Physicians and Providers
Integration and Alignment

Don Crane, JD
President & CEO
California Association of
Physician Groups

Bil Gil, MBA
President & CEO
Facey Medical Foundation

Jeff Flick, MBA
National Vice President
Government Programs
HealthCare Partners

MODERATOR
Bernie Klein, MD, MBA
Chief Executive Officer
Providence Holy Cross
Medical Center
Physicians and Providers Integration and Alignment

Panel discussion objectives:

1. Examine and discuss the topic of physician alignment.

2. Discuss what is going right with physician alignment from the physician perspective.

3. Discuss where the opportunities to better align/integrate are moving forward.
Physicians and Providers
Integration and Alignment

Audience Q & A
2014 HCE Annual Conference

Moving Forward: Embracing Change and Innovation

Break - Networking
2014 HCE Annual Conference

Moving Forward: Embracing Change and Innovation

November 20, 2014 • California Endowment
The Affordable Care Act
What's Next?

David Saýen, MBA
Regional Administrator
Centers for Medicare & Medicaid Services

Lucien Wulsin Jr., JD
Executive Director & Founder
Insure the Uninsured Project

Bradley Gilbert, MD
Chief Executive Officer
Inland Empire Health Plan

MODERATOR
Jim Lott, MBA
Chief Strategy Officer
Martin Luther King Jr. Community Hospital
The Affordable Care Act
What's Next?

Panel Discussion Objectives:

1. Understand the progress, status and challenges experienced with the ACA over the past year and examine what we expect to occur over the next year.

2. Discuss and get updated on the progress of Covered California.

3. Gain a front-line perspective on the roll-out of the ACA/Covered California and hear a report on the efforts to move high-cost, high-utilizing government-sponsored patients with chronic disease into managed care (“the duals”).
Health Insurance Marketplace Experiences


David W. Saïen, MBA
Regional Administrator
Centers for Medicare & Medicaid Services
San Francisco

November 20, 2014
Millions of Americans Covered

8 MILLION ENROLLED THROUGH THE MARKETPLACE

4.8 MILLION MORE THROUGH MEDICAID AND CHIP

3 MILLION YOUNG ADULTS ON THEIR PARENTS’ PLANS

HealthCare.gov
As of June 2014, 10.3 million nonelderly adults (ages 18-64) gained health insurance coverage since the start of the Affordable Care Act initial open enrollment period in October 2013.

The uninsured rate among nonelderly adults fell by more than a quarter (26 percent), from 20.3 percent to 15.1 percent, comparing numbers as of June 2014 with the January 2012-September 2013 baseline period. African Americans and Latinos saw particularly large drops in their uninsured rates of 6.8 percentage points and 7.7 percentage points, respectively.

Government and private surveys offer a consistent picture of expansions in insurance coverage.

Source: ASPE Issue Brief, October 31, 2014
Percentage Uninsured in the U.S., by Quarter
Do you have health insurance coverage?
Among adults aged 18 and older

Quarter 1 2008-April 30, 2014
Gallup-Healthways Well-Being Index

GALLUP
Similar Shares Of Plan Switchers Report Increase and Decrease Premiums

AMONG THOSE WHO SWITCHED FROM NON-COMPLIANT TO COMPLIANT NON-GROUP PLANS:

Is the monthly premium amount you pay (after tax credit) for your CURRENT plan higher or lower than what you paid for your previous plan, or is it about the same?

- Lower 46%
- Higher 39%
- About the Same 15%

SOURCE: Kaiser Family Foundation Survey of Non-Group Health Insurance Enrollees (conducted April 3 – May 11, 2014)
## Silver Premium Percent Change from 2014 to 2015

Second-lowest-cost silver before tax credits, where 2015 filings are available as of September 3, 2014

<table>
<thead>
<tr>
<th>State</th>
<th>2015 Premium Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tennessee (Nashville)</td>
<td>8.7%</td>
</tr>
<tr>
<td>Vermont (Burlington)*</td>
<td>6.6%</td>
</tr>
<tr>
<td>Oregon (Portland)</td>
<td>6.0%</td>
</tr>
<tr>
<td>Maryland (Baltimore)</td>
<td>3.0%</td>
</tr>
<tr>
<td>Virginia (Richmond)</td>
<td>2.7%</td>
</tr>
<tr>
<td>Michigan (Detroit)</td>
<td>2.5%</td>
</tr>
<tr>
<td>DC (Washington)</td>
<td>2.0%</td>
</tr>
<tr>
<td>Nevada (Las Vegas)</td>
<td>1.7%</td>
</tr>
<tr>
<td>California (Los Angeles)</td>
<td>0.8%</td>
</tr>
<tr>
<td>New York (New York City)</td>
<td>-0.7%</td>
</tr>
<tr>
<td>Ohio (Cleveland)</td>
<td>-0.7%</td>
</tr>
<tr>
<td>Average</td>
<td>-0.8%</td>
</tr>
<tr>
<td>Maine (Portland)</td>
<td>-4.4%</td>
</tr>
<tr>
<td>Connecticut (Hartford)</td>
<td>-4.7%</td>
</tr>
<tr>
<td>Washington (Seattle)</td>
<td>-9.8%</td>
</tr>
<tr>
<td>Rhode Island (Providence)</td>
<td>-11.4%</td>
</tr>
<tr>
<td>Colorado (Denver)</td>
<td>-15.6%</td>
</tr>
</tbody>
</table>

**Source:** Kaiser Family Foundation analysis of insurance company rate filings to state regulators for 2015 Marketplace premiums.

**Notes:** Vermont rates do not reflect modifications from the state’s review (2015 rates were lowered on September 2, but final filings are not yet available). Filings in CA, CO, CT, MD, MI, OH, OR, RI, TN, and most of WA are final; other state’s filings are still preliminary and may be subject to change. Premium changes are at the rating area level (groups of neighboring counties) and some plans may not be available in all cities or counties within the rating area.
Average Annual Premiums for Single and Family Coverage, 1999-2014

* Estimate is statistically different from estimate for the previous year shown (p<.05).

2020 Health Care Spending Pre- and Post-ACA

Billions of Dollars

Source: CBO
Medicare Per Capita Spending Growth at Historic Lows

*Medicare Part D prescription drug benefit implementation, Jan 2006

Source: CMS Office of the Actuary
Contact Information
CMS San Francisco

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Regional Administrator

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The Affordable Care Act
What's Next?

Lucien Wulsin Jr., JD
Executive Director & Founder
Insure the Uninsured Project
Healthcare Reform in the Inland Empire

Presented by
Bradley Gilbert M.D., M.P.P.
CEO, Inland Empire Health Plan
• IEHP is the Local Initiative Medi-Cal Managed Care Plan for Riverside and San Bernardino Counties
• Joint Powers Agency of Riverside and San Bernardino Counties
• Organized as a Public Agency, Non-Profit HMO
• Became Operational on September 1, 1996
• Mixed Model HMO:
  – Independent Physician Association (IPA)
  – Direct Physician Contracting
The IE Numbers for 2014

- **The Exchange** – 123,000–125,000 Members enrolled
  - **✓** Anthem (PPO & HMO), Blue Shield PPO, Kaiser Permanente HMO, Health Net (HMO & EPO), Molina Healthcare HMO.
  - **✓** Narrow networks
  - **✓** Not as many “Newly” insured across the country

- **Medi-Cal** – 370,000 enrolled!!
  - **✓** 220,000 from Medi-Cal Expansion
  - **✓** 150,000 “regular” (pre-ACA) Medi-Cal
  - **✓** Well beyond projections

- Membership above represents over $1.0 billion into local economy, health care and related businesses per year
IEHP Membership

- Medi-Cal
- CMC
- D-SNP
- HK

Dec-13 to Nov-14 membership graph.
Future Growth In Inland Empire
By December 2015

❖ Exchange:
  ✔ 40%+ increase or a net growth of 50,000
  ✔ Total enrollment of 175,000-180,000

❖ Medi-Cal:
  ✔ Additional 170,000-200,000
  ✔ Total 1.4 – 1.5 million

❖ Remaining Uninsured:
  ✔ Prior to ACA: 750,000 adults
  ✔ December 2015: 250,000 adults (minus Exchange & MCE enrollment)
The Provider Landscape

● Primary Care Physicians
  ✓ Inadequate Supply
  ✓ 34-40 / 100,000 versus 80 / 100,000
  ✓ Maldistribution by geography
  ✓ Lower percentage Board Certified
  ✓ Aging workforce

● Specialists
  ✓ Inadequate supply
  ✓ Significant maldistribution by geography
  ✓ Significant shortages certain subspecialists
  ✓ Aging workforce
The Provider Landscape

- Hospitals
  - Overall reasonable bed capacity
  - Cannot afford to lose any hospital
  - Some expansion occurring
Benefit Changes

- Coordinated Care Initiative (CCI) added Long Term Support Services
  - IHSS
  - MSSP
  - Long Term Care

- Medi-Cal Behavioral Health
  - Health Plan responsible for “Mild and Moderate” behavioral health conditions
  - Inpatient still county responsibility

- Autism Services – ABA therapy, etc. added 9/15/14
Seniors and Persons with Disabilities mandatorily enrolled 2011/2012

- IEHP has over 60,000 SPDs

Cal Medi-Connect adding Dual Eligibles

- IEHP has over 20,000 dual eligibles in our D-SNP and Cal Medi-Connect Plans

Acuity and Complexity Changes

- Behavioral Health
- Cancer
- Hepatitis C
- Cardiovascular Disease
Impact on IEHP

- ‼️ ‘ed inpatient volumes
  - ✔ Use of hospitalists

- ‼️ Significant post-acute placement issues
  - ✔ SNF
  - ✔ Home
  - ✔ ?Other?

- ‼️ ‘ed need for specialists
  - ✔ Network growing

- ‼️ ‘ed Care Management needs
  - ✔ ‼️ ‘ed IEHP Staffing
  - ✔ Coordination with hospitals
  - ✔ Transition of care team
  - ✔ Home visits
Vision for Success

- **Integration** is key!

  Primary Care ➔ Specialty Care ➔ Inpatient ➔ Primary Care
  Substance Abuse ⇐ Medical Care ⇐ Behavioral Health Care
  Clinical Care ⇐ Public Health

  Linkages/referrals to Social Services and vice versa

- **Data Sharing Makes It Happen**
  - **Complete** sharing of clinical data
  - **Co-location** of services
  - Identifying common clients/members
  - **Easy** for members to move between services

- **Must invest in IT infrastructure**

- **Health Information Exchange Participation Key!**
Vision

- **Population Health Management**
  - Improving patient experience (quality and satisfaction)
  - Improving the overall health
  - Reducing the overall cost

- **Clinical Integrated Network**
  - Organizing the delivery of provider, specialty, ancillary, impatient, and post-acute care
  - Avoiding duplication of tertiary services
  - Organizing the transfer of clinical information

- **Data Transfer/Sharing** between medical, behavioral health and social services to fully integrate care
Hospital environment competitive and challenging

- Payor mix changing - ↑↑ Medi-Cal
- Good news “self pay” declining
- Narrow networks driving competition for services and costs

Information Technology Key!

- EMR/EHR
- HIE
- Data sharing and integration
The Affordable Care Act
What's Next?

Audience Q & A
2014 HCE Annual Conference

Moving Forward: Embracing Change and Innovation

Break – Networking - Lunch
The Future’s So Bright...

I Gotta Wear Shades
The future's so bright,

I gotta wear shades...
What’s So Bright in Healthcare?

Innovation is abounding:

• Business model development
• Clinical care delivery
• Cost reductions
• Facility Operations
What’s So Bright in Healthcare?

• Patient Care is Better Coordinated
• The “Continuum of Care” Concept has Moved to the Forefront
• Less Fragmentation
• Higher Patient Satisfaction
What’s So Bright in Healthcare?

• “Consumer Directed Healthcare” is finding its rightful place in the marketplace
• Consumers are more informed, more engaged, and are making decisions based on publically-available quality data
What’s So Bright in Healthcare?

- Real discussions are occurring more frequently about “end of life” decisions and whether to preserve quality of life or just extend life.
- The push for improved quality, coupled with financial incentives, is improving clinical outcomes.
What’s So Bright in Healthcare?

• Physicians are no longer feeling incentivized to drive volume, but to look at the whole needs of the patient.

• Healthcare workers are finally being told (instead of asked) to get their flu shots!

• Because of global infection control issues, healthcare workers are better focused on the importance of hand washing, etc.
What’s So Bright in Healthcare?

- Healthcare leaders are being more objective about how they engage their internal and external constituencies. This is creating meaningful inroads in the promotion of diversity.
What’s So Bright in Healthcare?

• New business models are emerging and creating a level of collaboration resulting in new partnerships and products, e.g., Vivity.

• Pricing for care is moving towards being in line with the product. This work-in-progress will give the whole industry a boost in credibility.
What’s So Bright in Healthcare?

• Employers are stepping out and incentivizing healthy lifestyles. Some are even penalizing poor lifestyle habits.

• The “Triple Aim” is becoming a reality!
What’s So Bright in Healthcare?

*Epic Change in our industry is:*

- Creating opportunities for “master change agents”, physician extenders, recruiters, and consultants.
- Incentivizing those close to retirement to do so, which, in turn, creates opportunities for early careerists.
- Creating new careers (e.g., Healthcare Cloud Consulting...).
Thank You to Our Sponsors!
HCE 2014 at a Glance

- 1,346 members
- 189 Fellows
- 230 new members since January, 2014
- 45 events, 1,300 participants and 98 hours of programming in 2014 to-date
- 5,000 attendee hours
- 80% member retention rate
Healthcare Executives of Southern California

IDEA LAB
incubating ideas for a new era in healthcare

LEARNING FROM EXPERIENCE

THE STATE OF HEALTHCARE

BridgeRoads
Collaborate | Learn | Succeed
2014 Accomplishments

Prime Objective: Educate, Network, Credential

• 14 New Fellows (FACHE’s)
• New Website, Emergence into Social Media
• Professional Level Quarterly Newsletter
• BOG Series: 10 week & New One Day Intensive
• Growth of Diversity & Inclusion
• Innovation Grant
NEW FELLOWS

• Adam Thunell, FACHE
• Anne D. Tanner, FACHE
• Bruce N. Barge, PhD, ACHE
• Craig B. Garner, JD, FACHE
• Crystal Jack, FACHE
• Deborah L. McCoy, RN, FACHE
• Douglas R. Niedzwiecki, FACHE
• Emmanuel S. Damalie FACHE
• Katherine A. Schnaser, FACHE
• Mary E. Kingston, FACHE
• Michael W. Wilson, FACHE
• Michael Y. Lee, FACHE
• Omar B. Chughtai, FACHE
• Pam Gillette, RN, FACHE
PathWays
HEALTHCARE POLICY IN ACTION

Pathways Program Graduates
.....Community Service.....
…..Networking at its Best.....
.....Healthy Networking.....
ACHE Awards

• Service Award

• Regent Awards
  (2) Senior-Level

• Regent Awards
  (2) Early Careerist
HCE Awards

• Service Appreciation

• Excellence in Leadership
For a Healthy Future...

...Lead By Example:

• What are you doing to live a healthy lifestyle?

• What health related or humanitarian cause are you supporting?
What Really Matters...

Why we do what we do ➔
Acknowledgements

• 2014 Annual Conference Committee
• Volunteers
• HCE Staff: Tamara Dilbeck & Erika Soqui
• The First Lady
• 2014 HCE Board, Vice Chairs, & Committee Members
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  - Dimitrios Alexiou, FACHE
- Immediate Past President
  - Tom Dougherty, FACHE
- Treasurer
  - Gordon Johnson, MAI
- Secretary
  - David Elgarico, MHA
- President
  - Dan McLaughlin, FACHE
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  • Director Community Affairs – Children’s Hospital of LA

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  • Professor and Program Director – CSUN

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  • Director, Communications Los Angeles County of Health Services
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    • Administrator – Briarcrest Nursing Center

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  – Mark Maramba, MHA
    • Systems Administrator – Managed Care Operations – Bright Health Physicians of PIH

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  – Andrea Swann, MHA
    • Student, USC – Administrative Resident, Would Care Advantage
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  - Ebi Okiyefa
    - Contract Manager – Victor Valley Global Medical Center
- **Chair, Los Angeles County Programs Council**
  - Kat Caminiti, MBA, FACHE
    - Executive – Baxter Health Corporation
- **Chair, Orange County Programs Council**
  - Melvin Brown III, MBA
    - Health Care Executive/Coach/Consultant – Allied Health Specialty
- **Chair, Ventura/Santa Barbara Programs Council**
  - Adam Thunell, FACHE
    - Sr. Vice President/COO – Community Memorial Hospital
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• Staff
  – Tamara Dilbeck
    • Marketing/Events Coordinator
  – Erika Soqui
    • Marketing/Events Coordinator
2015 HCE Board

- **President:**
  - Dimitrios Alexiou, FACHE
    - Regional VP – Inland Region – HASC
- **Immediate Past President**
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    - Vice President, Professional Services, Good Samaritan Hospital, Los Angeles
- **President Elect**
  - Ellen Zaman, FACHE
    - Director, Community Affairs/Government and Public Policy – Children’s Hospital, Los Angeles
- **Secretary**
  - Adam Thunell, FACHE
    - Sr. Vice President/COO – Community Memorial Health System
- **Treasurer**
  - Gordon Johnson
    - President – Key Group
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    • Founder and President – Strategy Advantage
• Chair, Programs Council At Large
  – Mark Maramba
    • Systems Administrator, Managed Care Operations – Bright Health Physicians of PHI
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    • Executive Vice Chair of Surgery – Cedars Sinai Medical Center
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  – Lyndon Edwards
    • Vice President & Administrator – Loma Linda University Health
• Chair, Early Careerist Council
  – Aaron Chang
    • Associate Administrator – Palmdale Regional Medical Center
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  - Andrea Swann - Student – USC
- Chair, Sponsorships
  - Tom Dougherty, FACHE
    - President & CEO – Healthcare Innovators of California
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  - Lodel Yerro Caplan
    - Community Services Coordinator – Torrance Memorial Medical Center
- Chair, Executive Outreach
  - Mark Andrew
    - Senior Partner – Witt/Kieffer
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    • Faculty – Cal State University Los Angeles
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  – Ebi Okiyefa
    • Contracts Manager – Victor Valley Global Medical Center
• Chair, Los Angeles County Programs
  – Kat Caminiti, FACHE
    • Strategic Account Executive – Baxter Healthcare
• Chair, Orange County Programs
  – Michael Lee, FACHE
    • Administrator – Briarcrest Nursing Center
• Chair, Ventura/Santa Barbara Program
  – Haady Lashkari, FACHE
    • Chief Administrative Officer – Ojai Valley Community Hospital
HCE 2015 President

Dimitrios Alexiou, FACHE
2014 HCE Annual Conference
Moving Forward: Embracing Change and Innovation
November 20, 2014 • California Endowment
Innovations in the Delivery of Healthcare

Ryan J. Belkin
Senior Director
Health System Contracting
CVS Health

Sharon Henry, MBA
President
Evolution Health

Steve Geidt
Chief Executive Officer
Saddleback Memorial – Laguna Hills and San Clemente

Michael Hochman, MD
Medical Director
Innovations
AltaMed Health Services

MODERATOR
Robert David
Director
Office of Statewide Health Planning and Development (OSHPD)
Innovations in the Delivery of Healthcare

Presentation Objectives:

1. Panelists will share innovations in the delivery of health coming from their own perspectives

2. Learn how the healthcare industry is moving from “traditional” care models into other areas such as population health, retail clinics, community based care, etc.
Innovations in the Delivery of Healthcare

Audience Q & A
2014 HCE Annual Conference

Moving Forward: Embracing Change and Innovation

Break – Refreshments -Networking
2014 HCE Annual Conference

Moving Forward: Embracing Change and Innovation

November 20, 2014 • California Endowment
Private Exchanges and ACA

J.T. Thompson
Corporate Exchange Executive
AON Hewitt

Jeff Shapiro
Vice President
Enterprise Benefits
The Walt Disney Company

Daniel L. Frank, MHA, MPA
Executive Director
Regal, Lakeside, and Affiliated Doctors Medical Group

MODERATOR
Arnold R. Schaffer, MHA
Managing Director
Alvarez & Marsal Healthcare Industry Group
Private Exchanges and ACA

Learning Objectives:

1. Learn about private exchanges and the growth occurring outside the public exchange (Covered California).

2. Discover how employers and providers are being impacted by ACA.

3. Learn about the changes ahead with the growth of exchanges and the implementation of the ACA including MediCal expansion.
Private Health Exchanges
November 20, 2014

J.T. Thompson
Aon Hewitt
Overview of Exchanges: Public vs. Private

Public Exchanges (i.e., Marketplaces)
- State or Federal Government (16 states plus DC opted to run marketplace for 01/01/2014)
- The uninsured and individuals without affordable employer-sponsored coverage (e.g., pre-65 retirees, COBRA)
- Metallic designs (i.e., platinum, gold, silver, bronze) with multiple carriers
- Small group under 50 lives

Private Exchanges
- Benefit Consultants and Insurance Carriers

Facilitator
- State or Federal Government

Target Audience
- The uninsured and individuals without affordable employer-sponsored coverage (e.g., pre-65 retirees, COBRA)
- Active and Pre-65 Retirees (optional)
- Medicare Retirees

Plan Options
- Metallic designs (i.e., platinum, gold, silver, bronze) with multiple carriers
- Group-based: Plan design standardization/flexibility, choice of carrier, and funding arrangement vary based on exchange facilitator
- Individual-based: Medicare Advantage, Medigap, and Part D

Sample Employers
- Aon, Darden, Sears, and Walgreens
- IBM, Siemens, Time AT&T, and UPS

Exchanges are marketplaces where individuals shop for medical coverage; Emerging opportunity for employers to leverage based on health care strategy
Health Exchange Options by U.S. Population Groups

U.S. Population – Covered Lives View¹
Millions of people - 2012 Estimate

<table>
<thead>
<tr>
<th>Category</th>
<th>Public Exchange</th>
<th>Private Exchange</th>
</tr>
</thead>
<tbody>
<tr>
<td>Uninsured</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Government Employees</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>&lt;500 Employees²</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>500-4,999 Employees</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>&gt;=5,000 Employees</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Medicare</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Total U.S.</td>
<td></td>
<td>✓</td>
</tr>
</tbody>
</table>

1 Includes primary / subscribers and dependents. Approximately 211 million subscribers and 103 million dependents.
2 Includes 10 million Self-employed workers, unincorporated
Source: US Department of Labor, US Census, Kaiser Family Foundation, AH Estimates
How a Fully-Insured Private Exchange for Actives Works

1. **Employer** agrees to standard plans in return for more choice and less cost volatility.

2. **Employer** contributes to employees' health funds.

3. **Employees** use employer subsidy to shop across plan & carrier options.

4. **Carrier** risk & incentives aligned.

**Premium Adjustment**
Retrospective adjustment of premiums.

**Risk Adjuster**
DxCG Rx Groups used to determine retrospective risk scores.

**Rating Band Coordination**
Carriers set prices in the exchange based on geographic region bands.
Why The Timing is Right for Market Evolution

- Self-insured plans will suffer the brunt of system-wide cost shifting
- Demographic trends do not favor a softening of health spending
- The individual mandate will bring more people into coverage
- Employer plans will be measured on affordability
- The health care trend cycle is currently in a valley…but for how long?
- Potential impact of the 2018 “cadillac tax” on employers and consumers

Sources: 2014 Aon Hewitt Health Care Survey
Momentum is Building and Interest is Broadening

Employers
- 3 (2013) vs 18 (2014) vs 33 (Now)

Employees & Dependents
- >150k (2013) vs >600k (2014) vs >850k (Now)

Carriers
- 13 (2013) vs >20 (2014) vs >30 (Now)

Industries
- 3 (2013) vs 7 (2014) vs 13 (Now)
A more effective and efficient health care ecosystem that promotes healthy behaviors and outcomes

1. Creates a dynamic new market
   - that expands choice and fosters competition at the consumer level

2. Empowers employees as consumers
   - through a transparent marketplace that encourages greater accountability

3. Increases innovation
   - at the solution, carrier and provider level by aligning stakeholder interests

4. Lowers risk for employers
   - by creating common goals between carriers and employees to improve health and consume care wisely

5. Deliver better health care value
   - by bending the cost curve, improving service quality and simplifying administration

A dynamic new market for group health insurance enabled by choice and competition.
Aon’s 2014 Enrollment Results Show Consumerism at Work

Plan Distribution was Broad and Price Mattered

<table>
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<tr>
<th>Bronze</th>
<th>Silver</th>
<th>Gold</th>
<th>Platinum</th>
</tr>
</thead>
<tbody>
<tr>
<td>42%</td>
<td>31%</td>
<td>17%</td>
<td>10%</td>
</tr>
</tbody>
</table>

Tool Usage Increased

- **Health Plan Comparison Charts**: 50% Aon Hewitt Clients, 86% Aon Active Health Exchange
- **Provider Search**: 18%, 66%
- **Need Help Deciding?**: 64%

**Reason for Coverage Level Choice**

<table>
<thead>
<tr>
<th>Reason</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Price</td>
<td>32%</td>
</tr>
<tr>
<td>Coverage similar to current plan</td>
<td>23%</td>
</tr>
<tr>
<td>Best level of medical benefits for them</td>
<td>~20%</td>
</tr>
</tbody>
</table>

**Reason for Carrier Choice**

<table>
<thead>
<tr>
<th>Reason</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lowest cost for selected level</td>
<td>36%</td>
</tr>
<tr>
<td>Good past experience with carrier</td>
<td>25%</td>
</tr>
<tr>
<td>Network</td>
<td>22%</td>
</tr>
</tbody>
</table>

**Time Considering Choices Increased**

15 min vs. 3 min

*Time spent with service representative during annual enrollment in the exchange vs. traditional enrollment.*
Public and Private Exchanges from a Provider’s Perspective

Regal Medical Group
Lakeside Community Healthcare
Affiliated Doctors of Orange County
Challenges and Lessons Learned in Public Exchange

1. Verifying eligibility of and providing care to a volatile population
2. Risk adjusting
3. Caring for members with deferred care
4. Caring for members in suspended status
5. Educating providers
Thoughts on Private Exchange

1. Importance of member engagement
2. Strategy for providers: membership growth vs. reimbursement
3. Shared savings with employers and/or providers
Private Exchanges and ACA

Panelist Questions:

1. What are your (and your colleagues/clients) greatest hopes for the public and private exchanges?

2. What are your (and your colleagues/clients) greatest fears for the public and private exchanges?

3. What do you (and your colleagues/clients) need the public and private exchanges to be
Private Exchanges and ACA

Audience Q & A
2014 HCE Annual Conference

Moving Forward: Embracing Change and Innovation

Thank you for attending.
We will see you next year!