



U.S. CHAMBER OF COMMERCE

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Thomas J. Donohue, president and CEO of the U.S. Chamber of Commerce, kicks off the Chamber's 2nd Annual Health Care Summit emphasizing the role of the private sector in driving health care innovation and reform.

Health Care Summit Event Summary

On October 30, 2013, Thomas J. Donohue, president and CEO, U.S. Chamber of Commerce, opened the Chamber's 2nd Annual Health Care Summit emphasizing the critical role of the private sector in driving health care innovation and reform. The summit focused on harnessing the efficiencies pioneered by the private sector to increase value and improve outcomes throughout the health care system. Although implementation of the Patient Protection and Affordable Care Act (PPACA) is now under way, further reforms are needed to lower costs, improve quality, and expand access to care. "Additional reforms that reward value in the health care sector are desperately needed," Donohue said, and "many of the innovations that business and the private sector have developed can help drive these reforms."

Donohue also highlighted the Chamber's recent report *Health Care Solutions from America's Business Community: The Path Forward for U.S. Health Reform*, which discusses successful private sector initiatives and presents a series of steps to drive systemwide changes. Proposals set forth in the report include encouraging better coordination between providers, working toward a simple and clear definition of "quality," improving access to straightforward information on cost and quality of care, and encouraging consumers to use the information available to them to make better health care decisions.

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Introductory Keynote

Dr. Harvey Fineberg, president, Institute of Medicine (IOM), delivered the introductory keynote focused on the need to bring the benefits of the health care system in line with the costs. Currently, Americans have “a system that consumes enormous amounts of money and produces benefits that are not commensurate with the amount we are spending.” According to Fineberg, health care costs and quality need to be addressed simultaneously. Among the sources of waste in the health care system are unnecessary services, inefficient delivery of services, inflated prices, administrative costs resulting from complexity, and missed prevention opportunities. If these sources of waste are eliminated, Fineberg said, huge amounts of money can be saved and the quality of health care outcomes would not be harmed.

Fineberg also spoke about a recently completed IOM study, *Best Care at Lower Cost*, which



Dr. Harvey Fineberg, president of the Institute of Medicine, delivers the introductory keynote focused on the need to balance the benefits of the health care system with the costs.

argues that the challenges resulting from the quality shortfalls, burden of costs, and the increasing complexity of the present health care system can be successfully overcome. “Everybody agrees on value-based payment and value-based insurance design, but how to actually put those into place at the scale they’re needed is a big question,” said Fineberg. The IOM report proposes 10 key ideas that can help create the necessary changes in health care system organization and design. These ideas include organizing around patient needs, implementing a new system of real-time data collection, and altering financial incentives to reward better performance and outcomes.

Morning Keynote

Dr. Ralph de la Torre, chairman and CEO, Steward Health Care System, spoke about Steward’s creation, how the system works, and what lessons can be drawn from its experiences. Founded in 2009, Steward is the third-largest employer in Massachusetts and has grown to almost \$3 billion in net patient service revenues.

Steward was created, de la Torre explained, with value in mind. That “value,” as conceptualized by Steward, involves access, cost, quality, and sustainability. Based on these four components, “our model was clear. We needed to be integrated. Providers, hospitals, home care—everybody needs to be in an integrated model where we share information and work collaboratively.” He specifically stressed the importance of organizational structure regarding both Steward and America’s health

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care system as a whole. Steward maintains a vertical structure, which integrates its hospital, physician, and care management companies to create a "forced collaboration" between the providers and the companies in the system. "You cannot regulate improved performance on a flawed platform," he said, because individuals and companies "will default to the way that the platform is structured."

He concluded his remarks saying that there are four major ideas to remember when it comes to health care reform: the structure of the system needs to be sound, the poor and the elderly are at the greatest risk in the current system and must be included, government participation is needed, and acceptance and participation from the general population are necessary. Also, de la Torre noted the importance of education in health care reform. "Whether or not we want to believe it, we're already on the hook for all Americans' health. It's called Medicare. So we have to drive change, and that means education."

Integrating and Coordinating Care

Dr. Jeffrey Thompson, CEO, Gundersen Health System, kicked off a panel on integrating and coordinating care. Thompson began the discussion by highlighting the importance of keeping patients continuously engaged with maintaining their health, while helping those with chronic conditions plan advance care directives. "It is important to have a mind-set that health care is not centered in a clinic or hospital. Where patients spend the other 98% of their time is more deterministic of their health," he said. "So if the health of patients in communities is really important, and advanced care planning is difficult to discuss, then you engage stakeholders such as faith leaders, schools, physicians, and family members to change the conversation."

Sandra Van Trease, group president, BJC HealthCare, discussed how BJC redesigned its system to make its hospitals run more efficiently in order to provide high-quality care

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to patients at a lower cost. She explained that in order for hospitals not to be penalized for readmission costs, the provider community needs to develop partnerships so that patients have the tools and resources to treat their chronic health conditions outside of the hospital setting. Van Trease elaborated saying, “What happens on the other 360 days is critical to the outcome of the true acute care episode or avoiding it.”

Bradley King, principal, Health Care, CliftonLarsenAllen LLP, explained the evolution of using financial incentives to impact the delivery of care. King said that new models of integrating care, such as the accountable care organization (ACO), have built upon and borrowed elements from both HMO capitation and reference pricing. “We had some basic quality standards in the early days, but we clearly did not have the current and planned incentives for quality outcomes and for patient satisfaction that we have been building into our new models.”



Sandra Van Trease, group president, BJC HealthCare, discusses how BJC redesigned its system to make its hospitals run more efficiently.

Dr. William Winkenwerder, president and CEO, Highmark, concluded the discussion stressing that a key part of the value equation is educating consumers so that they can select a health plan that best fits their needs. Winkenwerder said that if physicians can change their behavior by having health insurers provide them with accurate and reliable information regarding how their performance compares with their peers to incent action, and consumers have tools that permit them to compare quality and costs among providers, then “we have the best bet to really reform the system.”

Personalized Health Care

Speakers discussed how the evolving trend toward personalized health care is creating value by changing how medicine is practiced. Due to the sequence of the human genome and advanced technological capabilities, the treatment of diseases is moving away from a one-size-fits all approach to a system based around individualized and tailored care.

Dr. Kathryn Teng, director, Center for Personalized Healthcare, Cleveland Clinic, began the panel discussion describing three components of personalized medicine: advancing cultural changes to prevent the onset of disease, training clinicians so that they can use genetic tests and relay test results to patients, and engaging patients with their care.

Dr. Russel Kaufman, president and CEO, The Wistar Institute, talked about advancements that genomic medicine has contributed to the field of oncology. According to Kaufman, “The biggest

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Dr. Kathryn Teng, director, Center for Personalized Healthcare, Cleveland Clinic, moderates a panel explaining trends in personalized health care.

emerging concept in cancer care and oncology has been through the human genome project. We now understand that most cancers are due to mutations in very specific genes, and that in any one cancer, it's not just a single mutation, but actually multiple mutations.”

Much of the discussion focused on the perception that personalized medicine drives up costs because of increased utilization of new technology. However, there is potential for net cost savings if patients have better outcomes over the long run. The panelists explained that the shift toward more personalized medicine will lead to enhanced efforts in managing and preventing chronic disease and increased patient engagement once providers communicate value more effectively.

Edward Abrahams, president, Personalized Medicine Coalition, said that due to misaligned incentives, advances in clinical treatment are

not being factored into setting payment policies. “The problem is we don't often have enough evidence to demonstrate the value proposition equation, and absent that evidence, it's very hard to move the system forward.”

Dr. Gary Procop, chair, Molecular Pathology, section head, Clinical and Molecular Microbiology, Cleveland Clinic, told the audience that by using detailed family history and biomarker testing, clinicians can accurately predict if an individual is susceptible to disease. Procop said, “Even

though doctors order these tests, the information provided is not acted upon. It's clear that our current health care system and our future health care will not tolerate this type of waste.” Procop urged regulators to reassess the readjustment of molecular diagnostic reimbursement codes so that providers receive payments that reflect the actual costs of conducting such tests.

Innovative Disease Management and Long-Term Care

Andrew Rein, associate director for policy, U.S. Centers for Disease Control and Prevention, moderated a discussion on innovative disease management and long-term care. With an aging population and more people living with two or more chronic health conditions, new organizational and financial models of care are being developed so that people can live independently. As the panelists underscored,

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many initiatives are taking place to harness the potential for more efficient use of health care services by focusing on the needs of each person.

New breakthrough drugs have led to individuals with chronic diseases living longer. Annalisa Jenkins, executive vice president and head, Global Drug Development and Medical, Merck Serono, discussed the development of the MS Lifelines Program, a forum where individuals diagnosed with multiple sclerosis receive support and decision-making tools. Jenkins explained, “Part of the obligation of modern day biopharmaceutical companies is to really go beyond just supplying quality medicines to ensure that they are helping the physician-patient interaction.”

According to Dr. Sanjay Udoshi, physician architect, Clinical Analytics Product Strategy, Oracle Health Science Global Business Unit, the delivery system is transitioning toward a patient-centered model. To form blocks of big data, precision medicine is dependent on a rich analytic environment. For a robust data set, providers and patients need to work collaboratively so that the data set is accurate. Since risk analysis is dependent on harnessing reliable data, “a more comprehensive platform-based approach is necessary to take data from any transactional system and find ways to standardize and normalize it while tying it all together.”

Patrick Falvey, executive vice president and chief integration officer, Aurora Health Care, spoke about how clinical data is a



Andrew Rein (far right), associate director for policy, U.S. Centers for Disease Control and Prevention, moderates a panel on innovative disease management and long-term care.

core component of predictive modeling. In a Wisconsin county, Aurora targeted 250 people with heart failure who had previously been admitted to the hospital with the goal of having these individuals kept out of the hospital for 60 days. By establishing a medical home model and pairing physicians with these patients for follow-up, three-quarters of that population were not readmitted to the hospital. Aurora Health Care plans to expand this pilot program to people living with chronic conditions.

Explaining how long-term care for the dual-eligible population has led to lower health care costs in New York, Robert Wychulis, chief executive officer, New York HealthPlus Amerigroup, pointed out, “In long-term care, we are actually dealing with the individual’s environment. We are doing this in a cradle-to-grave approach, meaning that it’s not only in relation to age but in relation to services. We are also establishing provider collaboration models with the patients.”

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Leadership in Health Care Award

Dr. Fikry Isaac, vice president, Global Health Services, and chief medical officer, Wellness & Prevention, Inc., Johnson & Johnson, was presented with the 2013 U.S. Chamber of Commerce Leadership in Health Care Award for his tremendous contributions to the field of global health and workplace wellness. Isaac has not only been a pioneer in improving population health outcomes globally, but much of his focus has been on how to enhance the health outcomes of employee populations. “Dr. Isaac’s thought leadership is a quintessential example of the innovative solutions being pioneered by employers, and how the private sector must play a vital role in advancing comprehensive and meaningful reform of the U.S. health care system,” said Bruce Josten, executive vice president, Government Affairs, U.S. Chamber of Commerce, who presented the award.



Bruce Josten, executive vice president, Government Affairs, U.S. Chamber of Commerce (left), presents the Leadership in Health Care Award to Dr. Fikry Isaac, vice president, Global Health Services, and chief medical officer, Wellness & Prevention, Inc., Johnson & Johnson, for his contributions to global health and workplace wellness.

Luncheon Keynote

Larry Merlo, president and CEO, CVS Caremark, discussed the changing health care environment and how pharmacies will continue to play an important role in achieving higher value and improving outcomes in the health care system. Along with its 200,000 employees and 7,500 stores nationwide, CVS offers a broad range of services to employers and health plans through its benefits management division, and it is the largest provider of retail-based medical clinics in the country. According to Merlo, it is this combination of retail pharmacies, MinuteClinics, and prescription benefits services working together within an integrated model that enables CVS to provide real value to its customers and patients.

The current health care environment, said Merlo, is changing with the PPACA, growth in Medicare, the increasing prevalence of chronic disease, and America’s transition to a digital society. “Given all of these factors, our health care system is demanding innovation, and pharmacists are in a unique position to help. They are highly trusted resources for patients.” Merlo continued saying that pharmacists can play a significant role in getting people to stay on their medications as prescribed, which he claims is the “most underutilized weapon that we have in the fight to improve outcomes and make health care more affordable.” He then discussed the benefits provided by Pharmacy Advisor, CVS’ group of programs dedicated to helping patients manage chronic disease, and MinuteClinics, which help address the country’s unmet needs for access to convenient, high-quality, and affordable primary care.

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Merlo concluded emphasizing three areas that need to be addressed in the U.S. health care system: cost, quality, and access; the prevention of chronic disease with an emphasis on wellness; and the empowerment of consumers to understand the value of their health.



Larry Merlo, president and CEO, CVS Caremark, discusses how pharmacies will continue to play an important role in the changing health care environment.

Innovative Employer Practices

Inspired by the Health Care Solutions Council's focus on private sector innovations, the panel highlighted a variety of developments in administering employer wellness programs and engaging employees and the community at large. Randy Johnson, senior vice president, Labor, Immigration & Employee Benefits, U.S. Chamber of Commerce, moderated the panel and discussed the Chamber's focus on wellness, including creating materials to help small businesses implement these programs. Dr. Fikry Isaac of Johnson & Johnson, the winner of the Chamber's Leadership in Health Care Award, talked about the necessity of innovation in employee benefits due to the challenges associated with variances in geography, corporate culture, and employee population size.

Ted Kezios, global director of benefits, Cisco Systems, explained how the company is leading the way in computer networking to "transform how people communicate, connect, and collaborate," particularly regarding the delivery of health care services. Kezios described a pilot program that Cisco completed with Stanford Medical Center allowing employees to access dermatologists at Stanford through high-definition video and audio. "So what we're able to do is get our employees in earlier with no waiting times, provide early detection, and address prevention as well."

Speaking to the audience from an employer perspective, Dr. Patrick Quinlan, CEO, Ochsner Clinic Foundation & International Services, and executive director, Ochsner Center for Community Wellness & Health Policy, stressed

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Dr. Patrick Quinlan, CEO, Ochsner Clinic Foundation & International Services, and executive director, Ochsner Center for Community Wellness & Health Policy (left), stresses the importance of the wellness movement to produce dramatic changes in health.

that it will take a social movement looking at the drivers of disease like inactivity and obesity, not just wellness programs, to produce dramatic changes in population health.

The panel also tackled the complex issues surrounding patient privacy when implementing comprehensive wellness programs. Presenters agreed that in addition to hosting wellness program information through third-party vendors, companies and vendors need to conduct regular audits to ensure that the use of data is HIPAA compliant and institute processes that nurture employee trust.

Afternoon Keynote

Lori Reilly, executive vice president, Policy and Research, Pharmaceutical Research and Manufacturers of America (PhRMA), delivered an afternoon keynote focusing on the value of innovations in the biopharmaceutical industry and how companies in the industry

are responding to marketplace challenges. She used the example of HIV/AIDS to illustrate the value that medicines provide. The costs involved in treating HIV/AIDS were, in the past, believed to be unsustainable, she said, but the pharmaceutical industry and its academic and governmental partners have found innovative solutions to that challenge. Similar innovation will be required to tackle new challenges, such as those presented by Alzheimer's disease.

Reilly said that medicines can save money through spending offsets in other parts of the health care system. "The relatively small share of money we spend on drugs—we get a lot of value for that. We get increases in quality of life. We get productivity gains. We're able to keep people out of the hospital longer. We also get tomorrow's generics and high-wage, high-value jobs." According to Reilly, the pharmaceutical industry supports 3.4 million jobs and that three jobs are created in other sectors for every job created by the pharmaceutical industry.

Innovation must continue, Reilly added, despite the challenges that exist in



Lori Reilly, executive vice president, Policy and Research, Pharmaceutical Research and Manufacturers of America (PhRMA), discusses the value of innovations in the biopharmaceutical industry and how companies are responding to marketplace challenges.

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the marketplace, in terms of research and development, and in the regulatory arena. “We need to make sure that there are sound public policies that continue to reward innovation because without those incentives for innovation, I fear that the story about Alzheimer’s looks a lot less like the story that we have regarding HIV.”

Health Exchanges Engaging Consumers

The discussion, moderated by Esther Krofah, program director, Health Division, National Governors Association Center for Best Practices, turned to how state-based health exchanges are engaging consumers. Krofah noted that “for the first time, individuals and their families can shop for and enroll in health insurance coverage through a streamlined process, whether they do that online, through the customer service venue, or in person.”

Utah, which had a state-run exchange before implementation of the PPACA, has been working



Peter Van Loon, chief operating officer, Access Health CT, delves into the operational and educational challenges of running a state-based exchange.

since 2007 to address issues like high rates of uninsured, ineffective delivery of care, and unique state population challenges through the exchange model. According to Robert Spendlove, health reform coordinator, Office of the Governor of Utah, the most important components of a successful exchange are a defined contribution model and a limited launch for testing purposes.

Peter Van Loon, chief operating officer, Access Health CT, said that “the biggest challenge we have is not technology but, instead, the education and knowledge of our consumers.” While the Connecticut exchange had some initial issues dealing with the Federal Data Services Hub, Van Loon described the key to its success: “The good part is we’ve been accepted by the different folks and constituencies in the state, and we think that’s going to be the basis for our success.”

Mila Kofman, executive director, DC Health Benefit Exchange Authority, described the launch of D.C.’s exchange, DC Health Link, as very successful and cited 267 different product choices for small businesses, with participation of almost all of the large carriers. As Kofman explained, “We’re really letting the innovation of the private market work for our consumers and small businesses here.” Partnerships with local chambers, businesses, brokers, and a variety of community partners, including libraries, have been essential in training assisters and in educating residents about the options available through the exchange.

From the health plan perspective, Kristin Conley, vice president, Customer Lifecycle Management, Health Care Service Corporation (HCSC), said, “As the nation’s fourth-largest health insurer

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and the largest customer-owned plan, we knew that participating in exchanges was never a question.” HCSC undertook a multichannel education approach to engage consumers, including creating a grassroots education campaign called Be Covered, opening retail storefronts in malls around the country, and organizing mobile assistance centers to best engage consumers one-on-one.

Delivery Reform

On the final panel, moderator Susan Henley Manning, chief operating officer, Center for Healthcare Economics and Policy, and senior managing director, FTI Consulting, Inc., led a dialogue on emerging trends in delivery system reform that prioritize patient-centered health care and create a care continuum strategy. Manning said that “successful delivery reform demands active community engagement of insurers, providers, employers, and often local quasi-government teams to accomplish this goal.”

With a focus on the importance of payment innovation, Anna Fallieras, program leader, Health Care Initiatives and Policy, General Electric Company (GE), spoke about GE’s involvement in Catalyst for Payment Reform, a collaborative working to move the health care system toward pay for performance. A report released by the group in March 2013 revealed that about “90% of payments today aren’t tied to value in any way, shape, or form.”

Offering specific examples from the employer community, Pamela French, director, Global Benefits and Integration,

Human Resources, The Boeing Company, explained Boeing’s Intensive Care Outpatient Care Program for employees in the Puget Sound region. The program provides around the clock care for chronically ill employees. It has not only been well-received by those taking advantage of these services, but it has led to about a 20% reduction in health care costs for the company.

Dr. Tom Graf, chief medical officer, Population Health and Longitudinal Care, Geisinger Health System, described the health system’s focus: “Our mantra at Geisinger has focused on improving quality, and as a byproduct, we reduce the total cost of care.” Geisinger has been modernizing the delivery of care through its ProvenCare program, which closely tracks data on thousands of procedures to continually adjust and improve patient care outcomes.

Rounding out the panel, Dave Queller, president, National Accounts, Aetna, depicted the future changes in delivery system reform that we’ll see from the health plan perspective. Queller noted Aetna’s focus on accountable



Dave Queller, president, National Accounts, Aetna (center), describes the future changes in delivery system reform that we will see from the health plan perspective.

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care organizations (ACOs) and the role of ACOs in taking waste out of the system and improving patient care. “Today we’ve got 29 ACOs that are up and running across the country. We have partnered with health plans and health organizations and are bringing those opportunities to our employers. We are seeing significant savings and improvement in care and how it’s delivered across the board.”

Afternoon Keynote

Dr. Michael Cropp, president and CEO, Independent Health, stressed the importance of aligning community efforts to achieve more inclusiveness, higher quality, and affordability in the health care system. According to Cropp, improving the system is not simply a health care challenge; it’s an economic one. “The success of communities’ total economic well-being is tied intimately to health care,” he argued, and “communities that get this right are going to be the economic winners of the future.” Throughout his remarks, Cropp reiterated the significance of thinking like an economist when making decisions about how resources should be spent.

Cropp believes that chronic disease management and prevention, end-of-life care,

and the adoption and spread of best practices are among the many parts of the system that need to be improved. Of these, however, “The single biggest factor driving health care costs today is personal choices and behaviors.” Even with a perfect health care system, he said, costs will be very expensive as long as the disease burden on society continues to rise.

To achieve better value in health care, the focus needs to be on quality. “Quality is key. If we focus on quality and doing things right, we’ll see the cost trends lower. If we focus on cost alone, we cannot ensure quality.” Improving quality means engaging with customers, business partners, and provider partners,

along with promoting prevention, spreading best practices more efficiently, employing useful information quickly, and increasing trust.

Alignment of community efforts is critical to achieving better quality and, in turn, better overall value in health care. “When you bring community members together—the employers, the payers, the providers, the faith-based and neighborhood groups, and others—they make an investment.” This investment can lead to positive changes in health care quality and cost.



Dr. Michael Cropp, president and CEO, Independent Health, stresses the importance of aligning community efforts to achieve higher value in the health care system.

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