

State Employees Health Plan Task Force – Meeting #3 Follow-ups as of 11/16/15 - **Changes Shown in Red:**

Follow-up Item/Topic	Request	Status
Benchmarking Details	Mr. Taschner requested demographic details on employers/health plans in survey used in Meeting #2 Trend History & Benchmarking discussion.	<p>COMPLETE. Mike Morfe, Aon is working to provide additional information that will be provided to the Task Force in the near future.</p> <p><i>11/4 Update: Distribution to Task Force via email on 11/4/15.</i></p>
Group Health Program Audits	Several members asked for specifics related to the work effort and timing for the audit RFP and audit.	<p>COMPLETE. Brenda Lakeman provided this information at Task Force Meeting #4. The draft RFP is currently posted at http://bids.delaware.gov/ - Cost Control & Program Integrity Review – deadline date – 11/13/2015. Minimal comments returned. Target date to release RFP is 11/23/15.</p>
Delaware Center for Health Innovation Board Overview of State Initiatives	Website	<p>COMPLETE. The website for the Center for Health Innovation is http://dhss.delaware.gov/dhss/dhcc/dchi.html</p> <p>Brenda Lakeman also offered to share with the Task Force information related to the DCHI Cross-Committee Meeting. Task Force members are encouraged to attend. The details are located below:</p> <p>DELAWARE CENTER FOR HEALTH INNOVATION (DCHI) CROSS-COMMITTEE MEETING</p> <p>Date: Tuesday, November 10, 2015 Time: 9:00 AM – 12:00 PM Location: Outlook at the Duncan Center 500 W. Lockerman St.</p>

	<p>Treasurer Simpler asked Mike Morfe to model the impact of the 6 to 12% reduction in spending in the healthcare system on the Group Health Program trend.</p>	<p style="text-align: center;">Dover, DE 1994</p> <p>IN PROGRESS. Mike Morfe, Aon is working to provide additional information that will be provided to the Task Force in the near future.</p>
<p>Highmark Delaware Payment Reform</p>	<p>Mr. Oberle asked for administrative fees being paid to Highmark & Aetna</p> <p>Mr. Taschner requested information on the percentage of billed charges in contiguous areas.</p> <p>Mr. Taschner asked if Highmark could quantify the impact of hospitals buying practices.</p>	<p>COMPLETE. Information distributed to Task Force via email on 11/10/15.</p> <p>Highmark recommends that the Task Force request data compiled by McKinsey, consultants to the Center of Health Innovation Board and evaluated by the Board to compare average costs across PA, DE, NJ and MD.</p> <p>COMPLETE. In 2011, Highmark conducted an analysis following the acquisition of Cardiology Consultants. Highmark analyzed the claim costs for diagnostic testing after recognizing a shift in place of service billing for same. Taking the radiology provider's 12 months of utilization (excluding inpatient and emergency room) at the CPT/Modifier level and priced it at what the hospital's contracted rates were for radiology services at the time. The analysis represented a \$3M delta in cost or a 9% increase in just those diagnostic expenses. Highmark has used this data in ongoing negotiations with the same hospital to address the underlying fee schedules. Since the data is not specific to SOD, Highmark is unable to share with the Task</p>

	<p>Mr. Taschner asked if Highmark could provide benchmarking information on other plans in other areas/states/regions which are similarly situated.</p>	<p>Force. The important take-away is that Highmark has been looking at costs and working to address them through value-based reimbursements.</p> <p>The concerns around hospital/physician integration and the resulting impact on cost of care is not exclusive to Delaware. Attached is a link to an article that contains some good information related to this topic:</p> <p>http://archinte.jamanetwork.com/article.aspx?articleid=2463591</p> <p>Highmark recommends that the Task Force use the information which has been supplied by Aon and the Statewide Benefits Office.</p>
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