

# **LOUISIANA HEALTH CARE COMMISSION**

**Louisiana Department of Insurance  
Commissioner of Insurance James J. Donelon**



**Report to the Legislature**  
January 1, 2012 to December 31, 2012

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## **Louisiana Health Care Commission**

**James J. Donelon, Commissioner of Insurance**  
**LOUISIANA DEPARTMENT OF INSURANCE**

### **Report to the Legislature**

January 1, 2012 – December 31, 2012

#### **I. History of the Louisiana Health Care Commission**

The Louisiana Health Care Commission was created in 1992 (La. R.S. 22:2161). The Louisiana Health Care Commission (LHCC) is a forty-six (46) member multi-disciplined advisory board which undertakes comprehensive review of complex health care issues facing Louisiana. The Commission examines certain health policy developed by the Department of Insurance as well as other issues addressing reform of the health care and health insurance systems in Louisiana, in order to make access to quality health care more affordable and available for its citizenry. Through public meetings and forums the Commission receives testimony, reports and informational presentations from regional and national experts about the availability and affordability of health care and health insurance coverage in the state. The Commission openly solicits, encourages and receives public comment at all meetings. The Commission coordinates its efforts with other study commissions, state agencies and executive initiatives.

#### **II. Membership of the Louisiana Health Care Commission**

The Louisiana Health Care Commission is composed of a great variety of health care experts and stakeholders, including health care payers, providers, employer organizations and community leaders. Members are also nominated from the governing boards of Louisiana's colleges and universities, the Senate and House Insurance Committees, as well as at-large appointments designated by the Commissioner of Insurance.

Since its inception in 1992, the Commission has included as many as fifty (50) members. During the 1995 Regular Session of the Louisiana Legislature, Act 594 revised and re-enacted the authorizing legislation to expand the Commission to thirty-nine (39) members and extend its work until June 30, 1999. During the 1997 Regular Session of the Louisiana Legislature, Act 869 increased the Membership of the Commission to forty-four (44) members. During the 1999 Regular Session of the Louisiana Legislature, Act 446 was passed, which further increased the number of commission members and transferred the Louisiana Health Care Commission to the Department of Insurance by La. R.S. 36:686 (B).

During the 2004 Regular Session of the Louisiana Legislature, Act 495 amended La. R.S. 22:9 removing one dissolved organization and adding six new organizations to the Commission, expanding the Membership to fifty (50) members. During the 2012 Regular Session of the Louisiana Legislature, Act 271 amended La. R.S. 22:2161 removing four dissolved organizations, reducing the Membership to forty-six (46) members.

The following is a list of Louisiana Health Care Commission members, along with the organizations they represent, as of December 31, 2012:

**Ms. Rhonda R. Bagby**  
Humana Health Benefit Plan of Louisiana, Inc.

**Coletta C. Barrett, RN, MHA, FAHA**  
Louisiana Hospital Association

**Ms. Leah Barron**  
Louisiana Health Plan

**Robert E. Barsley, D.D.S., JD**  
Louisiana Dental Association

**Eric T. Baumgartner, M.D., MPH**  
At-Large Appointment

**Ms. Doreen Brasseaux**  
Louisiana State University System

**Mr. Scott Broussard**  
Louisiana Nursing Home Association

**Roderick C. Campbell, MBA/HCM**  
Louisiana Primary Care Association

**Ms. Dawn Cantrell**  
Blue Cross and Blue Shield of Louisiana

**John Steven Caraway, D.C.**  
Chiropractic Association of Louisiana

**Mr. Allen Cassidy**  
Louisiana Independent Pharmacies Association

**Ms. Julie Cherry**  
Louisiana AFL-CIO

**Mr. Derrell Cohoon**  
America's Health Insurance Plans

**Denise Danna, DNS, RN, NEA-BC, FACHE**  
Louisiana State Nurses Association

**Ms. Diane Davidson**  
Louisiana Business Group on Health

**Michael S. Ellis, M.D.**  
Louisiana State Medical Society

**Ms. Kerry Everitt**  
AARP Louisiana

**Thomas C. Fain, Ph.D., M.P.**  
Louisiana Psychological Association

**William L. Ferguson, Ph.D., CLU, CPCU, ARM**  
University of Louisiana System-  
University of Louisiana at Lafayette

**Ms. Emma Fontenot**  
Louisiana Department of Insurance

**Donna Fraiche, Esq.**  
At-Large Appointment  
Chairperson of the LHCC

**Holley Galland, M.D.**  
Louisiana Council on Human Relations

**Ms. Leah Guerry**  
Louisiana Association for Justice

**Ms. Linda P. Hawkins**  
League of Women Voters of Louisiana

**Paul A. Hildreth, PT, DPT, MPH**  
Louisiana Physical Therapy Association

**Ms. Bridgette R. Jamison**  
Louisiana Association of Business and Industry

**Anil Kukreja, Ph.D.**  
Louisiana Association of Independent Colleges and  
Universities

**Eva Lamendola, O.D.**  
Optometry Association of Louisiana

**Ms. Donna M. Mayeux**  
At-Large Appointment

**Hugh V. McKnight, Sr., D.D.S.**  
National Dental Association

**Mr. John D. Monlezun, Sr.**  
National Federation of Independent Business

**Mr. Ron J. Nezat**  
At-Large Appointment

**Ms. Phyllis Perron**  
Louisiana Insurers' Conference

**Mr. Bobby G. Savoie**  
AARP Louisiana, a volunteer representative

**The Honorable Gary Smith**  
Senate Committee on Insurance

**Sherry Soileau, RHU, CLTC**  
NAIFA Louisiana (formerly Louisiana Association of  
Insurance and Financial Advisors)

**Carol Steckel, MPH**  
Louisiana Department of Health and Hospitals

**The Honorable Ledricka Johnson Thierry**  
House Committee on Insurance

**Laura E. Trunk, M.D.**  
Louisiana Association of Health Plans

**Mr. Mayur Yermaneni**  
eQHealth Solutions

**STAFF:**

**Ms. Crystal Marchand Campbell**, Executive Director  
**Ms. Kristen Kieren**, Assistant Director  
**Ms. Vanessa Vince**, Insurance Compliance Examiner

### III. Meetings

The Louisiana Health Care Commission conducted four meetings during the calendar year, January 1, 2012 – December 31, 2012. Throughout the year, the Commission heard from various experts on health care issues that are of importance to the state of Louisiana. The Commission also closely monitored the introduction and the ensuing passage of the federal health care reform legislation.

The Executive Committee for the Health Care Commission consists of the Chair, Vice-Chair and three commission members representing health care providers, insurers and consumers. The mission of the LHCC Executive Committee is to plan the agenda for LHCC meetings, schedule any emergency meetings necessary between regular meetings and to propose subcommittee assignments. The LHCC Executive Committee held four meetings during the calendar year, January 1, 2012 – December 31, 2012.

#### **LHCC Meeting – January 27, 2012**

On January 27, 2012, the Director of the Louisiana Survey and Professor of Mass Communication and Political Science at LSU, Dr. Kirby Goidel, reported on the 2011 Louisiana Health Insurance Survey. He discussed the decline in uninsured rates for children and Medicaid eligible children in various areas in Louisiana. Dr. Goidel also reported on the drop in the adult employer-sponsored insurance in all areas of the state and stated that 53 percent of adults in Louisiana between the age of 19 and 64 are covered through employer-sponsored insurance.

#### **LHCC Meeting – March 16, 2012**

On March 16, 2012, the Commission heard from representatives of BAYOU HEALTH regarding the implementation of health care services to recipients of Louisiana's Medicaid Program. Ms. Sonya Nelson, Chief Operating Officer of Amerigroup, discussed the policies and procedures, provider data, claim payment statistics and medical management. Stewart Gordon, M.D., Chief Medical Officer of Community Health Solutions, stated that it contracts with primary care providers and partners to enhance their primary care patient centered medical homes. Ms. Kathy Stone, Executive Director of LaCare, spoke about the expanded benefits including adult dental and vision, in addition to the various programs to support the health and education of their members.

Mr. Jamie Schlottman, President and Chief Executive Officer of Louisiana Healthcare Connections, discussed the implementation of the program and advised that the company is a provider-based joint venture partnership with 19 Federally Qualified Health Centers in Louisiana. Ms. April Golenor, President of UnitedHealthcare of Louisiana, stated that the company is a subsidiary of UnitedHealth Group that serves Medicaid recipients in over 25 states. She also discussed the various programs and services offered that focus on improving health outcomes. Ms. Madeline McAndrew, Medicaid Coordinated Care Program Deputy Director, Department of Health and Hospitals, discussed the implementation of BAYOU HEALTH and advised that the purpose of the BAYOU HEALTH program is to improve health outcomes for Medicaid recipients. The LHCC members reviewed the recommendations of the LHCC Subcommittee on Health Care Cost Containment and approved all motions to adopt the Subcommittee recommendations.

### **LHCC Meeting – August 24, 2012**

Mr. Bruce Greenstein, Secretary of the Department of Health and Hospitals (DHH), reported on the DHH budget relative to the past and current fiscal year. Recent budget cuts that were made emanated from Congress this year via the job creation act and the federal transportation bill. However, he reiterated that the state had already been working to downsize operations to ensure continued sustainability while providing critical services.

Secretary Greenstein mentioned the efforts by the state to work towards community based health care. In discussing the Congressional cuts of the Medicaid budget and the Federal Medical Assistance Percentage (FMAP), which is a function of the state's per capita income, Secretary Greenstein highlighted several budget items that include downsizing of the Vital Records Service Centers, closure of Southeast Louisiana State Hospital and the reduction in some Medicaid contracts, reduction to private hospital rates by 3.7% as well as reductions to the LSU Public Hospital System. He also mentioned that Louisiana would not be expanding Medicaid as provided for under the Affordable Care Act (ACA).

Commissioner Jim Donelon discussed the health insurance exchange of the ACA. He reiterated that Louisiana will not be operating its own exchange. A federally facilitated exchange will be available in Louisiana.

### **LHCC Meeting – October 26, 2012**

Ms. Cindy Munn, Executive Director of the Louisiana Health Care Quality Forum (LHCQF) reported that the LHCQF works with different stakeholders in health care including purchasers, consumers, providers and payers to give LHCQF feedback on what they would like to see as it relates to the health information exchange and how the LHCQF works with providers for electronic health records (EHR) implementation. Ms. Munn stated that the catalyst seen in the United States relating to Health IT came from the Health Information Technology for Economic and Clinical Health (HITECH) Act in 2009 and the Affordable Care Act.

Mr. Lucas Tramontozzi, Chief Data Officer, Department of Health and Hospitals, reported on health information technology from the perspective of DHH. He stated that two new projects, implementation of the new Medicaid Management Information System (MMIS) and a new Medicaid eligibility system are two of the largest contracts of this nature in the state's history. He further stated that these projects will entail a seven year period consisting of three years for implementation and four years of operations. Mr. Tramontozzi indicated that the goal is to improve efficiencies and productivity in all programs administered by DHH and that the core functions are to protect public health, pay for health care and provide health care.

Ms. Kristen Lyman, Associate Director of Health Systems Division of the Louisiana Public Health Institute, discussed the Crescent City Beacon Community, a cooperative agreement with the U.S. Department of Health and Human Services Office of the National Coordinator for Health Information Technology. She stated that the agreement consists of \$13.52 million allocated over a three year period that began in 2010 and is scheduled to end in March 2013. Interventions implemented in the health information exchange will continue beyond that period. Ms. Lyman reported that the Greater New Orleans area has one of 17 Beacon Communities; each beacon community in the United States is in a different state of completion.

## **A. Other Action Taken**

The LHCC Health Care Cost Containment Subcommittee, which was formally authorized by the LHCC in 2010, researches health care strategies that have been successful in reducing health care costs. The LHCC Health Care Cost Containment Subcommittee met one time during this reporting period. The Subcommittee advanced 19 recommendations to the LHCC for adoption. Among the recommendations were suggestions to reduce Medicaid administrative costs, to make patients and consumers safer, to avoid excessive and potentially harmful diagnostic testing, to improve efficiency of claims payments, to address health practitioner shortages and to develop healthier lifestyle choices among patient populations. The Subcommittee noted that authority to implement some of the recommendations is vested in the LDI; however, others would require implementation by other state departments or legislative action and still others were outside the state's authority.

The LHCC Access to Care Brochure Subcommittee was formed in 2011 and met twice during the 2012 reporting period. The Subcommittee agreed to create regional brochures listing local health care resources for the uninsured population throughout the state. During this reporting period, four brochures were created and printed for the Greater Baton Rouge, Northwest, Central and Northeast Louisiana areas. The Subcommittee members also agreed to post electronic copies of the brochures on the Department of Insurance website so that individuals could access and print additional copies as needed. The Subcommittee agreed to create additional brochures for each of the regions throughout the state.

## **IV. Department of Insurance Annual Health Care Conference**

The LDI held its Annual Health Care Conference on April 10, 2012, in Baton Rouge, Louisiana. There were over 500 conference participants and 17 exhibitor booths. Local and national speakers discussed health care issues that affect many Louisiana policyholders, employers and providers. Conference panel topics included a federal health care update, Louisiana State Medicaid program update, Louisiana's proposed health insurance rate review process, federal health care reform update and Louisiana's private health insurance market.



## **V. Looking Ahead**

The Louisiana Health Care Commission will continue to study, monitor and make recommendations related to the availability and affordability of health care and health care coverage to the Commissioner of Insurance.

The Louisiana Health Care Commission will continue to study the issue of the uninsured and underinsured in order to make recommendations to further expand coverage options.

The Louisiana Health Care Commission will continue to monitor all federal and state legislation and make recommendations accordingly.

The Louisiana Health Care Commission will continue to monitor the implementation of federal health care reform as policies develop at both a state and national level.

The Louisiana Health Care Commission will coordinate and host the Department of Insurance Annual Health Care Conference scheduled for April 16, 2013, in Baton Rouge.

## CONCLUSION

We trust that this report is both informative and enlightening to our state legislators. The Louisiana Health Care Commission remains committed to addressing the many health policy issues that play a part in ensuring that Louisiana citizens have access to affordable, quality health care. The Commission will continue to educate and encourage discussion of all stakeholders in the debate of the provision of health care for all Louisiana citizens.

The Commission looks forward to playing a role in the search for more effective and efficient solutions for the delivery of health care in Louisiana.



Donna D. Fraiche, Chair  
Director  
Louisiana Health Care Commission

Crystal Marchand Campbell, Executive  
Louisiana Health Care Commission

For more information about the Department of Insurance and the Louisiana Health Care Commission, you may access the Department of Insurance website at <http://www.lds.la.gov>. Lists of Louisiana Health Care Commission members and meeting dates are available on the website.

## Appendix 1

The following is a list of members of the Louisiana Health Care Commission, inclusive of additional contact information, as of December 31, 2012.

**Ms. Rhonda R. Bagby**

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**William L. Ferguson, Ph.D., CLU, CPCU, ARM**

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**Ms. Emma Fontenot**

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**Mr. Bobby G. Savoie**

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**The Honorable Gary Smith**

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Senate Committee on Insurance  
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**Mr. Mayur Yermaneni**

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Appendix 2

**LHCC Subcommittee on Health Care Cost Containment  
Suggested Recommendations**

<b>Issue</b>	<b>Suggested Recommendations for Discussion</b>	<b>Recommended Priority Level</b>	<b>Subcommittee Comments</b>
<b>(1) Use of Generic and Brand Name Prescription Drugs</b>	Allow a one time fee for 90 day prescriptions for chronic disease patient medications.	1	Reduction of administrative costs and consumer simplification and safety.
<b>(2) Use of Generic and Brand Name Prescription Drugs</b>	Maintenance of cost savings in current prescription drug programs for Medicaid. This includes, but is not limited to, the 340B Drug Pricing Program.	2	Requests the continuation of cost saving program to state under ongoing federal program.
<b>(3) Administrative Simplification in the Health System</b>	Promote or require the use of standardized, common electronic or paper forms for billing and coding.	1 and 2	Reduction of administrative costs and improvement of efficiency and safety in the system.
<b>(4) Administrative Simplification in the Health System</b>	Improve the efficiency of provider-insurer transactions in claims processing and payment.	1 and 3	Encourages cost savings and early and efficient payment of claims.
<b>(5) Administrative Simplification in the Health System</b>	Give providers and patients instant access to a patient's insurance coverage information.	1 and 3	Provides transparency and an opportunity to request correction of errors prior to and/or after payment.

Priority Level and Suggested Action Index 1=Department of Insurance, 2=Other State Departments or Legislature, 3=Outside of State's Authority

Issue	Suggested Recommendations for Discussion	Recommended Priority Level	Subcommittee Comments
<b>(6) Administrative Simplification in the Health System</b>	Standardize medical management policies (e.g. preauthorization procedures).	1 and 3	Provides more efficient and cost effective procedures that will additionally standardize medical management procedures for all parties (i.e. carriers, providers, etc.)
<b>(7) Collection of Health Data</b>	Support both administrative simplification procedures and all payer health data collections; monitor the use of both strategies, how they may be further actualized during the national health care reform administrative process; support model measures.	1 and 3	<p>Provides support for model measures in administrative simplification and health data collection.</p> <p>Utilizing available resources to evaluate administrative simplification and health data collection will give us data on “real cost” savings.</p> <p>Evaluate national health reform administrative process to determine implementation costs and savings.</p>
<b>(8) Collection of Health Data</b>	Encourage State Medicaid program to contract with other government/public health institutions (not only private businesses) in addition to fee-for – service to enhance its cost saving efforts.	2	<p>Encourage expansion of contract pool for Medicaid to other government/public health institutions (i.e. Veterans Administration, Department of Defense) to enhance cost savings opportunities.</p> <p>Collect data on other services (other than fee for service) to enhance cost saving comparisons.</p>
<b>(9) Physician &amp; Other Healthcare Provider Shortages</b>	<ul style="list-style-type: none"> <li>Establish a statewide data registry similar to what is being done in other states (i.e. Iowa) which include readily available information on the number of allied health professionals, nurses and</li> </ul>	2	<p>Establishment of statewide data registry on all health professionals. (i.e. physicians, nursing and allied health) to determine</p> <p>(1) health professional needs</p> <p>(a) current</p> <p>(b) future</p> <p>(2) prioritize allocation of state resources to best serve needs of Louisiana consumers</p> <p>(3) utilize incentive programs, where necessary, to encourage health professional participation in areas of recognized need.</p> <p>(4) Develop new curriculum to handle areas of need i.e.</p>

Priority Level and Suggested Action Index 1=Department of Insurance, 2=Other State Departments or Legislature, 3=Outside of State’s Authority

Issue	Suggested Recommendations for Discussion	Recommended Priority Level	Subcommittee Comments
	<p>physicians in relationship to what is geographically needed.</p> <ul style="list-style-type: none"> <li>• The Louisiana Health Works Commission should coordinate this effort, in conjunction with allied health, nursing, and medical schools, etc. and should be given authority to conduct such an initiative statewide, inclusive of all general and specific areas of practice.</li> <li>• To accomplish, the Louisiana Health Works Commission should seek authority to work with, and obtain, critically identified and needed information from the various licensing boards of the health professions being</li> </ul>		<p>Health Information Managers, Medical Record Librarians and other developed from registry.</p> <p>Licensure data should be captured in a single source for ease of access, simplification of data control, and detection of any fraud and abuse.</p>

Priority Level and Suggested Action Index 1=Department of Insurance, 2=Other State Departments or Legislature, 3=Outside of State's Authority



Issue	Suggested Recommendations for Discussion	Recommended Priority Level	Subcommittee Comments
	<p>tracked.</p> <ul style="list-style-type: none"> <li>• Going forward, the Healthworks Commission should continue to work with the Licensing Boards to ensure that the data collection for each health profession is captured through the licensing board's routine and standard formats, which are currently required to be completed by providers upon initial licensure or licensure renewal.</li> <li>• The statewide health professions' data registry should be established and housed in a centralized database at DHH and used in analyzing the current healthcare workforce needs of Louisiana, and created in such a</li> </ul>		

Priority Level and Suggested Action Index 1=Department of Insurance, 2=Other State Departments or Legislature, 3=Outside of State's Authority

Issue	Suggested Recommendations for Discussion	Recommended Priority Level	Subcommittee Comments
	<p>manner as to allow for secure web access and updating of data as appropriate.</p>		
<p><b>(10)Physician &amp; Other Healthcare Provider Shortages</b></p>	<p>Since Louisiana is a health care professional shortage area, and with the potential for federal health care reform to have a profound impact on already limited health care professionals, Louisiana should study the creation of a Primary Care Program Track, modeled after the Rural Scholars Track Program in the LSU medical school program which exempts medical school tuition for students who commit to practicing for 5 years in a rural area after residency. The state should also support Family Medicine Residency Programs and physician extender programs such as physician assistants and nurse practitioners.</p>	<p>2</p>	<p>These are LSU medical school programs and proposed Primary Care Physician, PA and NA programs directed at primary care and rural care physician needs.</p> <p>Supporting primary and rural physician development through tuition exemption and other programs provides direct incentives to medical students who then commit to primary and rural care. This provides mutually beneficial results of care for needy populations and less debt for the student.</p>
<p><b>(11)Physician &amp; Other Healthcare Provider Shortages</b></p>	<p>Primary and secondary medical education should be encouraged to utilize tuition exemption, tax credits, loan repayment, and selection process criteria to fill workforce needs that are identified.</p>	<p>2</p>	<p>Cost savings would result with an increase in supply of practitioners in local communities, benefiting patients, practitioners, local business etc.</p>

Priority Level and Suggested Action Index 1=Department of Insurance, 2=Other State Departments or Legislature, 3=Outside of State's Authority

Issue	Suggested Recommendations for Discussion	Recommended Priority Level	Subcommittee Comments
<b>(12)Physician and Other Healthcare Provider Shortages</b>	<p>The State should continue to support the continued work of the Louisiana Health Works Commission, including but not limited to the following areas:</p> <p>The State should support continued capitation funding for educational institutions in identified health profession shortage areas. Capitation funding, which is made available to the Health Works Commission, through the LA Board of Regents, is provided to educational institutions for the support of student stipend and tuition waivers, thereby increasing the capacity of existing education program to maintain or increase the supply of needed health care professionals in Louisiana, including individuals in the fields of nursing and allied health.</p>	2	<p>This is similar to what is described above except that it is capitation funding through the Health Works Commission for student stipend and tuition waivers in needed health care professions. Again, directing these efforts in identifiable areas <b>after</b> assessment of needs and identifying current and future goals should be the process.</p>
<b>(13)Physician and Other Healthcare Provider Shortages</b>	<p>Recommend that the La. Health Works Commission undertake a study to develop certified Health Information Managers/Medical Record Librarians (TX, AL and GA have</p>	2	<p>Self explanatory. Adds new programs as developed through streamlining and administrative simplification, etc.</p>

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Issue	Suggested Recommendations for Discussion	Recommended Priority Level	Subcommittee Comments
	established degree programs.		
<b>(14)Physician and Other Healthcare Provider Shortages</b>	Support the State Nursing Board efforts to determine if there is a shortage of nurses working in the area of providing direct patient care.	2	Identification of nurses working directly with patients vs. administrative tasks, etc.
<b>(15)High Cost and Health Risk from Medical Imaging</b>	Consumer education and awareness program on the health risk associated with certain diagnostic tests that expose patients including children to high radiation levels.	1 and 2	Reduction of repetitive testing and tests performed by costly non-compliant equipment.
<b>(16)Health Insurance Fraud</b>	Revise the professional licensing process to include more review of applicant background and reduction of issuance time. (i.e. 5 years, 7 years etc.)	2	Upgrade of professional licensing is a proactive approach to fraud and abuse which is costly to the health care system.
<b>(17)Transparency</b>	Establish baseline monitors and benchmarks measuring the total program cost on DHH programs that have been contracted out or under consideration to determine whether tangible cost savings and quality services are achieved over a given period of time.	2	Provides a cost savings monitoring device in DHH contracts.

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Issue	Suggested Recommendations for Discussion	Recommended Priority Level	Subcommittee Comments
<b>(18)Transparency</b>	Develop a patient/consumer incentive pilot program providing rewards to manage and monitor their own health care.	1	Contains costs through management of patient consumer costs by lowering medical utilization without sacrificing health. Patients with few resources will not benefit and a balanced model is needed otherwise cost will increase. (RAND Health Insurance Study 1970, Implications of the RAND October 2006.)
<b>(19)Patient Behavior</b>	Reward patients for making wise health choices. Implement financial penalties for poor lifestyle choices and higher patient cost for ER usage	1	Cost containment measure (1) financial penalties for (a) poor lifestyle choices (b) ER Visit (2) Financial incentives for (a) good health choices, exercise, weight etc.

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