Business Health Care Group
2022 Annual Meeting: Health Care Reimagined
at the Italian Community Center
June 15, 2022

Presenters/Panel Discussion Participants:

- *Jeffrey Kluever, Executive Director, Business Health Care Group*
- *Rodney Jones-Tyson, Global Chief Human Resources Officer, Baird*
- *Daniel Cahalane, President & CEO, American Roller Company*
- *Aldo Bonfiglio, Vice President, Boucher Automotive Group*
- *Todd Smasal, Director, Total Rewards, Northwestern Mutual*
- *Tom Ingman, Director, Human Resources, American Roller Company*
- *Stephanie Argentine, Chief People Officer, Centivo*
- *Dana Richardson, Chief Executive Officer, Wisconsin Health Information Organization (WHIO)*
- *Janet Lucas-Taylor, Senior Director Employee Benefits, Northwestern Mutual*
- *Greg Brusko, DO, Chief Clinical Officer, Ascension Wisconsin*
- *Lisa Mrozinski, Director of Total Rewards, Baird*
- *Paul Pritchard, MD, Vice President and Chief Quality Officer, Prevea Health*
- *Dave Osterndorf, BHCG Strategic Consultant, Partner & Chief Actuary, Centivo*

Executive Summary

With employers (members and non-members), providers, brokers/consultants, strategic partners and other stakeholders in attendance (both in-person and virtually), the Business Health Care Group (BHCG) conducted its annual meeting at the Italian Community Center on June 15, 2022.

The meeting, entitled *Reimagining Health Care,* was kicked off by the presentation of this year's BHCG's *Paul Purcell Leading Change Creating Value Award*, recently renamed to posthumously honor Paul Purcell, former president, CEO and Chairman of Baird and a longtime member of BHCG's CEO Committee who was instrumental in making BHCG's mission a reality. The award was presented by Rodney Tyson-Jones of Baird to Dr. John Raymond of Medical College of

Wisconsin for his leadership during the pandemic. A video clip of the late Purcell espousing collaboration to tackle health care issues was also shown.

Annual Meeting Title Sponsor and BHCG strategic partner Centivo was recognized for its dedication to BHCG's mission and support in developing the new high-performance health plan model. Regional health systems, provider groups and physicians were thanked for their sacrifices, compassionate care and hard work in staying the course during the last two challenging years facing the pandemic.

BHCG Executive Director Jeffrey Kluever discussed the importance of strategic alignment among health care stakeholders as the key to BHCG's success in reimagining health care and making lasting, positive changes to the health care system.

In a panel discussion moderated by Dave Osterndorf of Centivo, executive leaders of two of BHCG employers, Daniel Cahalane of American Roller Company and Aldo Bonfiglio of Boucher Automotive Group gave their perspectives on the new BHCG-Centivo high-performance model as an important component in beginning to address critical employment issues and increasing health care value in our region.

A human resources leadership discussion panel made up of Rodney Tyson-Jones of Baird, Todd Smasal of Northwestern Mutual and Tom Ingman of American Roller Company was moderated by Stephanie Argentine of Centivo. The discussion focused on how the high-performance health plan can help employers deal with the so-called "great resignation" and the war for employment talent.

Dave Osterndorf moderated a panel discussion of health care stakeholders about the importance of data in driving health care value. Panelists included Dana Richardson of WHIO Janet Lucas-Taylor from Northwestern Mutual, Dr. Brusko from Ascension Wisconsin, Lisa Mrozinski from Baird and Dr. Pritchard from Prevea Health.

Attendees also heard about the onsite/near-site referral program and the level-funding option opportunities with the BHCG-Centivo high-performance health plan.

Links to:
Slide presentations
Audio/Video Recording
Photo Gallery
Meeting Handout: Employer Collaboration Value Proposition
Meeting Handout: BHCG-Centivo Value Proposition

Leading Change, Creating Value Award

Presenter: Rodney Tyson-Jones, Baird

Congratulations to John R. Raymond, Sr. MD, president and CEO, Medical College of Wisconsin in recognition of his outstanding community leadership, clear and transparent communication and guidance during the challenging coronavirus epidemic. Dr. Raymond and his team were called upon by employers (including Baird) to **help educate employers about how to manage Covid in the workplace and how to talk to employees** about the virus. Dr. Raymond was a calming influence who **was an effective counterpoint to misinformation about how to keep employees and families safe**.

Link to:
Paul Purcell Leading Change Creating Value Award Press Release

Strategic Alignment/Misalignment & Transformation

Jeffrey Kluever, BHCG

Collaboration

Over the last five years, BHCG has been working on a **new partnership with health systems, provider groups and physicians**. Any impact on the value of health care has to be a collaborative effort. An **emphasis on data** has resulted in the ability of BHCG and Centivo to move forward to **reward providers for value not volume**.

It's of utmost importance to BHCG to **demonstrate responsible corporate citizenship** as evidenced by its commissioning of two iterations of the **GNS Healthcare Physician Value Study** which was used by WHIO to create the **Physician Value Reports** and by Centivo to develop the high-performance health plan networks. BHCG also provides **substantial support** through its annual golf outing ($100,000+) to **Sixteenth Street Community Health Centers** which reduces health care expense for self-funded employer and commercial health plans.

Misalignment

Disparity in contracted fees for the same service such as an MRI among commercial insured plans and self-funded employer plans is one example of misalignment that is adversely impacting self-funded employers. **Insurer profits are a national problem**. There were $34 billion in insurance company profits among the four biggest insurers in 2021, **taking money away from employers that can be used for other things** (wages, expansion, other benefits).

In Wisconsin, Anthem Blue Cross Blue Shield of Wisconsin had $111 million and UnitedHealthcare had $653 million in net income for 2021, **harming Wisconsin employers' ability to expand in the state and taking away funds to offer more affordable health plans**. It also negatively impacts providers – **profits should not be leaving the state, they should be redistributed to benefit all stakeholders within** the state.

Strategic alignment transformation

It became evident to BHCG that **neither UnitedHealthcare nor Humana, etc. would be able to address the problems of misalignment**. Now BHCG has the appropriate partner to move affordable health care forward for all stakeholders. **Centivo's high-performance solution** allows local employers to have a **direct voice with providers to improve the value of health care**. It also helps keep health care profits in Wisconsin and **supports all the state's health care stakeholders** – the business community, employee and dependents, health systems, provider groups and physicians.

In the current market, employer plans pay 83 percent of medical and prescription claims. Plan members pay 17 percent (averaging $4,000 per year for a family of four, in addition to the employee's health plan premium contribution). The **BHCG-Centivo high-performance model redeploys savings with a lower plan cost for employers and members** – employer plans pay 91 percent of claims and members pay nine percent (averaging $2,000 per year for a family of four).

Panel Discussion: C-Suite Perspectives on BHCG-Centivo High-Performance Model

Moderator: Dave Osterndorf
Panelists: Daniel Cahalane, American Roller Company; Aldo Bonfiglio, Boucher Automotive Group

Q: Has your thinking about health care/your health plan changed?
A: (Calahane) American Roller has eight locations around the U.S. (25-50 employees per location) – we are manufacturing oriented and self-funded. I say no it hasn't, it has always been an important topic for us in the middle market for the last 15 years because moving costs to the employee is not really an option. Employees have other options close by (larger employers with robust benefits). In the last decade workers' wages vs. health care costs have not allowed employees to get ahead.

A: (Bonfiglio) Health care has always been at the forefront of our organization as well. We've taken a traditional approach and had been fully insured. We've been very conscious about keeping any barrier for employees to use health insurance very low. We want to make sure the total out-of-pocket costs are low and stay low – that worked for us in the fully insured market in the past. Unfortunately, over the last year, our plan incurred very high costs and our insurance carrier wanted to pass on a 45% increase to us. We really needed to look at the self-funded market. Our consultant presented the BHCG-Centivo model to us – it fit with what we are doing and how we are moving forward with low barriers and being able to provide high value care with high-performing physicians and retain the full coverage employees had.

Q: How do you show your employees you care and put them first and what is their perception of your efforts?

A: (Bonfiglio) The Boucher Group is a family-owned business with 17 locations in SE WI. The owner loves being in the stores and speaking with employees and getting input from them – especially when making big changes like going from a fully insured to a self-funded plan. We went out to locations to explain the changes to make sure everyone understood we were sticking to our main strategy of providing a low out of pocket cost for employees, continuing to offer the same coverage and being able to provide high quality care like the BHCG-Centivo model provides. The owner wanted to be involved and answer any questions he could. We scheduled follow up meetings to get additional feedback to see how they liked the new plan and if anything needed to change. Most of the feedback has been positive, especially around the zero copay, zero deductible plan (84 percent of employees are in that plan).

Q: Dan, how do you deal with different locations needing to have different plans and how do you avoid accusations of favoritism for different locations?

A: (Calahane) The key is communication – with any change, a memo just won't work, you have to get out and educate. For the last 15 years, being a self-funded company, we've had a culture where every four or five years we would have a significant change. Whenever we stand up in front of employees to announce we are doing well, etc., we remind employees we are self-funded and paying all their medical claims (not like traditional insurance with a flat fee) and so the healthier they can be, the more money the company will have for wage increases, etc. When change is necessary, there is not a lot of resistance – they want to know how they can help. They know the company wants to take care of their health but in a way that manages expenses. It's been a grassroots effort to educate and communicate.

Q: The BHCG-Centivo model is asking employees to change behavior, namely, selecting a primary care physician to direct care instead of paging through a directory. Do people actually do what you ask them to do? Was the process of employee activation with a primary care physician worthwhile?

A: (Calahane) It's a two-part answer (because we are all over the country and the network was not going to reach everybody). We had to give people a choice no matter where they were – it was an easier transition because they still had a choice to go with another plan without the employee/PCP relationship component. We also used analytics to determine disruption with members' existing physician relationships – there was very little disruption in terms of access to providers people were going to, but the next step was the primary care "quarterback" process. Most people wait until they need care to pick a physician or look for a specialist themselves. I experienced this in my own family. Overall, we've been very pleased with the process but there is a lot of upfront communication/education with the broker team, etc.

Q: Al, with a lot of different types of employees, did you find people could accommodate the change throughout the organization?

A: (Bonfiglio) For the most part, yes. When we look at our activation percentage – we have a 95 percent activation rate (people who chose their primary care physician). It wasn't done

overnight but with the help of Centivo and other organizations reaching out to employees to make sure they understood what they needed to do (especially the active relationship with a primary care physician). We use analytics to determine how many employees are going to their PCPs for annual checkups, etc. We were really happy with that part of the plan, and we've seen that utilization of PCPs is up since we've joined the plan. Early data shows the cost per unit (PMPM) has significantly decreased since the previous year (big percentages). We are seeing our employees utilizing the plan and with the PCP being the main contact, their care is going to be so much better (referring to specialists within the plan). The high-performing specialists make them feel even more comfortable using the plan.

Q: (from audience) What advice would you have for your C-suite colleagues that say, "I don't want to get involved in my employees' health care"?

A: (Calahane) I'm thinking about that from a middle market size company – if you're not thinking about your employees' health care than you are probably not in touch with your business. There are always other pressing strategic things like competitors, your market and bottom line, but health care is so integrated. I've done a lot of sharing of what we do over the last ten years as a company (every three or four years, we are looking at a fairly significant change). I feel with most middle-sized companies, the CEO should be aware of this.

Panel Discussion: Win at Recruitment & Retention

Moderator: Stephanie Argentine
Panelists: Rodney Jones-Tyson, Baird; Todd Smasal, Northwestern Mutual; Tom Ingman, American Roller Company

Q: Do you hear from your executive team that health care and health benefits are part of the "solve" for the people and labor market challenges we are having?

A: (Jones-Tyson) Not necessarily part of the solve, but it certainly is part of what could make people choose to look elsewhere. At Baird, health care is our fourth largest expense and also one of the largest expenses for our employees. It's really important to understand the health care expenses flowing into their households. Our job is to think about how we use health care as part of the total rewards package. We are trying to help our employees manage through that health care expense (so as not to have health care be a reason for them to look to go somewhere else). I don't think health care is really a way to recruit, but it's an investment in our people and the productivity of our work force.

A: (Smasal) There are two things about the last two years that have elevated the importance of health care. One is certainly the current labor market conditions – we want to make sure we are well-positioned to attract talent. Most employers are taking a deep look at the employee experience and value proposition – health care has to be in that space. Health care is always in the top five or ten of what is important to employees. Employee wellbeing is also important due to the effects of the pandemic – we are concentrating on how we are supporting the

wellbeing of our employees and their families, and the health plan is part of that, especially with a model like Centivo that helps employees find the highest value care.

A: (Ingman) Employees are looking at what differentiates one employer from another – we all want to be that employer of choice. There are many spokes to the wheel of what makes someone an employer of choice – certainly, benefits play a big part of that ("does my employer show they care about me?"). When you look at a health plan like Centivo that is offering high-performing, quality providers at a very affordable cost, you're showing your employees that you care about their wellbeing. That's part of who we want to be as an employer ("we are here, we are listening, we are providing for you").

A: (Argentine) In the smaller employer space, it is definitely a question that comes up in the recruitment process (with larger employers, an assumption is made the benefit package will be good).

A: (Ingman) We are operating in a very competitive region right now and for us to stand out, we have to get every aspect of what will make us an employer of choice.

Q: Does your C-suite see the BHCG-Centivo plan as a long-term quality value play, or do they see it as a savings cost piece? Did they surprise you with their reaction?

A: (Ingman) Definitely not a surprise, health care has been on the radar as an executive level topic for the last 15 years. We view it as a long-term savings/commitment. Most quick savings grabs in health plans are actually detrimental to long-term wellness (e.g., cutting services, raising deductibles, etc.) – it's harder for plan members to get the necessary services they need. If I make my population healthy, it's going to save money in the long run. The Centivo plan goes beyond cost shifting to how do we manage these costs through making sure our employees are getting the best care they can through quality high-performance networks with long-term effects that are sustainable?

A: (Smasal) The answer is, clearly both – and it's led to a very enviable trend over the last ten years. We recognized we needed to take the leap further to find health care value in our community. We are blessed in Wisconsin to have some remarkable health systems and providers. We want to direct our members to those individuals and reward them for the quality and value they are delivering for their patient populations. We believe it will lead to savings. It's not just about the company's bottom line, it's also about the employees' bottom line.

A: (Jones-Tyson) At the executive level, it was about driving better outcomes – the best quality care possible for employees – it's a productivity game. The health care industry is the one place where the entity that pays the bill has no influence on the outcome/service. Having Centivo as an option that gives people a way to be better consumers makes a lot of sense. For employees, the value comes from having a predictable expense (they are then more likely to go seek care).

Q: What does taking the risk to make the decision to offer the BHCG-Centivo high-performance plan look like and what advice do you have for other employers considering it?

A: (Smasal) We can't approach the decision as a risk, we need to view it as a responsibility. We have 13,000 lives on our health plan touching the health care system every day. Far too often the system is broken – we have the responsibility to continue to look at solutions. It wasn't easy but I have no remorse or regrets because we owe it to our policy holders at Northwestern Mutual and our employees.
A: (Jones-Tyson) It was a fairly easy decision to make due to Paul Purcell's early involvement in founding this group. Because it's so important for us to drive better outcomes, finding an option to help employees get to better outcomes and help us manage costs as a self-funded plan makes it an easy decision.

A: (Ingman) We've been monitoring this for a number of years and back in 2019 we made the decision to move away from the large carriers and went to what we call unbundling – we went to a medical advocate and a PBM with the help of our brokers. When members sought high quality care at the recommendation of the advocate, we saw the savings – we knew this is the way we wanted to go. But that program put the burden on the employee. The Centivo plan takes the work out of putting it all together for the employer and the employees. We were nervous at first, but we are very happy with it.

Q: Is the BHCG-Centivo option just another point solution or is it different?

A: (Jones-Tyson) It's not another point solution. My job as CHRO is to have us think strategically about the way we package up all our benefits. It's easy to keep doing the same thing because it seems like such a big job. We try to focus on two or three things that really matter to try to move the needle. There is a big difference though between communicating and marketing – we need to market to employees, so they understand it better.

A: (Ingman) We didn't view it as point to point – we viewed it as a long-term solution to manage costs. What we had in place before, the burden was on the employee – we had some success, but the Centivo plan takes all that burden off the table. Wherever they go, they are getting that high-performance provider. In the end, they are going to have the savings because of receiving the proper treatment.

A: (Smasal) We can view the Centivo plan as a hub for point solutions. Point solutions are actually under-utilized when we look at demand and Centivo helps employees find those solutions.

Q (from audience): Health care in 2020 was about 20 percent of U.S. GDP and 80 percent of that was largely avoidable through health and lifestyle changes (especially true in Wisconsin). How are we thinking about that to bend the curve?

A: (Smasal) Our point solutions are already in place for people who are ready to make a behavior change. We have a difficult time making those connections with people who are not ready (procrastination is an issue). This is why we believe in the primary care-centered model. When there is the opportunity to highlight the risks that are present in behavior and health styles, it helps them make those connections.

Q (from audience): A lot of people use high deductible health plans and they have HSAs – what happens in the Centivo plan?

A: (Argentine) There are plans (choices) for different kinds of people like those dedicated to their HSA option.

A: (Smasal) We are fairly new to the HSA model – we maintain that plan design and continue with our HSA high deductible plans operating through the Centivo model.

A: (Jones-Tyson) Our people love the HSA and have a high compensation median. For high income earners it's not necessarily about health care, it is about another way to save tax deferred. We had to figure out a way to retain HSA.

A: (Ingman) We have to keep the HSA to work with the people in areas with an open network. We may have another HSA option in the future.

Panel Discussion: Importance of Data in Driving Health Care Value

Moderator: Dave Osterndorf
Panelists: Dana Richardson, WHIO; Janet Lucas-Taylor, Northwestern Mutual; Greg Brusko, DO, Ascension Wisconsin; Lisa Mrozinski, Baird; Paul Pritchard, MD, Prevea Health

Q: Why did BHCG start down the path to commission the GNS Healthcare Physician Value Study – what was the opportunity?

A: (Lucas-Taylor) We are in a constant pursuit to direct our plan members to the highest quality providers within the network. The BHCG Steering Committee wanted to know if we are doing that. As we went to the market, there was a lack of assistance and transparency to really understand the data. We noticed a lack of understanding of the value we have here locally and to understand the data we have through WHIO. We wanted to know two things – is there a variance in quality among providers in our network, and is there a correlation between quality and cost efficiency? The Study and WHIO partnership have allowed us to understand those points and move forward to take away the burden with our employees to be the drivers of consumerism. We have the power to create a health plan system that allows members to go to physicians and know they are receiving the highest quality care in the most efficient way and building a plan for the long term.

A: (Mrozinski) We have looked high and low and haven't found anything in the private sector that is comparable. There are studies that sit on a shelf and aren't really actionable – for us that is the uniqueness. It allows us to continue to start the conversations to those that want to be collaborative with us and come to a solution for the benefit of all. It allows Baird to continue building on strategies we already have in place (quality primary care, etc.).

Q: Any time you try to do a study like this – there are some people in the top group and some in the bottom group, resulting in difficult conversations. Is it easier just to say, "there must be something wrong with the study?"

A: (Dr. Pritchard) It is easier to say that (you don't ever want to be told you're not doing the right thing). You have to start analyzing this data and evolve. We have to be part of the solution and not continue to be part of the problem. We try to be collaborative with the employers (e.g., onsite clinics, ambulatory surgical center, etc.). Our hospital partners were worried about changing their whole business model, but medicine is always evolving. Once you get over the emotional part, you realize we have to do better – we spend way too much money in medicine.

Q: Dr. Brusko, in exchange for bringing you well-motivated patients, we have certain expectations on the accountability side to move things forward (i.e., continuous improvement). How have you brought that idea into Ascension?

A: (Dr. Brusko) One of our pain points is making sure PCPs know who they are responsible for. With this model, simple attribution is critically important. The Physician Value Study puts the patient first, it's not just about the payers, it's about the patients. The Study provides us with a very open and transparent way with a large group of physicians to judge folks against their peers in like specialties. We shared that with our clinicians and were open about setting expectations about access and patient experience. Making sure we can provide care when it's needed for the right cost at the right place. We are really trying to understand what it does from a patient perspective.

Q: How do we leverage WHIO's capabilities and the importance of an all-payer claims database?

A: (Richardson) We have data from about 75 percent of people in the state (far more than any other database). We represent all different conditions and insurance plans/payment options, as well as practices. The Physician Value Study is a great example of how data can be used in a way that can drive change. It brings all interests of stakeholders together because we are all using the same data. Data itself doesn't change a thing, it's what you do with it. Centivo used the data to find higher performing PCPs and specialists. Any provider organization can look at the data to see how they compare. It helps to focus limited resources and give them guidance on what they should work on. It gives them information on individual physicians and how they practice and then see real change in value.

A: (Dr. Brusko) The other thing it does is elevate the patient/primary care non-disease entity discussions like preventive health, etc. The relevance from the patient perspective of having these discussions is critically important.

A: (Mrozinski) Isn't that what we've been doing with our wellness programs? We've been trying to substitute that type of conversation with our wellness programs. I would rather get the conversation happening at the PCP level than through a third party who doesn't really know that person.

Q: What's your reaction to having employers have these kinds of conversations about value directly with providers?
A: (Lucas-Taylor) We've had several conversations with health systems since the launch of the Centivo plan and they have been tremendously valuable to open dialogue and build a relationship with leadership at the systems. We share with them what the struggles of our employees are to connect with the health system and ask how we can work with them to improve the level of engagement and health of our employees.

A: (Dr. Brusko) It brings us closer to the end user – the patient. When we have conversations with the business community, it shifts the conversation toward a patient-centric one. Not every health plan drives from the patient perspective as much as they'd like to think they do – they drive toward profits.

Q: Does the provider community believe the business community and Centivo are committed to working with them to improve health care value across the board?

A: (Dr. Pritchard) Yes, this is new data for us. We had a lot of variation in our practices that drove cost. The Physician Value Study shows that variation so we can go back to providers and ask the questions about cost variations. It's too expensive, it cannot continue the way it's going.

A: (Dr. Brusko) When we think about the patient population which is aging and the disease burden which is broadening, it's fairly intuitive that we need to provide a sustainable way to provide higher quality and cheaper cost. We can't go on the way we have, it's not an option. we won't survive if we don't.

Q: (Kluever) What type of interest are you seeing from health systems and provider groups in obtaining Physician value reports?

A: (Richardson) We have had conversations with most of the provider groups on the east side of the state (BHCG's primary market). Four of them are already under contract and using the reports and two more that we are actively contracting with and a few more interested – only have had one no. There is a fee associated with the reports (for some it's an unbudgeted expense they need to work through). We've seen a lot of increased interest in our reports – we are involved in a couple of research projects throughout the state and other value initiatives.

Q: (from audience) Do you think health care is ready for the huge culture shift to use physician scorecards for continuous quality improvement?

A: (Dr. Brusko) Yes, I think every health care system is on a continuous quality improvement effort – it's not new in the physicians' offices or in the hospital. I think what's new is sharing the comparative data and how you perform in relation to your peers. Everyone would like to think they give the best care but when you start to look at the data, like in the Physician Value Study, you start to see some people don't give as good of care as others and some are considerably more costly.

A: (Dr. Pritchard) We are all professionals, and we all think we know what we need to do. We have a lot of metrics to manage. The culture change is taking the individualistic approach and now working as a group to develop standards of care.

A: (Dr. Brusko) The default mechanism is to be disease-specific treatment physicians, but the reality is the culture shift needs to be a lot more towards preventive issues and chronic condition risk mitigation.

Q: (Kluever) Can you speak to what the business community expectations are regarding the utilization of the physician scorecards developed by WHIO?

A: (Lucas-Taylor) Our expectations are that all systems will utilize the scorecard to work with us as partners to make improvements and focus their efforts. It's important for employers to encourage the use of this data – we will all benefit from it.

A: (Kluever) Employers, if you are not a member of our organization, I would encourage you to consider joining. Brokers and consultants, please consider having your clients join. Together we can accomplish a great deal.

The BHCG-Centivo High-Performance Onsite/Near-Site Clinic Referral Program & Level-Funding Option

Dave Osterndorf

Onsite/Near-Site Clinic Referral Program

Employers with onsite/near-site clinics have an opportunity to use the Centivo portal to refer to high-performing specialists identified through the Physician Value Study.

Level-Funding Option

Smaller employers can take advantage of a level-funding option to use the high-performance plan like a self-funded plan would – in the wrapper of a fully insured plan.