Gary Salamido
Vice President of Government Affairs

NC Chamber's Roadmap to Value Driven Health

- As part of its *Vision 2030* strategic plan to make North Carolina a Top 10 state for business, the North Carolina Chamber has identified population health and healthcare value as key elements of a supportive business environment for the state. The Chamber's priority on healthcare reflects its members' concerns: in response to the Chamber's 2015 member survey, businesses identified healthcare costs as their top issue—and the one over which they believe they have the least control.

- The NC Chamber retained Benfield to help develop a Healthcare Strategy Roadmap for the state—with the goal of making North Carolina a Top 10 state for health and healthcare value. The intent of the Roadmap is to provide the framework for a state-wide, multi-stakeholder initiative under the leadership of the NC Chamber to achieve the *Vision 2030* goal.

Project Objectives

- Clearly define what it means for North Carolina to be a "Top Ten" state for health and healthcare value

- Define a high-level strategic pathway for NC to achieve "Top Ten" status

- Begin building engagement and alignment of key stakeholders whose commitment will be needed

GOALS AND OBJECTIVES

GOALS

> North Carolina is a top ten state for health value

OBJECTIVES

> Decreased illness-related absences from work

> Reduction in costs for employers and more predictable spending

> Increased work output and productivity

> Increased talent attraction and retention

The Current State of Health and Healthcare in North Carolina

- There was broad agreement among stakeholders around:
  - The population health challenges facing NC
  - Strengths and gaps in NC healthcare—including challenges of cost, value and access

- Health outcomes of North Carolina's population are below average—in some cases, well below average—among the 50 states.

- Key drivers are health-related behaviors (e.g., poor habits for nutrition and exercise) and disparities in access to healthcare.

- NC has a number of well-respected healthcare delivery networks and other provider organizations, particularly those serving the population centers in the Piedmont region.

- However, NC's per capita healthcare costs are only slightly below average (and in any case, the national trends are unsustainable), competition is not primarily focused on delivering greater value, and access to providers is grossly inadequate in many areas, particularly in the western and eastern regions of the state.

**North Carolina
Health Ranking 2015**

Rank	State
1	Hawaii
2	Massachusetts
3	Connecticut
4	Minnesota
5	Vermont
6	New Hampshire
7	Washington
8	Utah
9	New Jersey
10	Colorado
32	North Carolina
Avg.	United States

Source: America's Health Rankings 2016- United Health Foundation

Healthcare Costs

▶ **Total Premium** (combined employer & employee contribution): <u>**NC ranks 17th in cost for single coverage**</u> and <u>**24th for family coverage**</u>

▶ In NC, total premium costs are equivalent to 20% or more of the income for an estimated 1/5 of under 65 population
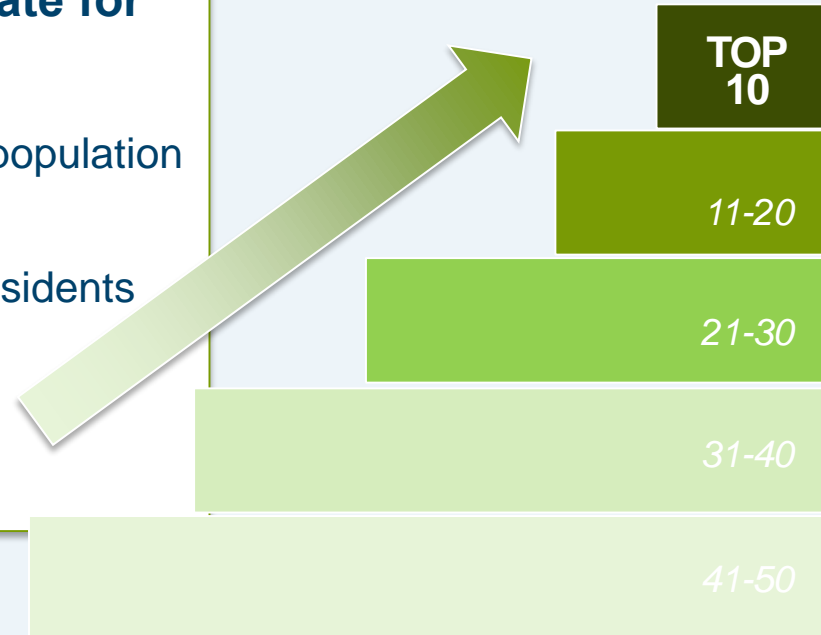
TOP 10

11-20

21-30

31-40

41-50
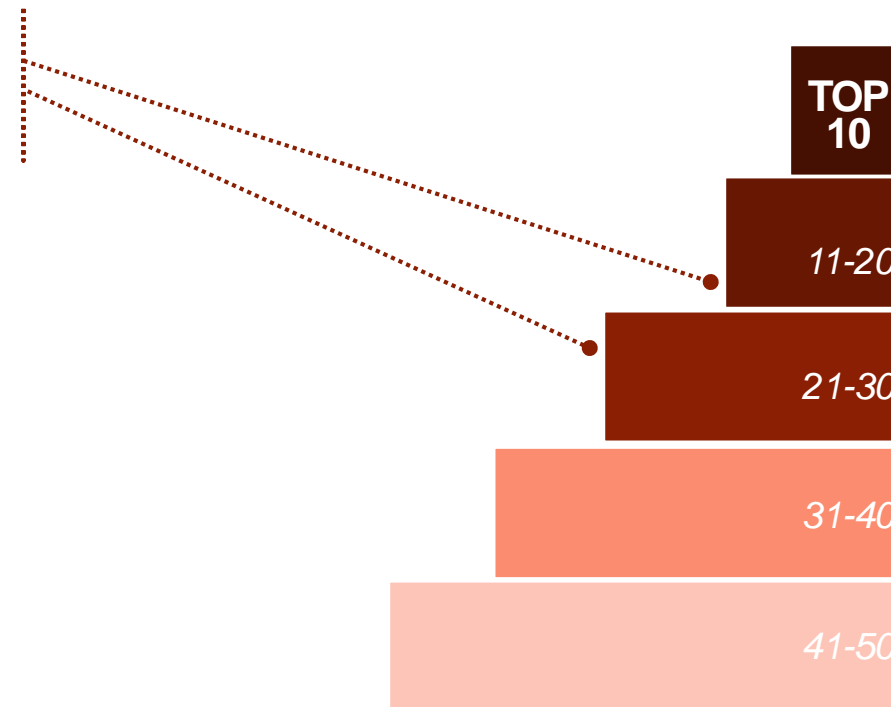
Source: Agency for Healthcare Research and Quality (AHRQ) 2014;
Kaiser Health
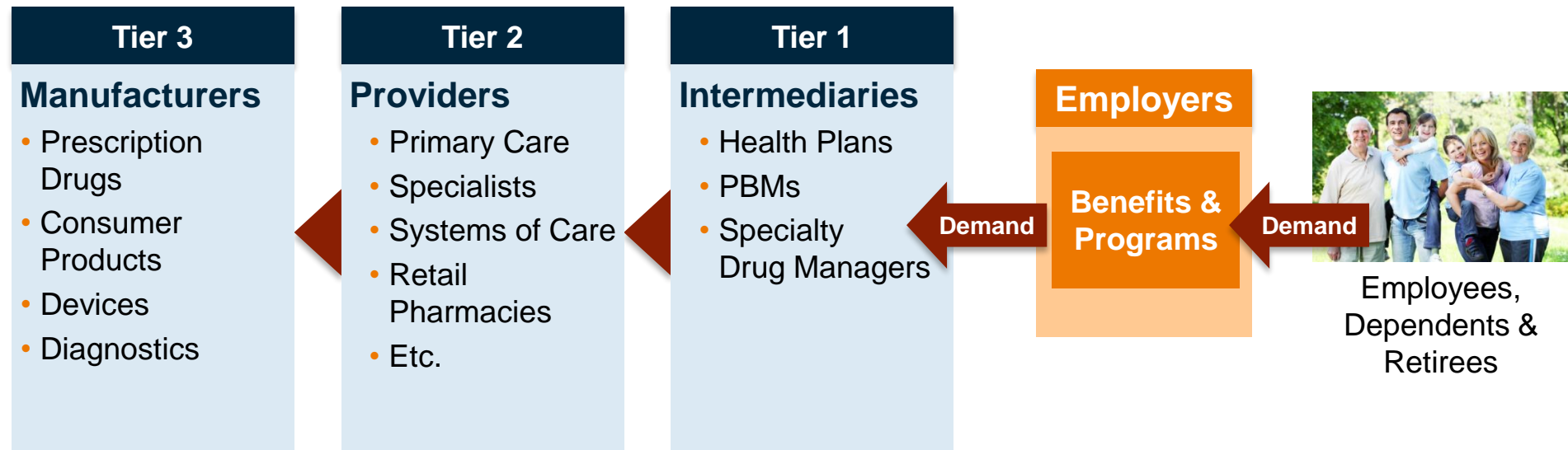
Defining the Vision for NC in 2030

Benefits of Becoming a "Top 10" State for Health and Healthcare Value

- Healthier, more productive workforce and population
- Lower, more predictable healthcare costs
- Easier access to high-quality care for all residents
- Better quality of life
- More attractive destination for employers and for families

TOP 10

11-20

21-30

31-40

41-50

The Framework: Strategic Supply Chain Management

The Health Benefits Supply Chain

Tier 3	Tier 2	Tier 1
Manufacturers	**Providers**	**Intermediaries**
• Prescription Drugs • Consumer Products • Devices • Diagnostics	• Primary Care • Specialists • Systems of Care • Retail Pharmacies • Etc.	• Health Plans • PBMs • Specialty Drug Managers

Employers

Benefits & Programs

Demand

Demand

Employees, Dependents & Retirees

Strategic Management of the Health Benefits Supply Chain - Principles
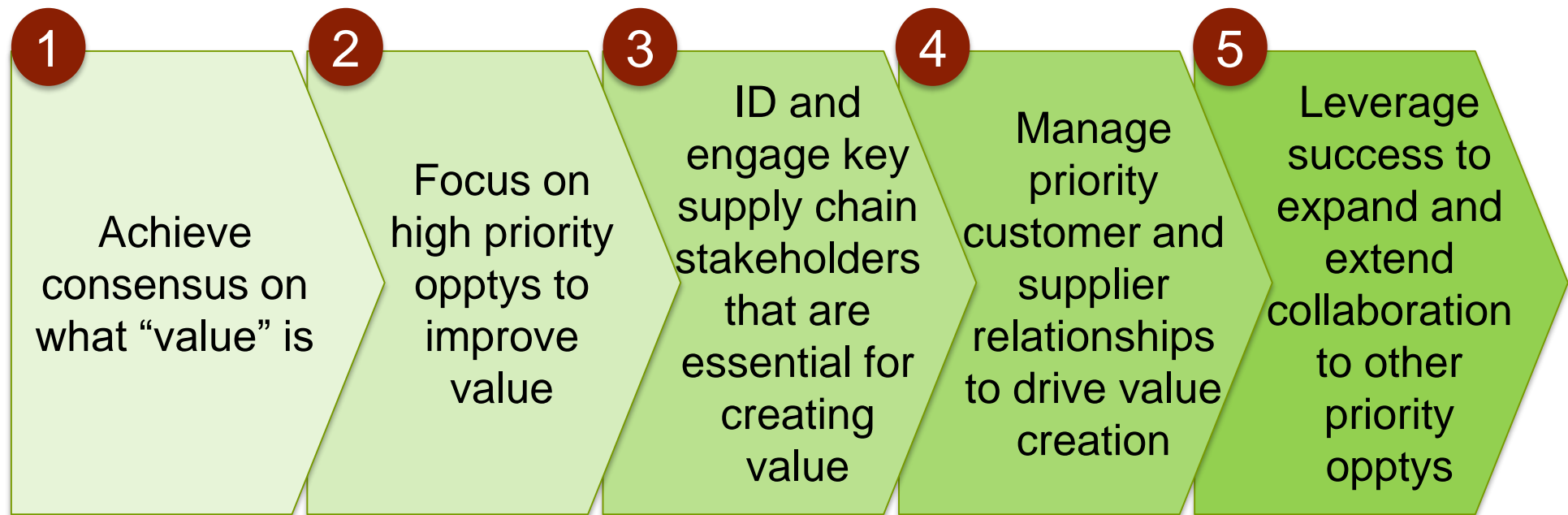
1 Achieve consensus on what "value" is

2 Focus on high priority opptys to improve value

3 ID and engage key supply chain stakeholders that are essential for creating value

4 Manage priority customer and supplier relationships to drive value creation

5 Leverage success to expand and extend collaboration to other priority opptys

Defining Value – Employer Perspective

Value of Investments in Health $=$ $$\dfrac{\text{Benefits of Providing Healthcare to Employees}}{\text{Costs}}$$

Defining Value – Employer Perspective

Value of Investments in Health **=**

Health outcomes + reduction in risk/future cost + lower absence + lower disability + higher work output + improved work safety + talent attraction and retention
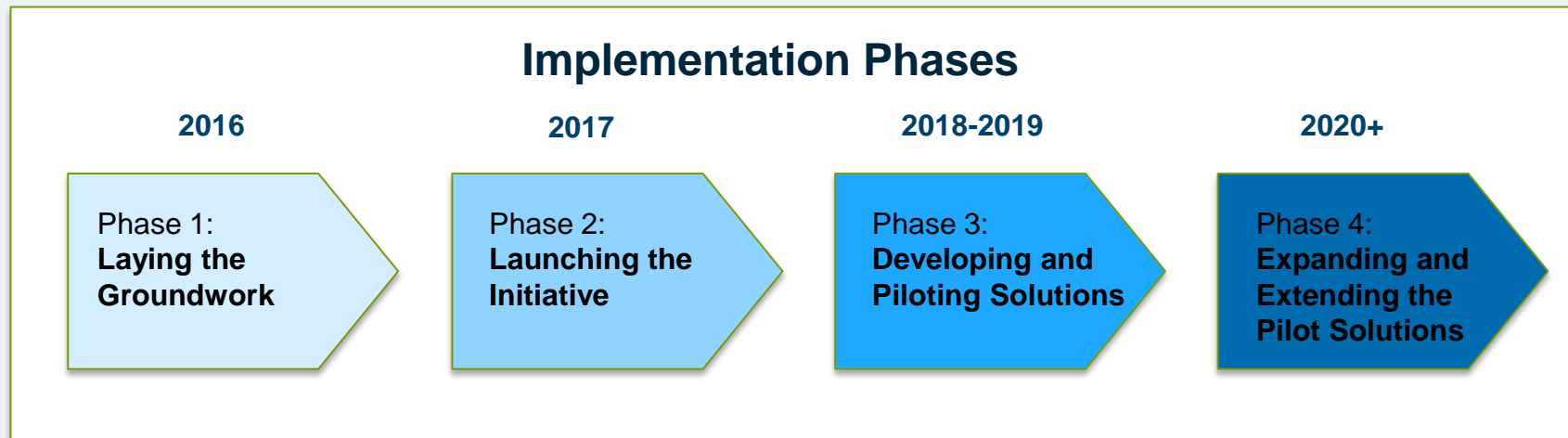

Employer Cost + Opportunity Cost + Employee Cost

Following an Overarching Strategic Framework from Cincinnati

Better Care
Improve the patient experience of care, including quality and satisfaction

Better Health
Improve population health

Lower Costs
Reduce the per capita cost of health care

Triple Aim Goals

P R O J E C T S

| Primary Care | Information Technology | Quality Improvement | Consumer Engagement | Payment Innovation |

Cincinnati's Five Pillars
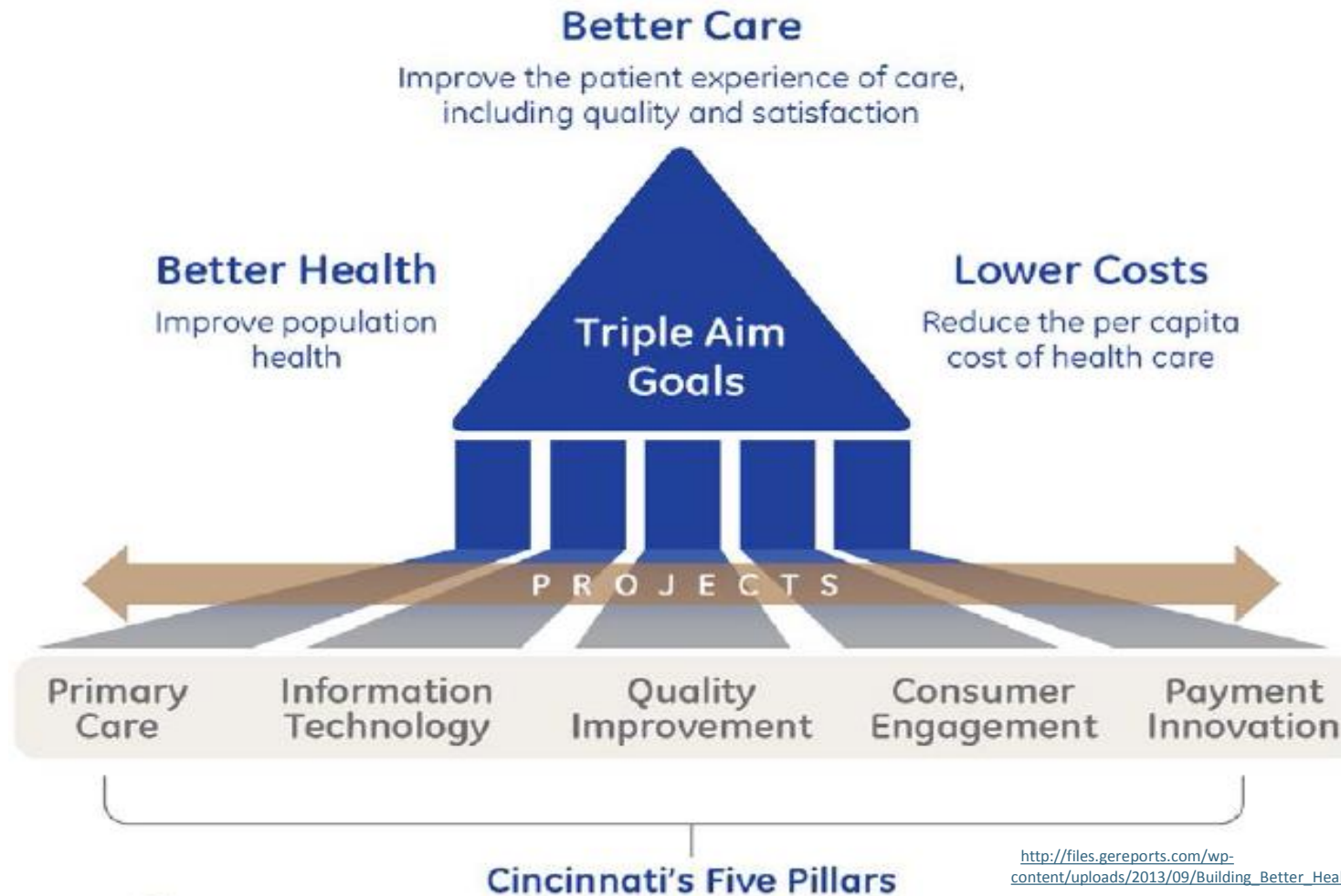
Implementing the Roadmap to Value Driven Health

- The following recommendations are high-level and meant to characterize the deliberate and staged approach that will be needed to implement the roadmap successfully. It is based on insights from studying other statewide/regional health and healthcare value improvement initiatives.

- A critical early step will be to establish a project plan and timeline that will, by its nature, be significantly detailed for early phases, but will account for key milestones through 2030. For now, we can identify four implementation phases and the key tasks in each one.

Implementation Phases

2016	2017	2018-2019	2020+
Phase 1: **Laying the Groundwork**	Phase 2: **Launching the Initiative**	Phase 3: **Developing and Piloting Solutions**	Phase 4: **Expanding and Extending the Pilot Solutions**

100-Day Plan

GOAL: Gain Guidance from the NC Chamber Board
and finalize the high-level Roadmap

100-Day Goal	Critical Tasks	Timeline	Key Funding
1. Gain guidance from the NC Chamber Board and finalize the high-level Roadmap	a. Share the preliminary report with Board members and other participating stakeholders and solicit their feedback	Done	Internal
	b. Review the preliminary report at the August meetings of the Foundation and Chamber Boards	Done	Internal
	c. Revise the preliminary report as needed to address the feedback	Done	Internal

100-Day Plan

GOAL: Identify and recruit a critical mass of employers committed to the initiative

100-Day Goal	Critical Tasks	Timeline	Key Funding
2. Identify and recruit a critical mass of employers committed to the initiative	a. Use the annual Health Care Conference to address a broader audience of employers	Done	Internal
	b. Identify a target list of employers to recruit	12/14/2016	Internal
	c. Prepare communications materials, as needed	1/15/2017	Contract communications writer
	d. Engage with targeted employers to determine their level of interest	2/1/2016	Internal

100-Day Plan

GOAL: Identify and recruit an expanded set of
other stakeholder leaders

100-Day Goal	Critical Tasks	Timeline	Key Funding
3. Identify and recruit an expanded set of other stakeholder leaders	a. Use the annual Health Care Conference to address a broader audience of stakeholders	Done	Internal
	b. Develop a comprehensive list of relevant stakeholders, and prioritize for direct discussions	12/5/2016	Internal
	c. Explore their interest in engaging with the initiative, along with their hopes and concerns	12/5 /2016	Internal

100-Day Plan

GOAL: Establish a multi-stakeholder Advisory Board to advise the NC Chamber on the Roadmap initiative

100-Day Goal	Critical Tasks	Timeline	Key Funding
4. Establish a multi-stakeholder Advisory Board to advise the Chamber on the Roadmap initiative	a. Define the roles and responsibilities of the Advisory Board during the pre-launch and launch periods (2016-2017)	12/5/2016	Internal
	b. Identify and recruit stakeholder leaders to serve as Advisory Board members	1/5/2017	Internal
	c. Convene the Advisory Board to evaluate information gained from the other 100-Day deliverables and provide guidance on strategy development	1/20/2017	Internal

100-Day Plan

GOAL: Benchmark leading state/regional
initiatives nationally

100-Day Goal	Critical Tasks	Timeline	Key funding
5. Benchmark leading state/regional initiatives nationally	a. Identify/prioritize initiatives in other states to review, and characterize the top candidates	2/1/2017	Contract Consultants
	b. Identify key factors to study and potentially emulate in NC (e.g., goals, governance, organization, advisors/vendors, key success factors, etc.)	2/1/2017	Contract Consultants
	c. Conduct initial research on the primary targets and develop a preliminary benchmarking report	3/1/2017	Contract Consultants
	d. Define the research questions and process for in-depth benchmarking	1/9/2017	Contract Consultants/ Internal

100-Day Plan

GOAL: Identify and prioritize health and healthcare improvement opportunities for NC using data analytics

100-Day Goal	Critical Tasks	Timeline	Key Funding
6. Identify and prioritize health and healthcare improvement opportunities for NC using data analytics	a. Define the research questions	1/21/2017	Internal
	b. Identify health/healthcare data sources that are relevant	2/1/2017	Internal
	c. Identify data analytics organizations that can support the analysis	1/21/2017	In-kind
	d. Conduct analysis	2/15/2017	In-Kind
	e. Develop findings and implications for the data analytics project	2/25/2017	Contract Consultants/ in-kind

100-Day Plan

GOAL: Evaluate in-state organizations and initiatives that can be leveraged/engaged

100-Day Goal	Critical Tasks	Due Date	Key Funding
7. Evaluate in-state organizations and initiatives that can be leveraged/ engaged	a. Conduct a census of relevant organizations and initiatives	1/28/2017	Contract Consultants
	b. Develop an analytical framework to evaluate the organizations/initiatives	1/28/2017	Contract Consultants
	c. Conduct primary and secondary research	2/15/2017	Contract Consultants
	d. Develop findings and implications for which organizations/initiatives to engage and how best to do so	3/1/2017	Contract Consultants

100-Day Plan

GOAL: Identify funding sources and programs
that align with the Roadmap

100-Day Goal	Critical Tasks	Due Date	Key Funding
8. Identify funding sources and programs that align with the Roadmap	a. Identify national funding programs and sources (government, foundations, etc.)	1/15/2017	Grant Writer
	b. Determine timing and requirements to apply for grant funding for these funding programs and sources	1/15/2017	Grant Writer
	d. Identify NC and regional funding sources	1/15/2017	Grant Writer
	e. Explore their potential interest in providing grants	1/15/2017	Grant Writer
	f. Develop findings and implications for the Fundraising plan	1/6/2016	Grant Writer/ internal

To learn more about the NC Chamber's *Roadmap to Value Driven Health*, please visit our website at:

https://ncchamber.net/foundation/research-initiatives/

Or email Gary Salamido at:

gsalamido@ncchamber.net