CHAC Monthly Meeting
September 8, 2017
Durango Recreation Center

Attendees:

Eileen Wasserbach, SUCAP, CHAC Board
Kari Plante, SJBPH
Bob Cox, CHAC ACP
Dave Rich, Seniors Outdoors
Debbie Higgs, Axis
Morgan Williams, Axis, MRMC Intern
Victor Lopez, CHAC Board
Cathy Roberts, MRMC
Jessica Eaddy, CO Consortium
Christie Schler, MRMC, CHAC Board
Kathy Robbins, Comfort Keepers
Sheila Casey, LPC Senior Services, CHAC Board
Erin Linden, Axis
Brittany Nava, Axis
Elsa Inman, MRMC
Stephanie Allred, Axis
Guinn Unger, Indivisible Durango
Jessaca Cassady, VA
Lauri Costello
Lynn Westberg, CHAC Board
Gary Meisner, Axis
Mary Fry, AHEC

Advance Care Planning Update

Bob Cox gave an update on the upcoming event that will be held on September 14, 8:00-1:00 at the Durango Library. There will be four speakers covering diverse aspects of Advance Care Planning (different from our usual presentations) followed by hands-on opportunities to work on Advance Directives and get questions answered. Please register for this free event by contacting kathy@chaclaplata.org or 884-2355. Wallet cards for Advance Directive information were also distributed. Speakers: Kim Mooney, Sarah Roberts-Cady, Anne Rossignol, & Kip Boyd. Please come, please bring other people.

Presentation (see PowerPoint with these notes and on CHAC website)
Evolving Healthcare Delivery – Mark Carley, Centura Health

Mark watches the market and works with the payers; goal to think about the global landscape of healthcare and translate it to local. In Durango, we are in the best of positions as we have time, we can watch major metro areas. Mark made a request that we put aside politics for this presentation today.

Who pays for healthcare? Consumers think we do; premiums and out of pocket expenses. Truth: large mechanisms and more than just the consumers are responsible for paying.
Federal & state sources make up 50% of the payer market; the other 50% are private:

- National Large employers provide for productivity and retention; paternalistic, tax, and competition as well; biggest concern is price escalation, cost containment
- Large local employers (example of La Plata County) also want predictability and value; fully ensured employers transfer risk to insurer; self-insured carry the risk & has to be managed
- Small groups (2-100 employees) highly paternalistic despite small margins; cost can be very challenging so often considering exchange options which only work in some markets

These private entities are stressed and will demand change. From top to bottom, trend is wanting predictability at the top, down to concerns about not being able to afford the expense at the bottom.

Who purchases healthcare?

- Individual, costly
- 1 in 5 are Medicaid; 20% are dependent on a subsidization program here in Colorado
- Medicare & Medicaid create extensive stress on state and federal budgets; generational differences in expectations, perspectives & opinions of what can be relied upon

- Uninsured: technically against the law, fee is the penalty $697; small price in comparison to premiums, however the juxtapose is that these individuals often use high cost care (ER)

Example: healthcare is a business; as consumers want to pay less and push down cost of healthcare, the people providing healthcare will then have less income = personal; why PCPs are making decisions to change careers leading to imbalance; every cause has an effect

United's purchase of Rocky (Mark worked for Rocky in past & they had no sustainability beyond 7 years which is what set the stage for the purchase); reality of them remaining autonomous is questionable. Again, it highlights how pushing down the price of healthcare will have and is having impact.

Healthcare does not follow normal economic trends. People cannot get rid of healthcare, they can get rid of insurance, but they cannot get rid of healthcare (like they can get rid of a cellphone or direct TV). Emotions are the primary factor in purchasing healthcare coverage. New bike example: excitement in first 2 weeks = episodic emotional experience. Healthcare example: Mark's dad getting a new hip and going to rehab and phone doesn't reach the bedside table; when it was fixed, he was happy with his "care" at the rehab. Begs the question: How does a healthcare entity meet the "needs" of a patient? When someone is sick, brings everyone into it… very emotional and not as shortly episodic as the bike. Mark was very emotionally involved and enveloped in his dad's healthcare during the timeframe his dad was receiving care. Price: when we're unsatisfied, we have choices; in healthcare, we often do not.

Market Dynamics in Play:
Healthcare is a business and must deploy their product; often there's only one product in a rural/non-metro area. Average premium increases are expected to be 27% in 2018 and there will be no other choice for individual purchasers in many rural markets.

Actuarial Value (amount paid for by insurance) is sliding dramatically from 85% to 70% putting more burden on the consumer. If there's an expensive event (cardiac event) and the consumer cannot pay, healthcare entities move the expense, and it becomes a "tax" for those who do pay in higher deductibles & premiums.

Bundle Payments: Not actually how healthcare works currently (despite the media coverage); example is buying a bike again, it is a bundled payment with the handlebars, wheels, brakes and all included. Healthcare comes in pieces and all billed separate (hospital, surgeon, anesthesiologist, specialists… all separate). Concept of bundle payments is that we would bring it all together.

Reference Based Pricing empowers consumer to make a decision based on price. CalPERS example: they set a price for a hip replacement, if a consumer finds a lower cost, they get the savings, if they find a higher cost, they owe on the difference. Problem is that the markets often are not transparent on cost and consumers cannot make an informed decision.

Transparency dynamics are complicated; example, if a patient has a cardiac arrest during surgery, price goes up and that is difficult to predict. There are things driving the ability for a consumer to shop: example is Healthcare Blue Book. Summit County: 35% of the care rendered is rendered an hour and a half away in Denver because it is cheaper. 61% try to find out the price, but only 16% change their provider after researching.

Value Definition Discussion:
High quality, trust, satisfaction, brand… we all have different ways of defining value. As Americans, we have many choices and are used to that. Mark: Reality in America is that health care is good and it costs a lot and downward pressure to decrease costs is a reality.

ACA Repeal/Replace:
Review of American Health Care Act (Trump's plan)

Amendment 69 Discussion:
Colorado amendment that was defeated, was for a single payer in Colorado.
Anticipated consequences: everyone would have healthcare insurance (likely good), Mark's statement: Anticipation was that there would have to be a fee schedule for physicians that may have caused physicians to leave the state (some estimates say 40% of physicians). There was comment that it is debatable if these estimates are accurate and if this consequence would have occurred, but Mark's point was that if it did, as some suggest, it would have been a potential bad consequence. Comment was made that Centura came out against Amendment 69. Mark stated they were neither being for or against and shared the faith-based, non-profit mission of Centura.

Graph (see power point slides): green line is revenue, red line is cost, shows profit margin and the downward pressure to decrease costs over time and all the questions regarding this scenario.
Reality, at some point, no matter what adjustments are made, the economy will cause a downward pressure to decrease costs and how low the dip will go is unknown. Consequences: we likely will pay less, but we will have less access to healthcare. Building new buildings, more MRIs, robotic surgery, orthopedic salaries… at some point we will have to make decisions on how much of these healthcare costs we are willing to tolerate. If we do not adjust appropriately, we will lose providers and thus access to care.

If we don't change, the world will change around us: Block Buster, Black Berry examples… gone, fully replaced. If we don't change as an industry, the industry will change for us.

Meeting was adjourned at 9:30am

The next monthly CHAC meeting is scheduled for October 13 from 8:00 to 9:30 a.m. at the Durango Rec. Center.

Meeting notes submitted by Christie Schler