



***NIHCM LLC and NIHCM Foundation  
Strategic Topics Committee Meeting***

***February 24, 2009***



# NIHCM LLC and NIHCM Foundation Strategic Topics Committee Meeting Agenda

*Hay Adams Hotel, 16th & H Streets NW, Washington DC  
Tuesday, February 24, 2008*

- (2:10) I. Call to order
- (2:10-2:25) II. Presentation of potential topics
- (2:25-2:50) III. Discussion of Board priorities and interests led by Vicky Gregg
- (2:50-2:55) IV. Survey
- (2:55) V. Conclusion



## Strategic Topics Committee

We have had a strong set of presentations and roundtable discussions over the last year with topic selection determined by feedback at the Strategic Topics Committee meetings.

November 2008:

“The Financial Crisis” – Abby Cohen, Goldman Sachs

“Payment Reform” – Bain & Company

Payment Reform: Roundtable Discussion

- “Paying for quality and lessons learned at CMS” Mark McClellan, MD, PhD, Brookings Institute
- “Experience and vision for reforming payment in Massachusetts” Cleve Killingsworth, BCBSMA

September 2008:

Bending the Trend: Roundtable Discussion

- “Remarks on Bending the Cost Trend” – Paul Ginsburg, Ph.D., HSC
- “Bending the Cost Trend: Sisyphus Had it Easy” – Bob Reischauer, Ph.D., Urban Institute
- “Achieving Consumer Price Index Level Trend in IA & SD Healthcare Costs” – John Forsyth, Wellmark, Inc.

“Reducing the growth rate of health care costs” – McKinsey & Company

June 2008:

“IHM Industry and Opportunity Overview for Health Plans” – Oliver Wyman

“Accounting for the High and Growing Cost of Health Care in the United States” – McKinsey & Company

General topic Roundtable Discussion

February 2008:

“Health Care 101: Cost Control is a Critical Issue” – James Mongan, MD

“A Wall Street Perspective on Industry Trends” – Matthew Borsch, Goldman Sachs

General topic Roundtable Discussion



### Managing in a Difficult Economy

#### 1. Positioning for Success (Booz)

Identifies several strategies that Blue Cross Blue Shield plans can pursue to maximize their prospects for success in the current recession and beyond. Includes an analysis of the impact of the current and prior recessions on various industries and types of competitors, with a focus on implications for the health plan sector.

#### 2. Impact of the Economic Downturn on Health Plans (Oliver Wyman)

How it will impact the employer sponsored healthcare platform and how CEOs can best position their plans to weather the storm and come out ahead.

#### 3. Managing in Uncertainty (McKinsey)

Given today and tomorrow's economic uncertainty, determining what CEOs should be doing and how they should modify their planning approaches.

#### 4. David Smick, Chairman and CEO, Johnson Smick International, Inc.

Expert on financial crisis.

### Cost / Value Management

#### 5. Lowering Medical Costs (Oliver Wyman)

The billion dollar question – how to lower medical costs today. Practical solutions that can quickly have measurable impact on health plans' medical costs.



### Cost / Value Management (cont.)

#### 6. Administrative Cost Reduction (Booz)

Booz's experience with both for-profit and non-profit health plans suggests that administrative cost reductions of 15%-20% are possible with a well executed program that deals with complexity and cross-functional dependencies.

#### 7. Medical Management: Reinventing a Flawed Model (Bain)

There is increasing consensus that the old model doesn't work, even though the model is ubiquitous. Which new models are showing promise, drawing specifically on Medicare and Medicaid demonstration projects? What are the implications and applicability to commercial populations?

#### 8. Wellness: Behavioral Economics (McKinsey)

Developing approaches to modify behavior of patients and members through work with the leading behavioral economists.

#### 9. Next Generation Provider Models (Oliver Wyman)

Supply-side optimization to develop more strategic provider relationships and improve the way that healthcare is delivered.

#### 10. Integrated Delivery Systems: Friend or Foe (Bain)

All trends point to continued consolidation of providers, as physicians join large groups or hospitals in increasing numbers. What is the right way to balance the benefits of integration against the need for robust competition? What are alternative strategies you can adopt to influence their evolution to drive your competitive advantage?

#### 11. Blue Utilities (Booz)

Examines capability co-sourcing, identifies specific opportunities and lessons learned.

### Consumer Marketing / Growth

12. Improving Customer Acquisition & Retention (Booz)  
New market research on specific broker and group needs conducted by Booz & Company to help plans capture/retain market share. Analyzes operational enhancement opportunities that will enable health plans to improve customer and broker satisfaction and increase market share.
13. Consumer Retail Health Care Survey Insights (McKinsey)  
Insights from the 2009 McKinsey Consumer Retail Healthcare survey which dives deep into retail healthcare trends and consumer behavior.
14. Consumer Engagement Models (Oliver Wyman)  
Demand-side optimization---how does the industry really change the model for engaging consumers and create a true consumer experience that drives member retention and consumer behavior change. Includes proprietary research on consumer attitudes and behaviors.
15. Distribution Strategies & New Consumer Capabilities (Booz)  
How to upgrade distribution strategies to optimize the performance, profitability, and mix across existing channels, both internal and external. Includes data on piloting and scaling up new channels such as “retail stores.” Examines best practices and new strategies that can create competitive advantage particularly for health plans like the Blues with significant local market share.
16. Strategic Growth: Diversification Beyond the Core Health Plan Business (Booz)  
Looks at future growth prospects for health plans and several potentially promising diversification strategies, including “cash-and-carry” discretionary consumer spend plays, targeted ownership of the delivery system, and expansion into additional aspects of the employee benefits value chain.
17. Finding Growth Opportunities (McKinsey)  
Identifying material and sustainable growth opportunities in the current environment.

## 2009 Potential Topics (cont.)

### HIT

18. Empowering Consumers with Their Personal Health Information (Booz)  
How to leverage/structure PHRs for greater consumer engagement. Lots of activity in this space from health plans and others (Google, Intuit, Microsoft, etc.) but PHRs remain an underused tool, important implications for competitive positioning.
19. Technology-driven Innovation on Consumer Engagement Models (McKinsey)  
Recognizing emerging trends in information technology which are proving to be disruptive to traditional healthcare platforms, thereby unlocking new opportunities and threats.
20. The Next Stage of Health Care IT (Bain)  
A look at trends in HIT including implications of the stimulus bill.
21. Diane Cecchetti, President and CEO, Multicare Health System  
Long history of using best practices support with EMRs. Exploring tying compensation to compliance.

### A Wall Street Perspective

22. A Wall Street Perspective on the Health Care Industry: Charles Boorady, Citigroup Investment Research; Matthew Borsch, Goldman Sachs Global Investment Research; etc.

### Health Care Reform

23. Administration and Capitol Hill Leaders
  - a) HHS Secretary and/or other to-be-named players
  - b) Jeanne Lambrew, Deputy Director, White House Office of Health Reform
  - c) Peter Orzag, Director, Office of Management and Budget
  - d) Lawrence H. Summers, Director of the National Economic Council and Assistant to the President for Economic Policy
  - e) Senator Baucus / Liz Fowler, Senior Counsel to the Chairman and Chief Health Counsel, Senate Finance Committee
  - f) Other



## 2009 Potential Topics (cont.)

### Health Care Reform (cont.)

#### 24. Health Care Reform (Booz)

Analyzes contending reform scenarios, the implications for and likely responses of key industry participants. Based on:

- Economic analysis
- Interviews with thought leaders
- Proprietary “war games”

#### 25. Business Implications of Emerging Policy Direction (Bain)

What are the implications for health plan economics and actions from health care reform? What lessons can we glean from the Massachusetts experience?

### NIHCM Roundtable Discussions

#### 26. Series of Health Care Reform Discussions: Focused on Reform Goals

How to Decrease Cost of U.S. Health Care System  
How to Increase Access  
How to Improve Quality

#### 27. Narrower Health Care Reform Topic Focused

How to Improve the Delivery System  
How to Create a More Robust Individual Market  
Comparative Effectiveness  
HIT  
High Risk Pools / Reinsurance  
National Insurance Exchange  
Mandates

#### 28. Business Topics

TBD



## 2009 Potential Topics (cont.)

### Possible Foundation Research Projects

29. Survey of market strategies to deal with primary care shortage. (HSC, Paul Ginsburg)
30. Potential Regulatory Changes (NIHCM)  
Identification of regulatory changes in health care proposals that are of little or no cost to the government.  
(Ed Sellers)

