- Widespread media coverage
- Corresponding PBS program





Bending the Cost Curve at the Jackson Laboratory

Per Capita Medical Claims Costs





- FY10 costs over \$1.0M less than FY09
- FY11 costs through the first 7 months \$1.0M under budget
- Benefit rate (as % of Compensation) decreasesd1.5%! 21

Strategies begin to yield results.... Per Capita Comparison

Measure	2010	2009	% Change
Annual Per Member Cost	\$3,904	\$4,843	-19.4%
Annual 1 of Wellber Cost	ψ5,504	ψ+,0+0	13.470
In Patient	\$1,005	\$1,436	-30.0%
Ambulatory	\$2,899	\$3,406	-14.9%
Admissions/1000	79	104	-24.5%
Days of Care /1,000	294	352	-16.4%
In Patient Surgery	34	50	-31.7%
Claimants > \$50,000	23	29	-20.75
Compare to Aetna BOB	+16.5%	+38%	2

In Summary....

- Opportunities do exist
- Need <u>comparative data</u> to understand your costs
- Plug into established networks and build partnerships
- No need to go at it alone MHMC gives both large and small employers a voice
- Employee education + options + incentives = quality + wise utilization lower cost



Anne F. Weiss, M.P.P.

Anne F. Weiss, M.P.P., a senior program officer, directs the Robert Wood Johnson Foundation's Quality/Equality Health Care Team.

Weiss joined the Robert Wood Johnson Foundation in 1999, after a distinguished career in health care policy at both the federal and state level. She served as senior assistant commissioner of the New Jersey Department of Health and Senior Services, where she directed the state's oversight of the quality of care delivered by health care providers and health plans, and was also responsible for the state's hospital indigent care programs. During her tenure, the Department of Health and Senior Services worked with physicians and hospitals throughout the state to issue New Jersey's first report card on health care quality. She also served as executive director of New Jersey's blue-ribbon health reform panel, the Essential Health Services Commission, where she directed implementation of a subsidized health benefits program for the working uninsured.



Previously, Weiss spent 10 years in Washington, D.C., as professional staff to the United States Senate Committee on Finance and as a senior examiner with the Office of Management and Budget. She also has served as a program analyst in the Office of the Assistant Secretary for Planning and Evaluation, was a member of the steering committee of the National Academy for State Health Policy, and served on the board of the National Association of Health Data Organizations.

Born in Detroit, Weiss received her M.P.P. from the Kennedy School of Government, Harvard University, and a B.A. in history and political science from Wellesley College.

Drawn to the Foundation by its high standards for intellectual honesty and its willingness to take risks to improve health care, Weiss believes that the Quality/Equality Health Care team's strategy represents a dramatically new approach in which RWJF will seek to have a "focused impact in a few target communities in which we can bring to bear many of the different strategies the Foundation has tried over the years to really demonstrate an impact on quality of care." She describes this approach as one that seeks to address the inequalities in health care for individuals from specific racial, ethnic, cultural, and socioeconomic backgrounds, increase sustained local collaboration to achieve high-quality health care, create greater transparency about what health care is and what it costs, and devote substantial resources to research, tracking, and evaluation.

Anna Fallieras

Anna Fallieras is the program leader for Health Care Initiatives at General Electric. She is responsible for leading GE's role in catalyzing change in the health care system through national initiatives and the development of new, market-based strategies.

In her current role, Fallieras founded Catalyst for Payment Reform, a non-profit organization focused on catalyzing and coordinating opportunities to improve value through reforming the nation's payment systems. She also represents the company on employer issues related to health reform and market-based health policy and financing, with special interest in performance measurement and payment innovation.



Prior to joining GE, Fallieras was the vice president for market development at United Health Group. Additionally, Fallieras has held leadership and staff positions at the Center for Health Care Strategies, Maryland's Medicaid program, the Centers for Medicare and Medicaid Services, The Lewin Group, and the U.S. Senate Health, Education, Labor and Pensions Committee.

She has an M.P.H. from Johns Hopkins University and an M.P.A. and a B.A. from the Ohio State University.

Charissa Raynor

Charissa Raynor is the executive director of the SEIU Healthcare NW Training Partnership and Health Benefits Trust. The Training Partnership is the largest non-profit school of its kind in the nation, providing training and workforce development services to more than 40,000 long-term care workers annually, while the Health Benefits Trust provides smartly designed health benefits coverage to nearly 14,000 long-term care workers in Washington and Montana. Raynor provides overall leadership and strategic direction to these two inter-related organizations, building on more than 10 years of experience in the health care field including administration, research, and policy work. She is also a Registered Nurse with experience in public health, long-term care, and primary care settings.



Previously, Raynor held positions with SEIU Healthcare 775NW, the University of Hawaii at Manoa School of Nursing, and the Institute for the Future of Aging Services. She holds a Master's degree in health services administration. Raynor is a board member of the Puget Sound Health Alliance and a member of the U.S. Secretary of Labor's Advisory Committee on Apprenticeship. She is also a member of National Quality Forum's Measure Applications Partnership (MAP) Post-Acute Care/Long Term Care Committee (MAP). In her spare time, you can find her rock climbing and walking her poi dog.

Elizabeth Mitchell

Elizabeth Mitchell currently serves as the CEO of the Maine Health Management Coalition, an employer and union-led, multi-stakeholder coalition whose mission is to improve the value of health care services. The Coalition is actively engaged in payment reform and health system redesign with its many partners. Mitchell is on the Board of the Network for Regional Health Improvement and the National Business Coalition on Health where she cochairs the Government Affairs Committee. Mitchell also serves as chair of Maine's Chartered Value Exchange, co-convener of Maine's Aligning Forces for



Quality project as well as Maine's multi-payor Patient Centered Medical Home Pilot and on the Advisory Committee of the Maine Quality Forum. Prior to being appointed CEO, Mitchell served on the Board of the Coalition for five years and was a founding member of its consumer engagement group, representing her then-employer, MaineHealth, Maine's largest integrated health system. Mitchell led MaineHealth's government relations and employer relations programs and initiated and directed several transparency and quality improvement efforts including development of MaineHealth's Center for Quality and Safety.

In 1998, Mitchell was awarded an Atlantic Fellowship from the Commonwealth Fund and British Council to study international health policy at the London School of Economics. She stayed in London an additional four years doing graduate work in health policy while also working as the director for public affairs at the Nuffield Trust, a health philanthropy. While in the UK, she completed the International Health Leadership Programme at Cambridge University's Judge School of Management. Prior to accepting the fellowship, Mitchell served in the Maine State Legislature representing part of Portland, one term as chair of the Health and Human Services Committee. She worked as a senior policy analyst at the National Academy for State Health Policy before and during her time in the Legislature. Elizabeth lives in Portland, Maine with her husband and four children.