

Executive Committee Meeting  
Monday March 26, 2012  
3:00pm  
Department of Administration, Conference Room A  
Meeting Minutes

*Attendees: Lt. Governor Elizabeth Roberts (Chair), Director of Administration Richard Licht, Secretary of Health and Human Services Steven Costantino, Health Insurance Commissioner Christopher Koller, Governor's Policy Director Brian Daniels*

- I. Call to Order – Lt. Governor Roberts called the meeting to order at 3:00pm. Today's focus will be on reviewing the work of the Payment and Delivery Reform Work Group this past year, and the review of a report created by that group, under the direction of OLG staff member Dan Meuse. The report itself is available on [www.healthcare.ri.gov](http://www.healthcare.ri.gov).
- II. Presentation – Discussion of the work of the Payment and Delivery Reform Work Group. Presentation by Dan Meuse. Questions and Comments as the slides were presented is listed below:
  - a. Lt. Governor Roberts: Those first few slides are a relatively comprehensive laundry list of things done over the past few years. In no way does it mean they are all done, but rather that they continue to move forward towards reaching the triple aim. That is a list that we build from.
  - b. Commissioner Koller: It is really important to emphasize the role of purchasing separate of payment. Beneficiaries in terms of a benefit design. There are real opportunities for design.
  - c. Director Licht: Government can also provide leadership, and can be a convener on many of these issues. What is the lowest dollar and best product to save the state's budget may not what provides the best for the health of the community, and it is important to keep government in the loop on this so that in our leadership we can help impact proper change on all sides.
  - d. Lt. Governor Roberts: Much to do with public sector vs. private sector actions. Do we push expense to someone with the ability to manage that, we have to bear in mind there are some tools we can use – government alone can not do everything, but can partner.
  - e. Secretary Costantino: As much as we like to say that the drivers of these are not policy, minus the economic crisis, minus issues of affordability, not sure we would have this discussion, this ACA.
    - i. Commissioner Koller: And on the other side to that point, adjusting health reform is what will aid to take us out of this economic crisis.
  - f. Director Licht: On delivery system models – there are technological changes that actually can affect the delivery system. Developing monitors that can advise if one has taken a pill or not – telehealth. A program like that

- i. Lt. Governor Roberts: May see that attached to other programs, health homes, and medical homes, etc.. Feel it will be integrated into a lot of different models - a lot of it will be important. We should figure out a way to provide access to programs like that.
- ii. Director Licht: To the extent that government invests in economic activity, is this an area we should consider investing or at least researching.
- iii. Commissioner Koller: On payment models , global payments– to say SCH pays for all the people in RI is a bit too broad.
  - 1. Lt. Governor Roberts: True South County doesn't serve the entire state, but there is no limitation to who they serve, will not turn individuals away.
  - 2. Commissioner Koller: Only for services with SC providers.
- iv. Director Licht: I read that there can be three party situations – i.e. in MA Tufts and BCBS are coming together with a consumer to provide care.
  - 1. Dan Meuse: Speaks a bit to different types of ACOs, which we will talk about shortly.
  - 2. Director Licht: Yet a small business person may not get the advantage of that unless in the whole scheme lowering the cost of health care, reducing premiums etc.
  - 3. Commissioner Koller: The three party model you speak of is an extension of the global payment model.
  - 4. Lt. Governor Roberts: This is something in RI that folks have been talking about.
  - 5. Director Licht: Not saying that it is good or bad, merely food for thought.
- v. Commissioner Koller: Developing the capacity and the infrastructure to do this work (integrated models). The primary care providers say give us the money we will give you the results, and the payers say show us the results and we will give you the money; patient centered medical homes have seen some advance in fixing this. Where do you, Dr. Fine, come down on this?
  - 1. Dr. Michael Fine: Pay for process and pay for results. Primary care has a substantial public purpose that has never been reimbursed. Working with the population as a population as opposed to individuals we have an opportunity to improve overall health. At the end of the day, make sure the population of the primary care practice is a more formal and indeed geographically based relationship. That is the end game of the patient centered medical homes. RI is one of the few states in which we do not have local health departments, we

have one health department for the state. Construing primary care practices so they are responsible for public health outcomes.

- a. Commissioner Koller: I would also add the LG's bill on primary care physicians would add to that step.
- vi. Secretary Costantino: Where do networks and arrangements, such as Tufts partnering with 16 hospitals the other day etc, where do these fall in the models?
1. Dan Meuse: Each of the models run a spectrum on an ACO. There are different types of ACOs. There are additional models that add the insurer role into ACOs, as speaking to risk sharing. There are ACOs and acos, a group of providers that are accounting for the care of a population, defined best in RI as coastal. They are not a full spectrum provider, but they will still be accountable for everyone of those patients in that group.
  2. Director Licht: How do you ensure quality in these measures? Where do we get the protection on the quality side?
    - a. Dan Meuse: There are different models for that. If you are going to share in the savings, you will need to meet stringent quality measures.
    - b. Commissioner Koller: Statutorily the responsibility rests in different places depending on who is paying. If someone starts offering a limited network, a la Harvard, some one will go to the authorities to note that lack of quality.
    - c. Secretary Costantino: When there is a contract dispute between an insurer and a hospital, the threat is to go to the health department with that dispute.
- vii. Lt. Governor Roberts: This is a new model, new territory. One of the opportunities for us in RI is to best determine what will work for our state. Yet it is not all figured out – not in RI , not in MA, experts are trying to figured this all out around the country. The way it integrates the delivery of services are really crucial.
1. Director Licht: Unless they are eliminating humans from the process, if you speak to risk and allocation of risk, there is a human reaction to minimize that risk. Individual vs. a large corporate entity. Not hearing anything really new -- does seem to just be repackaged. Twenty years ago capitation was *the* thing to solve our problems and yet here we still sit. Please be sure to

look at the lessons of the past and the lessons of other states.

2. Commissioner Koller: Good point – the pendulum was towards putting a lot of risk on providers, and there was rebel. Then the pendulum swung to the other side entirely, but the cost was too high and it is sliding back again. Must think about what we have learned, and what we need to oversee. Cannot ask providers to be insurance companies either.
  3. Lt. Governor Roberts: On the quality side we have eliminated most of that structure inside government – the laws are there, but perhaps there are not the people to enforce.
- g. Brian Daniels: Under the integrated modes we have seen, who does the data collection – is that the providers themselves? Where does that burden lie?
- i. Dan Meuse: The jury is still out on the best way to structure that.
- h. Commissioner Koller: Two things I do hear that are not on the recommendation slide are leadership and convenience, and coordination.
- i. Dan Meuse: Coordination was called out, and did not receive a bullet on this slide mainly as no specific points were called out in the work group thus far. There is hope that in coming months the state can see where innovation projects are coming from, where can we coordinate these, etc. To that end, leadership and convenience is also important.
  - ii. Lt. Governor Roberts: Will say coordination is an interesting one, as sometime it is looked to as a good thing, and other times it is seen as a negative item – both inside and outside government.
- i. Director Licht: Reform by its very nature means change, but how do we look at change from a neutral position (last recommendation point on slide of recommendations)?
- i. Dan Meuse: The reason neutral is in there is that one can develop evaluation criteria that can help to evaluate the results of reform. The way one looks at change could have an impact on the result.
  - ii. Director Licht: Feel that neutrality is in the eye of the beholder. I have never seen government be neutral on things, nor do I feel they should be. I agree with the idea of evaluation, but not with the neutrality.
- j. Lt. Governor Roberts: Fiscal challenges are more than on just the payment side. Without the ACA, catalyzing change would be difficult - and must have a business model that is sustainable over the long term to be successful.

- k. Lt. Governor Roberts: Some of what we are doing is making budgetary decisions having significant impact on delivery systems and payment that we may not fully acknowledge will impact state population health. Looking at all these will help make smarter long-term decisions.
  - l. Commissioner Koller: Am I right to presume the “tools” in the last bullet are state tools?
  - m. Lt. Governor Roberts: Yes but implementation. Similar to the economy - what are the things we are trying to do to help build a better environment, to build a better publically financed system.
    - i. Dan Meuse: The discussion of those tools at the work group level was built in flexibility at the different levels.
    - ii. Lt. Governor Roberts: In the short term, CMS innovation grants are announced in the next few weeks, and we may see who the grantees are see if there are unexplored opportunities.
  - n. The report is available on [www.healthcare.ri.gov](http://www.healthcare.ri.gov).
- III. New Business – The Full Commission Meeting is April 5, 2012 at 8:30am at Alger Hall at Rhode Island College. Senator Whitehouse will be our speaker that morning to discuss reform at the federal level.
- IV. Public Comment – no comment offered at this call.
- V. Adjourn