

SOUTHWEST HEALTH ALLIANCE

October 24, 2019



HEALTH CARE & WELL BEING

ORIGINS: MEMBER FEEDBACK

- ❁ A growing interest and concern around affordable health care
- ❁ Interest in supporting local, independent businesses and health care providers
- ❁ Provide networking capacity to learn about models in our community for exceptional health care and employee retention
- ❁ Explore services we can provide (research, networking, shared cost solutions)



LOCAL FIRST MISSION

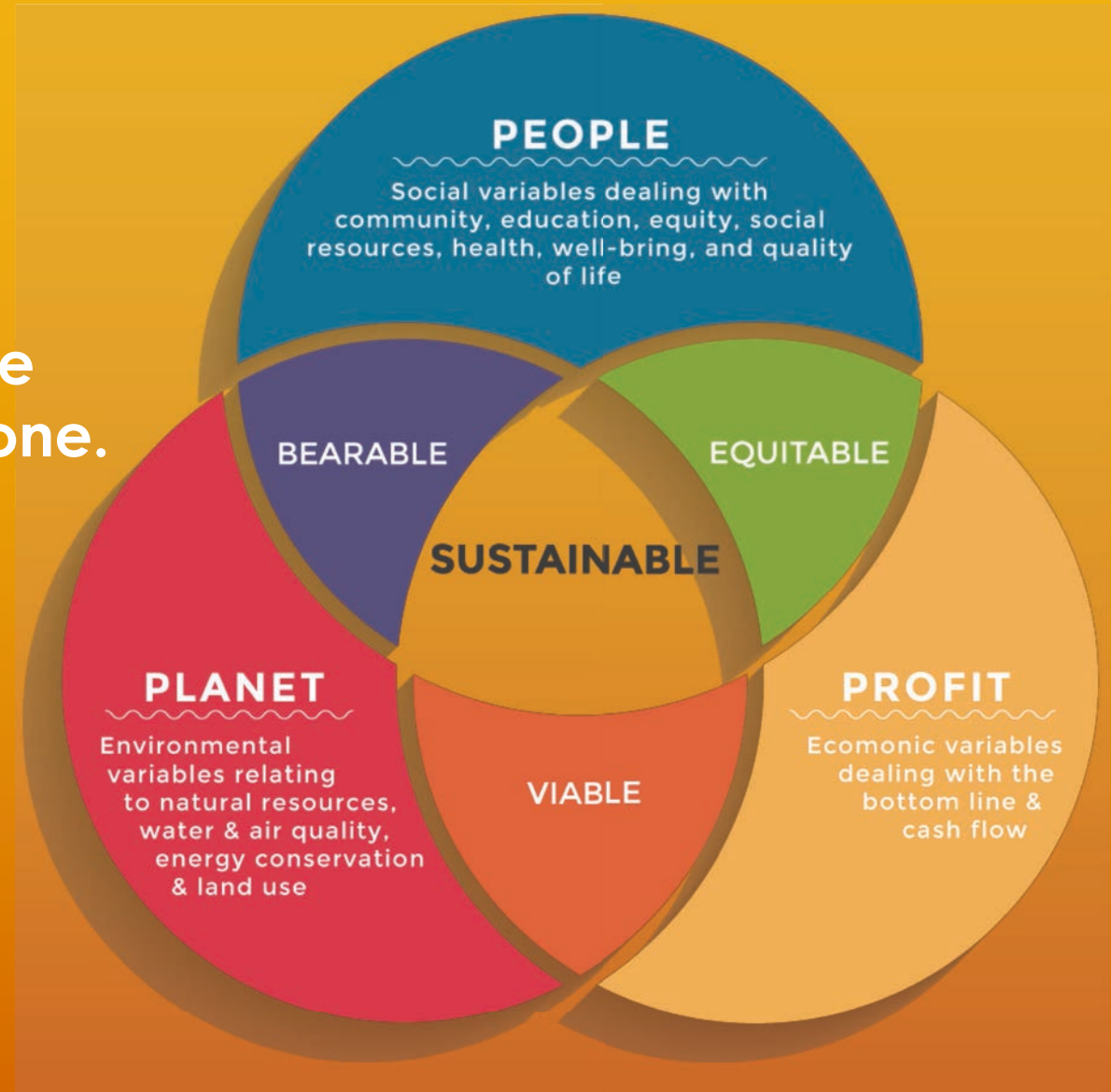
❁ We are a non-profit alliance of locally-owned, independent businesses and organizations working together to build an economy that values people, the planet, and prosperity for everyone.

❁ 501c6

❁ Members

❁ Localists

❁ Foundation



WHY BUY LOCAL?

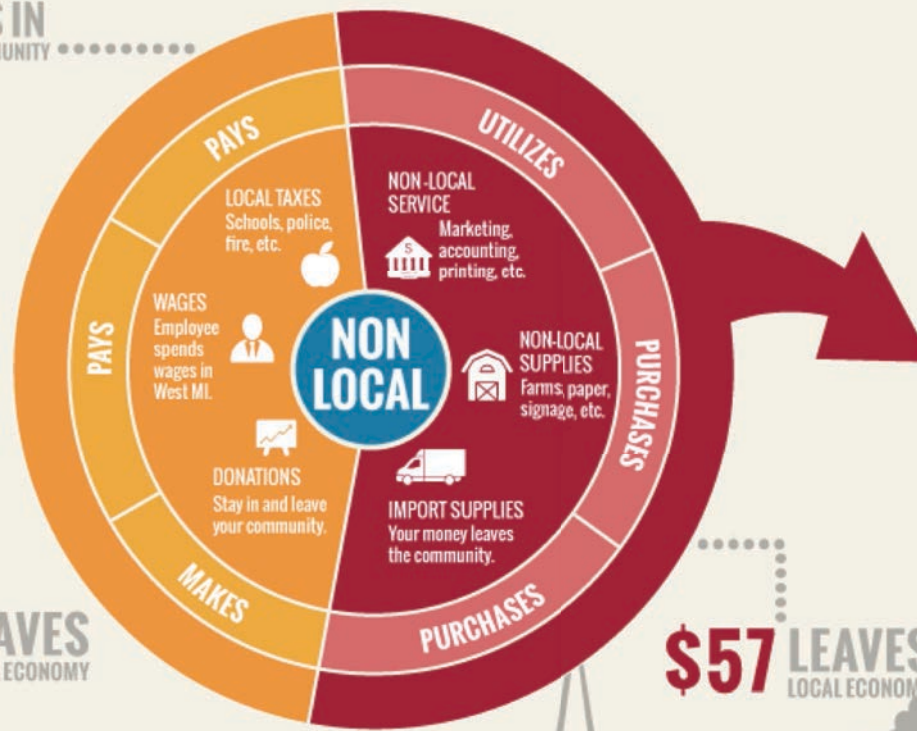
SPEND \$100 AT A LOCAL BUSINESS

\$68 STAYS IN YOUR COMMUNITY



\$43 STAYS IN YOUR COMMUNITY

SPEND \$100 AT A NON-LOCAL BUSINESS



\$32 LEAVES LOCAL ECONOMY

\$57 LEAVES LOCAL ECONOMY

THE DURANGO NETWORK

- ❁ Local Independent Health Care Providers
- ❁ Providers are also local, independent businesses!
- ❁ Provide education, support and resources for independent practitioners in the four corners community

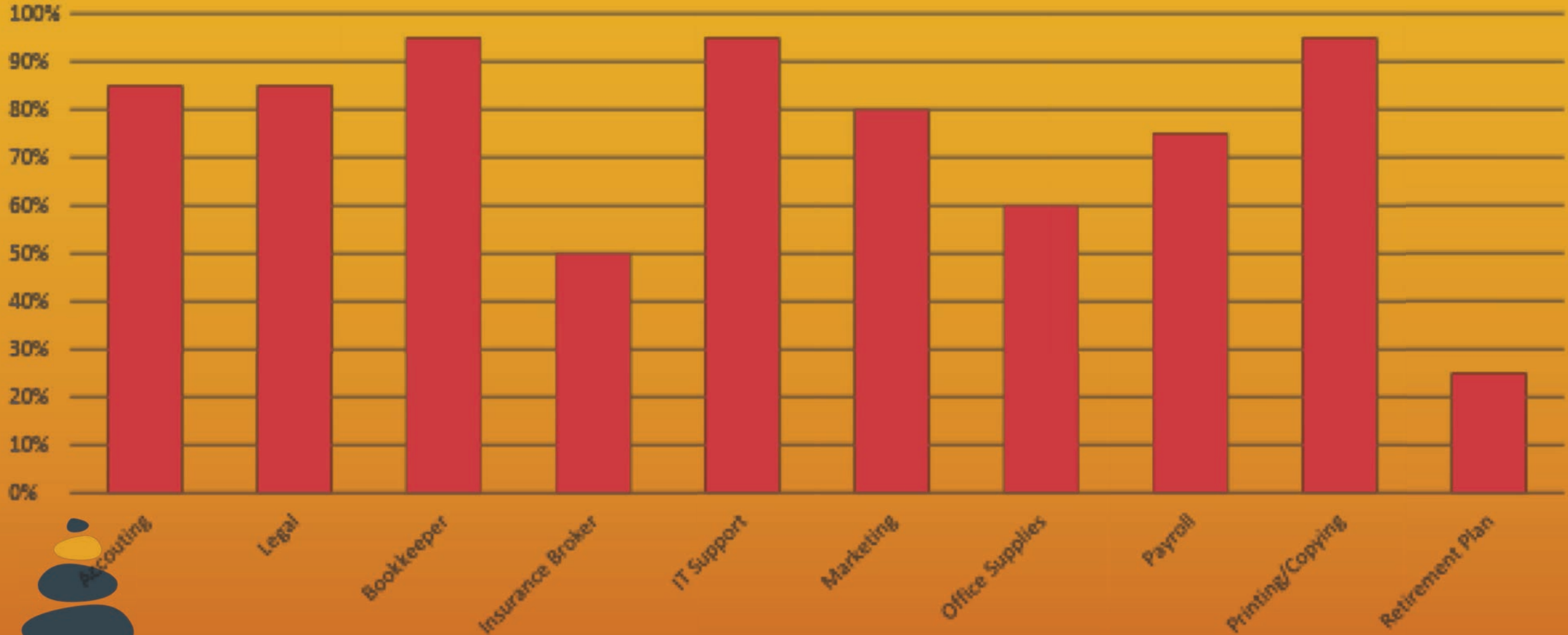


2018 Local Purchasing Patterns

- ✿ In the spring of 2018, The Durango Network surveyed its members to determine what type of services are purchased locally by members.
- ✿ Members were asked to identify where certain goods and services were purchased. They chose from:
 - ✿ Employed the services directly in their practice;
 - ✿ Purchased from another local business;
 - ✿ Purchased from a non-local business;
 - ✿ Did not apply
- ✿ 20 unique business replied to the survey.



Percent Employ or Contract Locally



**LOCAL
FIRST**

2019 Local Financial Investment Survey

- The Durango Network conducted a follow-up survey in 2019.
- The purpose was to estimate the annual direct investment made by local, independent healthcare providers on the local economy.
- Practices were asked to provide their total accounts payable dollars spent on goods and services at other local businesses.
- The definition of a 'local business' was described using the same definition as a Local First of Durango member.
- Responses were received representing 36 healthcare providers out of approximately 150 total Durango Network Members.



Assumptions

**Estimated
Investment
\$4-4.5 Million
Annually**

- # of healthcare providers represented in survey responses = 36
- Total investment reported ~ \$1.1 million
- Average investment per provider ~ \$30.5 k
- Median investment per provider ~ \$27k
- # of healthcare providers in Durango Network = 150
- $150 \times \sim \$30.5k = \4.5 million
- $150 \times \sim \$27k = \4 million



COMMUNITY NEEDS ASSESSMENT

OUR RESPONSE

- ❁ June 2018 Meet-Up
- ❁ Rocky Mountain Health Foundation Grant: \$25,000
- ❁ Phase 1: Focus sessions, explore models, Community Needs Assessment (July 2019)
- ❁ Phase 2: Implementation, engagement; formation of the Southwest Health Alliance (2019-2021)



COMMUNITY NEEDS ASSESSMENT

*La Plata County Community Needs Assessment: Access to Healthcare
for Small Businesses*

Goal: provide innovative health care models that change behavior, increase the quality and access to care, increases affordability, and ultimately improve the health and well-being of La Plata County residents.



FOCUS GROUPS

Focus group: 25 participants, 90 minute conversation

Key Findings: What We Heard

- ❁ Cost is a major barrier to providing access to health care and health insurance.
- ❁ Businesses are currently making investments in employee health and want to continue to invest in programs or services designed to improve health.
 - ❁ Participants expressed interest in ideas beyond medical care and health insurance, including wellness programs, health education programs and incentives for healthy behaviors.

FOCUS GROUPS

Key Findings: Themes For Action

- ❁ Among participants, most businesses are willing and able to invest \$100-\$400 per employee, per month to improve employee health.
- ❁ There is a strong desire to learn more about collaborations and pooling options that could expand employee health care/insurance to local employees.
- ❁ There is a great need for increased health literacy among employees, including education regarding health insurance and accessing health care.

PERSPECTIVES

“I would like to see this lead to a city, county-wide single payer-type solution”

“There’s health insurance and then there’s a healthy environment, and they are two totally different things.”

“Health care costs are now equivalent to paying a mortgage”

“This is a political discussion in addition to a societal and environmental one.”

PERSPECTIVES

“Just because you have health insurance, it doesn’t mean you get access to care.”

“We see people taking extreme risk in not covering themselves, because they are concerned about cash flow”

“As long as we have this employer based system, it is going to be really tough.”

“Investing in health is finding a guide, someone show me the way!”



PERSPECTIVES

“We all talk like it (health care) is the business’ responsibility, but it is society’s responsibility”

“We need to create a literate population that is knowledgeable about health care”

“How do we put the power and control of health-care in the hands of my employees?”

COMMUNITY NEEDS ASSESSMENT

July 2019

- ❁ Background, history, need
- ❁ Focus group results
- ❁ Models from other communities
- ❁ Legislative update
- ❁ Results of May 2019 forum
- ❁ Next steps

<https://foundation.local-first.org/health-care/>



COMMUNITY NEEDS ASSESSMENT

July 2019

❁ Next steps

- ❁ Identify community values
- ❁ Form a Steering Committee
- ❁ Claims Data Collection
- ❁ Form Cooperative Alliance

Southwest Health Alliance

Goals: Based on the findings of the June 2019 Community Needs Health Assessment: 1) increase health literacy in the La Plata County region, and 2) develop a cooperative, local health care solution that increases access to care while also reducing insurance premiums by 5% to 10%.



Southwest Health Alliance: Steering Committee

Monique DiGiorgio, Local First

Pat Gerstenberger, MD

Liane Jollon, San Juan Basin Public Health

Gary Keil, American Heritage Railways

Jack Llewellyn, Durango Chamber of Commerce

Doug McCarthy, Individual

Mary Oswald, Local First, San Juan Hand Therapy

Nanette Penz-Reuter, Individual

Suzanne Phare, Durango Chamber of
Commerce and The Durango Network

Guinn Unger, Healthcare Durango

Tim Wheeler, Local First Foundation

Briggen Wrinkle, Community Foundation Serving
Southwest Colorado



Values

- ❁ Local solution available to all individuals, self-insured, and insured employers
- ❁ Choice, local providers
- ❁ Minimize leakage
- ❁ Transparency
- ❁ Connection to other alliances
- ❁ Education
- ❁ Metrics and data driven

Timeline

- ❁ **2019:** Collect and analyze data
 - ❁ **5 county region** of La Plata, Archuleta, Dolores, Montezuma and San Juan
- ❁ **2020:** Negotiate with providers; request bids for insurance products
- ❁ **2021:** Offer product in marketplace

Data Requests



CENTER FOR IMPROVING
VALUE IN HEALTH CARE

- ❁ **Outmigration:** where is service being provided?
- ❁ **Percent of Medicare:** what are our costs compared to a baseline?
- ❁ **Other requests:** potentially avoidable emergency room visits, quality of care, top 5 conditions and costs, potentially avoidable complications and costs, and cost drivers.

Regional Cooperative



- ❁ Shared resources
- ❁ Additional leveraging power
- ❁ Reduced costs
- ❁ Increased negotiating power



An Overview

Peak Health Alliance

The Summit County Problem

Summit County Claims Analysis

Inpatient Services		
Minimum Cost/Day	Number of Admissions	% of Medicare
None	434	195.6%
\$500	389	220.6%
\$1,000	354	233.5%
\$2,000	302	247.4%

Outpatient Place of Service	% of Medicare
Ambulatory Surgery Center	395.1%
Emergency Room	841.9%
Other Outpatient	336.1%
Combined	504.7%

Professional Services	
% of Medicare	197%

The Path to Lower Cost Healthcare

A community comes together

The Peak Health Structure

**Non-profit health insurance
purchasing collaborative**

Local community governance

**Enabled by CRS Section 10-16-
1000-1015**

Operating Principles are Principal

- **We work to help other local communities.**
- **Leadership means accountability.**
- **We will always seek better data.**
- **We will always prioritize collaboration.**

How Peak Works

- **Utilizes strong actuarial data analysis to determine true cost of care**
- **Uses community purchasing power to negotiate directly with providers and insurance carriers**
- **Offers plans for individuals, small group, and self-insured businesses**
- **Products are more comprehensive and the same kind of insurance people are used to buying**

Peak's Products

- **Health plans for individuals, small employers, & large employers**
- **Benefit designs similar or better to current coverage in Summit County**
- **Peak-negotiated provider networks**
- **Incentives to promote and reward quality and consumer engagement**

Getting Real Results

Peak's Success So Far

- **Centura has offered Peak the lowest rates of any carrier or TPA in Colorado**
- **No discounts off billed charges—everything has a set price**
- **Independent analysis shows Peak's negotiated rates between 250-300% of Medicare**
- **Risk-bearing carriers believe this is significant enough to have dropped rates by at least 20%, in some cases more**

Significant Discounts

Service/Procedure	Peak Rates (total including copays etc.)	Discount from Average PPO Rate
Vaginal Delivery (Mom only, up to 2 days)	\$5,716 per case	20-30%
C-Section Delivery (Mom only, up to 4 days)	\$12,511 per case	5-10%
Normal newborn (Baby only)	\$1,144 per day	55-65%
Laparoscopic appendectomy	\$11,831 per case	45-55%
Treatment of tibial shaft fracture (broken leg)	\$11,831 per case	>70%
MRI scan	\$600	15-25%
CT scan	\$450	25-35%
Mammogram	\$156	45-55%
Emergency Department Level 1	\$530 per case	60-70%

Expanding the Vision

The Benefits of Collaboration

Economy, Efficiency, Consistency

- **Medicare price analysis, actuarial support**
- **APCD penetration rates for each county**
- **RFP process for carriers & TPAs**
- **Infrastructure for non-profit**
- **Negotiation with providers and carriers**

Communities Retain Control

- **Add self-funded employers to data set**
- **Final call on carrier decisions**
- **Plan design unique to their area**
- **Local relationship building**
- **Governance & stakeholder**
- **Local outreach and advocacy as needed**

A Commitment to Colorado

Year One

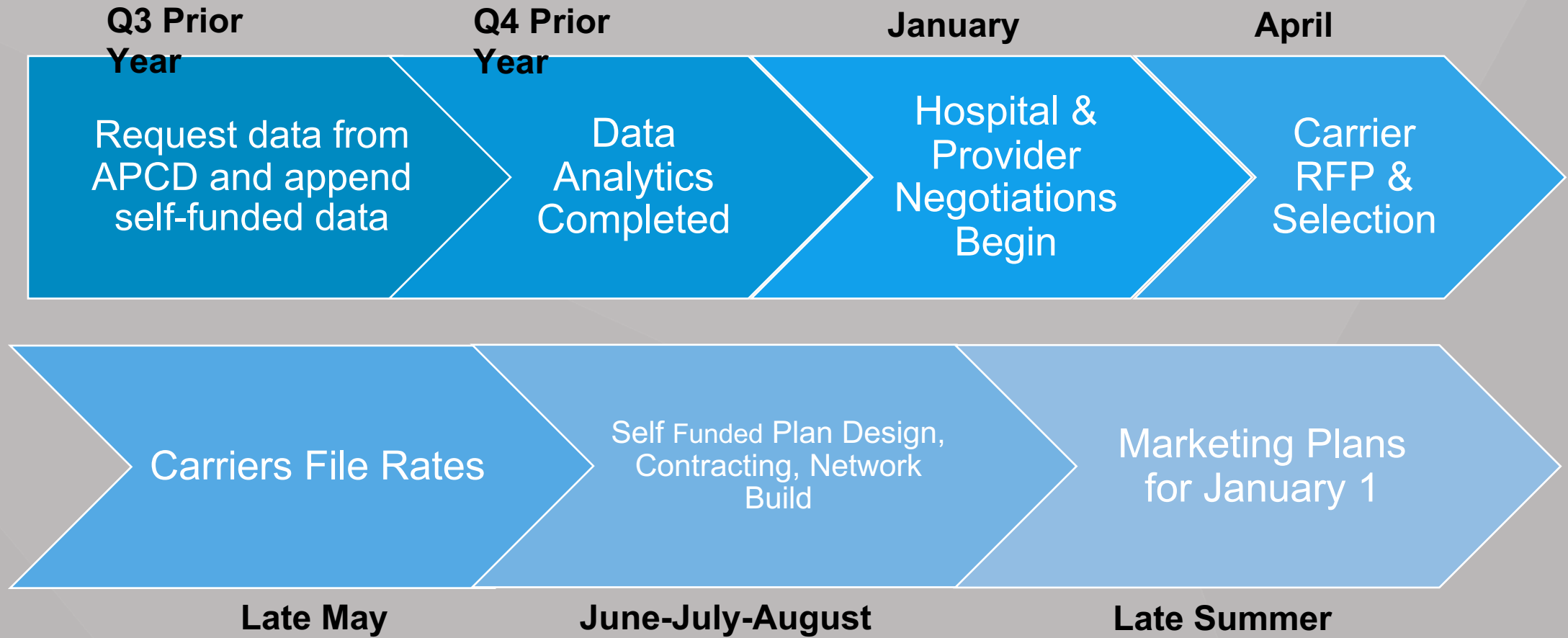
- Focus mostly on price

Year Two

- Maintain attention to price
- Address other cost drivers

Ongoing

- Initiatives focused on community health
- Healthy living
- Access to care throughout Colorado



QUESTIONS?

Monique DiGiorgio

Managing Director

director@local-first.org

970-799-6618 x1

www.local-first.org

