Executive Committee
RI Healthcare Reform Meeting
Thursday December 20, 2012
2:00pm – DOA Conf Room B

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

Absent: Governor's Policy Director Kelly Mahoney

I. Call to Order – The Lt. Governor called the meeting to order at 2:00pm and announced that the Governor received a letter that the federal government conditionally approved the Exchange; truly great news. The Lt. Governor then advised that today the direction will be to look towards payment and delivery reform. Would like to begin by looking to our partners in the north, Massachusetts, to review what they have learned thus far. She introduced Rob Mechanic, Professor at the Brandeis University to speak to this issue.

II. Payment Reform and Cost Control in Massachusetts - Rob Mechanic, Brandeis University

   a. Slides available here: http://www.healthcare.ri.gov/commission/executive/

      Questions/Comments/Concerns during presentation:
   b. Commissioner Koller: Any data to what extent providers have a contract with just one of the quality payment contracts?
      i. Rob Mechanic: Many of the biggest ones who have done the Pioneer have done Tufts and Harvard; the piece that is the smallest is Medicaid. They have not done it in Medicaid but in RI you are mostly Medicaid health plans, so presumably you would push in that direction.
   c. Commissioner Koller: Any ideas why the enrollment is going away from managed care?
      i. Rob Mechanic: I have some theories about it, but do not know a factual answer. Some big groups switched, including second biggest employer in the state. The other thing is have been adjusting benefit design. Things you can do in the PPO that you cannot in the HMO.
   d. Director Licht: What do you mean by bundled payments?
      i. Rob Mechanic: For example, with hip replacement surgery, will pay for a hip replacement will start clock ticking three days before the hospital visit, like an expanded DRD. Include home health and nursing home care, include readmissions if necessary, and hold providers accountable for a longer period throughout the episode.
   e. Lt. Governor Roberts: The challenge I struggle with is that it is hard to tier or narrow networks if you do not have a large network to begin with. I am

interested in other parts of the country, like rural areas, where you see attempts to tier narrow products.

    i. Rob Mechanic: In rural areas, it is more a concern of geographic access, but it does indeed depend on the market, and is something insurers are thinking about, especially as the exchange is coming in.

f. Director Licht: (Re: slide BCBSMA Alternative Quality Contract) Is this contract based with a physician group, hospital or both? Or do they split the physician care with hospital care?

    i. Rob Mechanic: Have to have association with a primary care provider; we have hospital physicians, physician only groups, network groups, one and two and three practices, five of them have hospitals, joint ownership, two no hospitals at all, lots of different models. Hospital care is included in that contract, exhibited in a few different formats.

g. Director Licht: Who sets quality metrics in this contract?

    i. Rob Mechanic: BCBSMA; they have hospital metrics and outpatient metrics.

h. Commissioner Koller: (slide 12) how much have they invested in own data capacities and how much do they rely on external info?

    i. Rob Mechanic: The quality data comes from BCBSMA; I believe some of those who have done risk contracting in the past are fairly sophisticated with the data; some of the newer groups rely more heavily on BCBSMA. Some do spend a lot of money on reform efforts.

i. Secretary Costantino: You have all-payer – does that include Medicaid?

    i. Rob Mechanic: Yes, includes both, Medicare and Medicaid.

III. Public Comment

a. No comment was offered at this time

IV. Adjourn