

WELCOME

On behalf of the University of Michigan Center for Value-Based Insurance Design, we welcome you to Ann Arbor and to the V-BID 2013 Summit, Volume to Value: Infusing Clinical Nuance into Health Care Transformation.

As we embark on a major transformation in the infrastructure, provision, and financing of health care, we at the V-BID Center strongly believe that the basic tenets of clinical nuance must be considered. Clinical nuance recognizes that: 1) medical services differ in the benefit provided; and 2) the clinical benefit derived from a specific service depends on the patient using it, where it is delivered and by whom. As delivery systems, payment models, and consumer engagement initiatives are redesigned, we hope to steer the conversation from - *how much* - to - *how well* - we spend our health care dollars.

To accelerate the shift from volume to value, we will delve into provider- and consumer-facing innovations across several public and private settings. Together, we will explore how the creation and implementation of patient-centered, clinically-nuanced, benefit designs and payment programs can produce comprehensive, cost-effective care that satisfies our dual objectives of enhanced quality and cost-containment. Your diverse experiences and expertise will shape today's discussion, and we hope that your participation will stimulate and advance the dialogue. At the Summit's conclusion, we hope you depart armed with information and conviction that our collective efforts can yield better individual and population health.

We are gratified by your participation and commitment to enhancing value. As always, we hope today's conversation promotes innovative ideas and establishes new and productive relationships.

Warmly,



A. Mark Fendrick, M.D.



Center for Value-Based Insurance Design

University of Michigan
North Campus Research Complex
2800 Plymouth Road
Ann Arbor, MI 48109-2800

T 734.615.9635
F 734.763.5455
E vbidcenter@umich.edu
www.vbidcenter.org

AGENDA

9-9:15 AM **Welcome & Opening Remarks**

- A. Mark Fendrick, Director, Center for Value-Based Insurance Design
- John Ayanian, Director, Institute for Healthcare Policy and Innovation
- Martin Philbert, Dean, University of Michigan School of Public Health

9:15-11 AM **Narratives from State Health Leaders**

- Bill Hazel, Secretary, Virginia Department of Health and Human Resources
- Anthony Keck, Director, South Carolina Department of Health & Human Services
- John Selig, Director, Arkansas Department of Health & Human Services

Moderator: Christopher Koller, President, The Milbank Memorial Fund

11-11:15 AM **Break**

11:15-12:15 PM **Innovations in State Employee Health Plans**

- Joan Kapowich, Administrator, Oregon Educators and Public Employees Benefit Boards
- Kevin Lembo, State Comptroller, Connecticut

Moderator: Cliff Goodman, Senior Vice-President and Principal, The Lewin Group

12:15-1:15 PM **Networking Lunch**

1:15-2:45 PM **Adding Clinical Nuance to Medicaid**

- Seema Verma, Founder, SVC, Inc.
- Steve Fitton, Director, Michigan Medicaid
- John McCarthy, Director, Ohio Medicaid
- Nick Macchione, Director, County of San Diego Health and Human Services Agency

Moderator: Cliff Goodman, Senior Vice-President and Principal, The Lewin Group

2:45-3 PM **Break**

3-4:30 PM **Health Plan Innovation: Lessons Learned**

- Carmella Bocchino, Executive Vice President, Clinical Affairs & Strategic Planning, AHIP
- Paul Fronstin, Director, Health Research & Education Program, EBRI
- Karen Murphy, Director, State Innovation Model Initiative at CMMI
- Lonny Reisman, CMO, AETNA

Moderator: Cliff Goodman, Senior Vice-President and Principal, The Lewin Group

4:30 PM **Concluding Remarks**

- **A. Mark Fendrick**, Director, Center for Value-Based Insurance Design

PRESENTERS



John Z. Ayanian, MD is Director of the Institute for Healthcare Policy and Innovation (IHPI) at the University of Michigan. He also is a Professor of Internal Medicine in the Medical School, Professor of Health Management and Policy in the School of Public Health, and Professor of Public Policy in the Gerald R. Ford School of Public Policy. Previously, he was Professor of Medicine and Health Care Policy at Harvard Medical School, Professor of Health Policy and Management at the Harvard School of Public Health, and a practicing general internist at Brigham and Women's Hospital. Dr.

Ayanian has published over 240 articles and chapters on access to care, quality of care, and health disparities related to cancer, cardiovascular disease, diabetes, and renal disease. He has led research grants from the National Cancer Institute, Agency for Healthcare Research and Quality, Robert Wood Johnson Foundation, and Commonwealth Fund, and he has served on Institute of Medicine committees related to health insurance coverage, health disparities, cancer survivorship, and chronic disease surveillance.

Carmella Bocchino is Executive Vice President, Clinical Affairs and Strategic Planning at America's Health Insurance Plans (AHIP). Ms. Bocchino's clinical and public policy expertise has been widely recognized by national and state lawmakers, policymakers, patient advocacy groups, employers, and throughout the health care community. She has been appointed to numerous private, state, and federal health care advisory committees, including the National Academy of Sciences Institute of Medicine for the Study of the Medicare End-Stage Renal Disease (ESRD) program; Advisor to the Rand Health Sciences Program for the capitation study for the end-stage renal disease project; the Advisory Committee for Quality Improvement Standards for Managed Care; the Planning Committee establishing the National Quality Forum; and the Robert Wood Johnson Foundation (RWJF) ONCHIT Health Information Technology Adoption Initiative Expert Consensus Panel. She currently serves on the RWJF National Advisory Committee, Project Health Design: Rethinking the Power and Potential of Personal Health Records. Prior to her positions in health policy, Ms. Bocchino held administrative and clinical positions in critical care medicine and renal replacement therapy.



Steve Fitton has been the Director of Michigan's Medicaid program for 4 years and currently oversees a health care program that serves 1.9 million Michigan citizens. Prior to becoming the Medicaid Director, Mr. Fitton directed the Bureau of Medicaid Policy and Actuarial Services—an organization that focused on policy and financing issues for the Michigan Medicaid program. A career public servant, Mr. Fitton has worked in health policy and budget in Michigan state government for nearly forty years, predominately in the Children with Special Health Care Needs program. He

has comprehensive experience navigating the health service delivery and financing system, public health prevention initiatives, and is particularly versed in advocating for families of children with special health needs.



Paul Fronstin is a Senior Research Associate with the Employee Benefit Research Institute (EBRI), a private, nonprofit, nonpartisan organization committed to original public policy research and education on economic security and employee benefits. He is also Director of the Institute's Health Research and Education Program, and oversees the Center for Research on Health Benefits Innovation. He has been with EBRI since 1993. Dr. Fronstin's research interests include trends in employment-based health benefits, consumer-driven health benefits, the uninsured, retiree health benefits, employee benefits and taxation, and public opinion about health benefits and health care. In 2012, Dr. Fronstin was appointed to the Maryland Health Care Commission. He currently serves on the steering committee for the Emeriti Retirement Health Program. He is also the associate editor of *Benefits Quarterly*. In 2010, he served on the Institute of Medicine (IOM) Committee on Determination of Essential Health Benefits. In 2002, he served on the Maryland State Planning Grant Health Care Coverage Workgroup. In 2001, Dr. Fronstin served on the Institute of Medicine Subcommittee on the Status of the Uninsured.



Clifford Goodman, PhD, is a Senior Vice President and Principal at The Lewin Group, a health care policy consulting firm based in Falls Church, Virginia. Dr. Goodman has 30 years of experience in such areas as health technology assessment, evidence-based health care, comparative effectiveness research, health economics, and studies pertaining to health care innovation, regulation, and payment. He directs studies, and projects, for an international range of government agencies; pharmaceutical, biotechnology, and medical device companies; health care provider institutions; and professional, industry, and patient advocacy groups.

He is an internationally recognized health policy issues moderator and facilitator of expert panels, health industry advisory boards, and workshops. Dr. Goodman served as Chair of the Medicare Evidence Development & Coverage Advisory Committee (MEDCAC, 2009-12) for the US Centers for Medicare and Medicaid Services (CMS). He served as president of the professional society, Health Technology Assessment International (HTAi, 2011-13). He is a Fellow of the American Institute for Medical and Biological Engineering (AIMBE).



William A. Hazel Jr., MD, an orthopedic surgeon from Northern Virginia, is Virginia's Secretary of Health and Human Resources. After earning a degree in civil engineering from Princeton University, Dr. Hazel attended Duke University School of Medicine and completed his orthopedic residency at the Mayo Clinic. He is a founding member of Commonwealth Orthopedics and Rehabilitation, a medical practice with facilities located across Northern Virginia. Dr. Hazel is a former chair of the American Medical Association's Council of Legislation, speaker and president of the Medical Society of Virginia, president of the Fairfax County Medical Society, and chairman of the Inova Health System Medical Affairs Council. As Secretary, Dr. Hazel oversees 12 state agencies with about 15,000 employees and includes such diverse programs as Medicaid, Behavioral Health, Social Services, as well as Aging and Disability Services. These combined agencies spend approximately one-third of Virginia's budget. He has been charged by Governor McDonnell to prepare Virginia for Health System Reform. Among his accomplishments thus far include the Virginia Health Reform Initiative, creation of the Virginia Center for Health Innovation, negotiation of an agreement with the Department of Justice to improve services for individuals with Developmental Disabilities, and initiation of an enterprise IT system transformation for health and human resources in Virginia.

PRESENTERS



Joan M. Kapowich is Administrator of the Public Employees and Oregon Educators Benefit Boards. The Boards design and administer benefits for more than 277,000 members and dependents. Both Boards have implemented elements of value-based insurance designs in their health plans since 2005, and the success of these efforts was featured in Health Affairs' November 2010 issue. The Boards are among the first in the nation to feature low and high co-payments to encourage and discourage care services based on their relative value to health outcomes. The Boards' design of value-based wellness benefits has led to significant

improvements in health status of members and positive impacts on state health care premiums. Ms. Kapowich is a member of National Academy of State Health Policy (NASHP). She has a sociology degree from UC Santa Barbara and a nursing degree from Lane Community College. She recently taught health-care economics at Western Oregon University.



Anthony (Tony) Keck is the Director of Health and Human Services for South Carolina Governor Nikki R. Haley. He has more than twenty-four years of experience in health care management, consulting, policy and academics in the United States and Latin America. Prior to his appointment in South Carolina, Mr. Keck served three years in the administration of Louisiana Governor Bobby Jindal as health and social services policy advisor to the governor, and chief of staff and deputy secretary of the Louisiana Department of Health & Hospitals. In the private sector, Mr. Keck managed and consulted for organizations such as Johnson & Johnson, where he was

Director of Operations for Latin American Consulting and Services. Additionally, Mr. Keck was the Director of Management Engineering at Ochsner Clinic New Orleans, and the Administrator of St. Thomas Health Services, a community clinic. He holds both a Bachelor of Industrial & Operations Engineering and Master of Public Health from the University of Michigan and is completing his doctoral thesis in health systems management at the Tulane University School of Public Health & Tropical Medicine focusing on physician workforce issues. He also serves on the Board of the National Association of Medicaid Directors, has an appointment at the Tulane University School of Medicine Department of Family and Community Medicine and was recently appointed to the Institute of Medicine's Committee on Governance and Financing of Graduate Medical Education.



Christopher F. Koller is President of the Milbank Memorial Fund. Before joining the Fund, he served the state of Rhode Island as the country's first health insurance commissioner, an appointment he held from March of 2005 through June of 2013. Under Mr. Koller's leadership, the Rhode Island Office of the Health Insurance Commissioner was nationally recognized for its rate review process and its efforts to use insurance regulation to promote payment reform, primary care revitalization, and delivery system transformation. The Office was also one of the lead agencies in implementing the Affordable Care Act in Rhode Island. Prior to serving as

health insurance commissioner, Mr. Koller was the CEO of Neighborhood Health Plan of Rhode Island for nine years. In this role he was the founding chair of the Association of Community Affiliated Plans. Mr. Koller has a bachelor's degree, summa cum laude, from Dartmouth College and master's degrees in management and religion from Yale University. He was a member of the IOM Committee on Essential Health Benefits and serves in numerous national and state health policy advisory capacities. Mr. Koller is also adjunct professor of community health in the School of Public Health at Brown University.



Kevin Lembo was elected State Comptroller in 2010 following decades of experience in government, finance and health care. As the state's fiscal guardian, he is committed to eliminating wasteful spending, strengthening budget transparency, delivering government services, and more efficiently addressing the state's health care challenges. Immediately upon taking office, Comptroller Lembo implemented several financial and operational efficiencies within the Office of the State Comptroller and throughout state government. On a monthly basis, he reports to the Governor and the public on the state's financial status to ensure that Connecticut proceeds

on a secure financial track. Additionally, his office plays a critical role in transitioning the state to a new era of financial transparency and accountability through Generally Accepted Accounting Principles accounting. Comptroller Lembo's office oversees the procurement and administration of health care for tens of thousands of lives; as well as the administration of state accounts for thousands of Connecticut vendors and municipalities.



Nick Macchione is Director Health and Human Services Agency County of San Diego. Mr. Macchione oversees the largest integrated health and human services network at the local level, serving 3.2 million residents with services to over 750,000 clients. With budget responsibility of over \$2 billion annually, Mr. Macchione oversees a workforce of 6,000 staff. He implements policy direction of an elected Board of Supervisors, and manages operations including public health, behavioral health, health insurance for medically indigent, child and adult protective services, and early childhood development programs. He also oversees the operation of

the county's Psychiatric Hospital, Edgemoor Skilled Nursing Facility, Polinsky Children's Center and San Pasqual Academy for foster youth. In addition, under Mr. Macchione's leadership, in 2010 the County embarked on a ten-year, countywide population-based health plan, Live Well San Diego. This plan is being implemented throughout the entire region to build better health, encourage safer living, and promote economic vitality for all San Diego County residents. Mr. Macchione holds dual masters' degrees from Columbia University and New York University where he specialized in health services management and health policy. Over the past 16 years, he has been a faculty member at San Diego State University in the Graduate School of Public Health and since 2007 has served as the John Hanlon Executive Scholar.



John McCarthy oversees the Ohio Department of Medicaid (ODM). As Ohio's first cabinet-level state Medicaid agency, ODM provides health care to more than 2.3 million Ohioans through a network of 100,000+ providers. The department serves as a cornerstone of the Governor's Office of Health Transformation (OHT), which Governor John R. Kasich created in 2011. In conjunction with OHT Director Greg Moody, Director McCarthy and his team have already implemented a series of innovative policy initiatives that have helped to modernize the fragmented Medicaid system in Ohio, improve the quality of health services available to consumers and families, and provide

the best value to taxpayers. Under McCarthy's leadership, ODM has already transformed Ohio's Medicaid landscape by launching the Medicaid Information Technology System (MITS), a new Medicaid claims processing system to boost efficiency and communications with over 70,000 providers across the state; becoming just the third state to reach an agreement with CMS over the integration and coordination of care for individuals enrolled in both Medicaid and Medicare; implementing a new managed care program across the state that provides more choice to Ohio's 1.6 million Medicaid managed care beneficiaries; and refocusing efforts and resources toward more home- and community-based services for Medicaid beneficiaries. Prior to overseeing Ohio Medicaid, McCarthy served as Medicaid Director for the District of Columbia.

PRESENTERS



Karen Murphy is Director of State Innovation Models at The Center for Medicare and Medicaid Innovation. Dr. Murphy has an extensive career in health care administration and consulting. She was the former President and Chief Executive Officer of the Moses Taylor Health Care System. Prior to becoming CEO of Moses Taylor Health Care System, Dr. Murphy served in various roles in health care administration. As founder and Chief Executive Officer of Physicians Health Alliance, Inc. (PHA), Dr. Murphy also led an integrated medical group practice within Moses Taylor Health Care System. Dr. Murphy currently serves as a Clinical Faculty Member in the

Medicine Department at The Commonwealth Medical College. Dr. Murphy earned her Doctor of Philosophy in Business Administration from Temple University's Fox School of Business, a Master of Business Administration from Marywood University, a Bachelor of Science from the University of Scranton, and a diploma as a registered nurse from the Scranton State Hospital School of Nursing.



Lonny Reisman, MD, is Aetna's Chief Medical Officer. Appointed to this role in 2008, he is responsible for the company's clinical strategy to improve the health of Aetna's members and to help build a better health care system supported by evidence-based accountability by every participant. He leads health care system change through Aetna's clinical thought leadership, Innovation Labs, clinical policy and integrated system design. Dr. Reisman is a recognized leader in health information technology, patient safety and evidence-based medicine, and he has published numerous clinical, peer-reviewed articles. Prior to his CMO position, Dr. Reisman

was Chief Executive Officer of ActiveHealth Management. Dr. Reisman is a member of the Harvard Medical School Health Care Policy Committee; the New York eHealth Collaborative Board of Directors; the RCHN Community Health Foundation, Inc. Board of Directors; and the East Coast CMO Executive Summit Committee. From 1991 to 1998, Dr. Reisman was a principal in the Managed Care Group of William M. Mercer where he led numerous consulting engagements with Fortune 500 corporations, health care providers, suppliers and payers that focused on managing the demand for health care resources. Dr. Reisman was an attending physician at New York Hospital and St. Luke's-Roosevelt Hospital Center between 1987 and 1999, and was a cardiology fellow at the University of Chicago from 1985 to 1987.



John Selig has served as the Director of the Arkansas Department of Human Services since July 2005. In this capacity, he serves as a member of the Governor's Cabinet and is responsible for providing leadership and oversight of the agency's efforts to promote the health and well-being of all Arkansans, especially those most in need. John manages the state's largest agency with over 7,000 employees and a budget exceeding \$5 billion. DHS programs include Medicaid, Child Welfare, Behavioral Health, Developmental Disabilities, Aging and Adult Services, Juvenile Justice, Child Care and Early Childhood Education, and Services for the Blind. Prior

to serving as the Department Director, he was the Department's Deputy Director. In addition, John has served as the Director of the DHS Division of Behavioral Health Services and the Director of In-Home Services at the Department of Health. John is a graduate of Stanford University and received a Masters in Public Administration from Princeton University. Prior to joining state government, John was on the staff of U.S. Senator David Pryor and served two years in the Peace Corps as a teacher in West Africa.



Seema Verma is the President of SVC, Inc, a health consulting company serving multiple states and private clients. Ms. Verma provides guidance to Governor's offices, State Medicaid agencies, State Health Departments and Departments of Insurance. Private clients include hospitals and technology vendors that serve State Medicaid programs. Ms. Verma served as a health policy advisor to the former Governor Mitch Daniels of Indiana, and is the architect of his Healthy Indiana Plan (HIP), the nation's first consumer directed Medicaid program. Ms. Verma led efforts to implement the program, including developing the operational and system design,

negotiating managed care contracts, and Centers for Medicare and Medicaid waivers. Ms. Verma has also served as the Indiana Health Care Reform lead, and the SVC team currently works with states as they prepare for implementation of the Affordable Care Act including, Exchanges, Medicaid preparedness, and waiver development for Medicaid expansions. Prior to consulting, Ms. Verma served as Vice President of Planning for the Health & Hospital Corporation of Marion County and as a Director with the Association of State and Territorial Health Officials (ASTHO) in Washington D.C. Seema Verma received her Masters in Public Health, with concentration in policy and management from the Johns Hopkins School of Public Health, and her Bachelors in Life Sciences, from the University of Maryland, College Park.

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POLICY IMPACT

- U.S. House Ways and Means testimony on Medicare
- CMS rule allows V-BID in Medicaid; bipartisan implementation
- MedPAC encourages V-BID in Medicare
- IOM, CWF, RWJF endorse V-BID to improve quality and control costs
- Nat'l Coalition on Health Care calls V-BID a "game-changer"
- No-cost preventive care expands to 105 million Americans



RESEARCH

\$629K in grant funding
 12 peer-reviewed publications
 24 national presentations
 2 white papers



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BRIEFS

- State Medicaid Programs
- Medicare Advantage
- State Innovation Models
- Health Insurance Exchanges
- Evidence for V-BID
- Clinically Nuanced Incentives
- Health Information Technology
- Consumer Communication
- Grandfathered Health Plans
- Connecticut Health Enhancement Program



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Hits: 669,000
 Pages: 79,000
 Visits: 37,000

STUDENT INVOLVEMENT

- Medical School
- Engineering School
- Ford School of Public Policy
- Literature, Science and the Arts
- School of Public Health

