



News Notes

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VOLUME 16 | ISSUE 1 | SPRING/SUMMER 2020 | WELCOME MESSAGE

Interview with Joe Huxta, Former Chair, LVBCH Board of Directors (March 2020)

What positions did you hold at LVBCH?

I am proud to have been part of the Coalition for 32 years. In fact, had been involved for so long that not long before I retired, we had a new board member, who was young. I remember hearing her age and then telling her that I had been on the Board before she was born. I served as the Treasurer and was Chairman of the Board from 2003-2005. I stayed with it for so long because it fit with my professional goals.

What was your job before you retired?

I was responsible for the health and welfare of benefits for employees of Volvo Trucks and Mack Trucks. At one point during my tenure, I was responsible for 15,000 employees in plants across the United States. Now, there are about 6,000 employees. I also ran the national wellness program. I was proud of the fact that Volvo-Mack provided employees with a robust health benefit program. I retired almost four years ago.

Each new employer at Volvo-Mack received a coin. On one side there is the embossed bulldog, Mack's symbol. On the other side are the words, "YOU MAKE THE DIFFERENCE." I felt that the work we did really applied to our work at the Coalition. We made a difference in keeping healthcare costs affordable and of high quality.



How have the challenges faced by the Coalition in the early years compare with today's challenges?

The Coalition was started by the CEOs of some of the area's largest employers at that time, Bethlehem Steel, Mack Trucks, Air Products, PPL. They came together because healthcare costs were rising 10, 12% a year. At first, they were involved with fact gathering and educating themselves about factors that were causing the high increases.

Over time, the CEOs took a step back and the companies' human resources directors and benefits managers played a more active role. Meanwhile, the Coalition evolved into providing employee benefit products. The Coalition provides pooled purchasing which gives employers leverage to obtain better pricing. Over the years, the Coalition has saved companies millions of dollars through pooled purchasing.

In recent years, the Coalition has sat down with the leaders of hospitals and health systems to discuss quality and cost and works with them to make improvements.

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If you were currently employed as a benefit manager what would be your biggest concern?

I would be concerned about employees and their lives. What can you do today to help them survive this right now. You hate to shut down the factories, but if you don't, you have hundreds of people in a plant who could get the virus. To flatten the curve, and protect the health of the workers, they have to stay home, but that creates its own hardships.

As a benefits manager you can't change the benefit plan during an unexpected crisis. Determining what the plan covers is the role of senior management but you can make recommendations. For example, if the company has a high deductible plan, you could suggest that they waive or lower the deductible for any medical expenses related to COVID-19. You could suggest extending healthcare coverage for workers furloughed or laid off. In the end though, it's the CEO and the senior management team who make those decisions.

What are your thoughts related to COVID-19? How does it compare to healthcare challenges we have faced in the past?

It is a truly unprecedented challenge unlike anything I've ever seen in my lifetime. There's no vaccine, no effective way to treat it. It's a scary proposition. Public health professionals had conducted studies that modeled the likelihood of a pandemic but unfortunately, they never developed a strategic action plan. They sat on it, ignored it, put it off for another day and now we're experiencing the consequences of that. It's almost shameful that we didn't develop an action plan that would address such things as what equipment we would need, how would we get it, how would we prioritize distribution and how would we contain the spread of the virus.

There had been a pandemic team in place but apparently the current administration eliminated it. Just how things would be different today if that team had remained in place, we will never know. I think we've all learned that you have to have a strategic plan that considers such things as personal protective equipment and ventilators.

The president has evoked the Defense Production Act that would require manufacturers to make products. Perhaps he should have taken control of the situation sooner and directed General Motors and Ford to make needed equipment, telling them that the government would pay a fair price for it. Currently the states are negotiating against one another and there is price gouging happening. I have to give Governor Cuomo (of New York) credit. He has done a fantastic job.

What have you enjoyed most about your time with LVBCH?

I have enjoyed my entire time with the Coalition. I thought that we really made a difference. The goals of the Coalition were in line with the goals of my employer, Volvo-Mack – to provide high quality affordable healthcare benefits to our employees. The Coalition's and my employer's goals matched so well that we all became winners.

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Is there anything in particular that is most memorable?

In the early 1990s, when I was Co-Chair of the Board of Directors, we developed the first point of service healthcare plan in the Lehigh Valley. It was called Community Choice. Coalition members and staff met with hundreds of doctors, hospital administrators and other health care providers to get them to join the network. To better manage costs, the primary care provider was the employee's coordinator of care. Before employees could see a specialist, for example, they needed to get a referral from their PCP.

Now the trend is to allow the employee to have freedom of choice but once again most models place the PCP at the center of the patient's care. What goes around, comes around. Today, PCPS are reaching out to patients, encouraging them to get regular checkup, needed health screenings and other preventative healthcare measures.

Back in the 1980s, we operated under a fee-for-service model. You went into the hospital and had surgery. If it failed and you needed a second surgery, we, the employer through our insurance plans, would pay for the second operation, in essence we would pay twice. There was not much of an incentive to do a good job. If the provider screwed up, they still got paid.

Now the trend is moving toward an episode of care payment model, sometimes referred to as bundled payments. With this model, the health care provider get paid a fixed price that covers all of the expenses, including pre- and post-care. If they make a mistake and have to do the procedure again, they incur the cost, not the patient, the employer or the insurer.

Do you have any closing thoughts?

For the 32 years I was actively involved with the Coalition, I was truly blessed to be able to work with the most dedicated individuals – and I am sure that is still true. We all went above and beyond to improve the Coalition and to provide the best possible benefits for our companies and employees. Who doesn't want quality health care programs at an affordable cost? Through their leadership, the various presidents over the years have contributed to that goal. Together, we made it work.

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