

**OFFICE OF THE CITY COUNCIL**

**CHERYL L. BROWN** 117 WEST DUVAL STREET, SUITE 425

DIRECTOR 4TH FLOOR, CITY HALL

OFFICE (904) 630-1452 JACKSONVILLE, FLORIDA 32202

FAX (904) 630-2906

E-MAIL: CLBROWN@coj.net

**SPECIAL COMMITTEE ON UTILIZING UF HEALTH AS A HEALTHCARE DELIVERY ORGANIZTION MINUTES**

**March 6, 2014**

**2:00 p.m.**

**City Hall**

**117 W. Duval St., 4th Floor**

**Conference Room A**

**Attendance:** Council Members Matt Schellenberg (Chair), Robin Lumb, Clay Yarborough,

**Excused:** Council Member JohnnyGaffney

**Also:** Andy Carroll and Andy Marino – Florida Blue; Russell Armistead and Michael Lawson – UF Health; Paula Shoup – Legislative Services Division; Yvonne Mitchell – Council Research

See attached sign-in sheet for additional attendees.

Council Member Schellenberg called the meeting to order at 2:04 p.m.

Mr. Andy Marino reported it being very common for a hospital employer group (Baptist, HCA, UF Health) that is self-funded to configure their plan design, network composition or benefit differentials to encourage employees to use one healthcare system provider or another. However, non-healthcare providers utilizing benefit differentials to promote employees to use one system or another is less common. As it pertains to the option from UF Health to the City, he felt there were other creative ways to potentially address some of the needs around increasing volume to UF Health and discouraged the development of a unique product with direct steerage and benefit differentials. The bases of opinion is the assumption of healthcare savings using benefit differentials/hard steerage may not be factually accurate. He commented that the financial viability of any healthcare system over another is determined by the payer mix (distribution of revenue) and doesn’t mean one is more affordable.

Mr. Mario’s strategy suggestions included:

* target marketing – promoting value of an established relationship with a primary care through UF Health to employees without a medical home which will ultimately improve wellness/wellbeing of City employees while reducing medical expenses of unnecessary ER utilizations and admissions
* version of *Blue Select* – network utilizes only two healthcare systems (UF Health and St. Vincent’s). This product is relatively 10% lower than the broad base HMO. The market share capture rate would be higher for UF Health vs being included with the other institutions. This product is explorative since it only exists for smaller companies currently.

There was extensive discussion about the payer mix, cost of indigent care and negative ideology of UF Health as it relates to other hospitals. Mr. Armistead shared that UF Health provides an excellent service with high quality and customer satisfaction. It is crucial that additional resources are provided for sustainability. Mr. Armistead and Mr. Lawson support hard steerage/benefit differentials as a means to gain revenue from City employees that would not regularly choose UF Health without incentives.

Due to the ramifications of the development of a Blue Select for a larger institution, it must be agreeable to the other networks because of possible effects on market place prices. It was suggested that the hospital CEO/CFOs meet for a more detail discussion about creative solutions to assist with UF Health’s financial sustainability with the least resistance from City employees and the medical facilities. There needs to be a study relating to self-insured vs fully insured to consider various factors (all covered services, participation agreements, etc.).

CM Lumb commented that the cost of indigent care in this community is primarily at the expense of UF Health and Duval County taxpayers. The other hospitals do not have a similar financial burden. The expectation is to deliver a product that will assist UF Health.

Mr. Marino stated there is an opportunity for impact and gain leverage with UF Health’s recent rebranding, expansion of primary health clinics and new capabilities. He committed to working with Mr. Lawson on targeted outreach to current City employees without a PCP to in the short term.

Florida Blue representatives agreed to begin researching various marketing options with cost structures to include figures on a Prime Plus, Premium & Gator Care plans for feasibility. They will present study details at next meeting on April 3, 2014.

There being no further business, the meeting was adjourned at 3:00p.

Yvonne P. Mitchell, Council Research Division (904) 630-1679

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6:00 p.m.