
***Joint Meeting of the
Boards of Directors
and
Advisory Board
of
NIHCM LLC and NIHCM Foundation***

February 24, 2009



NIHCM Foundation Board of Directors and Advisory Board Meeting Agenda

*Hay Adams Hotel, 16th & H Streets NW, Washington DC
February 24, 2009*

- (9:00-9:01) I. Call to Order
- (9:01-9:03) II. Approval of minutes from November 19, 2008
- (9:03-9:07) II. Welcome new Chairman, John Forsyth
- (9:07-11:00) III. Roundtable Discussion: Health Care Reform
- “Health Care Reform: Go Bold, Tread Carefully or Make It Worse?”
Presentation by Leonard Schaeffer
- “Federal Budget Realities and Health Care Reform”
Presentation by Robert Reischauer, PhD
- (11:00-12:00) IV. Wellness presentation by Adrian Gore, CEO, Discovery Holdings
- (12:00) V. Adjournment
- (12:00-12:30) Lunch Break



Minutes of the Joint Meeting of the Board of Directors and Advisory Board of NIHCM LLC and
NIHCM Foundation November 19, 2008

**JOINT MEETING OF THE BOARDS OF DIRECTORS AND ADVISORY BOARD OF
THE NATIONAL INSTITUTE FOR HEALTH CARE MANAGEMENT LLC AND NIHCM FOUNDATION**

Board Members in Attendance

William Marino (Chairman)
Horizon Blue Cross Blue Shield of New Jersey

John Forsyth (Vice Chairman)
Wellmark, Inc.

Angela Braly
WellPoint, Inc.

Patrick Geraghty
Blue Cross and Blue Shield of Minnesota

Robert Greczyn, Jr.
Blue Cross and Blue Shield of North Carolina

Vicky Gregg
BlueCross BlueShield of Tennessee

W. David Helms
AcademyHealth

James Klingensmith
Highmark Inc.

Cleve Killingsworth, Jr.
Blue Cross and Blue Shield of Massachusetts

M. Edward Sellers
BlueCross BlueShield of South Carolina

Robert Shoptaw
Arkansas Blue Cross and Blue Shield

Advisory Board Members in Attendance

Senator William H. Frist
Vanderbilt University

Paul Ginsburg
Center for Studying Health System Change

John Iglehart
Health Affairs

Mark McClellan
The Bookings Institution

Robert Reischauer
Urban Institute

Leonard Schaeffer
Surgical Care Affiliates

Gail Wilensky
Project HOPE

Guests

Mark White
Arkansas Blue Cross and Blue Shield

NIHCM LLC Staff

Nancy Chockley
President and CEO

Carolyn Myers
Administrative Manager

NIHCM Foundation Staff
Brigid Murphy
Research and Policy Analyst

Kathryn Santoro
Program Manager

Julie Schoenman
Director of Research and
Development



Minutes of the Joint Meeting of the Boards of Directors and Advisory Board of NIHCM LLC and NICHM Foundation November 19, 2008 (cont.)

Chairman Bill Marino called the meeting to order at 12:45 PM at The Washington Club, 15 Dupont Circle NW, Washington DC. The Board unanimously approved the minutes from the September 9, 2008 meeting.

Nancy Chockley described a new proposed project in which McKinsey staff would (pro bono) compile a workbook and detailed case studies of promising cost-containment initiatives of NIHCM plans. The Board approved this project unanimously. Ms. Chockley highlighted NIHCM-funded projects for 2008, and invited Mark McClellan to describe a new possible project, in which NIHCM would co-sponsor work by the NGA and Brookings to foster state reform efforts. The Board was supportive and asked her to continue explorations and report back. Ms. Chockley described work under NIHCM's HRSA and CDC grants and a new grant from HCFO. Bob Shoptaw presented the 2009 budget and audit results. The Board unanimously approved continuing with the current auditor.

Ms. Chockley introduced Phyllis Yale from Bain for a presentation on provider payment reform. Ms. Bain described how payment reform could attempt to provide incentives to improve *all* providers' behavior or provide transparency and incentives so consumers use the *best* providers. She noted that successful payment reform will require collaboration across payers so providers face only a limited number of payment plans, all using the same measures and accounting for a sizeable portion of their business. She also emphasized that changes to the payment mechanism must consider the structure of the provider market and product design.

Several Board members' made presentations on payment reform. Angela Braly described WellPoint's support of the X PRIZE competition, Cleve Killingsworth led a very lively discussion of BCBSMA's initiative to reform provider payment through its Alternative Quality Contract, and Mark McClellan described the multi-payer value-based payment reforms supported by the Engelbert Center.

The Roundtable Discussion centered on post-election health reform prospects and the economic stimulus package. Participants noted great interest in reform in both the legislative and executive branches, but uncertainty about how the dynamics will play out and how reform will fit with stimulus efforts. There was skepticism that the economic situation would prevent any serious reform efforts, coupled with a feeling that "anything might happen in these extraordinary times." SCHIP expansion was seen as a sure bet, and some felt there might be action on incremental reforms such as comparative effectiveness research, reforms to Medicare payment for physicians and Medicare Advantage plans, negotiation of drug prices under Medicare Part D, and support for health IT.

The meeting adjourned at 5:40, and moved into Executive Session during which the following officers were elected: John Forsyth, Chairman; Vicky Gregg, Vice-Chairman; Ed Sellers, Chair, Finance/Audit Committee; and Robert Greczyn, Chair, Compensation Committee.

Respectively submitted,

Julie A. Schoenman

Julie A. Schoenman, Ph.D.



Health Care Reform Roundtable Discussion

Keynote Presentations:

- Leonard Schaeffer, “Health Care Reform: Go Bold, Tread Carefully or Make It Worse?”
- Robert Reischauer, “Federal Budget Realities & Health Care Reform”
(slides available at Board meeting)

Roundtable Discussion:

Advisory Board Members:

- Sen. Bill Frist
- Paul Ginsburg
- John Iglehart
- Mark McClellan
- James Mongan
- Uwe Reinhardt
- Robert Reischauer
- James Robinson
- Leonard Schaeffer
- Gail Wilensky

Board Members:

- H.R.B. (Gubby) Barlow
- Angela Braly
- John Forsyth
- Patrick Geraghty
- Robert Greczyn
- Vicky Gregg
- W. David Helms
- Cleve Killingsworth, Jr.
- Robert Lufrano
- William Marino
- Kenneth Melani
- Alphonso O’Neil-White
- M. Edward Sellers
- Mark White





“The Realities of the Federal Budget and Health Care Reform”

By Robert D. Reischauer, PhD



Presentation by Adrian Gore, Discovery Holdings

Adrian Gore
CEO, Discovery Holdings

In 1992 Adrian founded Discovery Health, and 16 years from its launch, the company's total revenue now exceeds R25bn per annum and covers over 2 million lives. He serves on the Boards of Discovery Health, Discovery Holdings, Vitality Lifestyle (Pty) Ltd, The Vitality Group USA, the Ethics Institute of SA, the International Marketing Council of South Africa and the PruHealth and PruProtection (UK). He is Chairman of Endeavor (a global entrepreneurial company) and of the South African Board of Jewish Education.

Adrian was chosen as South Africa's Best Entrepreneur in the 1998 Ernst & Young Entrepreneur of the Year Award and was voted the most admired individual in health insurance by *Professional Management Review* magazine. Adrian was awarded the South African Jewish Business Achiever Award in 2000. In 2006 Adrian won the South Africa's Leading Managers Award from the Corporate Research Foundation and Business Report.

He is a graduate of the University of the Witwatersrand. A Fellow of the Faculty of Actuaries (Edinburgh) and an Associate of the Society of Actuaries (Chicago), he is also a member of the American Academy of Actuaries.

Adrian is married to Lauren and they have two daughters and one son. Adrian is a keen runner and cyclist.



NIHCM LLC and Foundation Boards of Directors and Advisory Board 2009 Schedule

June 15, 2009 – NIHCM 15th Anniversary and
15th Annual Awards Dinner

June 16, 2009 – Board Meetings

September 9, 2009 – Board Meetings

November 2, 2009 – Board Meetings



Grant-Funded Projects

Prevention – CDC

*Track Record: CDC long-term partner, \$1.25mm over 9 years. Currently in year 3 of a 3-year \$300K grant. Portfolio of products includes 3 journal articles (including 2007 **Health Affairs** publication), AP story, widely distributed NIHCM publications, World Health Care Congress presentation, CDC/Health Plan leadership forum in Atlanta, case studies of health plan and public health department partnerships, reviewer for **Health Affairs**.*

- Year Three Focus Area: Employee Wellness Programs
 - Conducted in-depth interviews with key health plan informants about innovative employee wellness efforts: BCBS of Florida, Highmark, Horizon BCBS of New Jersey, BCBS of Massachusetts, BCBS of North Carolina, Premera Blue Cross, BCBS of Tennessee, and Wellmark
 - Draft manuscript describing findings circulated to all study plans for their comments
 - Manuscript, “Health Plans Promoting Employee Wellness Programs: Strategies, Components and Results,” revised and resubmitted to the **American Journal of Health Promotion**
- Broad exposure of Year Two report, *Childhood Obesity: Harnessing the Power of Public and Private Partnerships*
 - Disseminated through local channels by health plans featured in the report: BCBS of Massachusetts, BCBS of Tennessee, Highmark and BCBS of North Carolina
 - Requested by Highmark technology partner, Innerlink, to post on their website and to reprint for distribution to local partners (5/2008)
 - Distributed at AcademyHealth Annual Research Meeting (6/2008), Health Resources and Services Administration’s (HRSA) Federal-State Partnership Meeting (10/2007) and The North American Association for the Study of Obesity’s (NAASO) annual meeting (10/2007)
 - BCBS of Massachusetts and Highmark presented at the National Association of State Medicaid Directors’ Fall conference (11/2007)
 - BCBS of Massachusetts presented during ASTHO Web Cast, “Improving Reach & Impact: Public-Private Partnerships” (9/2007)
 - Partnered with the Association of State and Territorial Health Officials (ASTHO)



Grant-Funded Projects (cont.)

Maternal and Children's Health – MCHB

Track Record: MCHB long term partner, \$2.4mm over 10 years; currently in year 4 of 5-year \$1m grant. Bring market perspective to partnership by featuring health plan innovations around significant maternal & children's health issues. Leveraged relationships with HRSA and grant partners to win new award (\$5,000) to explore feasibility of building cross-sector collaboration (state policymakers, business, philanthropy) to address key challenges in MCH

- Year Four focus is on “Pediatric Mental Health Care: Strategies to Integrate Early Identification and Treatment into Primary Care”
 - Webinar held on December 4, 2008. Focused on new strategies and current efforts of health plans to support the integration of mental health services into primary care. Over 450 registrants.
 - Featured plans included [BCBS of Western New York](#).
 - NIHCM Foundation commissioned an issue brief to explore the current state of early identification and treatment of mental health in pediatric primary care and identify strategies for health care professionals to improve the delivery of mental health care in primary care. To be published in Spring 2009.
 - Convening a “Health Plan Foundation Leadership Roundtable” to discuss funding priorities and programs focused on health care disparities for March 2009
 - **All NIHCM member health plans and their foundations** will be invited to participate in a two-hour webinar
- Year Three focus was on access to health insurance for children and families. Activities included:
 - NIHCM Foundation staff conducted interviews with health plans for an overview paper on innovative health plan outreach and enrollment efforts to increase access to health insurance for women and children. Issue brief published February 2009.
 - Plans featured include: [Highmark](#), [Horizon BCBS of NJ](#), [BCBS of Florida](#), [BCBS of Massachusetts](#), [BCBS of Tennessee](#), and [WellPoint](#)
- Issued quarterly newsletter, “Women’s, Children’s and Adolescents’ Health Update”
 - Latest issue featured (December 2008): [Highmark](#), [BCBS of Minnesota](#), [WellPoint](#), [Blue & You Foundation for a Healthier Arkansas](#)



Grant-Funded Projects (cont.)

Adolescent Health – MCHB

Track Record: Expands NIHCM's 10-year track record on maternal and child health into a new funding source and subject matter; currently in year 3 of 5-year, \$500K cooperative agreement from MCHB; focusing on expanding health plan capacity to address adolescent health

- Year Three focus is on “Depression and Suicide Among Adolescents.”
 - Convened the third meeting of Adolescent Health Council in January 2009, comprised of senior level health plan executives to share information, ideas and best practices to set an agenda to help health plans address adolescent health.
- Year Two focus was on “Encouraging Adolescents’ Use of Recommended Health Care Services”
 - Organized and produced a webinar on August 28, 2008 highlighting current health plan efforts to engage providers and adolescents in order to increase adolescent well-child visit rates and provide age-appropriate preventive care to adolescents. Featured a presentation by [WellPoint](#). Attracted more than 140 participants.
 - Commissioned an Issue Brief, “How Social Marketing Can Promote Adolescent Recommended Health Care Utilization” published in February 2009.
- Year One focus was on “Preventing Adult Chronic Disease During Adolescence: The Role of Health Plans”
 - Commissioned an educational paper geared toward plans co-authored by Arik Marcell (Johns Hopkins University), Marc Jacobson (Schneider Children’s Hospital), and NIHCM Foundation staff to be published August 2008. Plans featured in paper include: [BCBS of Minnesota](#), [BCBS of North Carolina](#), [BCBS of Western New York](#), [Wellmark](#), and [WellPoint](#).



Grant-Funded Projects (cont.)

Medicare Observation Stays - HCFO (RWJ Foundation)

- Subcontract to Social and Scientific Systems
- Using multiple years of Medicare claims files to answer questions such as:
 - To what extent are observation stays used among the Medicare population (vs. full inpatient admission)?
 - For what types of beneficiaries and what conditions are observation stays most common?
 - How does the use of observation stays vary by geography and type of hospital?
 - How long do patients typically remain in the hospital under observation status? What proportion progress to a full inpatient admission?
 - What are discharge patterns following an observation stay? For those discharged to SNF care, what proportion fail to meet the Medicare 3-day prior inpatient stay requirement due to their time as an observation patient?
 - What are the financial implications to hospitals and to beneficiaries of using observation stays instead of inpatient admissions?
 - NIHCM will conduct a portion of the empirical analysis and collaborate on the final report/manuscript

Building State-Level Coalitions - Maternal and Child Health Bureau (HRSA)

- Small seed grant to explore ways to foster intrastate collaboration between state policymakers, philanthropy, employers and insurers to address a key maternal and child health challenge facing the state
- Working with 5 other partner organizations - the National Conference of State Legislatures (NCSL), the National Governors Association (NGA), Grantmakers in Health (GIH), Grantmakers for Children, Youth, and Families (GCYF), and the National Business Group on Health (NBGH)
- Currently planning to build upon on-going process spearheaded by NCSL and NGA that convenes relevant stakeholders from target states for intensive education and consensus building sessions



NIHCM Foundation-Funded Projects

Loss of Employer-Sponsored Health Insurance

- Project developed in response to a query from Ed Sellers at the September 2007 Board meeting
- Study being conducted in collaboration with Dr. Pamela Farley Short of Pennsylvania State University
- Using data from the 1996-2006 Medical Expenditure Panel Survey (MEPS) to examine questions such as:
 - What is the overall risk of losing ESI? What is the risk of losing ESI and becoming uninsured? How have these risks changed over time? How do the risks vary by personal characteristics?
 - What types of job-related changes precipitate the loss of ESI? What is the impact on policyholders vs. dependents?
 - How likely are those who lose ESI and become uninsured to regain coverage? What type of coverage do they gain? How has this likelihood changed over time? How does the likelihood vary by personal characteristics?
 - How quickly do people regain some type of coverage after losing ESI? Has the duration of post-ESI uninsured spells increased over time?
- Work set to run through April 2009
 - Have completed initial analyses of ESI loss and duration of uninsurance spells
 - Incorporating recently-released 2006 MEPS data and 1996-1999 data
 - Exploring job-related factors associated with loss of ESI
- Final product will be a peer-reviewed manuscript or a NIHCM-published Research Brief



NIHCM Foundation-Funded Projects (cont.)

Learning from Other Industrialized Health Systems

- 3-year project (2008-2011) being conducted jointly with Academy Health and Kaiser Permanente
- Each year focus on one topic where the experiences of other industrialized countries can inform the US
 - Topic for first year was comparative effectiveness research
 - Topic for second year is payment innovations
- Commission cross-national comparative analyses and other research papers
 - Selected Jerry Anderson (Johns Hopkins University) and Kalipso Chalkidou (NICE) to complete a paper on other nations' approaches to comparative effectiveness research
 - Convened meeting in December 2008 to share paper with small group of policy experts and industry representatives; paper revised in response to feedback from group and submitted to Health Affairs
 - Request for proposals to prepare Year 2 paper on payment innovations just released
- Convene in-depth seminars and policy briefings in the US, featuring international experts
 - Session on comparative effectiveness at Academy Health's National Health Policy Conference (February 2, 2009)
 - Hill briefing on comparative effectiveness, organized with GWU as a National Health Policy Forum (February 27, 2009)
- Arrange annual study tours for in-depth learning about featured country's system
 - Netherlands - September 21-26, 2008; France - October 18-23, 2009
 - Follow-up meeting in U.S. with experts from the Netherlands & Germany (2007 study tour) to bring information to more people (February 4, 2009)



NIHCM Foundation-Funded Projects (cont.)

Expert Voices

- Three essays have been published or are in press
 - Jonathan Gruber, MIT – “The Role of Individual Mandates in Health Reform” (January 2009)
 - Paul Van de Water, Center on Budget and Policy Priorities – “CBO Scoring of Health Legislation” (in press)
 - Neal Halfon, UCLA – “Life Course Health Development: A New Approach for Addressing Upstream Determinants of Health” (in press)
- Three additional essays are under review
 - Michael Chernew, Harvard University, & Mark Fendrick, University of Michigan, “Value Based Insurance Design”
 - Genevieve Kenney, Urban Institute, “Reaching the Eligible but Not Enrolled”
 - Karen Pollitz, Georgetown University, “High-Risk Health Insurance Pools”



NIHCM Foundation-Funded Projects (cont.)

Annual Health Care Research and Journalism Awards

Track Record: Second year of Television and Radio Journalism award; Fifteenth year of annual Print Journalism and Research awards; 7 Pulitzer Prize nominees/winners; 1 Peabody Award winner; highly regarded awards and judges panels; excellent journalism attendance at dinners; effective tool to maintain/build relationships.

On June 15, 2009 NIHCM Foundation will present the Second Annual Television and Radio Health Care Journalism Award and the Fifteenth Annual Health Care Research and Print Journalism Awards.

• **Journalism Awards: Accepting entries for March 13 deadline**

- Television and Radio Award judges: **Walt Bogdanich**, *New York Times*, formerly at ABC and CBS; **Steve Cheng**, *ABC News*; **Callie Crossley**, *WGBH* and *NPR*, formerly at ABC; **Susan Dentzer**, *Health Affairs*, formerly at PBS; **Alan Murray**, *The Wall Street Journal* and *PBS* (current NIHCM Print Journalism Award Judge); **Stone Phillips**, formerly at *NBC*; **Julie Rovner**, *NPR*
 - 2008 Television and Radio Winner: The Documentary Group/ABC News, "To Iraq and Back: Bob Woodruff Reports," Bob Woodruff, correspondent, February 27, 2007
- Print Awards judges: **Ceci Connolly**, *The Washington Post*; **John Iglehart**, *New England Journal of Medicine*; **Clifton Leaf**, formerly at *FORTUNE Magazine*; **Alan Murray**, *The Wall Street Journal* and *PBS*; **Jeff Nesmith**, formerly at Cox Newspapers; and **Fred Schulte**, *The Baltimore Sun*.
 - 2008 Print Journalism Winners: **Chris Adams**, McClatchy Newspapers, "VA Mental Health Crisis," February - December 2007 (General Circulation - series); **Jeremy Smerd**, *Workforce Management Magazine*, "Backfire at Boeing," February 26, 2007 and "Doctor's Errors, Your Expense," June 11, 2007 (Trade Circulation)



NIHCM Foundation-Funded Projects (cont.)

Annual Health Care Research and Journalism Awards (cont.)

- **Research Award: Accepting entries for February 27 deadline**
 - Research Award judges: **Laurence Baker**, Stanford University; **William Custer**, Georgia State University; **Jack Ebeler**, Consultant; **Jonathan Gruber**, MIT; **Marion Ein-Lewin**, Consultant; **Joseph Newhouse**, Harvard University; **Stephen Shortell**, University of California, Berkeley; **Gail Wilensky**, Project HOPE – 2008 Research
 - Award winners: **Ellis and McGuire**. “Predictability and Predictiveness in Health Care Spending,” *Journal of Health Economics*, 2007, 26(1):25-48.; and **Frank and Zeckhauser**. “Custom-Made Versus Ready to Wear Treatments: Behavioral Propensities in Physicians’ Choices,” *Journal of Health Economics*, 2007, 26(6): 1101-1127.



NIHCM LLC Research Project

Sharing Cost Containment Ideas Among NIHCM Plans

Project builds on the “Bending the Trend” survey and discussion at September Board meeting

Working with Craig Tanio and David Nuzum of McKinsey (pro bono), Peter Roberts of Wellmark, and David Plocher of BCBSMN

Surveying each member plan to identify 3-5 of their most promising and transformational ideas for cost containment (generating ~50 ideas in total)

- Survey template and explanatory materials sent to plan contacts on Feb. 6
- Responses requested by March 2

Will follow up with plans as needed to clarify information, and compile a workbook organizing the cost containment ideas

McKinsey will also complete detailed case studies for 4 to 7 of the most promising initiatives

Expect to convene meeting of CMOs and other plan executives to discuss case studies and lessons learned in April 2009

Will report key findings back to Board in June

- All participating plans will receive case studies and workbook listing offered ideas

