

Council on the Economic Impact of Health System Change

The Eighth Princeton Conference The Future of Managed Care

*May 17-19, 2001
Robert Wood Johnson Conference Center and
Marriott Forrestal Village Hotel
Princeton, New Jersey*

THURSDAY MAY 17TH – MARRIOTT HOTEL

5:30 p.m. Reception

Conference Part I: Current Assessment of Managed Care

6:45 p.m. Welcome

Stuart Altman, Ph.D.
Sol C. Chaikin Professor of National Health Policy
Brandeis University
Chair
Council on the Economic Impact of Health System Change

7:00 p.m. Keynote

Uwe Reinhardt, Ph.D.
James Madison Professor of Political Economy
Princeton University

*Managed Care at the Crossroads: Where it has been and how it will evolve
in the future?*

7:30 p.m. Discussion

8:00 p.m. Dinner

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FRIDAY MAY 18 – RWJ CONFERENCE CENTER

7:30 – 9:00 a.m. Breakfast

Welcome and Introduction

9:00 a.m. **Risa Lavizzo-Mourey, M.D.** Welcome
 Vice President
 The Robert Wood Johnson Foundation

9:10 a.m. **Stuart Altman** Introduction

Conference Part I (continued): Current Assessment of Managed Care

9:20 a.m. **Harold S. Luft, Ph.D.**
 Director

Robert Miller, Ph.D.
 Associate Professor

Institute for Health Policy Studies
 University of California at San Francisco

Update of Miller/Luft study. Has managed care delivered on cost efficiency and quality of care? Did managed care reduce the rate of increase in health care expenditures? If so, where did the savings come from? What did we give up in return? Has managed care changed clinical practice? What changes have actually occurred in regard to evidenced-based medicine, more consistent practice patterns, and improved preventive care?

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9:40 a.m. **Paul Ginsburg, Ph.D.**
President
Center for Studying Health System Change

Results from the Community Tracking Study. Has the face of managed care changed? How has managed care responded to pressures by other players such as purchasers for self-funding, consumers for increased choice, and providers for less risk sharing? Has managed care backed away from its utilization control techniques?

10:00 a.m. Discussion

Conference Part II: Four Forces That Will Shape the Future of Managed Care

Force # 1: The Evolution of Private Health Insurance

10:45 a.m. **Patricia Powers**
Consultant

How will trends in the provision of employer-sponsored group insurance impact the future of managed care? Will the system evolve toward defined contributions and, if so, what will be the impact? Will the system evolve toward the individual market and, if so, what will be the impact? How will employers react if health care inflation continues to increase at or near double-digit rates?

11:00 a.m. Discussion

11:30 a.m. Break

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Force # 2: Government Payers - The Future of Medicare and Medicaid HMO

11:45 a.m. **Nancy-Ann DeParle, J.D.**
Institute of Politics
John F. Kennedy School of Government

What is the future of the Medicare+Choice program? Given current levels of reimbursement, can Medicare HMOs compete with traditional Medicare and, if so, can they also offer additional benefits? If not, should the government subsidize the program? What kind of changes or new models would bring managed care organizations back into the program?

12:00 a.m. **Rachel Block**
Deputy Director
Health Care Financing Administration

What are the current trends in Medicaid managed care? What kinds of organizations are providing services and how has the composition of providers changed? How have capitation and other contracting changes affected the ability of MCOs to operate in this market? Can Medicaid payment to cost ratios remain negative in a world where providers have a reduced ability to cost shift?

12:15 p.m. Discussion

1:00 p.m. Lunch

Force # 3: The Consumer Backlash

2:00 p.m. **Drew Altman, Ph.D.**
President and CEO
Henry J. Kaiser Family Foundation

Will consumer attitudes change the nature of managed care? How strong an influence will the consumer be able to exert on the market? How do consumers evaluate the trade-off between cost and choice?

2:15 p.m. Discussion

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Force # 4: Federal and State Regulation of Managed Care

2:45 p.m. **Thomas Scully, J.D.**
Administrator (nominated)
Health Care Financing Administration

*What is the current status of federal and state regulatory legislation?
What will be the likely future for Medicare managed care and the
Medicare+Choice program?*

3:00 p.m. **Karen Ignagni, M.B.A.**
President and CEO
American Association of Health Plans

*How has the industry responded to the consumer and press backlash and
the resulting regulation? How will the evolving models of managed care
change the regulatory climate?*

3:15 p.m. Discussion

4:00 p.m. Afternoon Session Adjourns

FRIDAY EVENING MAY 18th – Princeton U. Faculty Club

5:30 p.m. Reception

Conference Part III: Health Insurance Models of the Future

6:30 p.m. **Leonard Schaeffer**
Chairman and CEO
WellPoint Health Networks, Inc.

*How will the industry respond to the market and government forces that it
has had to confront? What kind of organizations and models will emerge
that will constitute managed care in the future?*

7:00 p.m. Discussion

7:45 p.m. Dinner

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SATURDAY MAY 19th – RWJ CONFERENCE CENTER

7:30 a.m. Breakfast

Conference Part III (continued): Managed Care in the Future

E-Care: New Managed Care Models Utilizing the Internet

8:30 a.m. **Mark V. Pauly, Ph.D.**
Chair, Health Care Systems
The Wharton School, University of Pennsylvania

8:45 a.m. **John Danaher, MD**
President and COO
HealthMarket

9:00 a.m. **Lee Newcomer, MD**
Chief Medical Officer
Vivius, Inc.

The speakers discuss new models of managing care that utilize the power and potential of the Internet; one focused on consumer choice and the other on providers.

9:15 a.m. Discussion

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Industry Perspectives on Managed Care's Future

10:00 a.m. **John W. Rowe, MD**
President and CEO
Aetna, Inc.

10:15 a.m. **Charles Baker**
President and CEO
Harvard Pilgrim Health Care

10:30 a.m. **Dick Pettingill**
President and Executive Vice President
California Division, Kaiser Permanente

The next generation of managed care. How do today's MCOs have to evolve to confront the challenges in both the private and public markets? What kind of new organizational structures might emerge?

10:45 a.m. Discussion

Conclusion and Wrap-Up

11:30 p.m. **Stuart Altman**

12:00 p.m. Meeting Adjourns – Box Lunches Available