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New Health Care Commission to Focus on Developing State Policies to Contain Costs

A new commission, whose members include a former secretary of Health and Human Services; former governors; health insurance, hospital, and physician group CEOs; as well as representatives of the major purchasers of health care in the United States, including Medicare, Medicaid, the private sector and consumers, has begun work to develop practical state policies to contain health care costs.

The commission was announced Jan. 4 by several of its members, including Mike Leavitt, former HHS secretary and governor of Utah; George Halvorson, chairman and CEO of Kaiser Permanente; and Andrew Dreyfus, president of Blue Cross Blue Shield of Massachusetts.

The State Health Care Cost Containment Commission, which is being organized by the University of Virginia's Miller Center, will focus on developing state policies for several reasons:

- Most public-policy transformations in the United States have grown from state initiatives, e.g. the Clean Air Act, welfare reform, and health care for the uninsured.
- State experimentation can be critical to testing policies prior to enactment at the national level.
- Individual states differ substantially with regard to their health care markets and cultures, and thus cost control strategies must take these differences into account.
- As the implementation of the Affordable Care Act (ACA) proceeds, governors and states will become more accountable for the cost of care as one out of every three Americans will receive coverage through Medicaid or state insurance exchanges.

“Not only is health care the major contributor to our federal deficit and outstanding debt problem, but it is also a major contributor to the ongoing difficult fiscal position in many states. While there are provisions in the ACA that will encourage integration and help reduce costs, it seems that states have a clear advantage in providing leadership in this area,” Leavitt said.

Halvorson added, “We are going to look comprehensively for practical cost control strategies that states could utilize. It will be important to have a continuum of options that have appeal across the political spectrum.”

Dreyfus said, “We have learned in Massachusetts that expanding coverage is not enough. You also need disciplined, statewide efforts to control costs and promote affordability in order to sustain the gains in coverage.”

The commission is being co-chaired by Leavitt and Bill Ritter, former governor of Colorado. In addition to Halvorson and Dreyfus, other members of the commission include:

- Jay Cohen, executive chairman, Monarch HealthCare
- Michael L. Davis, senior vice president, global human resources, General Mills
- Lloyd Dean, CEO, Dignity Health
- Joan Henneberry, former executive director, Colorado Department of Health Care Policy and Financing
- Robert Reischauer, Medicare trustee and former director, Congressional Budget Office
- Rob Restuccia, consumer advocate and executive director, Community Catalyst
- Glenn Steele, president and CEO, Geisinger Health System
- Simon Stevens, executive vice president, UnitedHealth Group.

Raymond Scheppach, former executive director of the National Governors Association, will direct the project. He is an economic fellow at the Miller Center and a professor of practice at U.Va.’s Batten School of Leadership and Public Policy.

The commission held its first conference call last October and is scheduled to have its first meeting in February.

The initiative is being funded by Kaiser Permanente and The Robert Wood Johnson Foundation

More details on the commission can be found at <http://millercenter.org/policy/commissions/healthcare>.

Contacts:

Kristy Schantz, 202-758-3918, kkschantz@virginia.edu

Kim Curtis, 434-243-2985, kcurtis@virginia.edu