

Transforming Healthcare through the Health Transformation Alliance (HTA)

Pat Pitsch, BNSF Railway

Why HTA...The Time is Now



Why?

- We can't continue to live with our broken healthcare system
- It's not right that our employees and their families pay more and more each year, it's not sustainable
- We believe that coming together as an alliance is the only way to marshal the skills, commitment, and optimism necessary to transform our healthcare system—once and for all

Why Now?

- The marketplace is changing
- The momentum is growing
- It is time for our voice to be heard

Our Mission



The HTA is here to change all this. We're a group of 39 major corporations who have come together in an alliance to do one thing: *fix our broken healthcare system*

HTA Today



Not Just a “Group Purchase”



Our focus is on:

- Changing the underlying structure to better align with employer and member goals
- Removing conflicts of interest within the model
- Addressing financial and organizational misalignment of incentives
- Negotiating best-in-class terms based on this new framework

Progress to Date



- Launching medical solutions with UnitedHealthcare in Phoenix and Chicago, and Cigna in Dallas for 2018
 - Employers and providers working together
 - Employers engaged in the selection of providers and the monitoring of performance
 - HTA clinical pathways for back pain, hip and knee and Type 2 diabetes introduced in 2018
 - Networks will be customized for 2019+ to include pay-for-performance, custom quality measures and outcome reporting

Progress to Date



- Optum and CVS selected as pharmacy providers
 - Employer participation on P&T committee
 - Significant savings
 - Unique contracting terms providing for transparency into revenue streams

- IBM Watson platform to support HTA initiatives being loaded
 - Approach market collectively, not individually
 - Accelerate innovation

Leveraging Technology

Cory Fitts, CEBS

Director of Benefits, Hines

Hines Interests, LP

- Privately owned global real estate investment, development and management firm, founded in 1957
- Primarily white collar, multi-generational workforce
- Self insure all full-time, non-union employees
- Paternalistic philosophy coupled with a desire to provide best in class benefits

Hines Benefits Strategy / Challenges

1. **Strategy:** Effectively Communicate Programs
Challenge: Do employees understand their benefits?
2. **Strategy:** Engage Employees in Care
Challenge: Are they getting the right care at the right time?
3. **Strategy:** Reduce Plan Costs
Challenge: How do we address ever-rising cost of care?

Technology can make benefits digestible and accessible

Hines

E.g. 'Healthcare reform

Search

Login

The screenshot displays a user interface for the Hines employee benefits portal. At the top right, there is a search bar containing the text "E.g. 'Healthcare reform", a "Search" button, and a "Login" link. The main content area is a grid of video thumbnails under the heading "New Hires". Each thumbnail includes a play button icon, a title, and a duration. The thumbnails are:

- Workday Benefits Enrollment Overview** (4:55): Features the Workday logo and icons for various benefits.
- Benefits Overview** (12:45): Shows a pyramid of benefit icons.
- Medical Plans Comparison** (6:07): Includes a person icon and the text "How will YOU use the plan?".
- Consumer-Driven Health Plan with HSA** (5:26): Shows a red car with "CDHP" on it.
- The HSA and How to Use It** (7:08): Features a piggy bank and the word "CONGRATS".
- Pre-Tax Spending Accounts** (6:39): Shows icons for a car, a house, and a person.
- Wellness Program Overview** (4:12): Displays the Hines logo and the text "Wellness Program Overview".
- 401(k) Overview** (5:50): Shows a classical building and the text "401(k) Overview" and "Long-term savings".
- Paid Parental Leave** (4:34): Features the word "CONGRATULATIONS" and icons for a baby and a person.

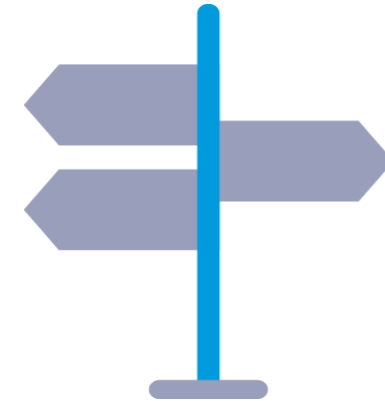
Technology can improve engagement and outcomes



Make benefits personal and timely



Have one place everyone can go



Guide employees to available programs

Utilize a data-driven approach to proactively engage members

castlight
INSIGHTS
⚙️ ⓘ 🔌

Action ▾

[DASHBOARD](#)

ADULT ER PREVENTION

BACK PAIN

CANCER CARE

CARDIAC CARE

COLON CANCER SCREENING

DIABETES

GAPS IN PEDIATRIC PREVENTIVE CARE

GAPS IN PREVENTIVE CARE

HIP AND KNEE PAIN

PEDIATRIC ER PREVENTION

PREGNANCY

WEIGHT MANAGEMENT

Welcome, Cory.

OVERVIEW

602

members engaged ⓘ

262

actions taken ⓘ

[Show graphs ▾](#)

| | | | | |
|---|---|---|---|--|
| <p style="font-size: 0.8em;">GAPS IN PREVENTIVE CARE</p> <p style="text-align: center; font-weight: bold;">135</p> <p style="text-align: center; font-size: 0.8em;">members engaged</p> <p style="text-align: center; font-size: 0.8em;">View full report</p> | <p style="font-size: 0.8em;">CARDIAC CARE</p> <p style="text-align: center; font-weight: bold;">5</p> <p style="text-align: center; font-size: 0.8em;">members engaged</p> <p style="text-align: center; font-size: 0.8em;">View full report</p> | <p style="font-size: 0.8em;">BACK PAIN</p> <p style="text-align: center; font-weight: bold;">178</p> <p style="text-align: center; font-size: 0.8em;">members engaged</p> <p style="text-align: center; font-size: 0.8em;">View full report</p> | <p style="font-size: 0.8em;">HIP AND KNEE PAIN</p> <p style="text-align: center; font-weight: bold;">2</p> <p style="text-align: center; font-size: 0.8em;">members engaged</p> <p style="text-align: center; font-size: 0.8em;">View full report</p> | <p style="font-size: 0.8em;">PREGNANCY</p> <p style="text-align: center; font-weight: bold;">83</p> <p style="text-align: center; font-size: 0.8em;">members engaged</p> <p style="text-align: center; font-size: 0.8em;">View full report</p> |
| <p style="font-size: 0.8em;">CANCER CARE</p> <p style="text-align: center; font-weight: bold;">10</p> <p style="text-align: center; font-size: 0.8em;">members engaged</p> <p style="text-align: center; font-size: 0.8em;">View full report</p> | <p style="font-size: 0.8em;">WEIGHT MANAGEMENT</p> <p style="text-align: center; font-weight: bold;">218</p> <p style="text-align: center; font-size: 0.8em;">members engaged</p> <p style="text-align: center; font-size: 0.8em;">View full report</p> | <p style="font-size: 0.8em;">COLON CANCER SCREENING</p> <p style="text-align: center; font-weight: bold;">60</p> <p style="text-align: center; font-size: 0.8em;">members engaged</p> <p style="text-align: center; font-size: 0.8em;">View full report</p> | <p style="font-size: 0.8em;">GAPS IN PEDIATRIC PREVENTIVE CARE</p> <p style="text-align: center; font-weight: bold;">134</p> <p style="text-align: center; font-size: 0.8em;">members engaged</p> <p style="text-align: center; font-size: 0.8em;">View full report</p> | <p style="font-size: 0.8em;">PEDIATRIC ER PREVENTION</p> <p style="text-align: center; font-weight: bold;">88</p> <p style="text-align: center; font-size: 0.8em;">members engaged</p> <p style="text-align: center; font-size: 0.8em;">View full report</p> |
| <p style="font-size: 0.8em;">ADULT ER PREVENTION</p> <p style="text-align: center; font-weight: bold;">223</p> <p style="text-align: center; font-size: 0.8em;">members engaged</p> <p style="text-align: center; font-size: 0.8em;">View full report</p> | <p style="font-size: 0.8em;">DIABETES</p> <p style="text-align: center; font-weight: bold;">42</p> <p style="text-align: center; font-size: 0.8em;">members engaged</p> <p style="text-align: center; font-size: 0.8em;">View full report</p> | | | |

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HIGH-RISK FOR DIABETES

34

members engaged

CONTROLLED DIABETES

3

members engaged

DIABETES WITH
COMPLICATIONS

5

members engaged

DIABETES WITH
HOSPITALIZATIONS

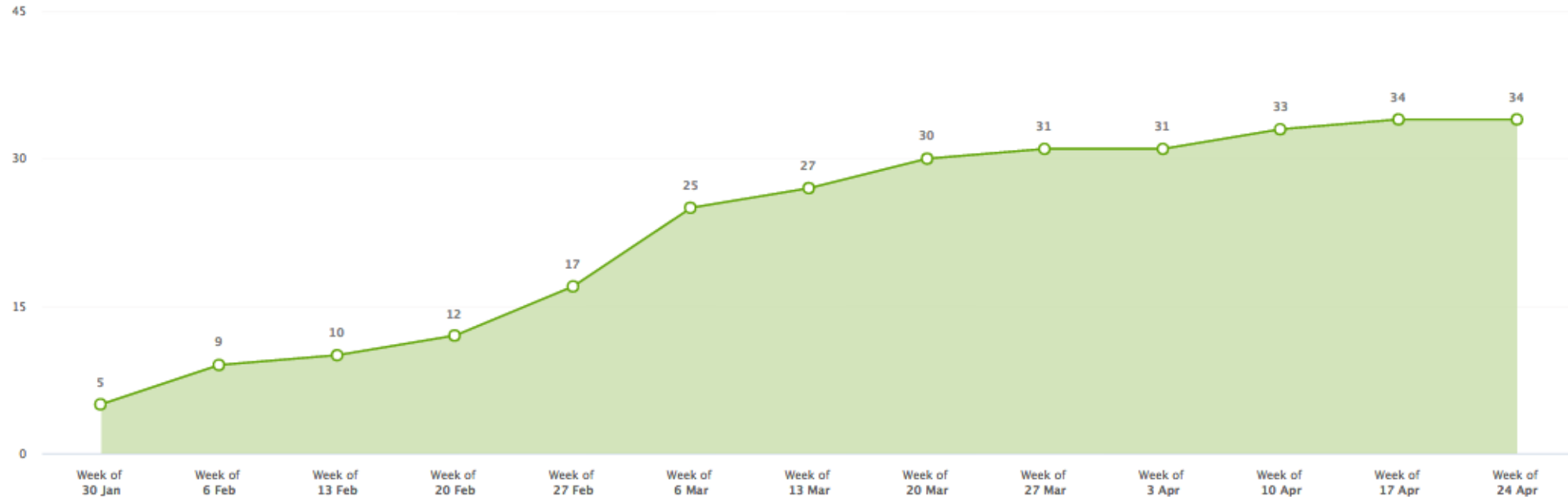
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members engaged

High-risk for diabetes

How many members have engaged with the High-risk for diabetes campaign?

Since activation



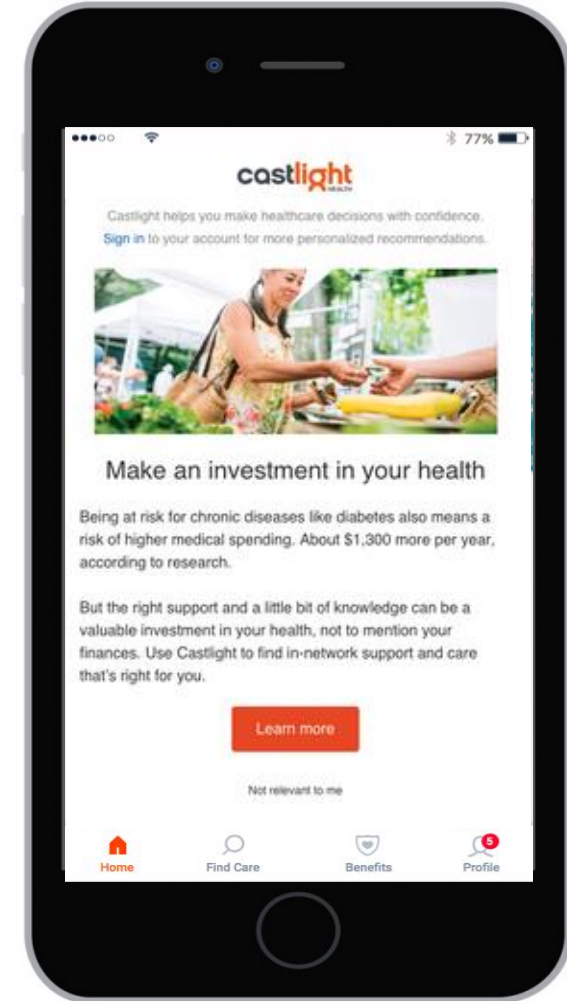
Updated as of 4/26/2017 3:07 AM PST

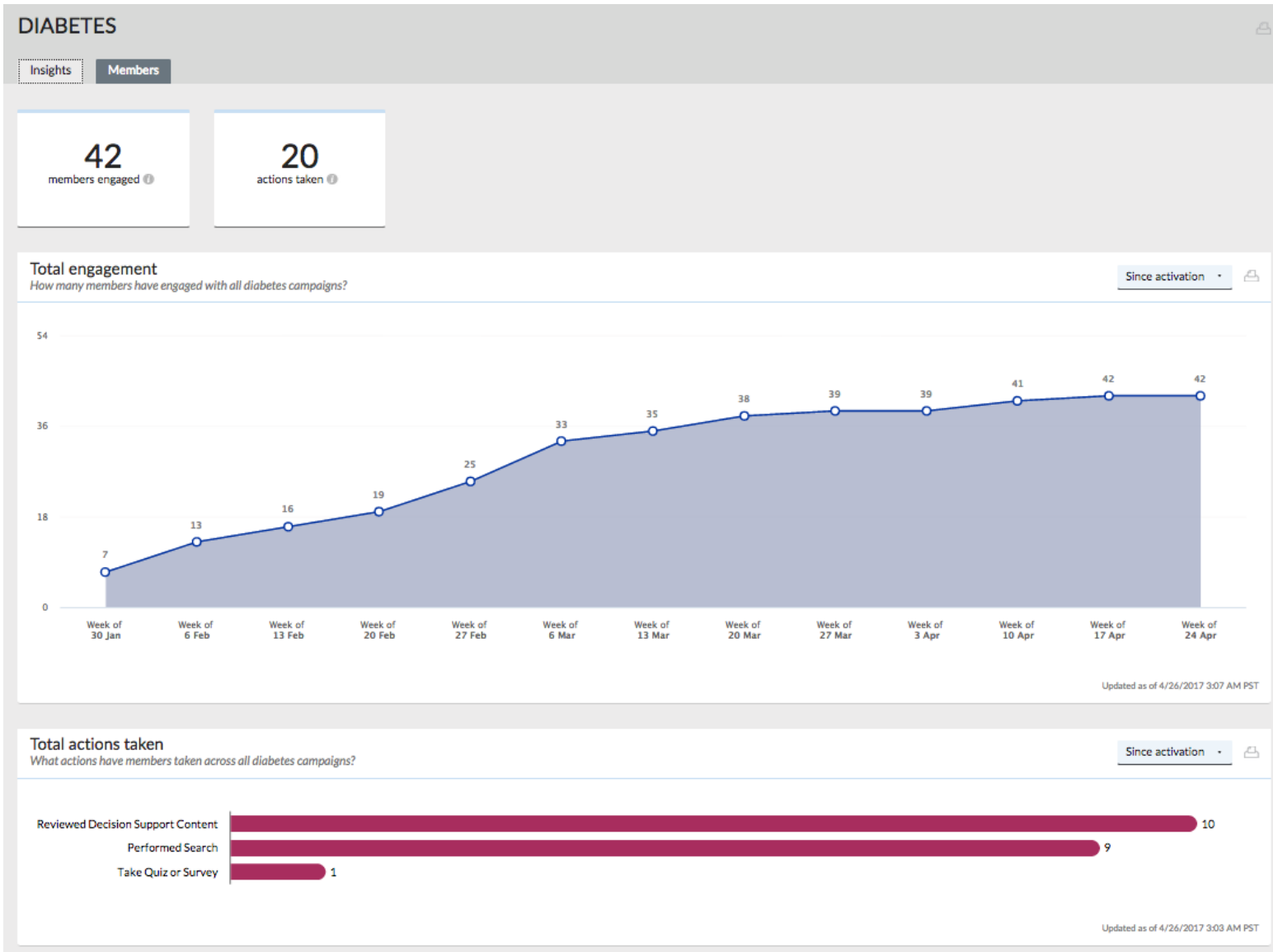
A Call to Action

How a campaign works



Members will receive a set of personalized recommendations from Castlight delivered via email and within the Castlight application. These recommendations are designed to guide members toward specific goals.





Leveraging technology is boosting program engagement

Employees access and return to engagement platform to understand benefits:

- Integrated medical, dental, Rx, HSA, and FSA info
- 57% employees registered
- 68% return rate
- Over 38,550 searches since launch (2015)

Engaged members = reduced plan costs

- Increase in desired outcomes
 - 200% increase in colon cancer screenings
 - 190% increase in PT and Chiro visits (avoid ER and Surgery)
 - 90% increase in diabetes screening
- Estimated \$1M in savings

Health System Consulting

Healthcare Delivery Consolidation

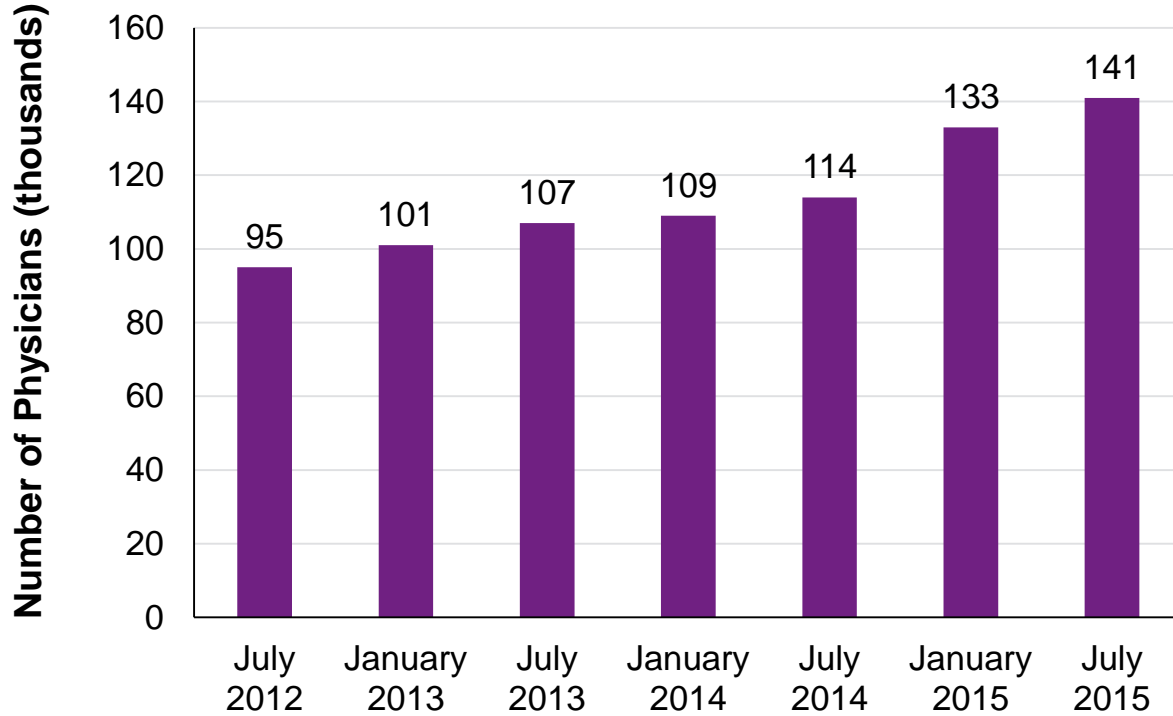
How Consolidation in the Healthcare Industry is Affecting Cost, Quality and Employer-Sponsored Healthcare

Scott Cox and Catherine O'Neill



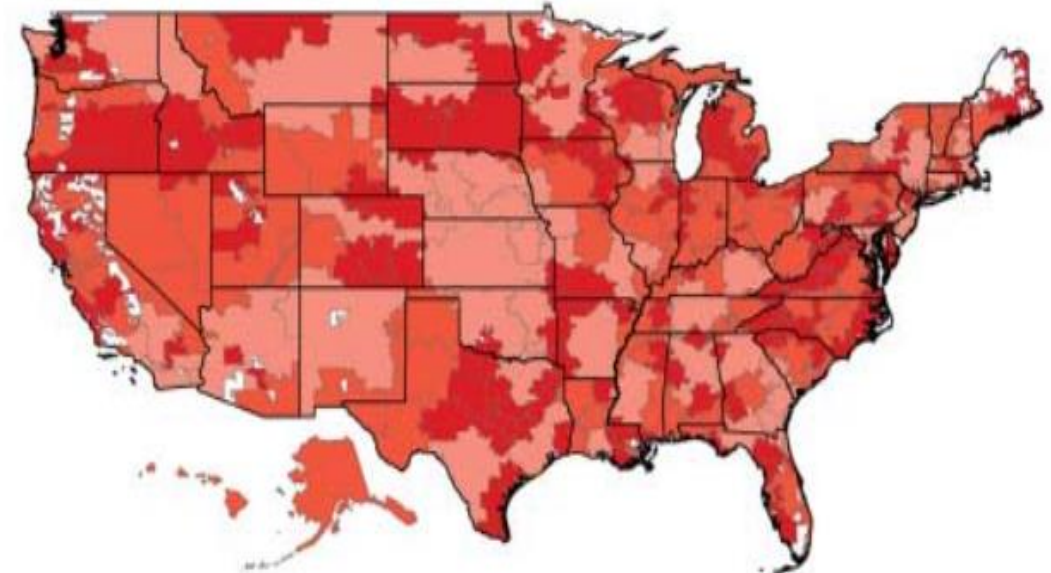
Physician and hospital consolidation is widespread...

Number of Hospital-Employed Physicians



2015 Avalere analysis of SK&A hospital/health system ownership of physician practice locations data with Medicare 5% Standard Analytic Files.

Hospital Market Concentration



Herfindahl-Hirschman Index (HHI) of Market Concentration

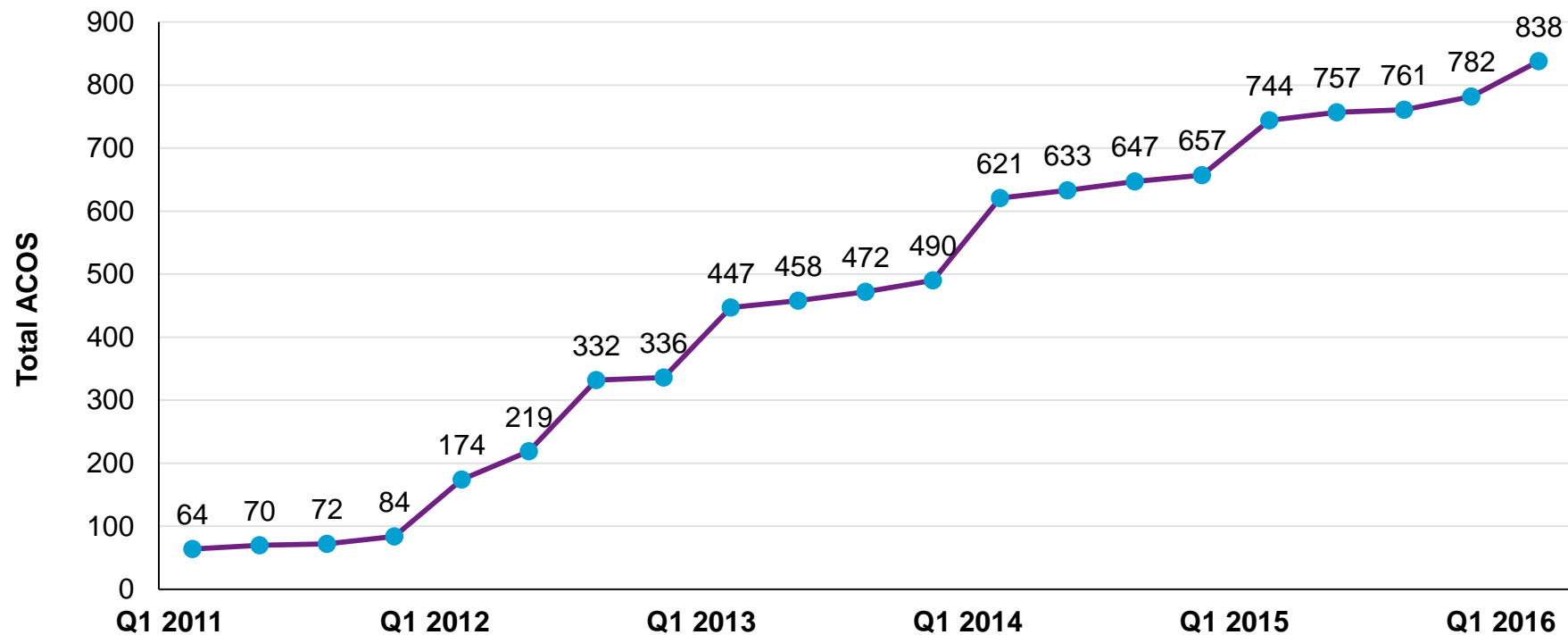
- Unconcentrated (HHI 100 to <1500)
- Moderately concentrated (HHI 1500 to <2500)
- Highly concentrated (HHI \geq 2500)
- Not located in any hospital referral region

Cutler, JAMA 2013

<http://jama.jamanetwork.com/article.aspx?articleid=1769891>

...Leading to a dramatic increase in new models, such as Accountable Care Organizations

- As of end of January 2016, 838 active Accountable Care Organizations (ACOs) were identified across the country with service areas in all 50 states and the District of Columbia.
- It is estimated that in 2016, 28.3 million people were covered by an accountable care arrangement.



Source: <http://healthaffairs.org/blog/2016/04/21/accountable-care-organizations-in-2016-private-and-public-sector-growth-and-dispersion/>

What does this mean for Employer-Sponsored Healthcare?

Employer Impact

- Curated networks structured to maximize value
- Tiered benefit levels and steerage
- More onsite employer health services
- Array of new entrants and disintermediators
- Overlap in employer, health plan and provider roles

Provider Relationships Redefined

Up to **50%**
of reimbursements
could be value-based
by 2018 – 2020

Realignment of patient care
and health management

Health Plan Impact

- Providers assuming more risk
- Expanded Centers of Excellence
- More vendor partnerships; telehealth
- Investment in mobile and consumer experience
- Technology and financial support for expanded provider role

Health plan consolidation may impact employers' value-based strategies and may result in increased interest from large employers to contract directly with providers

Source: Willis Towers Watson estimate based on market indicators.

Employers are implementing a continuum of solutions

| Telemedicine and expert medical opinion | Centers of Excellence | Near-site and onsite health centers | Network products and solutions | Direct contracting opportunities ^{^^^} |
|---|--|--|--|---|
| <ul style="list-style-type: none"> ▪ Telemedicine available through carrier partnerships or directly with carve-out vendors ▪ Carve-out approach for expert medical opinion | <ul style="list-style-type: none"> ▪ Carrier-based solutions; primarily focused on quality and have limited steerage ▪ Carve-out vendor solutions; typically focused on quality with bundled case rate pricing | <ul style="list-style-type: none"> ▪ Near-site centers[^] or onsite centers^{^^} ▪ Services ranging from occupational health and acute/episodic to primary care, PCMHs ▪ Employer-sponsored or local health systems as vendor partners | <ul style="list-style-type: none"> ▪ Carrier-based solutions (e.g. product-model ACOs, high-performance networks, value-based contracting initiatives) ▪ Carve-out vendor high-performance network (e.g. Imagine Health) | <ul style="list-style-type: none"> ▪ ACOs ▪ Custom Centers of Excellence ▪ Targeted quality/efficiency health system negotiation discussions |



[^]Typically requires 500+ employees

^{^^}Typically requires 1,000+ employees in a geography

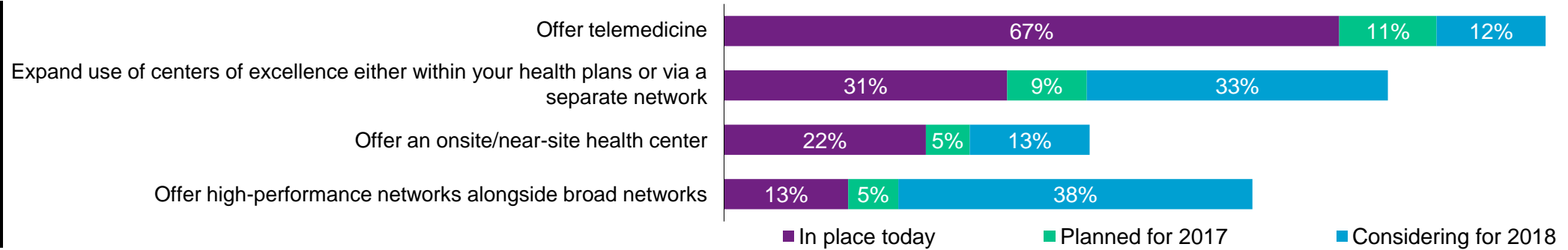
^{^^^}Typically requires 5,000+ employees in a geography and a higher degree of provider readiness

Employers are evaluating many health care delivery solutions — balancing cost, quality and access objectives, but employees may resist adoption of some approaches



Which specific network/provider strategies does your organization have in place or is it considering between now and 2018 for its health care program?

Employer Perspective



Source: 2016 Willis Towers Watson Emerging Trends in Health Care Survey.



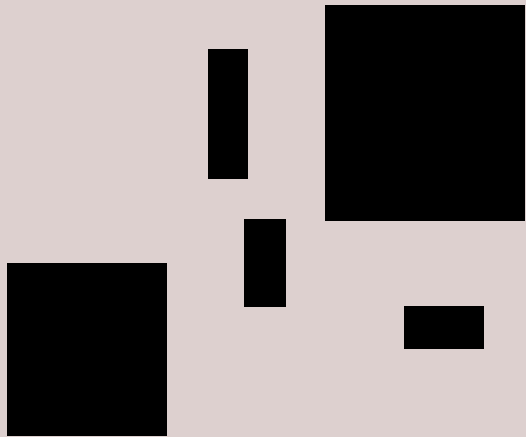
If you had the option of reducing your premium by switching to a smaller network that does not include your current doctor(s) but otherwise has all of the same elements of your current plan, would you take this new plan?

Employee Perspective



Source: 2015/2016 Global Benefits Attitudes Survey
 Sample: Members of a retirement plan. Except US and Canada, full-time employees who are a member of a retirement plan.

Appendix



Many external currents are reshaping our industry

All providers are affected



ACA and regulatory complexity



Aging workforce and critical-skill shortages



Changing distribution channels, including exchanges



Changing payment and risk structures



Disruptive competition



Emerging consumerism



Evolving care delivery models



Integrating providers and insurers



Physicians' evolving roles



Provider alignment and continued consolidation



Technology's expanding role



Personalized, precision medicine

Selected changes in the health care landscape



Health Care Delivery

- Likely continued migration to accountable care models
 - Could increase downward price pressure as providers take on purchaser role
 - Likely to decrease attractiveness of remaining “out of plan”
- Continued horizontal and vertical provider consolidation
 - Could increase talent recruitment and retention challenges and could decrease fees
- Increased value based purchasing
 - Pressure to demonstrate evidence based care delivery
- Continued access challenges in behavioral health
 - Made worse by opioid epidemic



Technology

- Increased use of technology to individualize delivery of health management programs
- Diabetes prevention programs (Omada, Newtopia, Retrofit, Real Appeal)
- Diabetes programs (Livongo, Envolv)
- Cognitive behavioral therapy (sleep, other conditions)
- Increasing use of genetic tests to determine treatment or to confirm/make diagnosis
- Continued migration to virtual presence in imaging and other fields where technology can fuel disruption

Top ten drivers of value for health systems

Willis Towers Watson's perspective on key areas of focus

Value-Based Products and Services — Key Success Drivers

High Value Offering

1. A well articulated product/service offering with a compelling value proposition
2. An aligned, configured network to deliver on the value proposition
3. Contracting structure and terms that support the value proposition
4. Appropriately priced offerings, reflecting short- and long-term risk

Target Market and Consumers

5. A clear, focused target market for value-based services
6. A holistic perspective on individual consumer behavior
7. A practical, flexible sales and marketing approach for value-based offerings

Operating Platform to Deliver

8. A next generation integrated clinical delivery approach that achieves Triple Aim goals
9. A practical analytics and reporting approach to manage value-based operations
10. An efficient, expert financial structure to manage and mitigate risk