

COLORADO HIGHER EDUCATION INSURANCE BENEFITS ALLIANCE TRUST
Education Meeting

A. MEETING LOCATION AND DATE:

The Lodge at Breckenridge
Breckenridge, CO
July 27, 2016, 10:00 AM - 1:00 PM, Ballroom

B. DISCUSSION AND INFORMATION ITEMS:

1. Grand Rounds

Presenters:

- ◆ Eric Weiner, Mountain West Director of Group Health Strategy
- ◆ Dr. Sohini Stone, Associate Medical Director
- ◆ Bob O'Brien, Director of Health Plan Strategy

The meeting was called to order by Mike Dougherty, Chair. The following individuals were in attendance:

- Tracy Rogers, Adams State University
- Shannon Heersink, Adams State University
- Blaine Nickeson, Auraria Higher Education Center
- Mike Dougherty, Colorado School of Mines
- Ann Hix, Colorado School of Mines
- Veronica Graves, Colorado School of Mines
- Ralph Jacobs, Colorado State University-Pueblo
- Darren Mathews, Fort Lewis College
- Greg McClurg, Fort Lewis College
- Josh Mackey, Metropolitan State University of Denver
- Amanda Berry, Metropolitan State University of Denver
- Marshall Parks, University of Northern Colorado
- Kim Gailey, Western State Colorado University
- Maria BonDurant, Western State Colorado University
- Michele Moreau, Arthur J. Gallagher & Co.
- Neida de Quesada, Arthur J. Gallagher & Co.
- Karen Eisiminger, Arthur J. Gallagher & Co.
- Les Kohn, Arthur J. Gallagher & Co.
- Paula Wilson, Anthem BCBS
- Desiree Delgado, Anthem BCBS
- Mike Beaton, Anthem BCBS
- Dixon Waxter, Attorney General's Office
- Eddie Eisiminger, Eaglecrest High School

Eric began the discussion by telling the Trust that Grand Rounds was invented at Johns Hopkins one year ago to bring leaders together to discuss patients and confirm diagnosis and put together treatment plans (optimal). To bring world class medical expertise to services.

Founding story – Rusty and his son, Grady, are the reason Grand Rounds exists. Five years ago Grady had health issues that were difficult for physicians to diagnose. Rusty called Grand Rounds as there was no consensus among the physicians. Rusty knew that a bone marrow transplant was the treatment needed and he was a match for his son. He was directed to call a specialist at a bone marrow transplant center, and they recommended the treatment. The transplant was performed and it was successful. 99.9% of people would not have had that chance, but they were successful because Rusty was able to navigate the system.

Addressing the cost problem – shows 10% of patients are driving 80% of costs. Costs in health plans are with those 10%; 90% are healthier and don't use a lot of medical care. The focus is on actively tackling high cost claims—oncology and musculoskeletal are the top conditions.

There are 35 staff physicians that work at Grand Rounds. There are over 1,500 thought leaders from all across the county that have access to and contract with Grand Rounds to give advice so people don't have to travel.

Addressing the quality problem - shows national carriers' network--each dot represents a hospital service area (3,000 in the US). They are grouped by hospital service area and average quality of physician (clinical quality and outcomes). Most are yellow (average) across the country (40-60 percentile). Green dots mean if you pick a doctor at random, you will get a higher quality physician. Yellow, orange or red areas means you are rolling the dice. Colorado is a little above average which means there is significant opportunity to boost care, quality and costs.

Grand Rounds looks at 20+ variables in rating doctors including medical school, residency, number of hip replacements (data comes from CMS and 60% of paid commercial claims). They evaluate 96% of doctors in the country.

Eric stated that Grand Rounds will bring a personalized benefit team led by a staff physician, records specialist (they will obtain member records utilizing in-house software), and a care coordinator (case manager). The care coordinator does not have a medical background, but the staff physician and care coordinator work closely together. Eric then explained that everything is personalized to each patient and the member can access Grand Rounds for ongoing support.

There are immediate and measurable cost savings:

- \$8,900 per expert opinion
- \$1,800 per office visit – as a result of going to green dot physicians who are much more judicious in their recommendations.
- 3:1 return on investment. Usually see return on investment in 1st quarter. Grand Rounds follows up with patients so they do know if the patient followed through with what was recommended. They also have access to claims data.

Grand Rounds offers a pepm model with unlimited access for employees and dependents. For CHEIBA, the cost may be around \$350,000 and would be looking to get \$1 million back (1% savings). Grand Rounds will put their fees at risk for a minimum of 1:1 ROI.

Paula asked how in-network vs. out-of-network recommendations are made. Eric said there are three things Grand Rounds needs to work with employers:

1. Who is eligible for benefits
2. Need a claims feed
3. Need to know which networks employer works with as they will not recommend out-of-network physicians. Grand Rounds calls physicians to make sure they are in network, take new patients, and have availability within the next two weeks.

A question was raised regarding accessing high quality physicians in two weeks. Grand Rounds balances clinical necessity with timing and travel. If they can advise you to go to a better provider and wait 5 weeks, they will advise them to wait.

They will send patient records ahead of time to the physician.

Blaine asked what if a member doesn't know if they need to seek help from Grand Rounds. Eric replied that anything and everything is fair game. Grand Rounds can identify very good diagnosticians. If a member comes in with general symptoms, they will work with the patient every step of the way, and they will work with PCP and help patients navigate to the right physician for their treatment. Vendor case managers can recommend that patients go to Grand Rounds and PCPs can be involved in process.

If a problem starts in the hospital, Grand Rounds can be contacted by patient, and they will receive help from the staff physician. They can expedite services for the family. They could help patient get set up with doctor or specialist when discharged from hospital.

Ann asked if Grand Rounds deals with mental health issues. Eric replied that steerage to behavior health practitioners is more difficult with diagnostic issues because they want the patient seen locally (there are limitations to remote treatment).

Eric said the participation rates vary a lot. Book of business utilization rate is just over 5%. That would probably be the same for CHEIBA. They put a lot of effort up front to get more engagement. Will think about culture on campus as it may be a small campus. See higher utilization in smaller groups because there is built in communication and systems that you have may help you get out to the communities.

Grand Rounds Basic package:

1. Communication materials that they build and will cobrand, integration with vendors (Anthem).
2. Patients come through partner integration and cross training
3. They outreach to high risk patients.

Eric then spoke about physician quality (Grand Rounds physician quality algorithm). What comes out shows the top 10% in the area utilizing background data and performance data. They will also ask the .1% (Expert Panelists) to weigh in on patient cases too. There are top performing physicians in almost every part of the country.

Eric then reviewed the slide, "Recognizing the Quality Problem," average orthopedist quality by Colorado county. This shows average quality of all orthopedists in that county based on primary physician location zip code. Grand Rounds can boost average quality, currently 58%, and can get it up to 88%. They will guide patients to top performers in each county as most counties have good quality physicians available.

World view is that the physician the patient sees is the biggest determinant of patient outcome. We don't want to send patients to centers of excellence, but to a physician of excellence.

Paula asked what kind of reporting is provided. Grand Rounds provides annual reporting showing ROI on a case-by-case basis. Eric can check to see if quarterly reporting is available.

2. Fiduciary Training

Presenter:

- ◆ Heidi Dineen, Senior Assistant Attorney General

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- Tracy Rogers, Adams State University
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Heidi Dineen, Senior Assistant Attorney General conducted the Fiduciary Responsibility training. This training is a requirements for all Trustees and their alternates.

Members of the CHEIBA Trust Committee are fiduciaries to the Trust and plans governed by CHEIBA. CHEIBA Trustees are appointed by their respective institutions and become a fiduciary to the Trust upon their appointment.

A Fiduciary is a person having a duty, created by his/her own undertaking, to act primarily for another's benefit in matters connected with the undertaking and the undertaking does not need to be voluntary.

The presentation and PowerPoint covered:

- Who is a Fiduciary?
- Common Law Fiduciary Duty
- Statutory Codification of Common Law
- ERISA Fiduciary Duties - Exclusive Benefit Rule
- CUIA Fiduciary Duties
- Duty of Loyalty - Exclusive Benefit Rule
- Duty of Impartiality
- Duty of Loyalty/General
- Duty to Diversify
- Investment of Assets
- Delegation of Investments

- Standard of Care - Prudent Person Standard
- Standard of Review
- Settlor and Fiduciary Functions
- Expectations of Fiduciary
- Protections
- CHEIBA and Insurance Carriers
- CHEIBA and TPA
- Status of the Trust – Authority
- Status of the Trust – Tax
- Ethics
- Steps to Insure Fiduciary Compliance