Getting to Affordability: Communities Working Together to Improve Health Care Value

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Value-based Purchasing

MIDWEST HEALTH INITIATIVE

bhc
BUSINESS HEALTH COALITION
employer partners in healthcare
Today’s Objectives

1. Introduce the St. Louis Area Business Health Coalition and the Midwest Health Initiative.

2. Share an employer perspective on health care costs and affordability and discuss the role of regional collaboration in achieving safe, high quality and affordable care.

3. Discuss how employers are working to improve health care value and affordability.

4. Make a connection and learn from your perspectives.
**Mission:** To support employer efforts to **improve the well-being** of their enrollees and **enhance the quality and overall value** of their investments in health benefits.

**BHC Members**

AAF International  
Aegion Corporation  
Ameren Corporation  
Anheuser-Busch InBev  
Arch Coal, Inc.  
TheBANK of Edwardsville  
Barry-Wehmiller Companies, Inc.  
Bass Pro Shops, Inc.  
Bi-State Development/Metro  
The Boeing Company  
Bunzl Distribution USA, Inc.  
Caleres  
Charter Communications  
The City of St. Louis  
Concordia Plan Services  
Cushman & Wakefield  
Daikin Applied Americas Inc.  
Diocese of Springfield in Illinois  
The Doe Run Company  
Drury Hotels Company, LLC  
Edward Jones  
Emerson  
Emmaus Homes  
ESCO Technologies Inc.  
Ferguson-Florissant School District  
Francis Howell School District  
Global Brass and Copper, Inc.  
Graybar Electric Company, Inc.  
Laird Technologies Inc.  
Maines Paper & Food Service, Inc.  
McCarthy Holdings Inc.  
Millipore Sigma  
Mississippi Lime Company  
Monsanto Company  
North American Lighting, Inc.  
Northwest R-I School District  
Olin Corporation  
Panera, LLC  
Parkway School District  
Peabody Energy  
Rockwood School District  
Saint Louis County  
Saint Louis Public Schools  
Schnuck Markets, Inc.  
Sustaining Members:  
Aon Hewitt  
Lockton Companies, LLC  
Mercer  
Willis Towers Watson  
Health Care HR Partners:  
Centene Corporation  
Express Scripts, Inc.  
Mallinckrodt Pharmaceuticals  
Saint Louis University  
University of Missouri  
Shelter Insurance  
Spire, Inc.  
St. Louis Graphic Arts  
Sulzer USA Inc.  
Sunnen Products Company  
Tucson Electric Power  
Watlow  
WestRock Co.  
World Wide Technology, Inc.
BHC Strategic Objectives

1. Improve Health
2. Achieve Transparency
3. Align Recognitions and Rewards

Health Care Transformation Community by Community

Community partnerships, local commitments yield results

Value-Based Purchasing

Align incentives to reward quality and affordability
Keep members connected and informed around high value opportunities:

1. **Educational Forums and Connections**
   - Local and national provider, plan leaders and other content experts
   - Innovate products

2. **Peer to Peer Learning (Roundtables)**
   - Wellness
   - Pharmacy
   - Data and Analytics
   - Communications
   - International Benefits

3. **Group Purchasing and Projects**
   - Pharmacy Management Initiative (PMI)
   - Worksite Clinic Feasibility Studies
   - Flu Shot Group Purchasing

4. **Research and Benchmarking**
   - St. Louis Area Health Industry Overview
Midwest Health Initiative (MHI)

Founded in 2010

Mission: To provide a forum where trusted information and shared responsibility are used to improve health and the quality and affordability of health care.

Vision: A community that consistently leads the nation in health, care quality and affordability.
| ✓ | Non-profit regional health improvement collaborative (RHIC) founded in 2010. |
| ✓ | Led a board multi-stakeholder representing physicians, health systems, employers, unions, and consumers. |
| ✓ | Hosts a common table to connect and supports partners around shared priorities and commitments |
| ✓ | Stewards commercially-insured data set focused on St. Louis MSA |
| ✓ | One of 35 Regional Health Care Improvement Collaboratives |
About the MHI Data Asset

**Data Type:**
- Eligibility files and medical and pharmacy claims for regions commercially-insured lives
- Designated as Medicare Qualified Entity, have not accepted Medicare data yet

**Number of Lives:**
- More than 1.7 million commercial lives per year and growing

**Geographic Reach:**
- Missouri and Major Bordering MSAs

**Timing:**
- 2008 – 1st Quarter 2017, regularly refreshed
1. **Convene diverse stakeholders, identify and communicate** opportunities that would benefit from shared action.

2. Serve as **neutral third party** in pulling and analyzing data for use between parties.

3. **Share data** to inform development and management of value-based payments. Work with parties to develop and test “what ifs” and evaluate progress.

4. **Monitor** and report progress over time.
Health Care Costs are:

1. No problem; we are a rich nation, we can afford it.

2. High, but worth it when you consider the medical advances they deliver.

3. Tolerable if they only grow at GDP or GDP plus 1 to 2%.

4. A key factor contributing to poverty and the declining standard of living in America.
“Medical costs are the tapeworm of American economic competitiveness”

-- Warren Buffet

- Health care costs as percent of GDP have sky rocketed
- Medical inflation a much bigger impediment to growth than corporate taxes
- Impedes our international competitiveness
- Corporations spend $12,591 on average for coverage of a family of four, up 54 percent since 2005
1. 2015 U.S. Health Care Spending
   - 5.8% growth over 2014 totaling $3.2 trillion, or $9,990 per capita and 17.8% of GDP
   - 2015 Federal spending on health care programs exceeded Social Security

2. 2015 health spending for enrollees in private insurance:
   - $5510 nationally; a 5.4% increase over 2014
   - St Louis commercial health spending about $4,800

4. Spending on prescription drugs
   - Growing faster than other components of health care spending
   - Growth is projected to average 6.4% per year for 2017-2025

5. CMS predicts 2025 national health spending will reach $5.6 trillion, or $16,000 per capita.

Private Insurance Health Spending Growing Much Faster

Cumulative Growth in Per Capita Public and Private Health Spending

Source: Kaiser Family Foundation analysis of data from the Office of the Actuary, Centers for Medicare and Medicaid Services.
Cumulative Increases in Health Insurance Premiums, Workers’ Contributions to Premiums, Inflation, and Workers’ Earnings, 1999-2015

How Americans Pay for Health Care: Let Us Count the Ways

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<tbody>
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<td>Health Insurance Premiums</td>
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<td>Out of Pocket Expenses at the Point of Care</td>
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<td>3.</td>
<td>Wages Forgone</td>
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<td>4.</td>
<td>Portion of Federal and State Taxes Devoted to Government Health Care Spending</td>
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<td>5.</td>
<td>Decreased Buying Power as a Result of Health Care Costs Imbedded in other Goods and Services</td>
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$1,525 per vehicle

More than it spent on advertising

Source: The Auto Makers And The Health Care Crisis, Nov 18, 2008

More health care cost than steel in an automobile

More health care cost than coffee in a cup of coffee.

Annual cost in 2010 were about $300,000,000

Source: “Starbucks CEO: We spend more on health care than coffee,” Beth Kowitt, June 2010
Quality is uncertain. Too many people are harmed.
Patient Safety & “Medical Mistakes”

The Problem

Preventable medical mistakes are the 3rd leading cause of deaths in the United States, following heart disease and cancer (BMJ).

Nearly 1 in 3 patients or their family members have been affected by a preventable medical error, with 21% suffering a serious health consequence (Kaiser Family Foundation).

More than 100,000 lives, including 8,000 from Missouri, could be saved each year, if the U.S. improved its preventable death rate to match top three performing nations. (Commonwealth Fund, 2011)

Preventable infections acquired in hospitals cost $9.5 billion a year. (JAMA, 2013)

Wrong-site surgeries occur up to 40 times per week. (Joint Commission Center for Transforming Health Care, 2011)
Whose Job Is It?

✓ Government
✓ Health Plans
✓ Hospitals
✓ Physicians
✓ Consumers
It’s NOT one stakeholder’s job; 
It’s EVERYONE’s job.
Community Collaboration: High-Quality, Affordable Care

- Employer
- Provider
- Consumer
- Health Plan
### Your Perspective Depends on Where You Sit

<table>
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<th>Stakeholders</th>
<th>General Current State</th>
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| **1. Employees and Dependents**       | • Feeling pinch in pocketbook by growing cost of healthcare  
• Confused by navigating complex healthcare system  
• Searching for better information, particularly with rise in High-Deductible Health Plans  
• Frustrated with long doctor office wait times, duplicate paperwork, difficulty in getting appointments |
| **2. Employers**                      | • Wrestling with unsustainable increases in annual medical and pharmacy cost trends; focus on sustainable costs  
• Investing in data analytics  
• Frustrated by ‘silos’ across the healthcare system  
• Experiencing growing international focus |
| **3. Providers**                      | • Frustrated by bureaucracy and administrative burdens  
• Want to do the right thing, but incentives are misaligned  
• Experiencing reduced reimbursement by federal government  
• Retooling to accommodate transition to value-based care |
| **4. Health Plans**                   | • Concerned about affordability of healthcare  
• Reinventing business models |

**Next Generation: All Stakeholders Collaborate Towards Quality and Affordability**
How MHI’s Partners Collaborate

Examples:

1. Collaborating to Reduce Avoidable Emergency Department Visits
2. Measuring Total Cost of Care to Support Primary Care Physicians
3. Engaging Consumers
4. Convening Voice of Community Conversations
In 2014, Missouri 11\textsuperscript{th} highest nationally for Emergency Department (ED) utilization … and has been moving in the wrong direction. In 2010 it was only the 16\textsuperscript{th} highest user of ED services.

Source: Kaiser Family Foundation
Practice Sites with Similar Risk Scores Have Very Different ED Utilization

ED Visits Per 1,000 without Admit vs. Optum ERG Average Prospective Risk Score

- Independent Sites
- Mercy - St. Louis Sites
- SSM Sites
- BJC Sites
- Mercy - Four Rivers Sites
- Esse Sites
- Saint Luke's Sites
- SAPO Sites
- SLUCARE Sites
- Wash U Sites
Total Cost of Care and Resource Use Measurement
MHl’s Project Partners

REGIONAL COMMITMENT. NATIONAL IMPACT.

The initiative was piloted by NRHI and RHICs in five regions. Their success led to the expansion to nine additional regions over the course of the project.

Pilot RHICs

Center for Improving Value in Health Care | Colorado
Maine Health Management Coalition | Maine*
Midwest Health Initiative | St. Louis, Missouri
Minnesota Community Measurement | Minnesota
Oregon Health Care Quality Corporation | Oregon

Expansion Regions

HealthInsight Utah | Utah
Health Care Improvement Foundation | Philadelphia
The Health Collaborative | Ohio
Maryland Health Care Commission | Maryland
Massachusetts Health Quality Partners | Massachusetts
The University of Texas Health Science Center at Houston | Texas
Virginia Health Information | Virginia
Washington Health Alliance | Washington
Wisconsin Health Information Organization | Wisconsin

*Phase I and II only participant
Total Cost of Care and Resource Use Measurement

Project Findings

$354
$348
$369
$290
$279
Engaging Consumers

ChooseWellSTL.org

LiveWellSTL.org
MHI’s “Voice of Community” Dialogue

Purpose:
Connect with the “voice of the community” through a series of conversations to discuss opportunities and challenges facing health care in our region and identify ways that community partners can support each other’s success to achieve health, care quality, and affordability.

Conversation Goals:
- Provide “common table” to enable two-way communication
- Identify areas of partner interest and needs
- Identify alignment opportunities
Manage Population Health
- Promote Health, Health Literacy
- HRA’s, Biometric Screenings, Flu Shots, Integrated Data Sets
- Evaluate Plan Design in Relation to Evidenced-Based Care
- Worksite Wellness Education and Support Groups
- Worksite Clinics

Activate Consumerism
- Benefit Design and Alignment of Incentives and Rewards
- Choosing Best Care – Transparency /Concierge Services
- How to Talk to your Health Care Provider? What to expect from care?

Promote Value
- Engaging in value-based contracts for commercial populations
Questions?

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