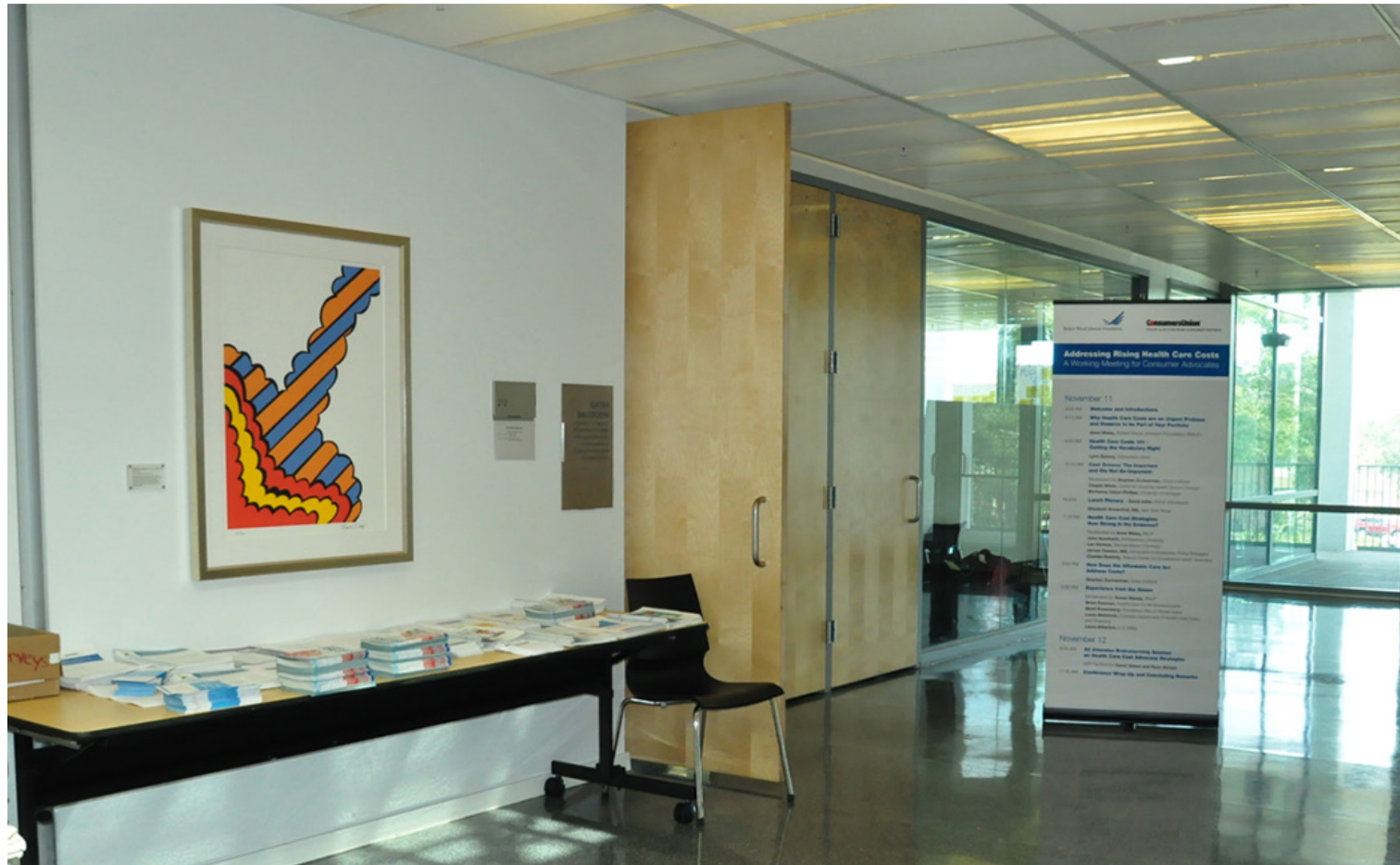


Addressing Rising Health Care Costs

A Visual Summary of a Meeting for Advocates

Tulane University, New Orleans, November 11-12, 2013



This report contains digital photographs of the graphic charts created by David Sibbet of The Grove Consultants International, graphic facilitator for the event. He includes photos of the speakers and work groups as a way for participants to remember the context in which the information was exchanged. Copies of the presenter slides are available on the Consumers Union web site. Please also see our conference report that provides some additional details about the discussion. All conference materials can be found on <https://sites.google.com/a/consumer.org/healthcostconference/>

Report by:

November 11

- 9:00 AM **Welcome and Introductions**
- 9:15 AM **Why Health Care Costs are an Urgent Problem and Deserve to be Part of Your Portfolio**
Anne Weiss, Robert Wood Johnson Foundation (RWJF)
- 9:30 AM **Health Care Costs 101 - Getting the Vocabulary Right**
Lynn Quincy, Consumers Union
- 10:15 AM **Cost Drivers: The Important and the Not-So-Important**
Moderated by **Stephen Zuckerman, Urban Institute**
Chapin White, Center for Studying Health System Change
Marianne Udow-Phillips, University of Michigan
- NOON **Lunch Plenary** – **David Adler, RWJF**, introduces
Elisabeth Rosenthal, MD, New York Times
- 1:15 PM **Health Care Cost Strategies: How Strong Is the Evidence?**
Moderated by **Anne Weiss, RWJF**
John Auerbach, Northeastern University
Len Nichols, George Mason University
James Fasules, MD, Consultant to Breakaway Policy Strategies
Charles Roehrig, Altarum Center for Sustainable Health Spending
- 3:00 PM **How Does the Affordable Care Act Address Costs?**
Stephen Zuckerman, Urban Institute
- 3:30 PM **Experience from the States**
Moderated by **Susan Mende, RWJF**
Brian Rosman, Health Care For All Massachusetts
Marti Rosenberg, Providence Plan of Rhode Island
Lorez Meinhold, Colorado Department of Health Care Policy and Financing
Laura Etherton, U.S. PIRG

November 12

- 9:00 AM **All Attendee Brainstorming Session on Health Care Cost Advocacy Strategies**
with Facilitators **David Sibbet and Ryan Senser**
- 11:45 AM **Conference Wrap-Up and Concluding Remarks**

GRAPHIC FACILITATION SETUP



This cluster includes all the people from Washington D.C. The photo to the right is the graphic facilitation and panel setup for the meeting as everyone arrived.

WELCOME AND INTRODUCTIONS



David Adler from Robert Wood Johnson Foundation and Lynn Quincy from Consumers Union opened the conference and described the intentions and approach.

PARTICIPANT and STAFF PICTURE



David Sibbet graphically recorded the meeting and facilitated Day Two. Jennifer Shecter, the lead staff for the meeting from Consumers Union, and Ryan Senser, co-facilitator are shown below.



WELCOME NOTES AND WHY ARE COSTS AN URGENT PROBLEM

Addressing Rising Healthcare Costs
 A working meeting for Consumer Advocates
 Tulane Univ., New Orleans, 11-11-12-13

Robert Wood Johnson Foundation, ConsumersUnion®
 POLICY ACTION FROM CONSUMER REPORTS

WELCOME

- Chris Meyer (cu) *excited!*
- Ann Weiss (RWJF) *long health care expertise.*
- Lynn Quincy (cu)
- David Adler (RWJF) *Thanks!*

Materials
 Issue Briefs

Map: RED - stuck, YELLOW - some action, GREEN - could lead this

Facilitators: Ryan, David Sibbet, Janet/Jo/Jenn, Lane-Wikipedia

STAFF: Ryan, Sensor

WHY ARE HEALTH CARE COSTS AN URGENT PROBLEM?

Trade-offs: Roads, Schools, Disaster prep.

Spensible Income → Premiums Increase → Women with coverage Elbow-ER? ...

WE ARE ALL INVOLVED
 WANT CONSUMERS INVOLVED!

SO much excess, not forced into dark choices

THANK

QUALITY vs COST! *scary*

Here to Learn: We spend a lot, Outcome LAG, Cost of care ≠ quality, Rewarded to DO things to us.

DON'T GET BOGGED IN DETAILS
 BE ACTIVE CONSUMER OF KNOWLEDGE

David Sibbet recorded the welcome remarks by Lynn and David, as well as Chris Meyer and Ann Weiss' reflections on why the health cost issue is an urgent problem.




HEALTHCARE COSTS 101

HEALTHCARE COSTS 101

10 THINGS YOU NEED TO KNOW

Lynn Quincy - CU.

1. THERE ARE MANY WAYS TO MEASURE HCC - SOME BETTER
\$2.27 Trillion Spend. per Capita
2. PREMIUMS AREN'T A GOOD SUBSTITUTE
only a partial view
Nat'l Health Expend. Accounts
CMS: consumption (Personal Govt., Public Health), investment
3. LEVEL OF SPENDING VS TRENDS
↑ Higher... ^{Both} ... it's important? KEEP RATE of GROWTH DOWN
4. WORRY ABOUT LONG RUN. NOT SHORT RUN
5. SPENDING & PRICES ARE DIFF. THINGS
30K Changes Huge div. of prices
Risk paid.
6. NEITHER PRICE or SPENDING CLARIFY UNDERLYING COSTS
Some prices are WAY above costs.
7. REMEMBER TO ACCOUNT for VALUE
Reduce spending / keep
8. QUALITY, HENCE VALUE ARE HARD TO MEASURE
9. BEWARE of INTERVENTION \$ THAT JUST SHIFT COSTS
10. BE FAMILIAR WITH HOW SPENDING IS SPREAD OVER MKT. SEGMENTS



Medicare?

Hospitals?

Overall?

Q&A... ALIGNING UNCOMPENSATED CARE

- Too Many C-Sections?
- PRICE & QUANTITY ... Utilization below other countries
- THINK of HEALTH OUTSIDE HEALTHCARE SYSTEM?
Important to improve underlying health.
- MOVE from COPAYS to PREMIUMS - IMPACT on OUT-OF-POCKET?
Depends... Can Reduce where it's cost effective.
? Reduce cost sharing on Preventative - spend more.
- WHO IS TRYING to REDUCE?
→ Feds. - Medicare } doesn't match evidence
→ States ... Budgets
- ALL ABOUT LABOR? DRIVERS
- EQUITY ISSUE - who pays?
- BILLED CHARGES part of costs

1. Govt operates short term
2. - BUS/consumer common interests
3. - Address Racial Ethnic disparities

Lynn Quincy from Consumers Union provided a succinct overview of 10 things everyone needs to know.



COST DRIVERS



COST DRIVERS

IMPORTANT & NOT SO IMPORTANT

Steve Zuckerman - Urban Institute
Medicare/Medicaid expert

Chapin White - Center for Studying Health System Change
(Economist)

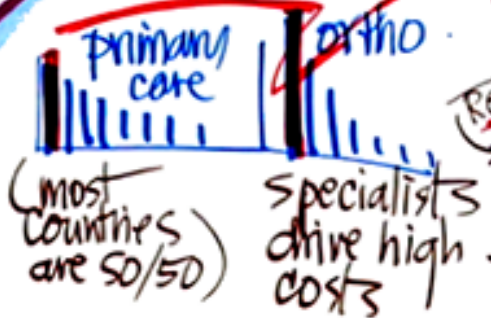
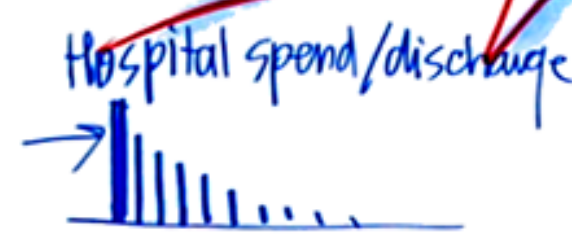
Marianne Udow-Phillips - Univ. Mich

WHY IMPORTANT?
could invest in
EARLY CHILD CARE/
EDUCATION

Price + Quantity
Pay per Unit # & type

* PRICE of CARE

* PAY FOR PHYSICIANS



* EDUC. DEBT. of PHYSICIANS

* PRIVATE HEALTH PLAN PAYMENTS (Multiple payers)

Pay FAR more than any other developed countries
- Countries control prices
- Payers can't negotiate prices

* HOSPITAL PROFIT MARGINS

Indianapolis Detroit
3-4X
Michigan Active state Certificate of Need

* WASTE

- Bias to intervene
- Price drives increase, but waste adds.
- Higher ADMIN costs.

* FRAUD & PREVENTION (smaller driver)

* AMERICANS ARE SICKER?

India Building in high rates of private health insurance

Mostly lower rates of disease

BIGGEST DRIVERS

* HOSPITALS. PHYSICIANS. PHARMA...

trends down - BUT higher than other indices we track

* CONCENTRATION on CHRONIC DISEASE

- 80/20 rule leads to focus
- Coordinate care @ outpatient

USE & GEOGRAPHY

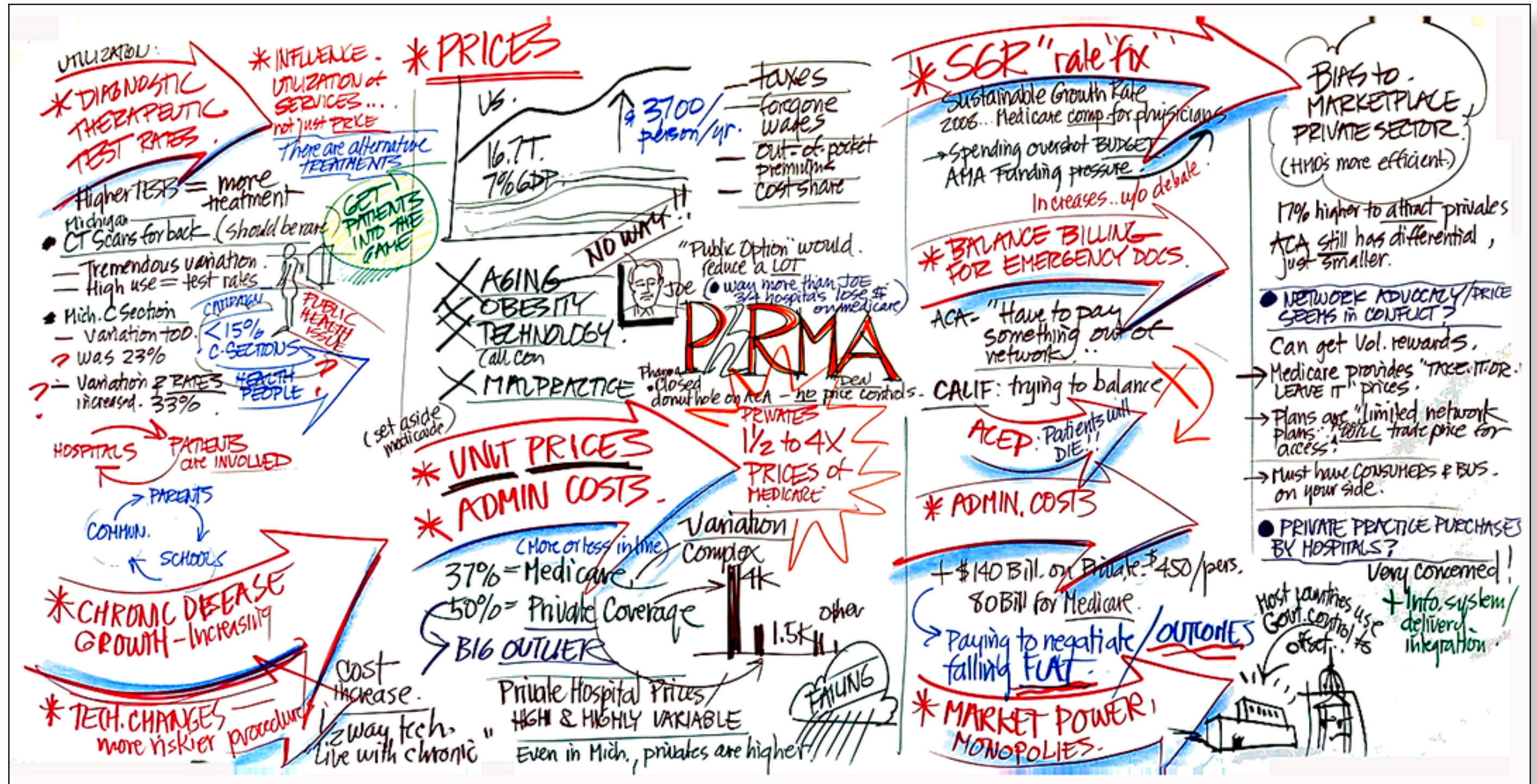
- No waiting time in Germany
- Japan: lowest spending BUT 36 day hospital stays
- VARIATION: (Dartmouth)

Higher costs Unwarranted variation DISCHARGE variation for conditions not needing hospice

Steve Zuckerman, from the Urban Institute moderated a panel on Cost Drivers. Each driver is illustrated in an arrow, with particulars noted around it. Chapin White of the Center for Studying Health System Change and Marianne Udow-Phillips of the University of Michigan provided most of the content for this session.



COST DRIVERS, continued



As the panel comments drew to a close, Steve invited the group as a whole to ask questions (illustrated on the far right of this chart).



COST DRIVERS Q & A



DRIVERS: Q&A

MARKET POWER
 GO BACK TO MARKET POWER
 look for regulators...
 enough choices?
 DOMINANT CARRIERS
 ENVIRONMENT

ALTERNATIVES BEYOND MORE DOCS TO INCREASE ACCESS?
 Are Scope-of-Practice Issues
 Can't Proscribe DRUGS
 AMA dominated by SPECIALIST Physicians

TALK MORE ON ADMIN. COSTS
 (can we look @ this?)
 Admin. COSTS will be high
 Room to improve.
 multiple plans
 multiple providers
 CONTRACTS
 BRDKERS OPPOSE ACA.
 shame to give up on STANDARDIZATION
 over 1 million options for benefits.

IN OREGON (HAS ROBUST regulator. WANT ACA to work)
 Competition brought down prices...
 Can 11 carriers bring down cost of care?
 CONSOLIDATION? (could be solvency issues).
 work w/ REGULATORS

IN MEDICARE - one carrier... does respond to pressure... Competition is not only choice.
 rural (would cost more to get competition)

WHY DOESN'T H.C. MET. CORRECT ITSELF?
 i.e. overbuilding in Indianapolis
 H.C. has natural Monopoly tendency.
 one BIG one
 not efficient
 Level 1 trauma
 Govt contracts w/ AMA
 Insurers move to scale as well.
 Physicians operate cartels
 1/6th. economy. LOTS of LOBBYS.

WHY IS LARGEST BUYER SO INEFFECTUAL ON PHARMA COSTS?
 LOWER ADMIN on MEDICARE. Maybe should spend more, be more effective.
 PHARMA LOBBIES STRONG
 Got PRICE DATA but can't name names

WHERE ARE INDIANAPOLIS EMPLOYERS?
 CEOs on Hospital Boards.
 Consumers can call them out.
 Friends.

NEED TO GET AWAY FROM FEAR MONGERING w/ SENIORS
 Lift the ROCK

CAREER COMPENSATION IN EQUITIES? EDUC. DEBT? Systemic?
 COLORADO - PRICE CONTROL UNDERSTAND WHY - Role of Transparency.

DO NOT TOUCH SPECIALISTS
 To set relative value (1992)
 AHA: Long term connections
 (Disclosure, transparency, dialogue, HATEDER.)
 WORK WITH REGULATORS

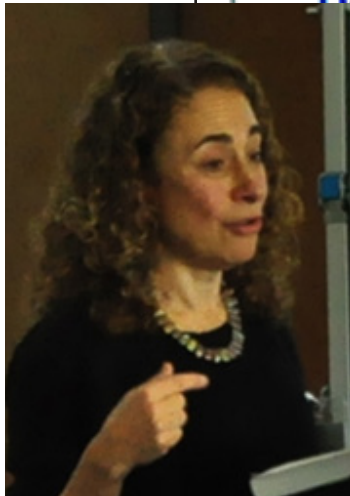
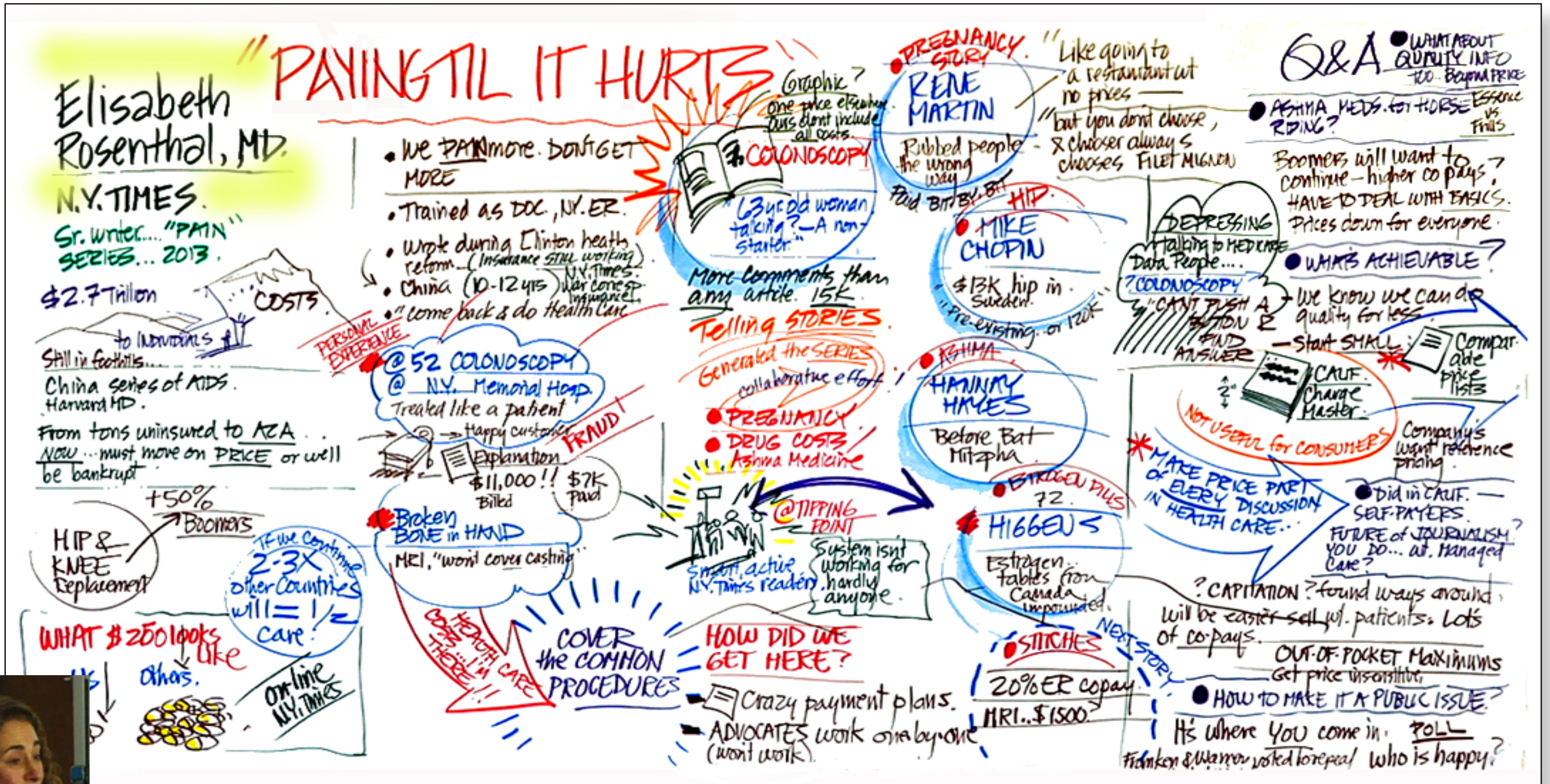
MYTHS!
 "DEPTH PANELS"
 PRIVATE PAYERS DON'T PUSH DOWN COSTS
 Mich... not all competition is good. Madison competition on COST/SUMMIT.
 *HOW DO YOU SET UP COMPETITION?
 Consumers should look @ consolidation of providers.

DISTINGUISH LEVEL of COSTS & RATE of GROWTH OVER TIME?
 (Suspect it's more about Levels)

PATHWAY FORWARD
 RNs/NPES/HUGE part of cost. Registered nurse wages? HC WORKERS Largest employers
 Health Care Cost Institute - Driven by UNIT PRICE increases. Diff. in LEVELS & in TRENDS
 Rate of increase comparable to other Countries.
 Vol. growth varies by specialty. Cue to over-price.
 Don't take away STOP new bad things.
 Lobby

All questions in this report are recorded in purple with bullets, with answers in black, green, and brown.

AFTER LUNCH KEYNOTE



After lunch Elisabeth Rosenthal, MD, shared the story of her health cost series for the NY Times, the first one of which on colonoscopies got more comments than any previous article—some 15 thousand in all.



HEALTH CARE COST STRATEGIES



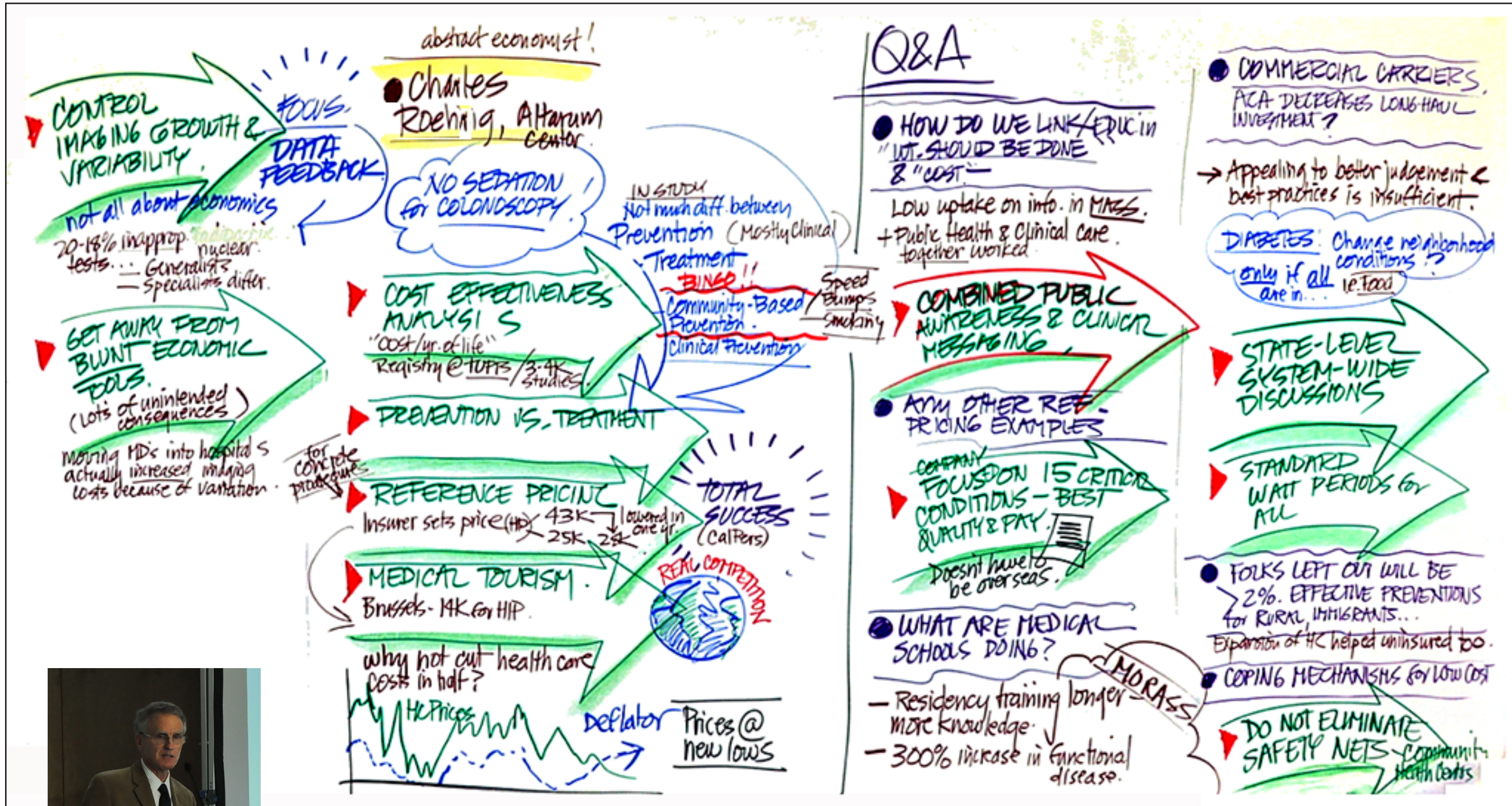
HEALTH CARE COST STRATEGIES



Anne Weiss moderated a strategy panel starting with John Auerbach from NE University talking about prevention, then Len Nichols from George Mason University talking about cost sharing and value-based insurance design.

Next was James Fasules, MD, explaining physician directed strategies. They are shown here in reverse order.

HEALTH COST STRATEGIES, Continued



Charles Roehrig of the Altarum Center for Sustainable Health Spending anchored the panel. More strategies were identified in the Q&A session moderated by Anne. All strategies are indicated by green arrows.



HOW ACA ADDRESSES HEALTHCARE COSTS

HOW ACA ADDRESSES H.C. COSTS (Coverage gets attention)

STEVEN ZUCKERMAN
Urban Institute

READMISSION INCENTIVES FOR HOSPITALS

HEALTH PLAN COMPETITION
Premiums down in competitive areas

EXCISE TAX ON HI-ROST EMPLOYER PLANS
Eliminate over threshold plans

MEDICARE PAYMENT CONTROL

ELIM CO-PAY FOR SERVICES

INDEPENDENT PAYMENT ADV. BOARD
Take out of Congress hands

EARLY EVIDENCE: READMISSIONS
30 day rates declining
Penalties

CENTER FOR MM INNOVATION
32 Pioneer ACO's
- Primary Care Suite
- Bundled payment Suite
- Dual Eligible Suite
- Diffusion & Scale Suite
- Health Care Innov. challenge
- Rapid cycle Eval. & Research

LOT OF ACTIVITY

3.5 YRS!

NOT CLEAR HOW IT WORKS

32 Pioneer ACO's
- Primary Care Suite
- Bundled payment Suite
- Dual Eligible Suite
- Diffusion & Scale Suite
- Health Care Innov. challenge
- Rapid cycle Eval. & Research

**Grew by 30% instead of 8%
1/3 reduced costs
all met quality
25 beat readmission**

Can't just focus on Medicare, Medicare w/ implications.

? MULTI-PAYER SYSTEM

**PRIVATE SECTOR INNOV. (Not done as well).
70% variation due to prices markups.**

? climate for thoughtful TWEAKING?

17.8%

TRANSITION CARE DEFINED

State Innov. Waivers

Care coordination considered

VT SINGLE PAYER

? PUBLIC OPTIONS

Health Care Spending falling before ACA - recession + change

Will be a rebound but not to historic levels.

25-26 States in SIM initiative

Model & test NOT FULLY UNWRAPPED

ORL/COM. SWITCHED TO PRIMARY CARE MODEL COORDINATION? COST RESULTS?

INCREASE IN HOSPITAL OBSERVATION INCREASE

SUBSIDIES?

STATES GO TO NEG. PLAN?

Might go to microsimulation if states have plans will probably get approved.

ARK MODEL different waivers an open?

INCLUDE SOCIAL DETERMINANTS
Early Childhood Educ BETTER

LIVE LONGER? More Medicare

STATES INNOVATING

HEAR LOT OF NON-COMPLIANCE TALK BY PROVIDERS... No Public Health Investment in Ohio

HEAR ENVIRO. INTERVENTIONS HELP... HOW BREAK SILDS?

WE KNOW COMMUNITY INITIATIVES WORK. ALSO LOSING PUBLIC HEALTH IN MASS.

GET PUBLIC HEALTH PEOPLE IN PAYMENT REFORM DEBATES

ELEVATE METRICS TO POPULATION HEALTH

STUNNING

Don't want to GO First... all billed same rate.

MAA. AHA. etc... AHR

ANYONE GONE TO LOBBYS, "POOR OUTCOMES FOR MONEY" TURN ON EACH OTHER?

Happened before ACA.

lot of rhetoric.

GAMES & HOSPITALS ON REL. PRICING - DID THEY SHIFT COSTS

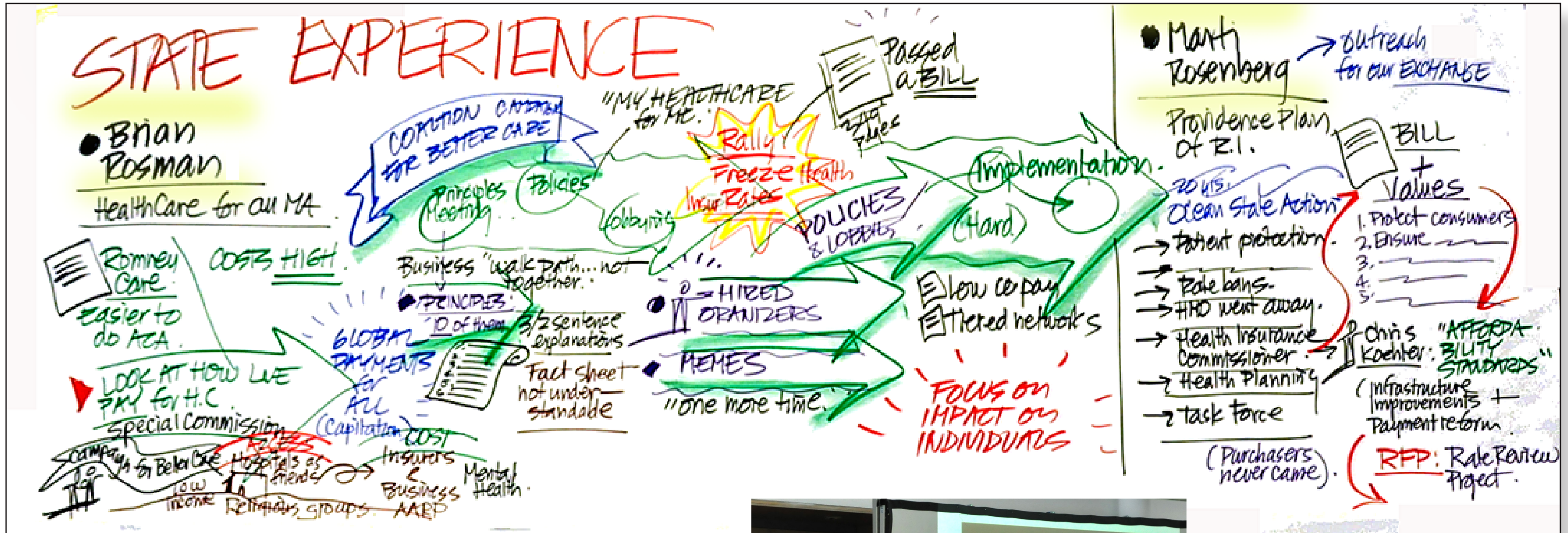
Has to be gradual.



Steve Zuckerman of the Urban Institute provided an overview of how the Affordable Care Act will address cost issues. The different policies that address cost are shown as blue squares above.

HEALTHCARE FOR ALL MASSACHUSETTS

PROVIDENCE PLAN FOR R.I.



Brian Rosman shared about the Coalition Campaign for Better Care in Massachusetts, that resulted in freezing rates and getting a bill passed.



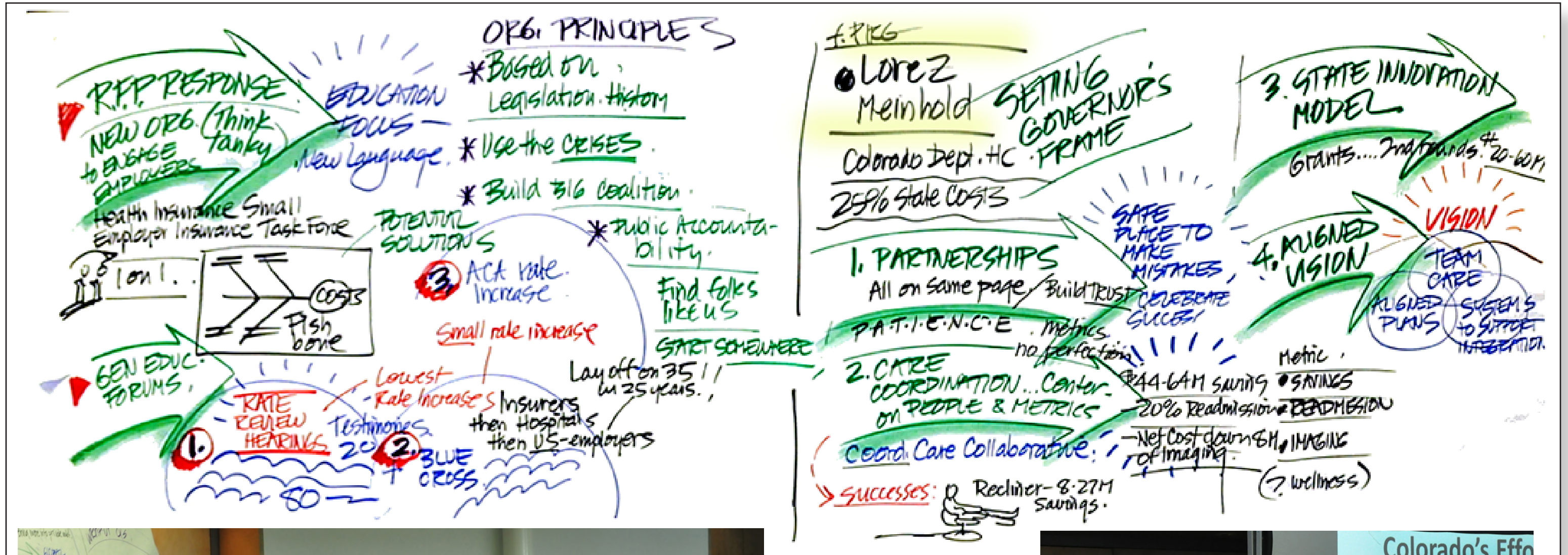
Marti Rosenberg told the story of how the Providence Plan of Rhode Island was passed and what it contained.

- HISTORY**
- Twenty Year of Health Care Organizing in Rhode Island:
- 1994 - Patient Protection Act: Regulating HMO's
 - 1997 - Hospital Conversion Act: Regulation the sale of nonprofit hospitals
 - 2001 - Health Reforms: Rate Bands
 - 2004 - Creation of the Health Insurance Commissioners Office & Health Insurance Advisory Committee
 - 2006-2008 - Health Care Planning Commission
 - 2011 - Health Insurance Small Employer Taskforce



PROVIDENCE PLAN, continued

COLORADO DEPARTMENT OF HEALTH CARE



Lore Z Meinhold told the story about how the Colorado Department of Healthcare successfully shaped the governor's frame healthcare issues—developing partnerships, a care coordination center, a state innovation model and an aligned vision.



ADVANCING ACCOUNTABILITY - US PIRG

Laura Etherton
US P.I.R.G.
 23 State Public Interest Research Group
 17 years at OSPIRG

ADVANCING ACCOUNTABILITY
 Cutting Waste & Improving Care in Oregon

STAY TUNED TO WHERE PUBLIC IS AT.
 Overcome obstacles
 RATE HIKES
 2005 Rate Review
 2007 GOT TRANSPARENCY
 2009 STRENGTHENED RATE REVIEW

HEALTH INSURANCE RATE REVIEW
 Gets results / Greater going forward

DOOR-TO-DOOR ORASSING

MEDICAIDE TRANSFORMATION
 ER / Hospital Admissions
 Bring more into private mkt.

GLOBAL PAYMENTS
QUALITY METRICS

RESULTS

* 222 Rate Filings Research
 30M cut before → 80M after
 Slight trim → 17% reduction
 Less Admin. process → 64M cut out

1. Based on "reasonable admin expenses"
 2. Insurers progress toward cost containment

NEED CHAMPIONS
 our heroes

WRAP-UP Q's
JUST START SOMEWHERE
 How do we shift how we think about H.C. PROVISION.

COLORADO DATA CENTER
 How to get real-time Data to Providers...
 Health Info Tech.
 • Data
 • Admin costs
 • collab

ONCE YOU HAVE SIM... ANY REASON TO GO BACK?
 - Go where you can go, Not sure there is a strategy
 - Work with ALL... large Payers too

NEED GOV'S OFFICE LEADERSHIP. MAY BOTTOM-UP?
 Has to come from somewhere!
 Best in RI. had Gov. But always someone. Exchange Commissioner, Medicaid Dir.
 Every Governor is interested in cost contain



Laura Etherton concluded the panel describing how the US PIRG has been advancing accountability by staying tuned to where the public is, conducting health insurance rate reviews, and working to get global payments and quality metrics in place.

RECEPTION AND DINNER



Participants in the conference enjoyed conversation and music in another part of the Tulane Student Center.



TUESDAY MORNING SESSION



**DIALOGUE
FOR POSSIBILITIES**

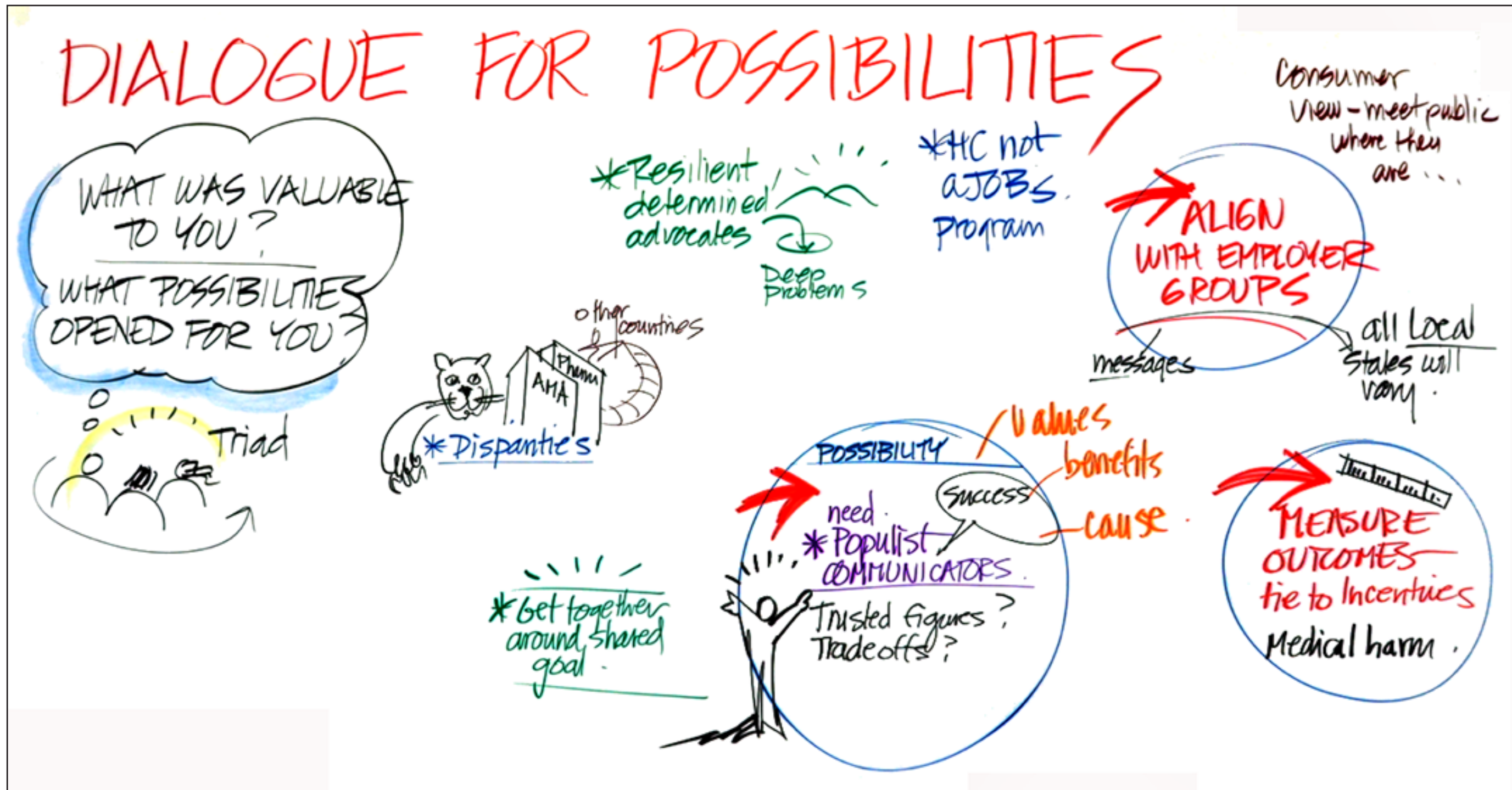
WHAT WAS VALUABLE
TO YOU?

WHAT POSSIBILITIES
OPENED FOR YOU?

Triad

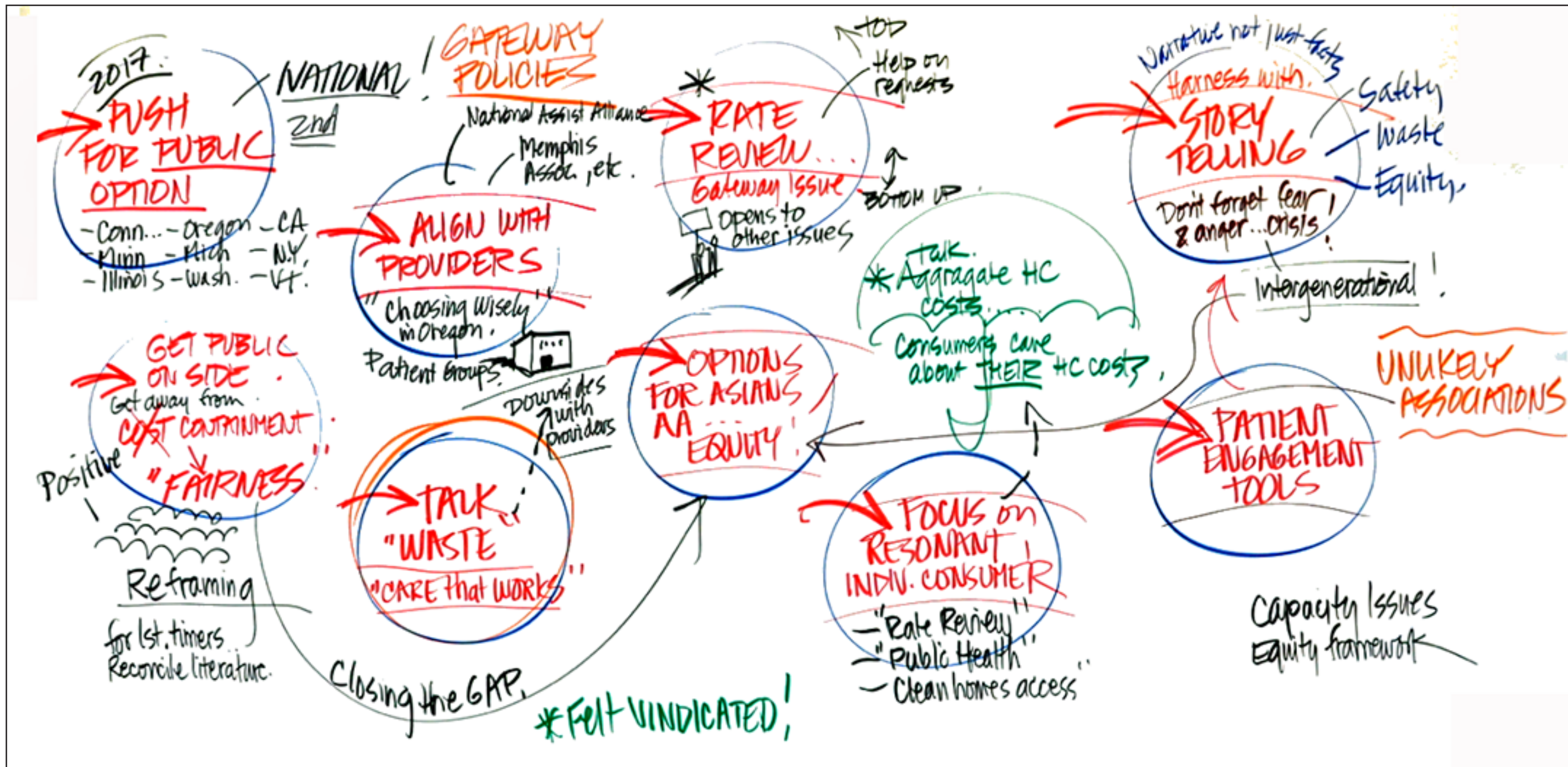
David Adler opened the second day with some reflections, and then turned the meeting over to David Sibbet and Ryan Senser, who would lead a morning of interaction and dialogue. Everyone was asked to turn to a couple of neighbors and answer the questions on the chart to the left—“What was valuable to you?” and “What possibilities opened for you?” These conversations would then support an open dialogue with the group as a whole to see what resonated from the day before.

DIALOGUE FOR POSSIBILITIES



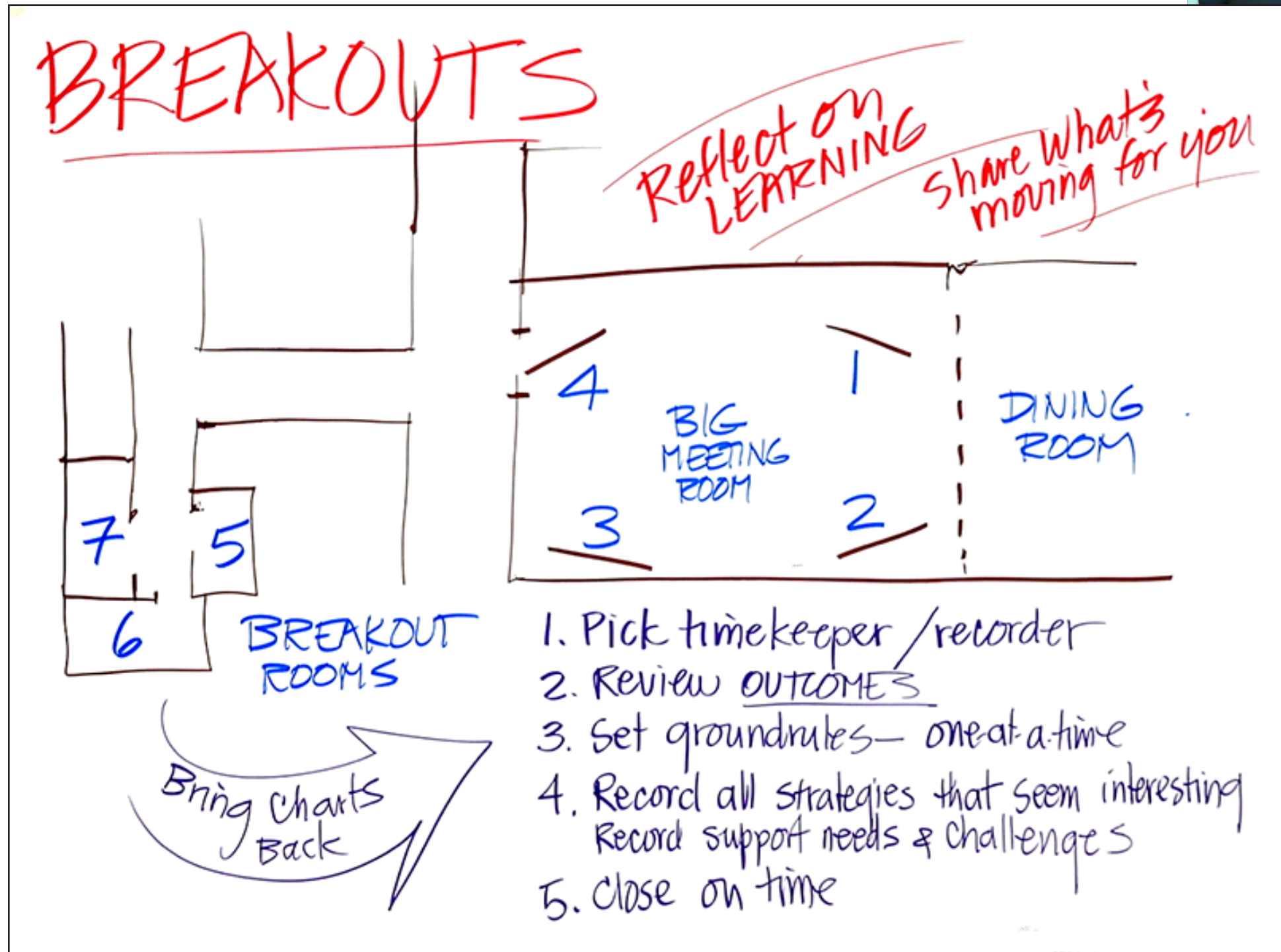
Participants offered both reflections (without circles) and suggestion for possible actions (in the circles). David and Ryan encouraged the group to build on the different ideas, which resulted in the additional comments clustered around the main idea in the circle.

DIALOGUE FOR POSSIBILITIES, continued



Here is another range of ideas. There was no effort to prioritize or evaluate at this point. The goal was to hear from as many people as possible about what was possible.

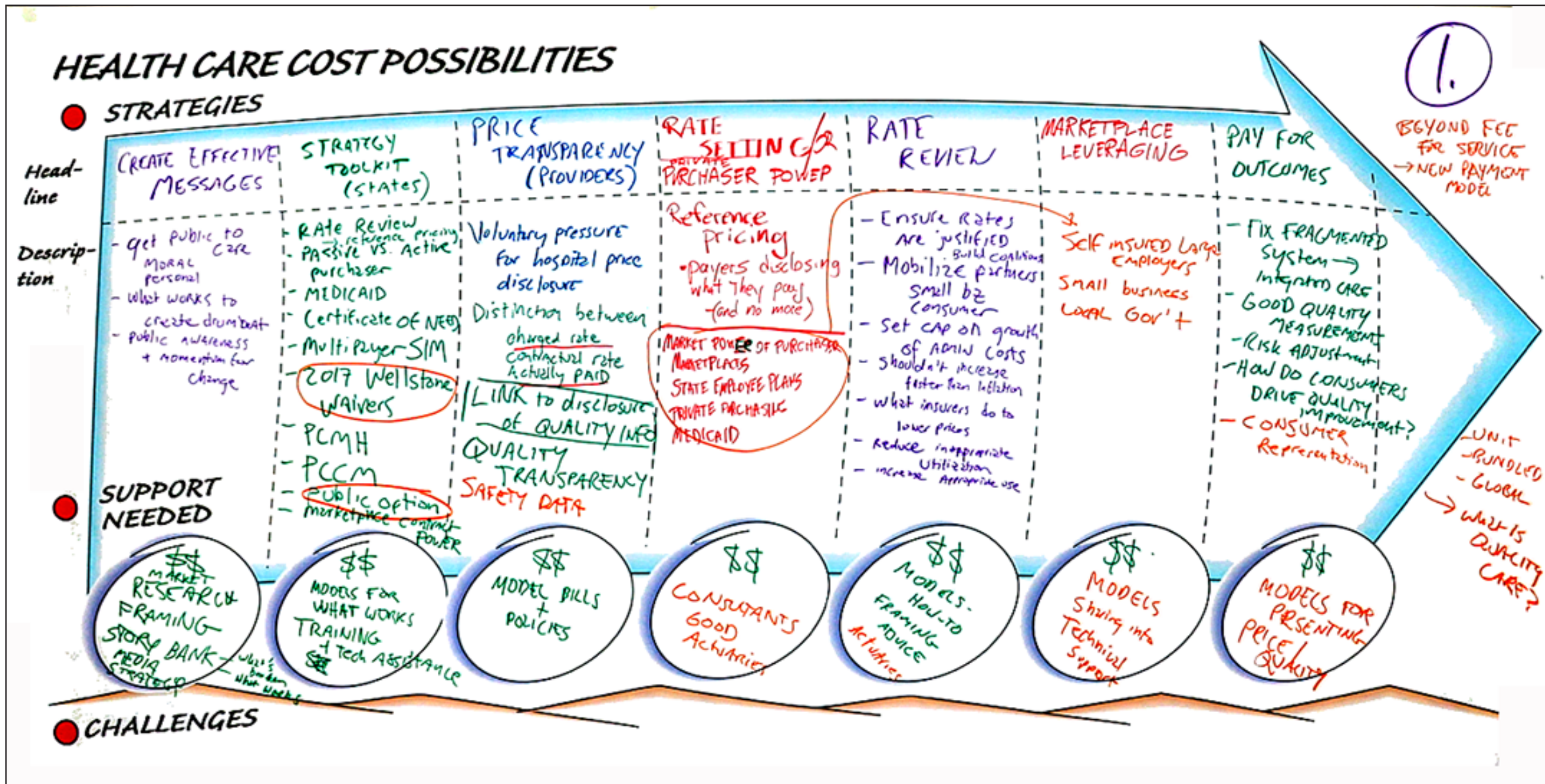
BREAKOUT SESSIONS ON STRATEGY



Following the morning dialogue, David and Ryan oriented everyone to the agenda for the breakout group sessions. The participants who had indicated they were already in motion on various advocacy projects counted off into three groups (Group One is shown above). The others broke into four groups. Each was provided with a large graphic template for recording strategies, things needed for support, and challenges. The recorders and facilitators volunteered from the groups.

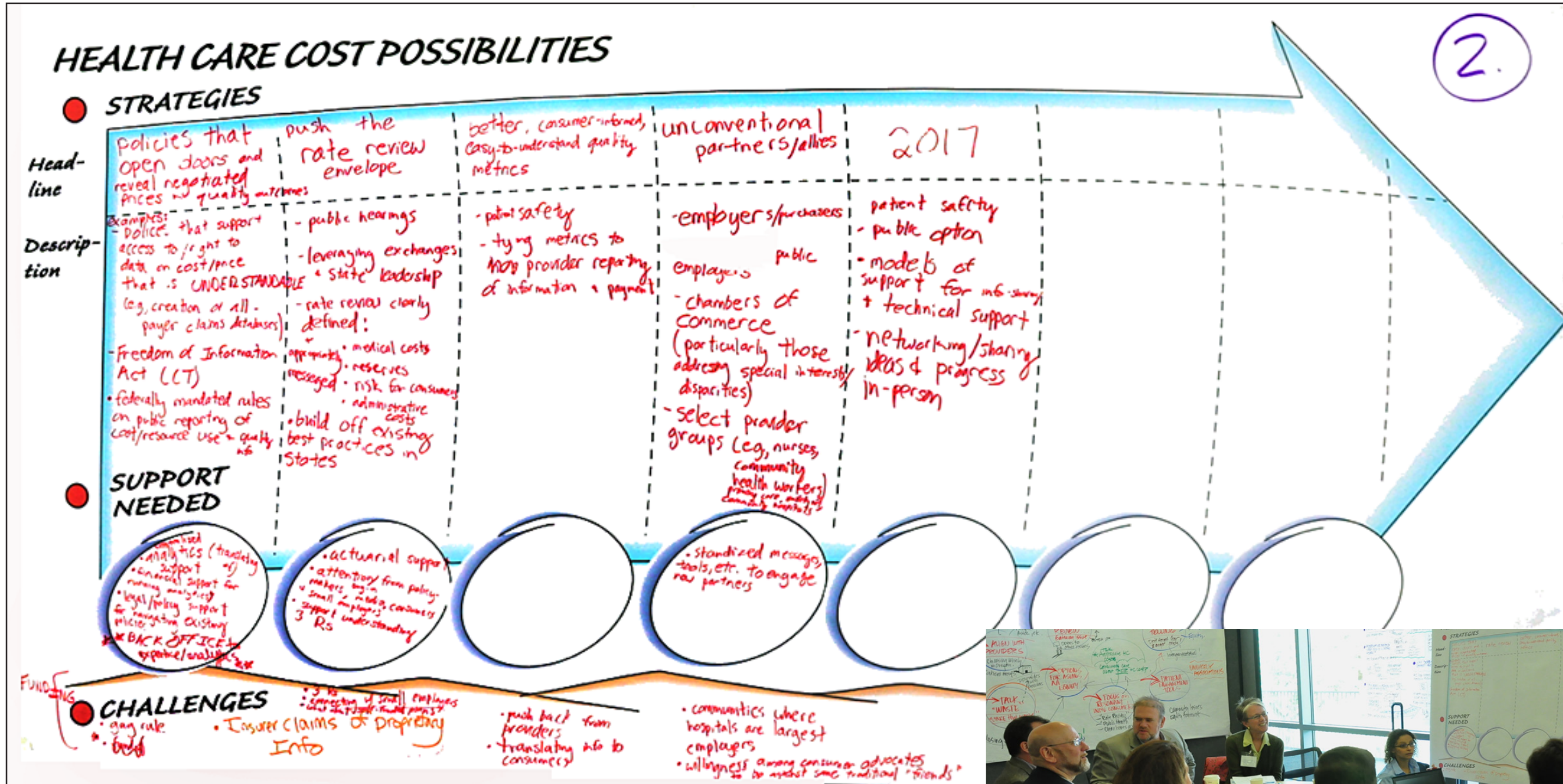


GROUP ONE POSSIBILITIES



Group one's picture is on the preceding page. This group was one of the ones that indicated it was already in action.

GROUP TWO POSSIBILITIES

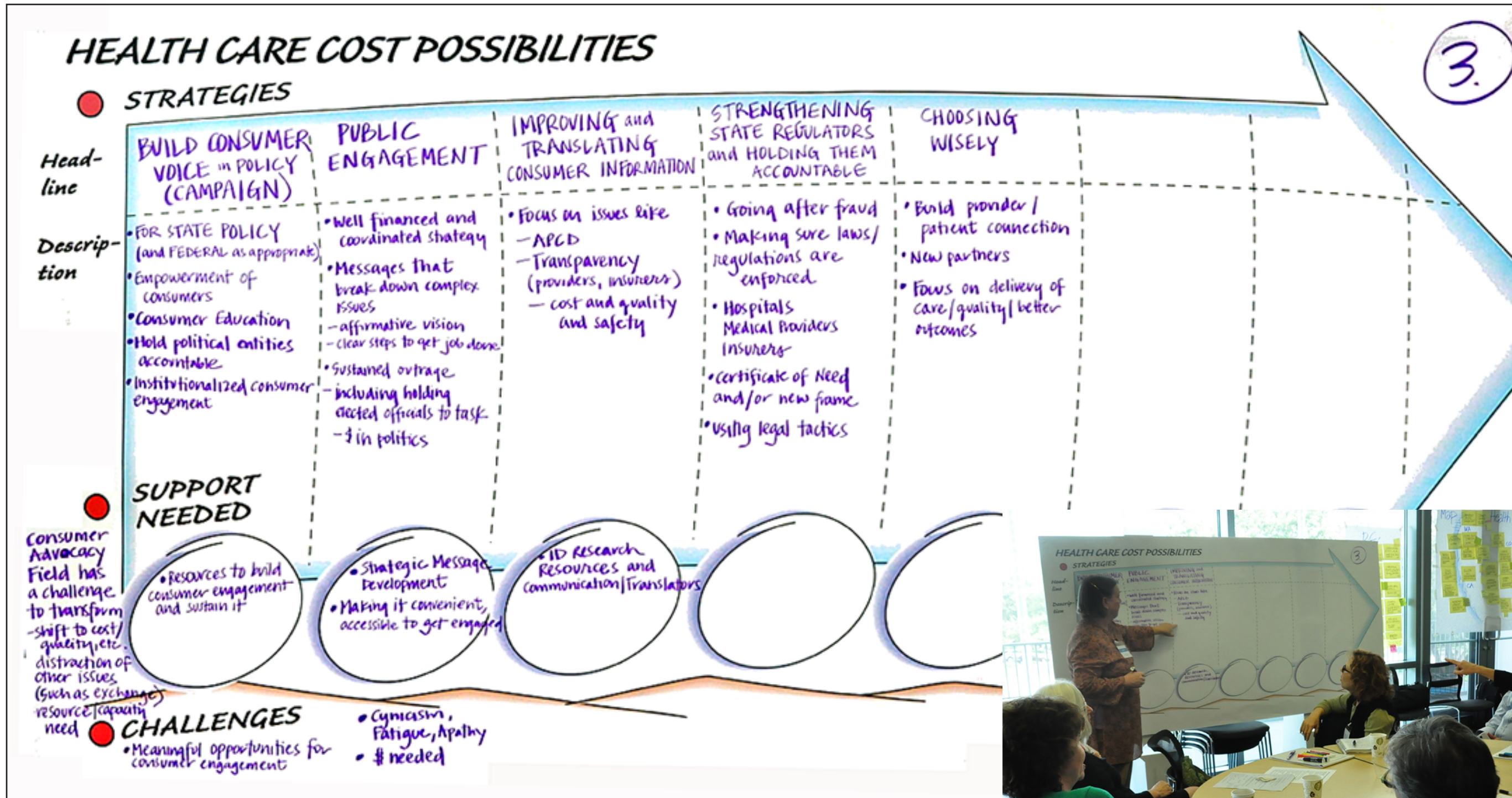


Group Two is shown here with the ideas that they generated. They were one of the groups that indicated they were in action already.



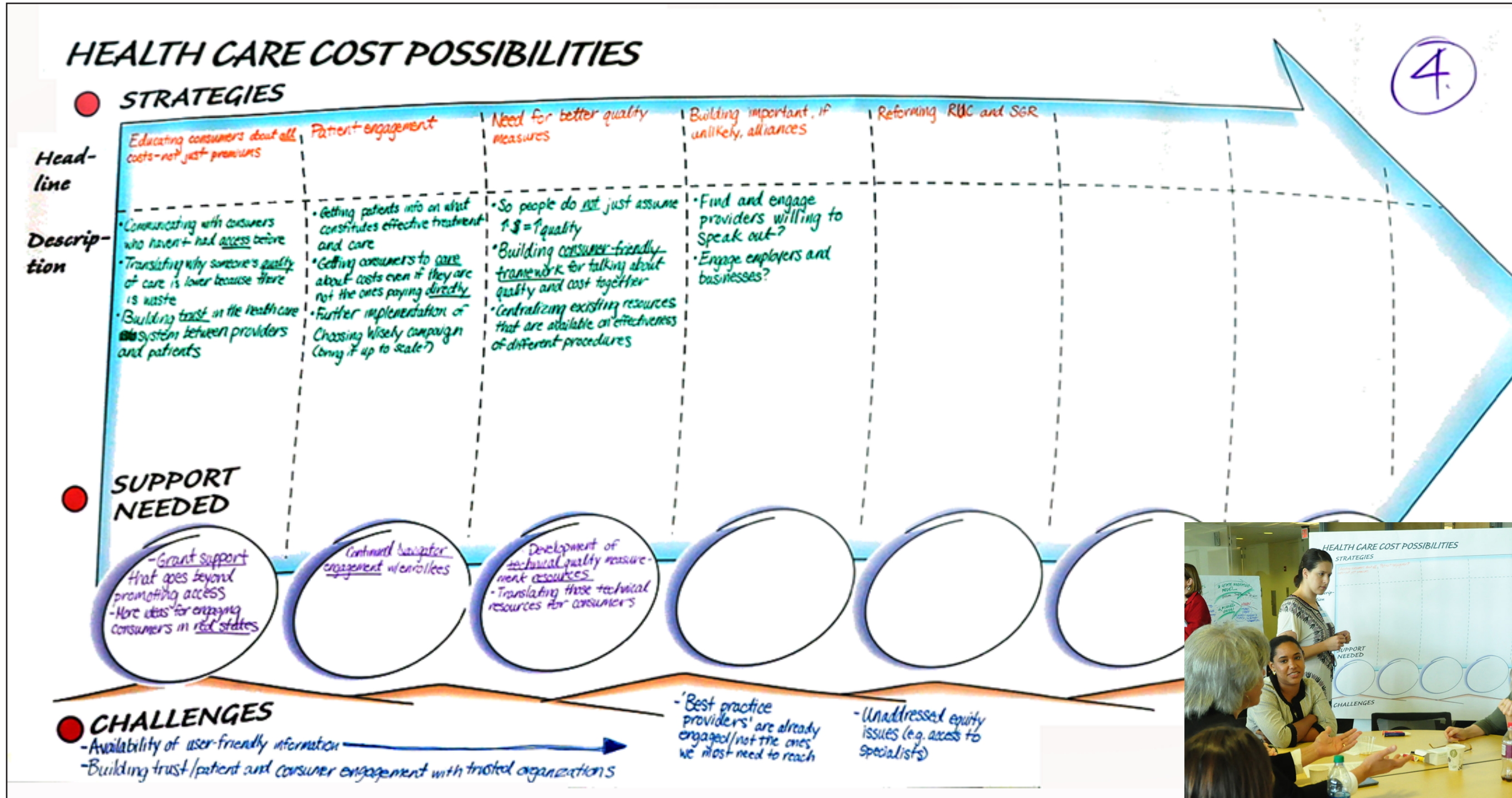


GROUP THREE POSSIBILITIES



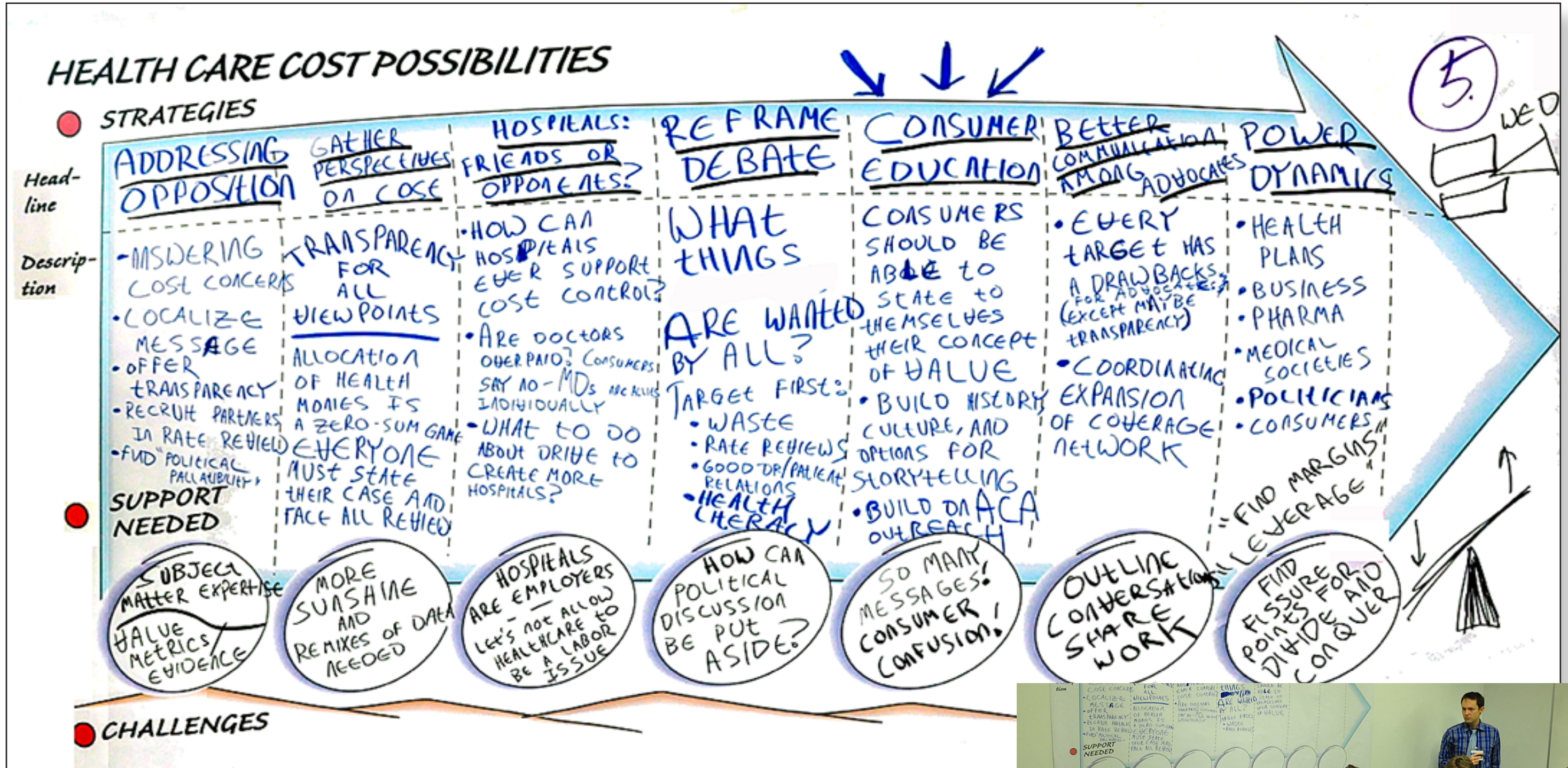
Group Three is shown here with their ideas. They were some of the people who indicated they were already underway with some action.

GROUP FOUR POSSIBILITIES



Group Four also met in the big room. This and the following groups were persons who said they are moving toward action, and shared ideas about what was possible and what support they needed and what challenges they foresaw.

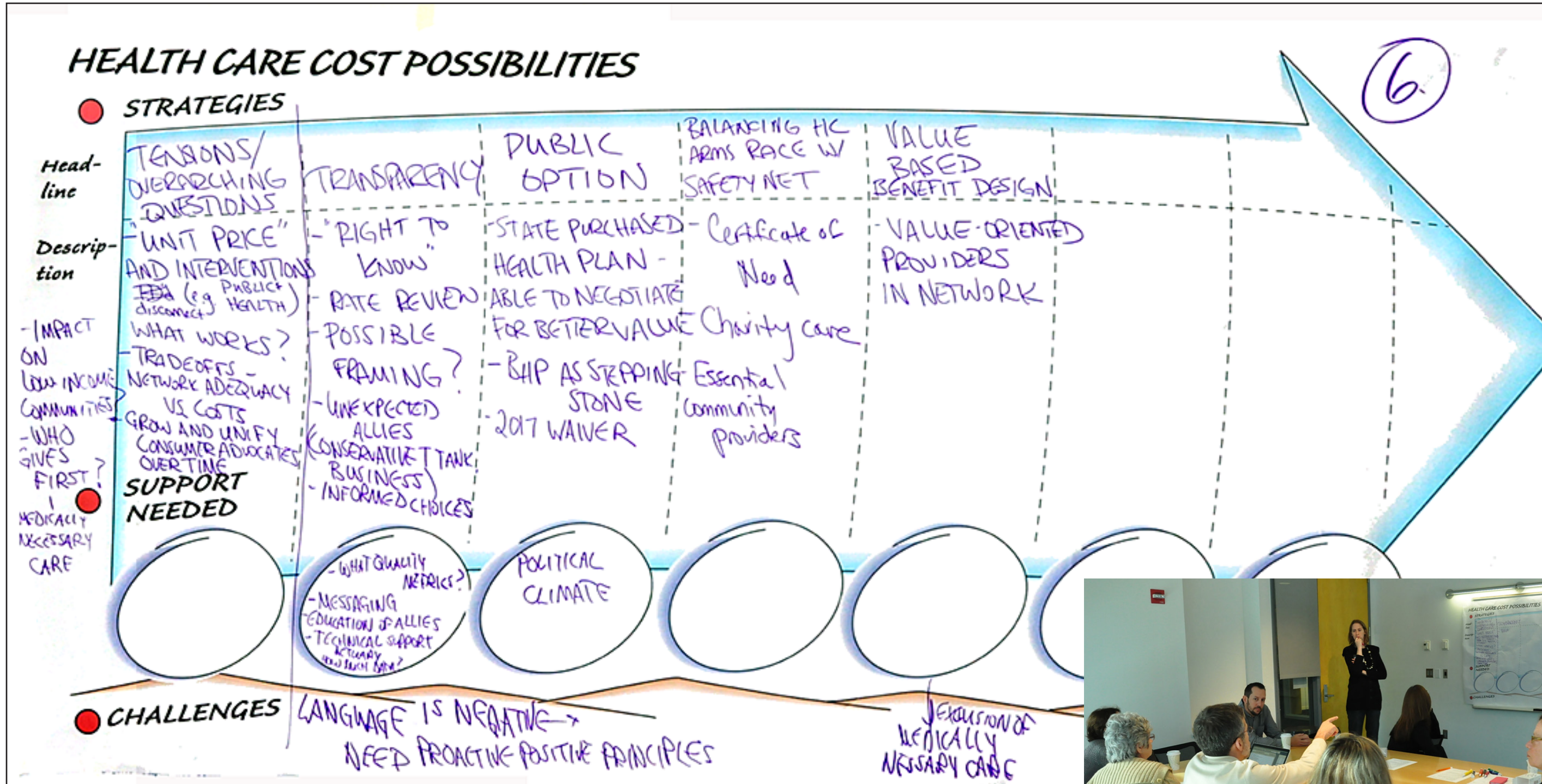
GROUP FIVE POSSIBILITIES



Here is group five's work.



GROUP SIX POSSIBILITIES

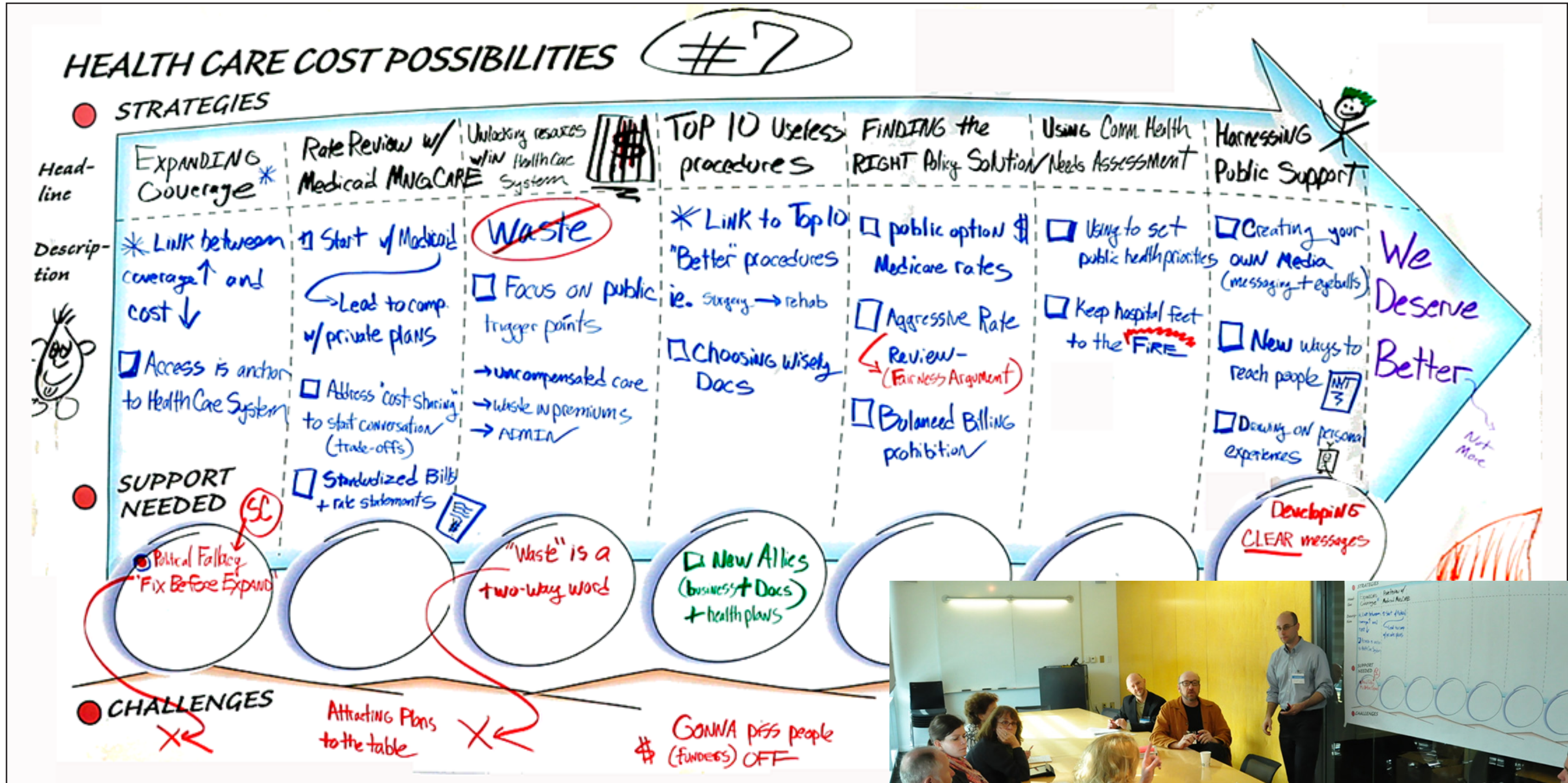


Group Six is shown here along with their work.





GROUP SEVEN POSSIBILITIES



Group Seven is shown here along with their ideas.



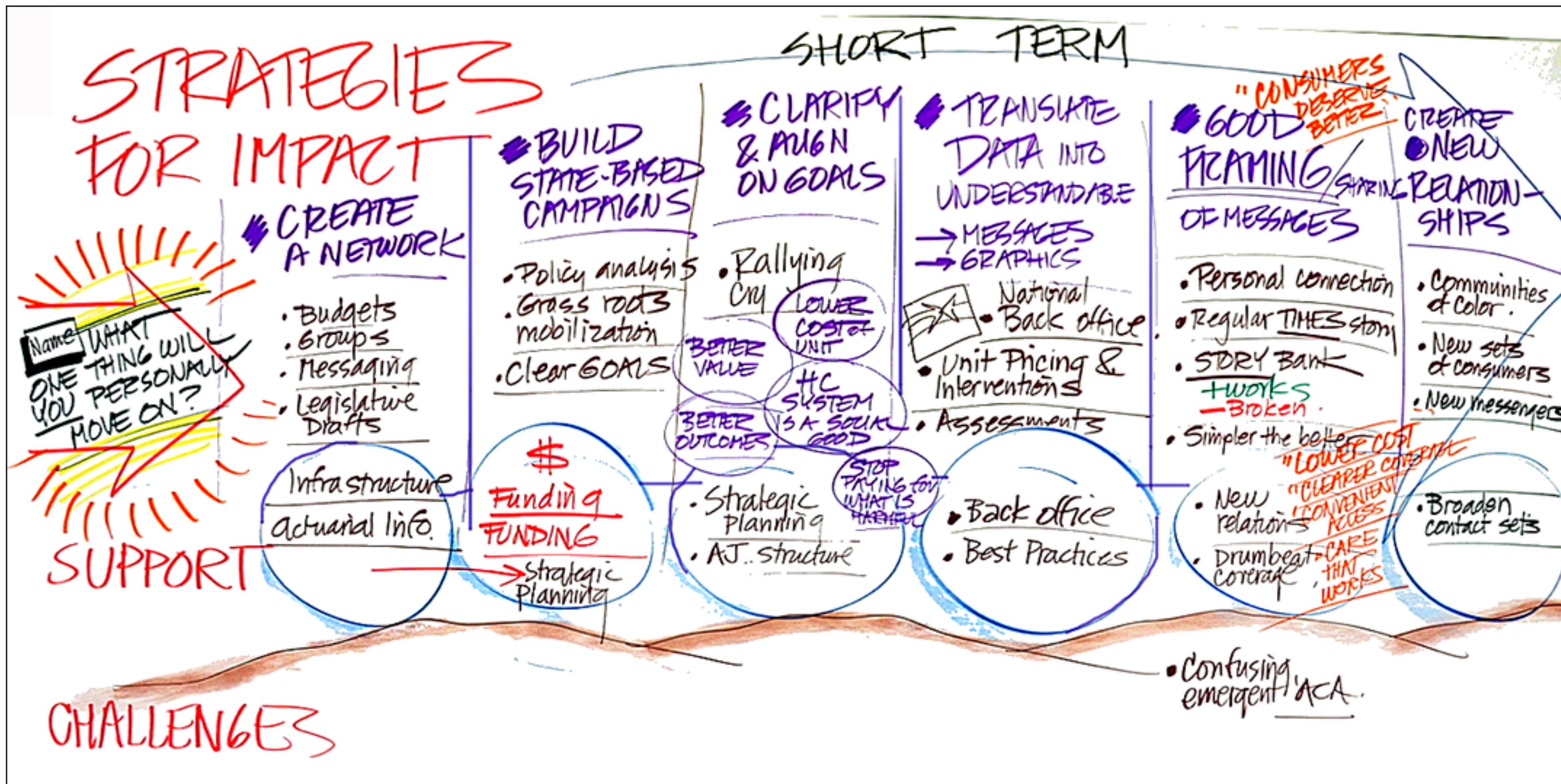
GALLERY WALK AND FINAL SESSION



The groups all brought the graphic templates to the big room and spent some time looking for themes. Here is David welcoming people back and Ryan coaching everyone what to look for.

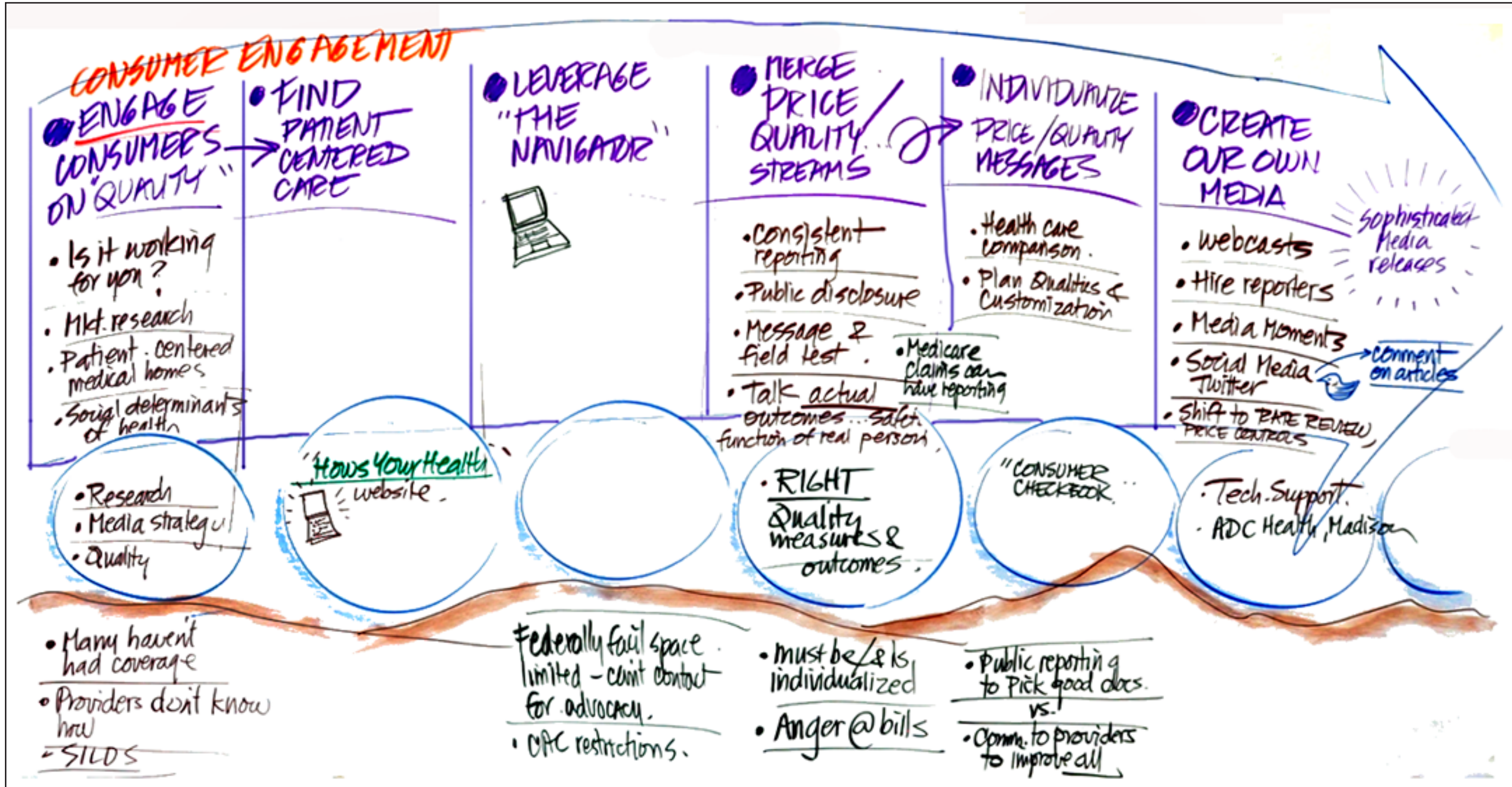


STRATEGIES FOR IMPACT



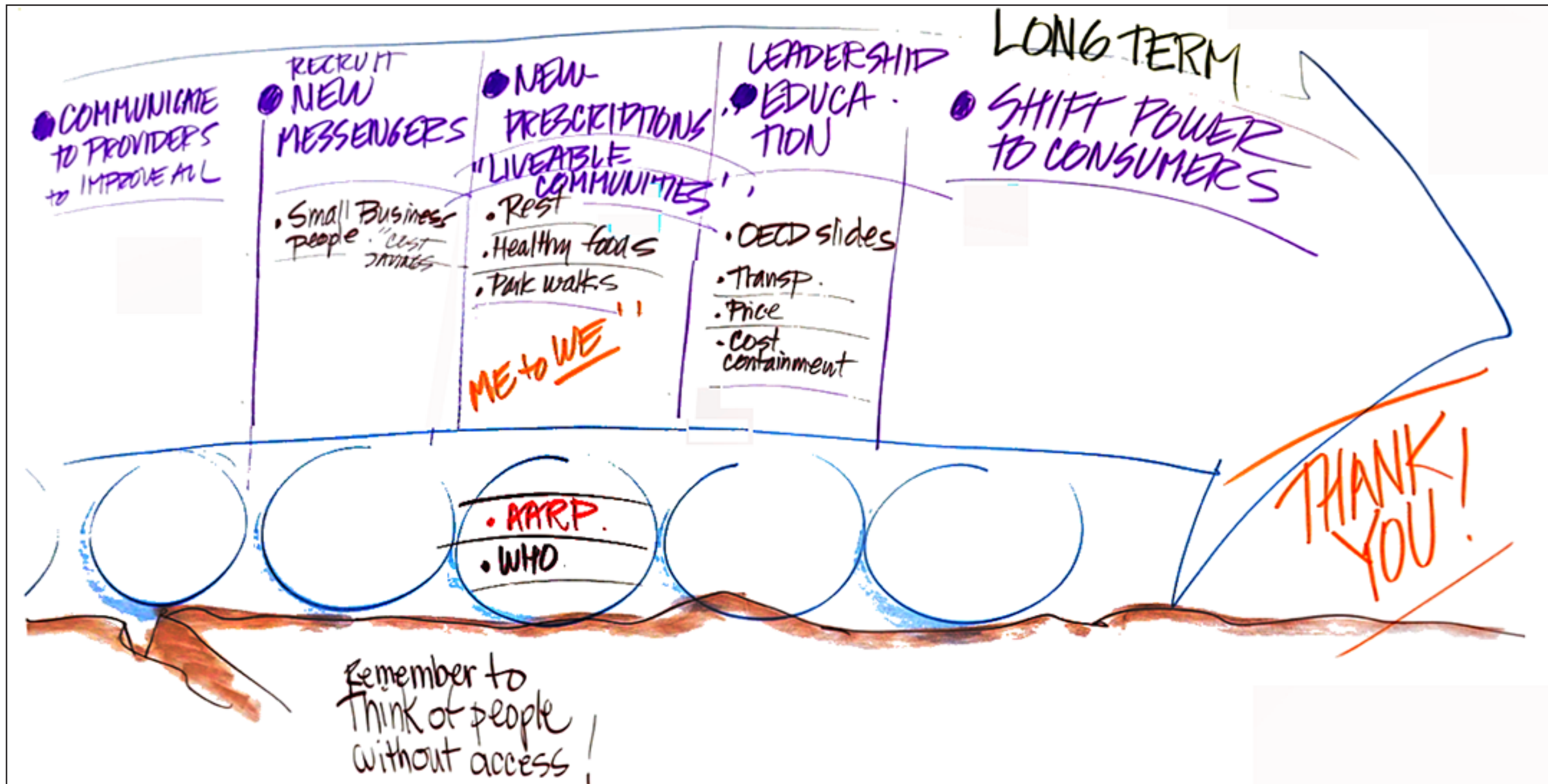
The group as a whole offered up these short term strategies in the general session. Support items are recorded in the circles. Challenges are posted along the bottom. The conversation was one for understanding and insight. No attempt was made to have the group converge or prioritize at this point.

STRATEGIES FOR IMPACT, continued



Here are more of the strategies that surfaced, along with a few more challenges.

STRATEGIES FOR IMPACT, continued



These are some of the longer term strategies. At the end of this session Ryan got everyone to use small stickies and indicate which of the strategies he or she was planning on moving to action. These are not reflected on these charts, since these will be posted publicly.

PERSONAL COMMITMENTS



As Ryan invited everyone to indicate the one thing her or she would personally move on, David wrote the invitation and everyone came forward to post their commitments.

CLOSING AND ACKNOWLEDGEMENTS



The David Adler closed the event with thanks and acknowledgements. The Consumers Union team, led by Lynn Quincy and Jennifer Shecter, worked very hard to make all this possible.

BOTTOM LINE FROM THE CONFERENCE

This conference demonstrated that consumer advocates are ready to work on this tough policy issue.

Attendees told us the information provided at the conference and the opportunity to network filled an important need.

Advocates were highly engaged and ready to tackle the tough issues surrounding policy solutions.

Consumer advocates are ready to work on this issue but they need resources to do so.

Bottom line: they are ready to follow the advice of one speaker: **“Just Start.”** Marti Rosenberg