

Executive Committee
Thursday July 26, 2012
2:00pm
Meeting Minutes

Attendees: Chair Lt. Governor Roberts, Director of Administration Richard Licht, Secretary of Health and Human Services Steven Costantino

Absent: Health Insurance Commissioner Chris Koller, Governor's Policy Director Kelly Mahoney

- I. Call to Order – Lt. Governor Roberts called the meeting to order at 2:00pm. She welcomed members and advised that we will proceed with a small committee today, and share the information with our absent members, one of whom was unexpectedly called away this afternoon. The slides will be available upon request or on our website. As the presentation is quite lengthy, the conversation began straight away, first with a bit of an after action report, then moving into current work and future work.

- II. 2012 General Assembly Session Report (Health Reform-Related Legislation)
 - a. John Cucco with the Governor's Policy Office presented the first few slides relative to the health reform related legislation in the 2012 General Assembly Session Report.
 - b. Lt. Governor Roberts: I recall another bill that was related to Hospitals and administrative simplification.
 - i. Ed Quinlan: That is one and the same with another bill.
 - c. Director Licht: With respect to the insurance market reform reports, to what extent is this executive committee going to be commenting? I recognize we were not asked to give a report, but on the other had I assume it is asking for more than just facts, it is asking for opinion.
 - i. Lt. Governor Roberts: my expectation is that before these are submitted to the general assembly they would come before this group. That is a tight timeline, but certainly so that we are familiar with the content I feel that is important.
 - ii. Director Licht: We may all now understand that the basic health plan impacts the exchange, so it may be exchange boards view would be relevant on some of these as well.
 - d. Secretary Costantino: Can we get a hard copy of all of the bills?
 - i. John Cucco: Yes, absolutely.
 - e. Director Licht: And you said October 1 is the date?
 - i. John Cucco: Yes, for the first set.
 - f. Director Licht: The Exchange Advisory Board also has a stake in some of this, as may the Exchange Director, so I feel there needs to be some effort at coordination with the discussions and the recommendations.

- III. Essential Health Benefits – Lindsay McAllister, Office of the Lt. Governor, presents.
- a. Director Licht: Is there a reason that categories 7 & 10 are highlighted under the ACA Section 1302(b)?
 - i. Lindsay McAllister: Yes. If we were to chose a small group plan, for example the United plan, and as we expect it does not cover pediatric dental or vision services, we are required to look at one of the other plans to then shuffle those into our benchmark.
 - b. Secretary Costantino: The federal governments definition of initially?
 - i. Lindsay McAllister: The first two years. After that they will assess how this is all working, and either continue the policy or create a new proposal. The state’s commitment to this benchmark plan is only to those two years.
 - c. Director Licht: Why would you not include the state mandates? Reasons of affordability? The benefits has to be included, if it is a state mandate?
 - i. Lt. Governor Roberts: And you may see some stats that chose to go to the legislature to change the mandate.
 - d. Secretary Costantino: When you say the feds will pay for it, what do you mean by that?
 - i. Lindsay McAllister: Through the subsidies.
 - ii. Secretary Costantino: Then on the mandate question, ultimately it is the affordability issue. Can there be some mandates that can be accepted and not others?
 - iii. Lindsay McAllister: It is all or nothing, unless you alter state statute to adjust for this.
 - e. Jennifer Wood: I believe it is helpful to note that the composition of this work group consists of insurers, medical providers, consumers, small business etc., allowing us to have a wide span of opinions.
 - f. Lindsay McAllister: The menu provided by the federal government provides only the three largest in the state.
 - i. Secretary Costantino: How did the rankings happen?
 - ii. Lindsay McAllister: The rankings were done based on a report created by a student of the University of the SC Berkley, who worked with a fairly large group of stakeholders, and this is used just for references. This individual did the research, and came up with her own conclusions in the report, which has been presented to the stakeholders and is available for review.
 - g. Lt. Governor Roberts: When does it go to the Exchange Board?
 - i. Lindsay McAllister: We believe it will go in September. We are working to wrap a lot of this up in August so that we have the flexibility to bring it all involved parties.
 - h. Director Licht: Is a benchmark plan equal to or different from EHB?

- i. Lindsay McAllister: The benchmark plan will encompass the services required to be covered to meet the essential health benefits requirements of the ACA.
 - ii. Jennifer Wood: It is going to be a plan designation from a list of six, plus the list of services as defined (rehabilitative and habilitative).
 - i. Jennifer Wood: This update was really meant to provide insights for what is really on the table and show what we have come to around this issue since April. We want this group to know how these understandings have developed over the last several months, there will be a public comment period, and it will eventually come back to the Committee.
- IV. 2012-2013 Work Plan Reports
- a. Payment/Delivery System Reform
 - i. Domenic Delmonico from Care New England presents slides on efforts going on outside of government in this area.
 - 1. Lt. Governor Roberts: What is your expected timeline for submission (CMMI Bundled payments for care improvement initiatives)?
 - a. Domenic Delmonico: We hope to know if we are approved some time in August, start date would be in October. The really difficulty for us is knowing what happens to the patient after they leave the building. CMS will allow us to download a significant amount of data to try to assess the bundle, but the data available was from 2008-2009 information. Our biggest concern is, if that is the most current information they have, we are totally dependent on Medicare providing us with that data back.
 - 2. Director Licht: You have this data, which shows different pieces paid for this type of service or care. Have you reached an agreement on the allocation of that number?
 - a. Domenic Delmonico: We have reached an approach. What Medicare said was we want this around a clinical condition, so we chose CHF, and the bundle is around \$20K. The approach we will take is to take all the participants and say they get the full Medicare patients through the bundle, then to the extent there are any savings in the bundle, we will distribute it back through the system. The hospital in this pilot is taking the full downside risk. If nursing homes or physicians wanted to be a bigger part of the sharing, we would allow them to take a bigger

side of the downside risk, but not until the third year.

- b. Director Licht: have you reached an understanding on who will be managing the case?
 - c. Domenic Delmonico: It is a committee.
 - d. Director Licht: Who manages it for an individual case?
 - e. Domenic Delmonico: We have nurse care managers who will be assigned to each patient, and will now be discharge plus thirty days.
3. Secretary Costantino: How do you control definition of an episode?
- a. Domenic Delmonico: It requires a hospital admission, then it is discharge plus thirty days. Medicare required Care NE to have patients sign a form stating they understand they may chose to go somewhere else for their care. We were able to set a small level of exclusion – if someone got in a car accident but also had CHF, we would not be responsible for the car accident under the bundle.
4. Secretary Costantino: On your savings, what are we talking about here?
- a. Domenic Delmonico: Small. Grant is for \$3.3m, savings then \$3.7m, but then looking post federal grant, there would be \$400K net savings to the state.
 - b. Secretary Costantino: So half of that should be Medicaid savings?
 - c. Domenic Delmonico: Theoretically yes but only get during the time of the grant.
5. Director Licht: You said that at one point you thought it was going vertically so you looked into all these things. As you take on risk, when is there vertical integration between the providers and the insurance company?
- a. Domenic Delmonico: More responsibilities, I'm not sure if it is pushing us more together though...
 - b. Director Licht: At some point isn't some large enterprise going to say, since I am now doing the job of the insurer, why am not being paid for it?
 - c. Lt. Governor Roberts: I wonder if we have scale issues in RI too.

- d. Director Licht: We policy makers are putting more and more risk on providers, and it starts to mix the rolls in my mind.
 - e. Domenic Delmonico: This has happened in MA, i.e. NHPMA.
 - ii. Al Kurose presents on behalf of Coastal Medical, presents slides on Accountable Care.
 - 1. Lt. Governor Roberts: When you say incentives for quality an access and you explain what those are?
 - a. Al Kurose: For quality we have ten pediatric and ten adult measures, and if we hit those targets, then there is additional monetary incentive. There is a new program called coastal 365, and will have primary care adult visit access 365 days a year. Interoperability those are payments for getting connected to the payments.
 - 2. Director Licht: Those payments that you get for those incentives, do they go against cost?
 - a. Al Kurose: Yes, any dollar we get for any reason is included on the expense side.
 - b. Director Licht: Is it the 2% vs. 5%, you get 1.5% of the savings? The idea is that BCBS gets lower premiums in the future?
 - c. Al Kurose: Yes.
 - 3. Director Licht: Does the 3% change every year? If you did 97% year one, it is 3% of 97% has to be the savings?
 - a. Al Kurose: It is a weighted three year average. Competing against ourselves and every year will be a bit harder.
 - 4. Lt. Governor Roberts: Are you having the trouble with three year old data?
 - a. Al Kurose: That will not work here. We can do 365 day access and figure it will have a beneficial effect, and not have the data to support it initially, as the lag time for that analysis would be too long.
 - 5. Secretary Costantino: What is the challenge with patients using the system. ER utilization etc. – how change patient behavior?
 - a. Al Kurose: that is good – every office waiting room will be call us first, every staffer will be pushing the message, call us first.
 - b. Secretary Costantino: What if you have a patient that is used to going to the ER, do you target that?

- c. Al Kurose: Once data does create to pull that out, then we can work on that. Have a nurse care manager in real time know that the individual keeps going back. We cannot limit where people go for their care, but we do try to push a message, give great customer service and make it useable and desirable service.
 6. Director Licht: So by being open 365 you cut down on ER visits etc., so who gets that savings?
 - a. Al Kurose: Under Medicare we get 50% of savings on the global budget. We own the global budget for care; we are not taking downside risk right now, except that we are investing a lot to do these things.
 7. Lt. Governor Roberts: Long Term Care included, not just acute?
 - a. Al Kurose: Yes.
 8. Secretary Costantino: Your total cost of care increase of 1.5%, do you know what it was?
 - a. Al Kurose: It was an increase for us versus the year before, but I do not have the data on the trending. This is a new world for us.
 9. Director Licht: Wellness programs for patients?
 - a. Al Kurose: Yes, met this morning and incorporating wellness programs.
 - b. Director Licht: You may want to talk to Susan Rodriguez on this for suggestions.
 - c. Al Kurose: We had an initial discussion, and we will sit down again.
- V. Note: Mindful of the time, we will move the remaining agenda items to our next session in August. Would like to welcome
- VI. Public Comment:
 - a. Sean Donahue – these are two of the most progressive groups doing payment/delivery reform efforts, but there are others as well and we would be happy to discuss them with you.
 - b. Lt. Governor Roberts: Absolutely and in no way was this meant to be the universe but rather the opening of the discussion of what is happening in this world.
- VII. Adjourn