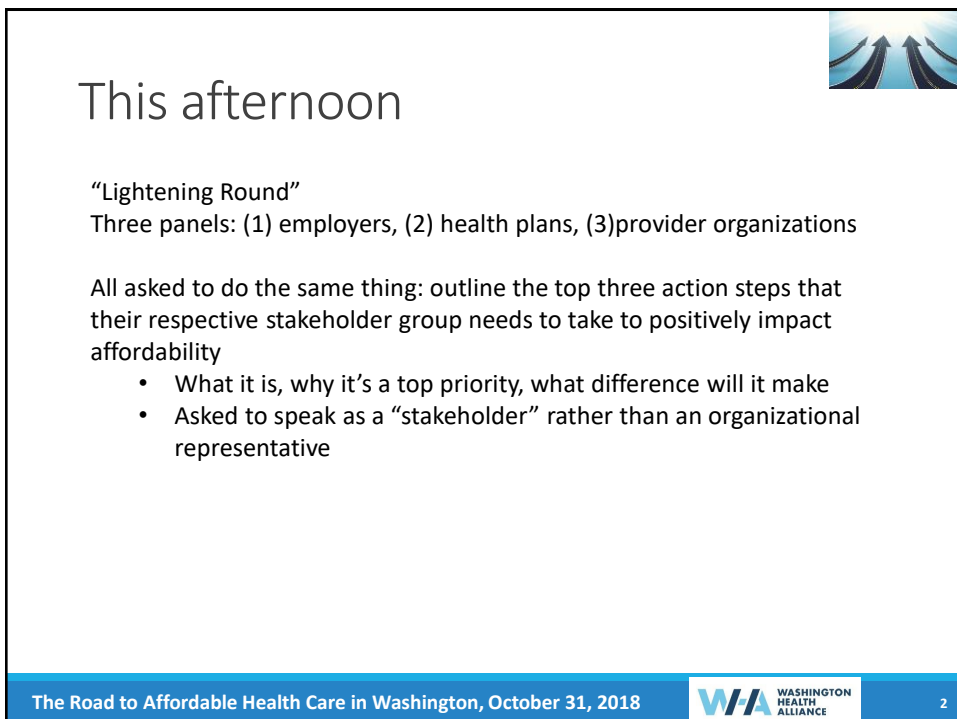


The Road to Affordable Health Care: Where do we go from here in Washington state?

Afternoon
Panel
Discussions

WHA WASHINGTON
HEALTH
ALLIANCE



This afternoon

“Lightening Round”
Three panels: (1) employers, (2) health plans, (3) provider organizations

All asked to do the same thing: outline the top three action steps that their respective stakeholder group needs to take to positively impact affordability

- What it is, why it’s a top priority, what difference will it make
- Asked to speak as a “stakeholder” rather than an organizational representative

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High Priority Action Steps to Address Healthcare Affordability: **EMPLOYERS**

Thank you to today's panelists!

- **Michael Cochran**, Senior Manager, Global Benefits, The Bill & Melinda Gates Foundation
- **Ron Crawford**, Vice President, Benefits, Starbucks
- **Sonja Kellen**, Director of Global Health & Wellness Benefits, Microsoft
- **Mich'l Needham**, Chief Policy Officer, Washington State Health Care Authority

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High Priority Action Steps to Address Healthcare Affordability: **EMPLOYERS (Mike Cochran, Gates Foundation)**

Action Step #1: **Increase transparency**

Why is this a priority?

Because when it comes to health care, the bar needs to be much higher. We need to know how much health care will cost **BEFORE** we make the decision to get it, and we need to be able to clearly identify higher value (quality, patient experience, price) when choosing where to get care.

What difference will it make?

Consumers will be better informed to make wise choices that fit their life circumstances and increased transparency will motivate the delivery system to improve care and reduce harm.

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High Priority Action Steps to Address Healthcare Affordability: **EMPLOYERS** (Mike Cochran, Gates Foundation)

Action Step #2: **Utilize value-based reimbursement for providers**

Why is this a priority?

As a purchaser, I am tired of paying an excessive amount for volume (25-30% waste) and lower value.

What difference will it make?

Paying for value will send a clearer market signal and provide an incentive to provide outcomes-based care (quality, experience, cost)

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High Priority Action Steps to Address Healthcare Affordability: **EMPLOYERS** (Mike Cochran, Gates Foundation)

Action Step #3: **Shift the focus so there is a greater emphasis on health improvement**

Why is this a priority?

The current system does little to promote the improvement of health and well-being

What difference will it make?

Over time, it will shift the focus from illness care to health improvement. (important: financing has to drive the shift)

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High Priority Action Steps to Address Healthcare Affordability: **EMPLOYERS** (Ron Crawford, Starbucks)

Action step #1: **Recognize that if we continue to behave in the same way as we have in the past we are part of the problem and not the solution**

Why is this a priority?

Continuing prior efforts has not led to system change in healthcare

- Vendor bidding
- Disease management
- Wellness programs
- PPO → HMO → PPO
- Etc.

What difference will it make?

Employers have been slow to adopt market innovations; we need to take a significant departure from the “same-old, same old”

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High Priority Action Steps to Address Healthcare Affordability: **EMPLOYERS** (Ron Crawford, Starbucks)

Action Step #2: **Employers should explore purchasing as a coalition instead of purchasing independently**

Why is this a priority?

- Is there value in having thousands of different plan designs in the market?
- Health care plan design variation has led to massive administrative complexity and cost.

What difference will it make?

We could adopt a consistent set of plan designs across all employers and differentiate on funding.

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High Priority Action Steps to Address Healthcare Affordability: **EMPLOYERS** (Ron Crawford, Starbucks)

Action Step #3: **Give employees more choices, and some of those choices must be value-based plans**

Why is this a priority?

Forcing an entire employer-group into a single value-based plan is always going to be difficult to approve.

What difference will it make?

If you let employees have choices, they can choose the plan design that is best for their family. If value-based plans provide value to participants they will gather the most enrollment.

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High Priority Action Steps to Address Healthcare Affordability: **EMPLOYERS** (Sonja Kellen, Microsoft)

Action Step #1: **Provide on-site healthcare via medical home model**

Why is this a priority?

The model minimizes the inherent incentive to over prescribe which exists in Fee for Service while also allowing for a more customized experience

What difference will it make?

- Transparent pricing and more coordinated care leads to improved consumerism, which leads to fewer wasted dollars
- Improve employee productivity (can gain quick access to care and stay on campus)

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High Priority Action Steps to Address Healthcare Affordability: **EMPLOYERS** (Sonja Kellen, Microsoft)

Action Step #2: **Utilize Accountable Care Organizations for care delivery**

Why is this a priority?

Drive greater accountability on the supply-side of healthcare through an at-risk financial model

What difference will it make?

- More skin-in-the-game encourages smarter patient management, reducing financial waste
- More coordinated and personalized experience for members

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High Priority Action Steps to Address Healthcare Affordability: **EMPLOYERS** (Sonja Kellen, Microsoft)

Action Step #3: **Highlight high performing providers to members**

Why is this a priority?

Empowering members with information on high-quality, low-cost providers (not just networks or systems) can lead to reduced cost and improved outcomes

What difference will it make?

- By highlighting and advocating for the most optimized providers, you drive traffic to the right places, resulting in higher quality and lower cost services
- Improved member satisfaction as it takes the guess work out of finding a new provider that performs well

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High Priority Action Steps to Address Health care Affordability: **EMPLOYERS** (Mich'I Needham, WA HCA)

Action step #1: **Advance the focus on quality and evidence-based care through key programs, encouraging all purchasers to participate, e.g., Bree Collaborative, HTA, patient decision aides, Common Measure Set, Centers of Excellence**

Why is this a priority?

These programs optimize health outcomes while controlling health care costs; highlight clinical best practices and improve the quality of care across the spectrum

What difference will it make?

Standardizing best practices and core measurements results in optimal clinical outcomes, reduces waste and unnecessary care, and reduces burdens on providers

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High Priority Action Steps to Address Health care Affordability: **EMPLOYERS** (Mich'I Needham, WA HCA)

Action step #2: **Expand value-based purchasing (VBP) initiatives consistently across all purchasing; and require spread and scale with insurance vendor requirement to offer a similar accountable care product to other customers in Washington**

Why is this a priority?

VBP payment models seek to control costs and incentivize quality services with performance guarantees or incentive payments in contracts that demonstrate VBP adoption and quality attainment (moves delivery system away from FFS)

What difference will it make?

Optimize high quality care while achieving savings for enrollee members; shift delivery system to an approach that values outcomes vs volume

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High Priority Action Steps to Address Health care Affordability: **EMPLOYERS** (Mich'l Needham, WA HCA)

Action step #3: **Leverage employer purchasing with Medicaid and require one combined set price (i.e., bring Medicaid rates up and employer rates down to meet in the middle and control price increases in the market)**

Why is this a priority?

This is a provocative idea to stimulate discussion and creative disruption of the price increases driving all of our costs;

What difference will it make?

Price control may be the most effective way to limit the main driver of cost (the cost of services/prices paid)

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High Priority Action Steps to Address Healthcare Affordability: **HEALTH INSURERS**

Thank you to today's panelists!

- **Drew Oliveira, MD**, Executive Medical Director, Regence Washington/Cambia Health Solutions
- **Joseph E. Smith**, Vice President, Marketing, Sales and Business Development, Kaiser Permanente Washington
- **Staci West**, Director, Provider Network Management, Premera Blue Cross

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High Priority Action Steps to Address Healthcare Affordability: HEALTH INSURERS (Drew Oliveira, Regence)

Action Step #1: **Improve the consumer experience**

Why a priority?

- Accessing the right care at the right time remains difficult for most consumers
- Consumers need help in making correct choices
- Streamlining care will reduce redundancies, delays and omissions of care

What difference will this make?

- Enhancing the ease of navigation (omni-channel), where to get care and what are the best treatments will directly impact costs
- Timely, appropriate care impacts quality
- Simplify the payment options and process for both consumers and payer improves satisfaction

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High Priority Action Steps to Address Healthcare Affordability: HEALTH INSURERS (Drew Oliveira, Regence)

Action Step #2: **Invest in disruptive innovations in care delivery**

Why a priority?

- Care on demand *may* further erode the provider-patient relationship
- Care delivery will continue to evolve
- Geo-location capabilities impacts behavioral economics

What difference will this make?

- Consumers will demand alternatives to traditional care delivery to manage acute and chronic conditions including behavioral health
- Communication and coordination will be stressed at the provider level so connectivity is important
- Alternative sites of service are significantly lower cost than traditional

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High Priority Action Steps to Address Healthcare Affordability: HEALTH INSURERS (Drew Oliveira, Regence)

Action Step #3: **Develop *significant* value-based collaborations**

Why a priority?

- Until providers are also held to the total cost of care and quality equation there is no real incentive to change practice
- Employers must also adopt the use of value based products for a significant portion of the population

What difference will this make?

- Creating a partnership with the provider system will result in better use of comprehensive data, population health approaches and results
- True collaborations will improve quality, omni-channel access, affordability as well as provider satisfaction

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High Priority Action Steps to Address Healthcare Affordability: HEALTH INSURERS (Joe Smith, KP-WA)

Action Step #1: **Accelerate experimentation, adoption and movement to telehealth/virtual health care**

Why a priority?

Impacts use of health care services and provides convenience and higher satisfaction for consumers in an industry that ranks at the bottom of consumer experience

What difference will it make?

Avoids unnecessary care (office visits), diverts to lower cost settings (ER to urgent care or self-care), reduces reliance on bricks and mortar for lower acuity care

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High Priority Action Steps to Address Healthcare Affordability: **HEALTH INSURERS** (Joe Smith, KP-WA)

Action Step #2: **Continue to increase consumer engagement/ empowerment on cost, quality, and choices (Choosing Wisely, End of Life Care) through communications, decision tools and support**

Why a priority?

Avoids unnecessary care leading to lower cost of care or care that may prolong life but at an unacceptable quality of life

What difference will it make?

Lowers cost, higher satisfaction with the decision, better quality of life

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High Priority Action Steps to Address Healthcare Affordability: **HEALTH INSURERS** (Joe Smith, KP-WA)

Action Step #3: **Reduce prescription opioid use**

Why a priority?

Right thing to do; addresses epidemic of our time

What difference will it make?

Save lives, reduces pharmacy and health care costs across ER and hospital (opioid users have 8.7 times greater health care cost)

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High Priority Action Steps to Address Healthcare Affordability: HEALTH INSURERS (Staic West, Premera)

Action Step #1: **Get to affordability by partnering *with* providers; value-based payments supported by actionable data**

Why a priority?

To drive affordability, we need to improve clinical efficiency, quality, customer experience, and reduce waste. Data and value-based payment will support these improvements.

What difference will it make?

We can work *with* providers, leverage provider relationships and partner with high value providers.

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High Priority Action Steps to Address Healthcare Affordability: HEALTH INSURERS (Staic West, Premera)

Action Step #2: **Get to affordability *with* informed and activated customers**

- **deliver actionable data to employers**
- **develop products with benefits and incentives that encourage members to choose high value**
- **make variation in hospital and provider cost and quality easy to obtain and understand**

Why a priority?

Transparency and actionable information are foundational to informed decision-making.

What difference will it make?

Informed members will make educated choices regarding providers' cost and quality driving down costs.

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High Priority Action Steps to Address Healthcare Affordability: **HEALTH INSURERS** (Staiaci West, Premera)

Action Step #3: **Change the way health insurers do business, continually looking to remove waste**

Why a priority?

We need to simplify benefit design to support transparency, deliver new technologies and tools to streamline the business for both customers and providers.

What difference will it make?

We will continue to remove waste by standardizing and automating workflows. We'll move decision-making to the point of care wherever possible.

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High Priority Action Steps to Address Healthcare Affordability: **PROVIDER ORGANIZATIONS**

Thank you to today's panelists!

- **Bob Mecklenburg, MD**, Medical Director, Center for Health Care Solutions at Virginia Mason
- **Peter Rutherford, MD**, Chief Executive Officer, Confluence Health
- **Sara Rutherford**, Quality Program Manager, Eastside Health Network
- **Mika N. Sinanan, MD**, Medical Director of Contracting and Value-Based Care, UW Medicine

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High Priority Action Steps to Address Healthcare Affordability: PROVIDER ORGANIZATIONS (Bob Mecklenburg, VM)



Action Step #1: **Engage self-insured employers to create a market for quality**

Why a priority?

Understanding the customer perspective guides providers to a value proposition for employers that defines their 1) priorities, and 2) quality standards.

What difference will it make?

An explicit value proposition enables employers to apply purchasing power to select efficient and effective providers in a market for quality.

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High Priority Action Steps to Address Healthcare Affordability: PROVIDER ORGANIZATIONS (Bob Mecklenburg, VM)



Action Step #2: **Improve clinical processes with employers/patients**

Why a priority?

Process improvement is best informed by customers who identify value-added services and costly waste not apparent to providers.

What difference will it make?

Engagement and support of employers and patients. A positive patient care experience validates affordable care models driven by evidence-informed, systems-based medicine.

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High Priority Action Steps to Address Healthcare Affordability: PROVIDER ORGANIZATIONS (Bob Mecklenburg, VM)



Action Step #3: **Improve business process with employers/patients**

Why is this a priority?

Simplifying the business interface with employers with more efficient processes such as RFPs, direct contracting, fixed prices, prospective payment, market-relevant quality indicators, and warranted care eliminates costs associated with low value intermediaries.

What difference will it make?

Lowers administrative cost for providers and employers.

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High Priority Action Steps to Address Healthcare Affordability: PROVIDER ORGANIZATIONS (Pete Rutherford, Confluence Health)



Action Step #1: **Engage community members in a recognition of personal responsibility for their health**

Why is this a priority?

If current trend of increasing demand for healthcare services is not flattened we will never control cost.

Example- diabetes incidence, obesity, HTN, vascular disease

What difference will it make?

Healthier, fully productive community members

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High Priority Action Steps to Address Healthcare Affordability: PROVIDER ORGANIZATIONS (Pete Rutherford, Confluence Health)



Action Step #2: **Reduce unit cost of care modalities (office visits, procedures, surgeries, tests)**

Why is this a priority?

Because WE can work on this.

Less role for payers, employers

What difference will it make?

If unit cost is reduced without sacrificing outcome quality or safety, we will spend less for healthcare.

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High Priority Action Steps to Address Healthcare Affordability: PROVIDER ORGANIZATIONS (Pete Rutherford Confluence Health)



Action Step #3: **Ensure appropriate utilization of care modalities (office visits, procedures, surgeries, tests)**

Why is this a priority?

It is the right thing to do. It minimizes risks of harm and builds trust in our care delivery system.

What difference will it make?

The health and quality of life of patients are our “true north.”

Lower costs with stable outcomes

Less risk to patients

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High Priority Action Steps to Address Healthcare Affordability: PROVIDER ORGANIZATIONS

(Sara Rutherford, Eastside Health Network)



Action Step #1: **ENGAGE - Partner actively with colleagues and external stakeholders to help craft the solution(s) and buy-in to the process and goals**

Why is this a priority?

There is chaos in the marketplace with competing distractions.

What difference will it make?

It will help provider to have a voice – they are well aligned already, just under-equipped.

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High Priority Action Steps to Address Healthcare Affordability: PROVIDER ORGANIZATIONS

(Sara Rutherford, Eastside Health Network)



Action Step #2: **EDUCATE – Ensure that providers and staff understand why it's crucial that they care about affordability and their role in driving it.**

Why is this a priority?

As directors of care, providers need to know where/what costs exist to actively address them (Auto example: \$75 threshold)

What difference will it make?

Shared impact on individual patient cost experience while rewarding value-generating providers.

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High Priority Action Steps to Address Healthcare Affordability: PROVIDER ORGANIZATIONS (Sara Rutherford, Eastside Health Network)



Action Step #3: **EXECUTE – Share best practices and internal, un-blinded performance reporting comparing peers to drive competition**

Why is this a priority?

We must have measureable outcomes to tell the story.

What difference will it make?

It delivers results, builds buy-in and rewards specific discreet effort.

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High Priority Action Steps to Address Healthcare Affordability: PROVIDER ORGANIZATIONS (Mika Sinanan, UW Medicine)



Action Step #1: **Orientation of clinical interactions to frame care and risk assessment within each patient's family, work, culture, personal life goals and potential, including 100% empanelment and robust telemedicine tools**

Why is this a priority?

We won't win by trying to treat the same disease burden more cheaply. We need to treat a different set of diseases – earlier, simpler, less extensive, with more patient physiologic reserve and partnership. The integrity and strength of the patient-provider relationship is essential to achieving this goal, sharing responsibility for health and wellness at every level. Reversing the trend toward institutional, impersonal care will create a much more robust and personal relationship with our patients.

What difference will this make?

This brings patients fully into their medical home. It helps patients share accountability for a patient's health with them and their families in novel and compelling ways.

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High Priority Action Steps to Address Healthcare Affordability: PROVIDER ORGANIZATIONS (Mika Sinanan, UW Medicine)



Action Step #2: **Providers must deploy their leadership skills to build high functioning teams with each member working at the top of license so that we can sustain the patient – provider relationship.**

Why is this a priority?

Empowered teams of providers are critical sustain relationships at scale. The Marcus Welby of tomorrow is only as good and effective as his/her team.

What difference will this make?

Having a team allows the shift from healthcare organized around providers and organizations to one that is organized around the patient and their family, one that is robust and sustainable.

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High Priority Action Steps to Address Healthcare Affordability: PROVIDER ORGANIZATIONS (Mika Sinanan, UW Medicine)



Action Step #3: **Patient-oriented communication and infrastructure tools. Use the personal relationship through strong teams of providers equipped with these effective tools – including telemedicine, biometric monitoring, regular bidirectional communication, a *patient-oriented* EMR - to focus on wellness and preserving health, to detect and intervene early and decisively on health opportunities, and to make the patient a responsible member of their own healthcare team.**

Why is this a priority?

These interventions allow us to address cultural, social, and economic barriers that contribute to more advanced illness, avoiding expensive (often inpatient) rescue treatments that are inevitably more complex and may be less durable.

What difference will this make?

Better management of healthcare risks, a shift to outpatient, less complex care.

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