

Rhode Island Medical Society Council

Meeting of Monday, October 19, 2009

Meeting Highlights

UnitedHealthcare of New England CEO Stephen J. Farrell addressed the Council supported by UHCNE's local and regional medical directors and staff of UHCNE.

He opened with an acknowledgement of United's past shortcomings in the quality of its service, which he said had been unacceptably poor, as reflected in the low ratings United received from physicians in surveys conducted by OHIC (Office of the Health Insurance Commissioner) in 2008 and again in 2009. He emphasized that locally and nationally United is working to restructure and improve its service to medical practices. Locally a new service model has been in place since last year. Mr. Farrell believes the company is making progress. However, he said, "We have a long way to go,"

UHCNE serves 210,000 Rhode Island residents and 1.4 million New Englanders. It has 563 employees in New England, half of whom are located in Warwick, RI; UHCNE provided \$16 million in tax revenue to the state of Rhode Island last year.

UHCNE invests in the Rhode Island community in a number of ways to improve health, patient safety and the affordability of health insurance. For example, it participates in Rhode Island's multi-payer Chronic Care Sustainability Initiative (CSI), a Patient-Centered Medical Home model that includes placement (with salary paid by the insurers) of case managers in primary care practices, support for EMRs and a PMPM payment in addition to fee-for-service.

UHCNE also supports the ICU Collaborative, the Quality Institute and multiple programs of outreach and education for its enrollees. UHCNE is committed to further investment in primary care, the Medical Home, and EMR adoption.

Mr. Farrell acknowledged that United's pay-for-performance model (known as the Premier Designation Program, PDP) has had growing pains and is still "not perfect" but improving. A fourth iteration will be introduced in January. He emphasized that PDP is evidence-based and uses measures of quality and efficiency developed by national medical specialty societies. Physicians who qualify for two stars (both quality and efficiency) are rewarded with fee schedule enhancements.

Regarding national health system reform, Mr. Farrell observed that Rhode Island and Massachusetts can expect to feel less impact than those states where fewer of the proposed reforms are already in place. The state's recent narrowing of benefits and eligibility, however, is "a concern."

In response to questions, Mr. Farrell asserted that UHCNE had seen its medical loss ratio rise significantly in the past year to 88%-89%.

He acknowledged that United's Ingenix company (now the owner of Providence-based LighthouseMD and its CareTracker software) would be spinning off its database division as part of the settlement of an AMA-initiated lawsuit that has been supported by New York State's Attorney General Cuomo; but he noted that Ingenix is a large and diversified company.

He predicted that United would easily comply with the OHIC mandate to increase support for primary care services by 1% of total medical spending each year for the next

5 years and that Rhode Island would achieve “regional parity” in payment for primary care physicians within 5 years. (It was noted that the OHIC mandate for “primary care” includes general internal medicine, family medicine and pediatrics, but not OBGYN.)

Mr. Farrell expressed skepticism about the significance of regional payment disparities generally and suggested that these existed mainly in the primary care specialties. Some members of the Council disagreed.

With regard to OHIC’s rejection of United’s filing for a rate increase last July, Mr. Farrell noted that United’s original filing was based upon sound data and that United expects to re-file soon for a similar, necessary increase.

AMA Trustee William A. Dolan, MD, an orthopedic surgeon from Rochester, NY, addressed the Council on national health system reform.

He reviewed briefly some of the history of reform efforts in the U.S., beginning with Theodore Roosevelt. He noted the AMA’s prescience in opposing Medicare in the 1960’s on the grounds that it was to be an entitlement for all with no means test and therefore financially unstable.

He reviewed the AMA’s “seven guiding principles” for health system reform, consistent with policy developed and adopted by the AMA House of Delegates. (www.hsreform.org). He reviewed highlights of the legislative process in Congress to date and outlined the steps and hurdles ahead. He congratulated Rhode Island upon having both its U.S. Senators on board in support of S. 1776, the bill which was introduced on October 13 as the Senate vehicle to eliminate Medicare’s troublesome SGR formula.

On liability reform, Dr. Dolan characterized the administration’s \$25 million program of “demonstration projects” as a “gesture.”

In other matters, the Council:

- Elected Trustees of the RIMS Foundation for 2009/2010.
- Established membership dues for 2010 with no change from current levels.
- Heard an update on the progress of discovery in the Medical Society’s lawsuit against the state to nullify the state’s provider taxes.
- Received an update on the loan repayment program for primary care physicians launched in August by RIMS and BCBSRI in cooperation with the Rhode Island Foundation and the RI Student Loan Authority.
- Received reports from the President, the Chair of the Public Laws Committee, the Treasurer, and the Executive Director.