



Center for
Value-Based
Insurance Design

2007 SYMPOSIUM

Value-Based Insurance Design: Bridging the Divide Between Quality Improvement and Cost Containment

May 1, 2007

Michigan League Ballroom

Ann Arbor, Michigan



Welcome to the University of Michigan Center for Value-Based Insurance Design's symposium, "**Value-Based Insurance Design: Bridging the Divide Between Quality Improvement and Cost Containment.**" We appreciate your interest, and are delighted that you are taking the time to spend the day exploring this important topic with us.

Established in 2005, the Center has three primary goals: develop value-based insurance design initiatives; evaluate their implementation; and promote the concept to a broad group of audiences. The Center was founded on the belief that current trends in health benefit design do not achieve a balance of the competing pressures to control cost and improve the quality of patient care. We believe that benefit packages should—and must—incorporate a range of features that promote effective and efficient delivery of care.

Today's agenda promises a vibrant dialogue on health care reform. Two keynote speakers will provide overviews of the tremendous challenges facing health care decision-makers; a panel discussion will focus on approaches to improve quality and contain costs. Specific discussions will highlight the State of Michigan's perspective on expanding access to health coverage, the impact of consumer-directed health plans, and how workplace wellness and comparative effectiveness research initiatives complement and strengthen value-based insurance design.

In December 2005, our inaugural symposium sought to introduce you to value-based insurance design. Today, we hope to share with you our experiences in advancing this concept with diverse stakeholders nationwide, and also provide examples of how innovators in this area are making the concept a reality. We hope that you leave not only excited about the ideas discussed, but also with a better sense of how you might implement these concepts in your own setting.

We invite you—as leaders in the design and administration of health benefit plans—to share your expertise with us through an exchange among the speakers and the audience. We look forward to today's discussions, and to a fruitful collaboration with you.

Sincerely,



Dean G. Smith, PhD, Director



A. Mark Fendrick, MD, Co-director

Agenda May 1, 2007

- 7:45 a.m. **Registration and Continental Breakfast**
- 8:15 a.m. **Opening Remarks and Introduction of Morning Keynote**
Dean Smith, Director, Center for Value-Based Insurance Design
Robert Kelch, Executive Vice President for Medical Affairs,
University of Michigan Health System
- 8:30 a.m. **Morning Keynote**
Mark McClellan, Senior Fellow, American Enterprise Institute–
Brookings Institute Joint Center for Regulatory Studies
- 9:30 a.m. Break
- 9:45 a.m. **State Perspective**
Introduction: *Jenifer Martin*, Center for Value-Based Insurance Design
Janet Olszewski, Director, Michigan Department of Community Health
- 10:45 a.m. **Value-Based Insurance Design – Lessons Learned**
A. Mark Fendrick, Center for Value-Based Insurance Design
Michael Chernew, Harvard University
- 12 noon Lunch
- 1:00 p.m. **Panel Discussion: Approaches to Improve Quality and Contain Costs**
Moderator: *Andrew Webber*, National Business Coalition on Health
Consumer Directed Health Plans – *Steven Parente*, University of Minnesota
Worksite Wellness – *Dee Edington*, University of Michigan
Employer Perspective – *Rebecca Main*, Marriott International, Inc.
Health Plan Perspective – *Lewis Sandy*, UnitedHealthcare
Comparative Effectiveness Research – *Sean Tunis*, Health Technology Center
- 3:00 p.m. Break
- 3:15 p.m. **Afternoon Keynote**
Introduction: *Catherine McLaughlin*, University of Michigan
Gail Wilensky, Senior Fellow, Project HOPE
- 4:15 p.m. **Closing Remarks**
Dean Smith, Director, Center for Value-Based Insurance Design

Keynote Presentations



Mark B. McClellan, MD, PhD is a Senior Fellow at the American Enterprise Institute—Brookings Joint Center for Regulatory Studies, where he focuses efforts on developing and implementing ideas to drive improvements in high-quality, innovative, affordable health care. Previously, Dr. McClellan served as Administrator for the Centers for Medicare and Medicaid Services and as Commissioner for the Food and Drug Administration in the U.S. Department of Health and Human Services.

From 1998–99, he was Deputy Assistant Secretary of the Treasury for Economic Policy, where he supervised economic analysis and policy development on a wide range of domestic policy issues. During 2001 and 2002, Dr. McClellan served in the White House as a Member of the President’s Council of Economic Advisers where he advised on domestic economic issues, and as a senior policy director for health care and related economic issues.

Dr. McClellan was Associate Professor of Economics at Stanford University, Associate Professor of Medicine at Stanford Medical School, a practicing internist, and Director of the Program on Health Outcomes Research at Stanford University. His research studies have addressed measuring and improving the quality of health care; the economic and policy factors influencing medical treatment decisions and health outcomes; estimating the effects of medical treatments, technological change in health care and its consequences for health and medical expenditures; and the relationship between health and economic well-being.



Gail R. Wilensky, PhD is an economist and Senior Fellow at Project HOPE, an international health education foundation, where she analyzes and develops policies relating to health care reform and to ongoing changes in the health care environment. From 1990–1992, she served as Administrator of the Health Care Financing Administration in the U.S. Department of Health and Human Services, directing the Medicare and Medicaid programs. She also served as Deputy Assistant to President George H.W. Bush for Policy Development, advising him on health and welfare issues from 1992–1993. From 1997–2001, she chaired the Medicare Payment Advisory Commission, which advises Congress on payment and other issues relating to Medicare, and from 1995–1997, she chaired the Physician Payment Review Commission. From 2001–2003, she co-chaired the President’s Task Force to Improve Health Care Delivery for Our Nation’s Veterans, which covered health care for both veterans and military retirees.

Dr. Wilensky is a Commissioner on the President’s Commission on Care for America’s Returning Wounded Warriors, the World Health Organization’s Commission on the Social Determinants of Health, is co-chair of the Department of Defense Task Force on the Future of Military Health Care, is Vice Chair of the Maryland Health Care Commission, and serves as a trustee of the Combined Benefits Fund of the United Mineworkers of America and the National Opinion Research Center. She is an elected member of the Institute of Medicine and has served two terms on its governing council.

A State Perspective

Janet Olszewski, MSW is Director of the Michigan Department of Community Health (MDCH), where she oversees health policy and management of Michigan's publicly funded health systems. Ms. Olszewski is responsible for implementation of an annual budget of approximately \$11 billion and manages approximately 4,300 employees. Prior to her appointment as Director of MDCH in 2003, she served as Vice President for Government Programs and Regulation at M-CARE, a non profit managed care company owned by the University of Michigan. She was responsible for the company's Medicare products; state contracts for the Medicaid, MICHild and Kids Care programs; compliance with state regulatory requirements; and implementation of benefit changes across all product lines.

Prior to joining M-CARE in 2000, Ms. Olszewski spent 23 years with the State of Michigan. She began her state government career with the Office of Services to the Aging in 1977. From 1985–1991, she assumed leadership roles in two divisions of the former Department of Public Health. She was acting director of the department's division of services for crippled children during 1991 and 1992. She led the department's managed care quality assessment and improvement division from 1992–1997. From 1998–2000, she was Director for Medicaid Quality Improvement and Customer Services.



Value-Based Insurance Design – Lessons Learned

A. Mark Fendrick, MD is Co-Director of the Center for Value-Based Insurance Design and Professor at the University of Michigan in the Departments of Internal Medicine and Health Management and Policy. Dr. Fendrick's research focuses on the clinical and economic assessment of medical interventions with special attention to the study of emerging technologies. He is Director of the Health Services Research Core Laboratory. Dr. Fendrick currently serves on the Medicare Coverage Advisory Committee, and is the Co-Editor of the American Journal of Managed Care.



Michael E. Chernew, PhD is Professor in the Department of Health Care Policy at the Harvard Medical School and Consultant to the Center for Value-Based Insurance Design. His primary research focuses on assessing the impact of managed care on the health care marketplace, with an emphasis on examining the impact of managed care on health care cost growth and on the use of medical technology. Dr. Chernew is a Research Associate of the National Bureau of Economic Research and serves on the Editorial Boards of Health Services Research, Health Affairs, and Medical Care Research and Review. He is Co-Editor of the American Journal of Managed Care. Prior to joining Harvard University, he was Professor of Health Management and Policy at the University of Michigan School of Public Health and Director of the Center for Value-Based Insurance Design.



Panelists



Stephen Parente, PhD, is Associate Professor in the Department of Finance at the Carlson School of Management and Academic Director, Medical Industry Leadership Institute, at the University of Minnesota. Dr. Parente's research interests focus on evaluation of consumer-driven health plans, including the trade-offs between health and wealth portfolio choices; microsimulation of health savings account market development under various incentive scenarios; economic analysis of the long-term effectiveness of AHCPR/AHRO guidelines using welfare-loss/small area variations methodology with 1991–98 claims data; and the impact of new Medicare health insurance financing designs, including Medicare Part D. In addition, he conducts analyses of potentially cost-saving medical innovations, and studies variations in chronic care quality attributable to physician practice style.



Dee Edington, PhD is Professor in the Division of Kinesiology at the University of Michigan. Dr. Edington studies the relationships between individual health behaviors and future health care utilization and costs for both individuals and organizations. His research focuses on the health behaviors of individuals such as physical inactivity, overweight, smoking, high blood pressure and high cholesterol. He is interested in how these health behaviors and risks interact to result in poor health status and future increased utilization of the health care system.

Rebecca L. Main is Senior Manager, Benefits, at Marriott International, Inc. where she is responsible for the management, strategy, and design of Marriott's health and welfare plans, serving 120,000 employees nationwide. She serves on the Maternal and Family Health Benefits Advisory Board for the National Business Group on Health, and represents Marriott on the eHealth Initiative Employer Purchasing Advisory Board. Prior to joining Marriott in 2003, Ms. Main worked with IFES, an international non-profit organization, as a Human Resources Manager. She managed the health and retirement plans for employees based in 15 countries worldwide, and she outsourced several benefits administration functions to improve compliance and cost efficiency.

Lewis G. Sandy, MD, is Senior Vice President, Clinical Advancement, UnitedHealth Group, where he leads efforts to promote efficient and effective health care, provide tools and information to doctors and patients to promote health, and foster the growth of evidence-based medicine. From 2003–2007, he was Executive Vice President and Chief Medical Officer of UnitedHealthcare. Prior to joining UnitedHealth, he served as Executive Vice President of The Robert Wood Johnson Foundation, where he was responsible for the Foundation’s program development and management, strategic planning, and administrative operations. As Program Vice President at the Foundation, Dr. Sandy was an active grantmaker in the Foundation’s workforce, health policy, and chronic care initiatives.



Sean R. Tunis, MD, MSc is a Senior Fellow at the Health Technology Center, where he focuses on the development of methods to conduct high quality, low cost prospective evaluations of new medical technologies. Previously, Dr. Tunis was the Director of the Office of Clinical Standards and Quality and Chief Medical Officer at the Centers for Medicare and Medicaid Services. In that role, Dr. Tunis oversaw major elements of the quality and clinical policy portfolio including the development of national coverage policies and quality standards for Medicare and Medicaid providers, quality measurement and public reporting initiatives, and management of the Quality Improvement Organization program.



Andrew Webber is President and Chief Executive Officer of the National Business Coalition on Health. Mr. Webber is responsible for directing all association activities and functions including value based purchasing programs, government relations, education and training, communications, and technical assistance. He sits on the Board of Directors of the Leapfrog Group and Bridges to Excellence. He is a member of the Purchaser/Business Advisory Councils for the National Committee for Quality Assurance, the Joint Commission for the Accreditation of Healthcare Organizations, and the eHealth Initiative. He is a member of the Implementation Committee of the National Quality Forum.





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