



2016 ANNUAL REPORT

VISION STATEMENT

LVBCH will be the recognized leader in providing access to quality and cost-effective health care programs.

MISSION STATEMENT

LVBCH strives to improve the delivery, cost and quality of health care in our communities through:

- Collective employer action
- Quality and data initiatives
- Value-based purchasing
- Providing forums for the exchange of information, ideas and resources

GOALS

- Encourage quality health care initiatives
- Expand educational initiatives by increasing opportunities
- Strengthen purchasing initiatives
- Increase membership in the organization

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Rachel Burger, Director of Operations (Left)

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CHAIRWOMAN & PRESIDENT REPORT

What an exceptional year 2016 has been, one that few of us would have predicted. In November, billionaire Donald Trump was elected president, becoming the first man without political or military experience to ascend to the highest office. In October, folk rock singer composer Bob Dylan was awarded the Nobel Peace Prize for literature. Surely, as one of Dylan's iconic songs written in 1964 states, "The Times They Are a Changing." And now, like then, when computers were introduced to visitors to the World's Fair in New York, we sit on the precipice of tremendous technological changes that will bring political, financial, social, and moral challenges.

In no area is this more true than healthcare. Several speakers at LVBCH events discussed the tremendous advances in medicine, such as individual gene therapy, that will astonish us with their effectiveness in curing disease and extending life. But doing so will come at a price, leaving employers and other payers with difficult decisions. How can we pay for expensive, life-saving treatment for our employees without ruining our organization's financial health?

There are no easy answers, but LVBCH is committed to forming networks to work together to find the best possible responses. We continued to meet with representatives of local hospital and health systems to encourage quality care, cost containment, and price transparency. We urged participation in quality and safety surveys conducted by the Leapfrog Group, a national leader and advocate in hospital transparency. We also met with local elected officials, such as U.S. Representative Charlie Dent and PA State Senator Pat Browne, to discuss how regulation affects both the cost and quality of healthcare, as well as how paying for health coverage places an increasingly higher burden on employers.

Also this year, we further developed our relationship with our purchasing partners to offer affordable benefit plans, as well as new products and resources that uniquely meet our members' needs. For example, our prescription partner Express Scripts significantly lowered the cost of medication to treat hepatitis C by refusing to pay unfair pricing and negotiating better rates. We joined with Emerson Reid, Core Source and Excess Reinsurance to provide smaller employers the benefits of self-insurance. We partnered with Geneia Health Care Analytics to refine analytical software that provides employers with claims and other information to manage health plan costs and improve employee health.

Throughout the year program speakers, such as Bruce Sherman, MD, Medical Director for Ohio Based Employers Health Coalition, encouraged us to examine our approach to benefits planning to ensure we are getting the best long-term return on investment. He touched on our concern about the effect higher co-pays and

deductibles play in our employees' willingness to get needed health screenings and maintenance care.

We encouraged and applauded our employers' efforts to address our area's greatest healthcare challenges – the rising incidence of obesity. Excess pounds predispose overweight people to heart disease, diabetes, liver disease, and other complications. We recognized LVBCH members who have implemented measures supporting employees in their weight loss efforts, such as on-site gyms, gym memberships and weight loss program reimbursement, and healthy cafeteria items, just to name a few. Efforts to support employees manage their weight was the focus of a new award program introduced this year. The *Spotlight on Wellness Award* recognized member companies for their commitment to best practices in worksite health and wellness.

Besides obesity, among the most troubling trends facing us is the growing dependence on prescription narcotics, the availability of illegal opioids in our community, and consequently, the ruination of lives and epidemic of opioid-related deaths. According to local law enforcement officials, today heroin can be purchased for \$3 or \$4 per dose. That's about the cost of a premium cup of coffee.

Although the challenges are great, there is much to be positive about. More people are becoming active. Many once-costly medications are now available in generic or bio-similar forms and health conditions that used to require complex surgeries requiring days or weeks of inpatient recovery are now performed non-invasively in outpatient procedures. We are confident that as we work together with Coalition members, insurers, government representatives, community leaders and healthcare providers, collectively we can conquer the challenges that face us.



Jeannine M. O'Callaghan
JEANNINE M. O'CALLAGHAN
Chair of the Board



Thomas J. Croyle
THOMAS J. CROYLE
President

STRATEGISTS DISCUSS WAYS TO INCREASE HEALTHCARE VALUE AT LVBCH CONFERENCE



Robert Laszewski



Steve Miller, MD



Mark A Caron

A Washington insider, an advocate for fair drug pricing and an expert in healthcare analytics shared strategies to manage employee benefit costs at LVBCH's 2016 Annual Conference "Strategies to Increase Healthcare Value." The event was held May 5th at DeSales University. Healthcare policy expert and Washington insider **Robert Laszewski**,

lifestyle choices, managing utilization of services and lowering prices. Laszewski presented an update, "The Health Care Political and Market Landscape." Between 2005 and 2015, premiums for employer plans have increased over 60 percent while the average worker contribution has increased 83 percent. He cautioned against the trend of mergers of both health systems and insurance companies as they discourage competitors from entering the field resulting in higher costs.

Speaker **Steve Miller, MD**, Senior Vice President & Chief Medical Officer, Express Scripts, and a leading advocate for fair drug pricing, said pharmacy is the most widely used benefit of the \$3 trillion healthcare bucket, accounting for 18.6 percent. During his presentation, "Miracle Medications: Can We Afford the Cure?" he stated that 7,000 potential drugs are being developed that will improve lives. However, the expansion of pricey specialty medications threatens to drive costs to unsustainable levels and will challenge payers including employers with finding ways to pay for them.

During his presentation, "The Aim of Big Data: Turning Action, Insights and Meaning into Value," **Mark A Caron**, CHCIO, FACHE, Chief Executive Officer, Geneia, said the improved use of health care data will emerge as an ever increasingly important tool to manage healthcare costs. Through a modernized, compartmentalized approach, we can use structured and unstructured information from health providers, payers and individual data – such as Fitbit – to build models that drive knowledge, prescriptions and insight into what we should be doing.



At the annual conference, LVBCH handed out cards listing "5 Questions to Ask Your Doctor." Later, Consumer Reports posted the photo to Twitter and Facebook.

President, Health Policy and Strategy Associates, told the more than 200 people in attendance that gaining control over the rising costs of the American Health System will require promoting better

LVBCH was also honored to have U.S. Congressman **Charlie Dent** attend the event and address our members.



LVBCH SHINES LIGHT ON MEMBERS' EMPLOYEE WEIGHT MANAGEMENT EFFORTS

This year's annual conference introduced the LVBCH Wellness Spotlight Award – a new program to recognize member companies for their commitment to best practices in worksite health and wellness. In 2016, the award focused on employers' efforts to help employees manage their weight.



2016 Wellness Spotlight Award Recipients

- Andesa Services
- B. Braun Medical Inc.
- City of Bethlehem
- Computer Aid
- Crayola
- Essroc Cement Corp
- Follett Corporation
- Lancaster-Lebanon Intermediate Unit 13
- Lehigh University
- Lehigh Valley Health Network
- Members 1st Federal Credit Union
- Schlouch Incorporated
- St. Luke's University Health Network
- Victaulic
- Volvo Group / Mack Trucks

Annual Conference Participants Enjoy Vendor Fair



LVBCH EDUCATION-INFORMATION INITIATIVES



LVBCH Roundtable Sponsored by Merck – “Trends in Benefit Design Evolution”

Bruce Sherman, MD, Medical Director, Ohio Based Employers Health Coalition, asked employers to consider the long-term cost of their

benefit plans in terms of employee health, productivity, absenteeism and retention. Stating that human capital is the most valued asset of most companies, he challenged employers at the event on March 10, 2016 to look at their plans through the eyes of their employees, especially lower income workers who may be less able to pay out-of-pocket costs resulting from high-deductible plans.

In regard to health incentives, Dr. Sherman asked attendees to re-think how they are being applied. Instead of paying healthy people to stay healthy, consider what we could do to help unhealthy people become healthier. Perhaps we should offer targeted incentives for high-value chronic condition care and condition management program engagement incentives.

LVBCH Employer Forum Sponsored by KIBS & bswift – “LVBCH’s Private Exchange in Action – Now and in the Future”



Scott Fair and **Sharyn McCormick** of Key Insurance Benefits Services and **Don Garlitz** of bswift explained features and benefits of LVBCH’s private exchange at an event on March 29, 2016. Offering fully-insured and self-funded plan options, the private exchange provides structured procurement, decision support and benefits



administration. The event also featured a discussion of panelists **Elizabeth Carpenter** of Trivergent Health Alliance MSO, **Cathy Stanyard** of SMS USA and **Lori Young** of Crayola.

Healthcare Systems Engineering Symposium – “What Does Healthcare Actually Cost?” Co-Sponsored by LVBCH and Lehigh University

Patients’ costs incurred traveling to appointments and the cost of their time while waiting, such as lost work time, should be considered when calculating the total cost of care, said keynote speaker **Will Millhiser, PhD**, Associate Professor of Management at the Zicklin School of Business, Baruch College, The City University of New York. Dr. Millhiser cited a Harvard Medical School study that estimated the typical visit to a doctor consumes 121 minutes of the patient’s time — 37 minutes in travel, 64 minutes waiting for care or filling out forms, and only 20 minutes face to face with the physician. To reduce this expense, he recommended improving efficiency in physician clinical settings; optimizing scheduling of physician, lab and imaging appointments; promoting alternative care sites at workplaces, schools and retail areas and promoting telemedicine. The symposium held on May 17, 2016 also included a panel discussion moderated by **Tom Huntzinger** (Emerson, Reid & Co.) and panelists **Mike Johnson** (Bayada Home Health), **Amy Nyberg** (Coordinated Health), **Lauren Vela** (Pacific Business Group on Health) and **Anne Baum** (Capital BlueCross).



LVBCH Employer Forum Sponsored by Novo Nordisk – "Proactively Managing Obesity at Your Organization"

At an event on September 21, 2016, **Kathy Brady**, Founder and President, CMB Health Inc., led a discussion about rising obesity rates among American workers and its relationship to higher healthcare costs, absenteeism, workmen's compensation and disability claims. Currently, more than 78 percent of adults in the United States are overweight or obese, and if trends persist, that figure is expected to exceed 86 percent by 2030.



LVBCH Roundtable Sponsored by Pfizer – "Balancing Work & Cancer: How Employers Can Help"



Christine Brennan, Associate Director of Programs, Cancer & Careers, advised employers on how to help an employee diagnosed with cancer. She suggested they work together to develop a simple plan that focuses on the worker's desire and ability to work, needed accommodations and financial needs. Also, the plan should address how the employee's work and cancer diagnosis affects his or her identity.

A panel discussion moderated by **Jennifer Chambers, MD**, of Capital BlueCross followed the presentation. Panelists were **Erik Rupard, MD**, of Reading Health System, **Lee Riley, MD**, and **Donna Bydlon, RN**, of St. Luke's University Health Network, **Suresh Nair, MD**, and **Maritza Chicas, RN**, of Lehigh Valley Health Network.

American Cancer Society - 13 "Relay for Life" Events & "Making Strides Against Breast Cancer Walk"

In the fall of 2016, LVBCH participated in the American Cancer Society's Breast Cancer Walk in downtown Bethlehem. Making Strides Against Breast Cancer was a celebration of survivorship — an occasion to express hope and our shared determination to make this breast cancer's last century. In addition, the Coalition sponsored 13 "Relay for Life Events" held in communities throughout Lehigh, Northampton and Berks Counties in the Spring of 2016.



2016 LVBCH MEMBERSHIP | *OUR MEMBERSHIP IS COMPRISED OF MANY DIFFERENT TYPES AND SIZES OF COMPANIES. SOME ARE INTERNATIONAL IN SCOPE, WHILE OTHERS ARE REGIONAL OR LOCAL EMPLOYERS.*

- Abington Manor at Morgan Hill
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- Allentown School District
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- BB&T Insurance Services
- Bethlehem Christian School
- Block Insurance Agency, Inc.
- Blue Mountain School District
- Boehringer Ingelheim Pharmaceuticals, Inc.
- Borough of Freemansburg
- Boyertown Area School District
- Brandywine Heights Area School District
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- BSI Corporate Benefits
- Burnham Holdings, Inc.
- Buzzi-Unicem USA, Inc.
- C.F. Martin & Co., Inc.
- Capital BlueCross
- Carbon Career & Technical Institute
- Carbon Lehigh Intermediate Unit
- Catasauqua Area School District
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- Center for Allergy & Asthma
- Centurion Benefits, LLC
- Cetronia Ambulance Corps.
- Chaar Saddlery, LLC
- Cigna
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- City of Easton
- City of Lancaster
- City of Reading
- City of Shamokin
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- County of Lehigh
- County of Northampton
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- Delta Dental
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- Distinctive Tile & Stone
- Dunne Manning Inc.
- East Penn Manufacturing Co., Inc.
- East Penn School District
- Eastern PA Endoscopy Center
- Easton Coach Company
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- Elementis Worldwide, Inc.
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- FLSmidth
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- Geneia, LLC
- Gillespie Printing
- Giorgio Foods
- Glen-Gery Corporation
- Godiva Chocolatier
- Greater Reading Chamber of Commerce & Industry
- Gross McGinley, LLP
- H.A. Berkheimer Inc.
- Hampson, Mowrer, Kreitz Agency
- Highmark Blue Shield
- Hospital Central Services, Inc.
- Integrated Behavioral Health
- Jim Thorpe Area School District
- Just Born, Inc.
- Keenan-Nagle Advertising, Inc.

- Kelly Car Truck Center
- Key Insurance & Benefits Services, Inc.
- Keystone Precision Instruments
- kgb USA, Inc.
- Khubchandani-Stasik-Rosen, PC
- KidsPeace Corporation
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- Lafayette College
- Lancaster-Lebanon Intermediate Unit 13
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- Lehigh and Northampton Transportation Authority
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- Lehigh Career & Technical Institute
- Lehigh Mining & Navigation
- Lehigh University
- Lehigh Valley Benefits Group
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- Lehigh Valley Safety Supply Co.
- Lehigh Valley Workforce Investment Board
- Lehigh Area School District
- Lentz-Koma Insurance Agency
- Lutron Electronics, Inc.
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- Mack Trucks, Inc.
- Members 1st Federal Credit Union
- Mercer Health & Benefits
- Merck & Company
- Miers Insurance
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- Muhlenberg College
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- Natural Light Window, Co.
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- Pfizer, Inc.
- Pittston Area School District
- Populytics
- PPL Corporation
- Private Industry Council of Lehigh Valley, Inc.
- PRL, Inc.
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- Pulmonary Medicine, PC
- Quadratus Construction Management, Inc.
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- Reading School District
- Restoration Services
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- Southern Lehigh School District
- Spectrum Homes
- St. Luke's University Health Network
- Talen Energy Corporation
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- Valley Builders, LLC
- Valley Preferred/LVPHO
- Valley Youth House
- Victaulic
- Volvo Construction Equipment
- Volvo Trucks North America, Inc.
- Warner Benefits
- Weatherly Area School District
- West End Associates, Inc.
- West Shore School District
- Whitehall Coplay School District
- Wilkes University

LVBCH PARTNERSHIPS



LVBCH Partnered with Consumer Reports to Promote Choosing Wisely®

LVBCH continued its partnership with Consumer Reports to provide education about the dangers and issues associated with the overuse of health care services. Through the **Choosing Wisely®** campaign, employers encouraged their employees to become more involved in their health care by having informed conversations with their physicians.



LVBCH and Partners Offered Level-Funded Medical Options for Small & Mid-Sized Employers

LVBCH partnered with **Emerson Reid**, **CoreSource** and **Excess Reinsurance** to offer new level-funded medical insurance options to LVBCH small and mid-sized employer groups. The products provide benefits of self-insurance typically available only to larger employers. Key components of the health plan design are programs and incentives to improve employee health/well-being and telehealth services.



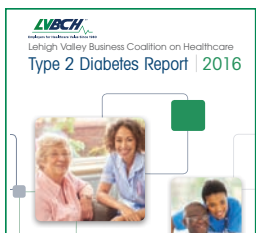
Geneia and LVBCH Members Worked Together to Refine an Employer Benefits Analytic Tool

Several Coalition members volunteered to hone Geneia's analytical software that provides employers with information to manage health plan costs and improve employee health. The tool aggregates available data into a single platform that quickly allows an employer to pinpoint areas of cost savings, identify and redirect network leakage, detect open care opportunities for employees, and review medical and prescription drug information.



LVBCH Partnered with Leapfrog to Promote Hospital Quality and Price Transparency

Once again in 2016, LVBCH served as a Regional Leader organization for the Leapfrog Group, inviting eastern and central Pennsylvania hospitals to complete the **Hospital Survey**. In April and October, Leapfrog published its **Hospital Safety Grades** and LVBCH helped communicate them to members. Assigning A, B, C, D, and F letter grades provides the most complete picture of avoidable hospital errors, accidents and infections that kill or harm tens of thousands of patients.



LVBCH Partnered with Sanofi to Publish its 4th Diabetes Report

Sanofi U.S. and the LVBCH published their fourth edition of the Type 2 Diabetes Report for 2016. The 2016 report provides an overview of key demographic, financial, utilization, pharmacotherapy, and health outcome measures for Type 2 diabetes patients in the Allentown (including Bethlehem and Easton), Harrisburg, (including Lebanon and Carlisle), Reading, and Scranton (including Wilkes-Barre and Hazleton) Metropolitan Statistical Areas.

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Prescription Drug Partner



Data Analysis Partner



Private Exchange Partners



Mental Health Partner



Health Education and Wellness Partner



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Health is our business. Care is our passion.

Express Scripts is proud to support the Lehigh Valley Business Coalition on Healthcare (LVBCH) and recognize all the important work they do throughout the year.



Employers for Healthcare Value Since 1980

60 West Broad Street
Suite 105

Bethlehem, PA 18018

P: 610-317-0130

F: 610-317-0142

lvbch@lvbch.com

www.LVBCH.com



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