



ACSHIC DATA JOURNEY

(ALLEGHENY COUNTY SCHOOLS HEALTH INSURANCE CONSORTIUM)

PASBO 62nd Annual Conference & Exhibits | Share. Learn. Succeed.
March 21 - 24, 2017 ~ David L. Lawrence Convention Center, Pittsburgh

PASBO 62ND ANNUAL CONFERENCE AND EXHIBITS, PITTSBURGH MARCH 2017 1

INTRODUCTION

- ***Self Insured Insurance Consortium***
- ***18,000 members, 43,000 belly buttons***
- ***24 trustees – equal parts labor and management***
- ***\$233,000,000 in annual claims (down from \$241 Million in 2014)***
- ***No stop loss insurance***
- ***Control over our benefit grid***
- ***Funded by tax dollars***

REGIONAL CHALLENGES

Battle between largest Hospital provider and largest Insurer

No contract between the two (except for some fragile users)

All people in the community are caught between these two warring giants

MARKETPLACE IMPACTS

The image shows a screenshot of a Forbes article. The main headline is "UPMC Health goes after Highmark customer group" by Heather Caspi, dated June 17, 2015. Below the headline are social media sharing buttons for Facebook, Twitter, LinkedIn, and Email. The article features a photograph of a person in a suit holding a large white document. Below the photo is a "Dive Brief:" section with a bullet point: "UPMC Health has made an aggressive move against competitor Highmark by asking a major group of educators—the Allegheny County Schools Health Insurance Consortium—to reconsider their no-bid contract". The background of the screenshot shows parts of the Forbes website interface, including a search bar and a "LATER TIMELINE" section.

TRANSPARENCY IS A NEED

- **Provider Consolidation**
 - Reduces competition
 - Gives large hospital systems greater negotiating power
 - Higher prices for services
 - Increased costs for patients
- **Hospital System Mergers**
 - Creation of monopolies
 - Fewer choices for getting care
 - Higher prices for services
 - Little to no improvement in quality of care
 - Denying of access to competing systems



PASBO 62ND ANNUAL CONFERENCE AND EXHIBITS, PITTSBURGH

MARCH 2017

WHY THE BATTLE?

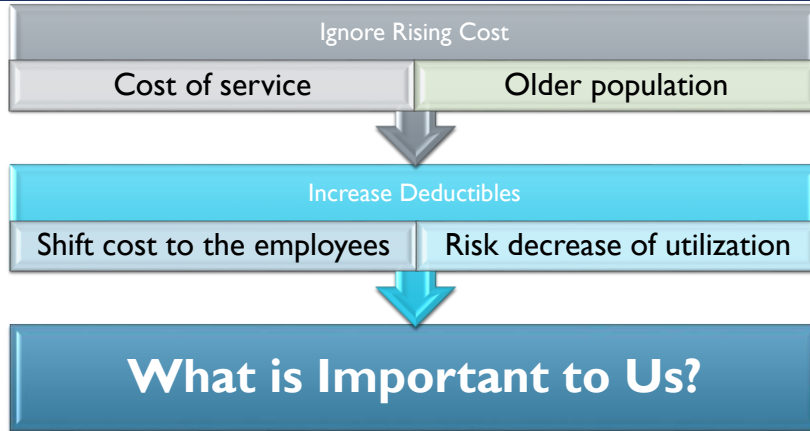


PASBO 62ND ANNUAL CONFERENCE AND EXHIBITS, PITTSBURGH

MARCH 2017

6

WHAT ARE CHOICES?



PASBO 62ND ANNUAL CONFERENCE AND EXHIBITS, PITTSBURGH

MARCH 2017

7

BEGINNING OF OUR JOURNEY

The pathway to addressing “quality” had to begin with...

- **Education of Trustees**
 - Attended PBGH Forum on quality rankings of hospitals
 - Build a level of understanding on the importance of quality
- **Hospital Data Retrieval**
 - Research availability of third party data in our area
 - Gain access to quality information when identified
- **Validation of Information**
 - Confirmation that the information was not influenced by any bias
- **Selection of Credible Resource**
 - Determine who is a more credible partner/vendor

PASBO 62ND ANNUAL CONFERENCE AND EXHIBITS, PITTSBURGH

MARCH 2017

8

DISCUSSIONS WITH TRENDSETTERS

- Comparison data (www.carechex.com)
- Imagine Health tiered product (<http://imaginehealth.com/>)
- Innovu Data Warehouse (www.Innovu.com)
- New Tiered Products

DATA DRIVEN DECISION-MAKING

(1) Hospital & Location	(2) # of Cases At Risk	(3) # of Cases w/ Adverse Event	(4) Actual Complication Rate (%)	(5) Expected Complication Rate (%)	(6) Risk-Adjusted Complications Index (RACI)	(7) ----- State -----		(8) ----- National -----		(11) Peer Group Rank
						Quality Rating	Percentile Score	Quality Rating	Percentile Score	
St Clair Memorial Hospital: Pittsburgh, PA	25,066	350	1.4%	3.1%	0.46 1**	✓++	98.2	✓++	99.2	1
Allegheny General Hospital: Pittsburgh, PA	33,515	1,233	3.7%	5.3%	0.69 1**	✓++	97.0	✓++	98.8	2
Washington Hospital: Washington, PA	19,361	374	1.9%	2.9%	0.67 1**	✓++	91.7	✓++	92.8	3
Excelsa Health Westmoreland Regional Hospital: Greensburg, PA	24,240	441	1.8%	2.6%	0.70 1**	✓++	90.5	✓++	92.5	4
Uniontown Hospital: Uniontown, PA	13,279	180	1.4%	2.0%	0.68 1**	✓	85.2	✓	86.0	5
Jefferson Regional Medical Center: Pittsburgh, PA	10,804	251	2.3%	3.1%	0.75 1**	✓	81.7	✓	83.4	6
Western Pennsylvania Hospital: Pittsburgh, PA	4,340	96	2.2%	3.3%	0.67 1**	✓	76.9	✓	79.6	7
Advanced Surgical Hospital: Washington, PA	657	9	1.4%	4.3%	0.32 1**	✓	73.4	✓	77.8	8
Peer Group	433,666	15,898	3.7%	3.6%	1.02		26.3		25.7	26
Norm: National							50.0		50.0	
Bench: National							90.0		90.0	

TRUSTEE DIRECTION

Quality Measures on Third Party Sites

Availability of Tiered Products

Tiered Product Tied to Quality

Regional Ease of Access

Cost of Quality (Is more really more?)

Educating Membership

Addressing Concerns: Will this save money?

BEFORE: (OCT 2013-SEPT 2014)

1 Hospital in our region (*highest quality rating!*)

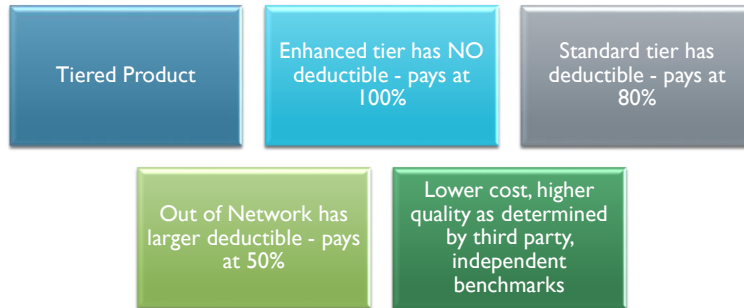
- 33,352 Services
- 293 Admits
- \$4,941,146 in total costs

#23 Hospital in our region (*low quality rating!*)

- 31,047 Services
- 362 Admits
- \$15,089,972 in total costs

Shock Claims for the Year are about \$6 million at all hospitals including Children's Hospital

NEW PLAN STRUCTURE



PASBO 62ND ANNUAL CONFERENCE AND EXHIBITS, PITTSBURGH

MARCH 2017

13

AFTER: (OCT 2015-SEPT 2016)

Same # 1 Hospital
in our region
(highest quality
rating!)

- 40,046 Services
- 328 Admits
- \$7,170,357 in total costs (Up 45%)

Same #32 Hospital
in our region (low
quality rating!)

- 6,620 Services
- 113 Admits
- \$5,548,832 in total costs (Down 63%)

We were able to shift services to hospitals with higher quality results.

PASBO 62ND ANNUAL CONFERENCE AND EXHIBITS, PITTSBURGH

MARCH 2017

14

FINANCIAL RESULTS 2014-2016

- Profitability
 - 2014-15: \$7.0 million profit (Budgeted deficit of \$4-5 million)
 - Premium increase 2.75%
 - 2015-16: \$13.3 million profit (Budgeted deficit of \$1-2 million)
 - Premium increase 2.25%
- Reduction in total Medical and Pharmacy Claim Cost
 - 2013-14: \$240,863,436
 - 2015-16: \$232,805,467 (down 3.35%)
- Increase in use of highest quality ranked hospital in area
 - Better quality care at lower cost for our members
- Using Innovu to analyze the data and validate program ROI

PASBO 62ND ANNUAL CONFERENCE AND EXHIBITS, PITTSBURGH

MARCH 2017

15

LOOKING TO 2017-18

- Premium increase of 1.9%
- Enhanced tier has NO Deductibles (100% Plan Pay)
- PCP visit has NO Copay
- Specialist visit has \$10 Copay
- EAP Provider is included in Cost
- Second Opinion Provider is included in Cost

PASBO 62ND ANNUAL CONFERENCE AND EXHIBITS, PITTSBURGH

MARCH 2017

16

**THIS IS A
JOURNEY TO
WHICH OUR
ENTIRE
CONSORTIUM IS
PASSIONATELY
COMMITTED**



We love questions!