

CDPHP® Health Value Strategy and the Commercial Markets

Health Care Cabinet Meeting

*State of Connecticut Office of Health Reform
and Innovation*

May 16, 2012



Agenda



- **Capital District Physicians' Health Plan Overview**
 - *Dr. John Bennett, President and CEO, CDPHP*
- **Delivering Health Value**
 - *Dr. John Bennett, President and CEO, CDPHP*
- **Health Value in the Marketplace - Shared Health**
 - *Bob Little, Vice President, Underwriting, CDPHP*
- **Discussion/Questions and Answers**
 - *All*

Capital District Physicians' Health Plan, Inc. (CDPHP®)



- Provider-directed, non-profit health plan located in Albany, NY
- 390,000 members
- Commercial (HMO/insurance)
- Government programs (Medicaid/Medicare)
- Self-insured products

Recognition



- Among the top health plans in the nation

Commercial HMO #22 (ranked #2 in New York state)*

CDPHP UBI PPO #6*

Medicare HMO #16 (ranked #2 in New York state)**

Medicaid #5 (ranked #1 in New York state)***

- CDPHP Medicare Choices earned an overall quality rating of 4.5 out of 5 stars

Source: medicare.gov, October 2011. Plan performance summary star ratings are assessed each year and may change from one year to the next.

- “Best-In-Region” performance in Coronary Artery Disease for 2011

Disease Management Purchasing Consortium, Inc.

- Top 15 “Best Companies to Work for in New York” for fourth consecutive year

New York State Society for Human Resources Management and the Best Companies Group

*NCQA’s Private Health Insurance Plan Rankings, 2011-2012

**NCQA’s Medicare Health Insurance Plan Rankings, 2011-2012

***NCQA’s Medicaid Health Insurance Plan Rankings, 2011-2012

Delivering Health Value

*Dr. John Bennett
President and CEO, CDPHP*



State of the Industry

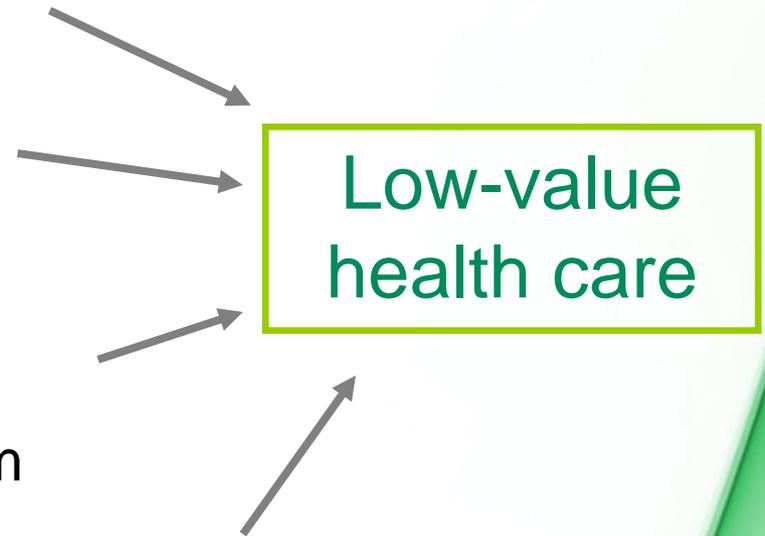


- Why we are where we are
- What needs to change
- The transformation of CDPHP
- Our partnership

Primary Drivers of Low-Value Health Care



- “More is better” culture
- Supply-driven demand
- No mechanism to control cost at the population level
- Lack of appreciation for a system



Transforming the Value Chain



Traditional Health Insurer Value Chain

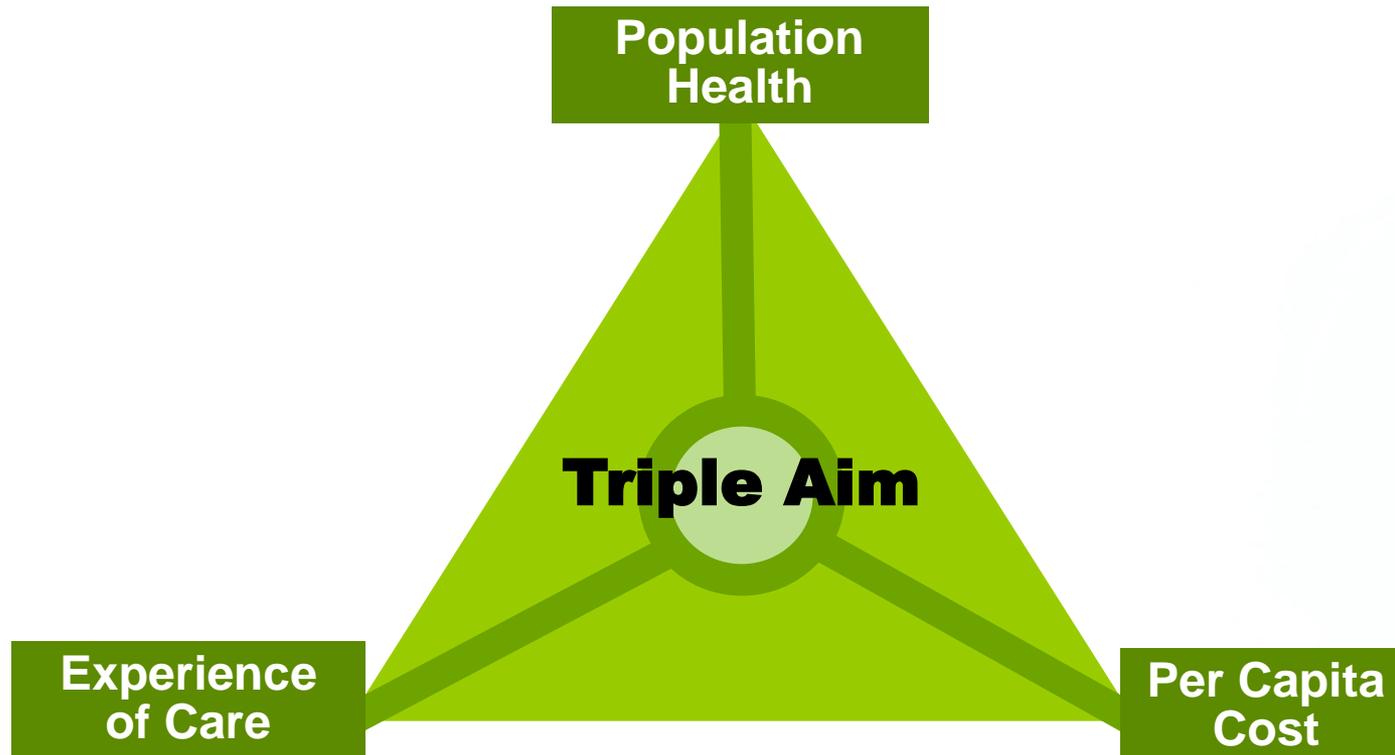


Health Value Chain



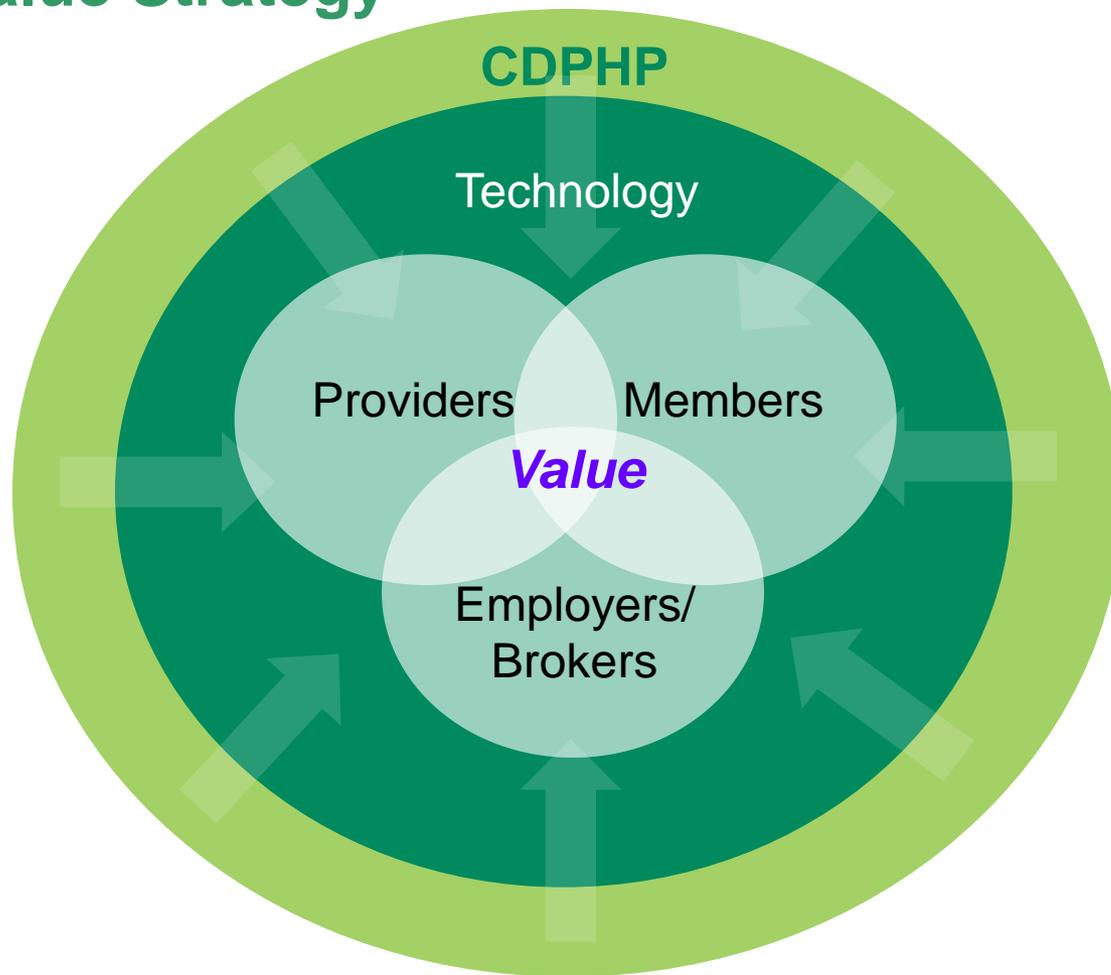
In the new value chain, customer intimacy and strategic partnerships define success and are based on interdependency and enterprise-wide collaboration.

“Triple Aim” and Health Value



Alliance of Community Health Plans (ACHP) wraps this concept tightly around community involvement and enhancing the long-term viability of regional providers.

Health Value Strategy



Primary goal: Increase the quality of care

Health Value

- **Medical Practice and Payment Reform**
 - Enhanced primary care/medical home
 - Community partnerships/outreach
 - Major specialty partnerships
 - Bundled payments/ACOs
- **Member/Employer Engagement**
 - Education and shared decision-making
 - Data analysis and strategic recommendations
 - Worksite population health programs
- **Use of Technology**
 - Electronic medical records (EMR)
 - Health Information Xchange of New York (HIXNY)
 - Connect to members, employers, and providers
 - Drive administrative efficiency

– Bending the cost curve

- Provider partnerships drive reduced cost trends
 - Enhanced Primary Care model
 - Major specialty groups
 - Hospital partnerships and ACOs
 - Electronic medical records and access
- Enabling employer engagement helps engage the member. Studies show that comprehensive worksite health programs focusing on lifestyle changes yield a significant ROI. *(Source: Centers for Disease Control and Prevention)*

Conclusion



- Change is happening all around us
- Proactively addressing change through innovation
- Employing a long-term strategy
- Well positioned for the future
- Health care reform is up to all of us

Delivering Health Value to the Market – Shared Health

*Bob Little,
Vice President, Underwriting, CDPHP*



Shared Health Delivers Health Value



- Shared Health addresses each “arm” of the Triple Aim pyramid:
 - **Improving members’ health**
 - Using group-specific data to identify employee health issues, risk factors for disease, and gaps in care
 - Tailored approach to health improvement

Shared Health Delivers Health Value



– Improving members' experience of care

- True partnership between employers, their brokers, employees, and CDPHP, with a focus on health
- Convenience of worksite health screenings and wellness programs
- Enhanced access to health consultants

– **Bending the cost curve**

- Partnering with employers and their brokers to implement comprehensive worksite health programs focusing on lifestyle changes
- Employers have the ability to fund a portion of claims paid
- Savings can be reinvested in wellness programs for even greater cost control in the future

Keys to Shared Health Success



- Relies heavily on employer engagement to ensure long-term success
- Expectations for the group include:
 - Collaboration with CDPHP to implement key wellness and health promotion strategies
 - Comprehensive level of engagement, based on the length of time a group has participated in the program

Shared Health - Overview



- Shared Health delivers the CDPHP Health Value Strategy to the marketplace through employer and broker involvement in improving member health
- CDPHP provides the resources to target programs for those improvements through a comprehensive Shared Health team, including:
 - Account executive
 - Clinical account manager
 - Health educator
 - Medical affairs (case, disease, Rx, and MH management)
 - Broker
- CDPHP provides a strong financial commitment
 - Employer participation in variable premiums
 - Second year rate cap

Partnering for Success



The value of Shared Health lies largely in the opportunities afforded through a strategic partnership with the CDPHP Shared Health team.

As the group's consultant, the clinical account manager will:

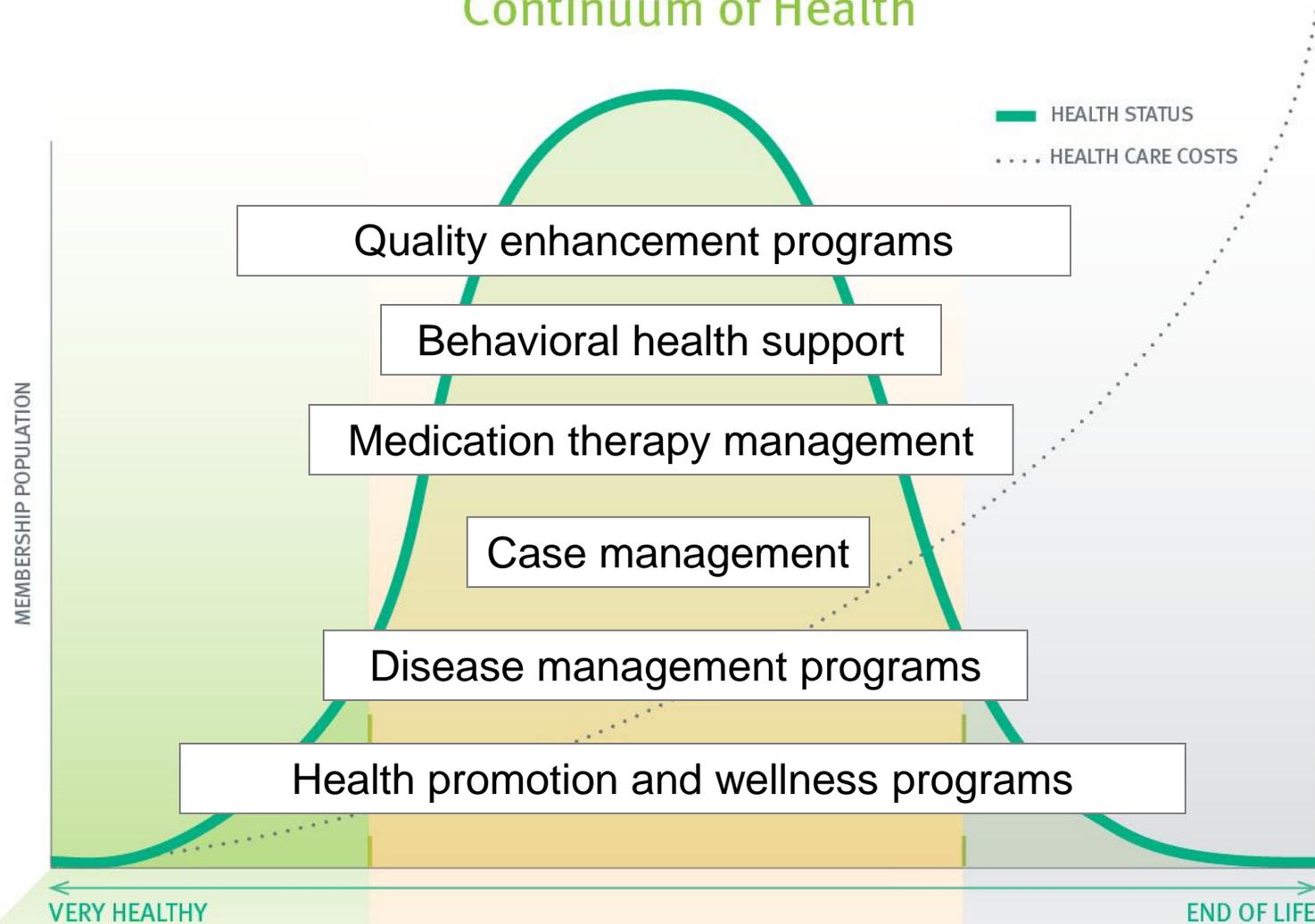
- Work closely with the CDPHP account executive to manage relationships with assigned Shared Health employer groups and their brokers
- Analyze group-specific data to identify opportunities to improve the overall health of employees and dependents
- Collaborate with health educators to oversee the implementation of CDPHP value-added Tailored Support benefits
- Manage enhanced delivery of CDPHP health management services through ongoing interface with our health professionals in case management, quality, pharmacy, and behavioral health

Making the most of this partnership will help facilitate the group's success at establishing a culture of wellness within their organization.

A Plan for Life



Continuum of Health



Building a Culture of Wellness



Examples of Shared Health employer interventions:



Shared Health – Financial Partnership



- Large Group employer participation in variable premiums
 - Total of fixed and variable is guaranteed not to be greater than the standard premium
 - Employer pays fixed and only the portion of variable based on actual paid claims
- Guaranteed second year renewal rate cap of 7.9 percent
- Premium guarantees anticipated in years three and four
- Employer engagement ensures long-term success and premium stability

Shared Health – Future Vision



- Exploring the extension of Shared Health concepts to small group and individual contracts within the exchanges
- Population health managed by the designation of “regional aggregators” through provider partnerships
- Clinical account managers work with aggregated regional statistics to develop provider-based programs delivered to the community
- Financial savings are realized through reduced trends in community-rated pool premiums

Shared Health – A long-term health care solution



Questions and Answers

Open Discussion