



RIBGH Finance Committee Report

Health Care Strategies:
Environment, Barriers, and
Opportunities

RIBGH Finance Committee Report – 9/19/08

Finance Committee Charge

- ◆ Plan and hold Second Annual RIBGH Healthcare Summit
- ◆ Explore opportunities for RIBGH membership services and group purchasing

Committee participants

◆ Robin Benoit, Denise Javery, Howard Dulude, Thomas Lent, Catherine O'Rourke, Paul Ricciardi, Eric Swain, Mark Titelbaum, Stan Wescott

Guest Speakers at Finance Committee Meetings:

- ◆ Michael Follick, Ph.D. – The Abacus Group
- ◆ Linn Freedman, Esq. – Nixon Peabody
- ◆ Randy Vogenberg – Consultant

Environment

- ◆ Crisis in Employer-Based Health Care Coverage
 - Unaffordable
 - Lacks effectiveness
 - Significant indirect costs (lost productivity)
 - Not integrated with work related injury, leave of absence, and FMLA

Environment

- ◆ Aging population and workforce
- ◆ Significant health risk factors - weight, physical activity, smoking, drug and alcohol abuse, mental health
- ◆ Risk factors not being addressed or even identified
- ◆ Chronic disease

Barriers – Rhode Island

- ◆ Limited number of health, dental, and WC insurers – Current players well established
- ◆ Small market size
- ◆ Extensive State Regulatory requirements
- ◆ Limited self-insurance
- ◆ Many small employers
- ◆ Fragmented health care system

Barriers – Rhode Island

- ◆ Historically un-organized business community
- ◆ Major State budget issues
- ◆ Economic downturn – housing, jobs, gas, food, uncertainty

Opportunities

- ◆ Utilize Rhode Island's advantages to create solutions. Advantages include:
 - Small size, number of key players, and ease of communication
 - Insurance expertise
 - Healthcare resources – hospitals, recognized medical experts, Brown University Medical School

Employer Healthcare Coalition

- ◆ Create “Employer-driven” Healthcare Solutions
- ◆ Typically employer coalition could include:
 - Private employers or
 - Public and private employers

Employer Healthcare Coalition

- ◆ Suggest given Rhode Island's unique characteristics that a RI Coalition might begin with:
 - RIBGH members
 - Health insurers
 - Major healthcare providers

Employer Healthcare Coalition Potential Objectives

- ◆ Education and awareness
- ◆ Influence the market
- ◆ Buying
- ◆ All of the above

Employer Healthcare Coalition Influence Strategies

- ◆ Uniform quality & reporting requirements
- ◆ Transparency & public reporting
- ◆ Direct incentives
 - Pay for performance
 - Centers of excellence

Employer Healthcare Coalition Buying Strategies

- ◆ Preferred vendors or vendor rates
- ◆ Direct contracting
- ◆ Carve-out group purchasing
- ◆ Insurance pools

Employer Healthcare Coalition Carve-out Group Purchasing

- ◆ PBM Services
- ◆ Health Risk Identification
- ◆ Health & Wellness or Disease Mgt.
- ◆ Dental
- ◆ Vision
- ◆ Behavioral Health
- ◆ Data management

Employer Healthcare Coalition Insurance Pools

◆ MEWA – Multi-Employer Welfare Association

- Insured through group purchasing
- Self-insured
- Customized plan design with carve-outs
- Data driven with population specific interventions

Employer Healthcare Coalition

◆ What is next for RIBGH?

- Continue awareness activities
- Influence the market
- Develop buying opportunities
- Alone or in partnership with Key RI Stakeholders

RIBGH Summit Wrap-up and Planning

- ◆ Where does RIBGH go from here?
 - Continue to educate
 - Influence the market
 - Create buying strategies