

2017

ANNUAL REPORT



Collaboration Among Stakeholders to Deliver
High Quality, Reasonable Cost, Healthcare Solutions



If I had to use one word to describe 2017, the word I would use is change. From the name of our organization and our expanded reach to the significant number of provider mergers and acquisitions, to new partnerships between stakeholders and new payment models for care reimbursement, there was not one facet of healthcare that did not experience change in 2017.

In February of 2017, the Board of Directors for our organization voted to change our name from the Lancaster County Business Group on Health to the Central Penn Business Group on Health. The name change and expanded reach into Adams, Berks, Cumberland, Dauphin, Lebanon and York counties were in response to the changing healthcare environment and the need to serve a broader community. When the Lancaster County Business Group on Health was founded in 1984, all four hospitals were locally owned. In 2017, none were. Some ownership was regional and some national. Since it is tough to make sure we have listed all of the

changes, mentioning just a few of the key ones, will demonstrate the depth and breadth of these changes. By the end of the year, with the entry of UPMC Pinnacle into the region with the purchase of Lancaster Regional, Heart of Lancaster, Memorial Hospital in York, Carlisle Hospital, and Hanover Hospital as well as the purchase of the Physicians Alliance by Penn State Hershey and their subsequent new partnership with Highmark, our healthcare landscape is almost unrecognizable.

With all of the changes occurring in healthcare, there was need for education and discussion around these events. To that end, the Central Penn Business Group on Health responded with expanded programming. In addition to our 3 signature events – The Legal Alert which was held in February, The Health Summit, a partnership with LiveWell Lancaster held in May, and our annual Forecast Breakfast which was held in September – we also continued to host online events and live sessions on the impact of change and also trends in healthcare for our region. Event attendance was up over 16% for 2017.

For our organization, two major themes emerged out of the chaos. The first is the need for us to continue our leadership role as healthcare data aggregation for our region. Our goal is to not only provide employers with meaningful insights into their own data, but to also provide the community with a picture of the overall health of our region and trends in our region. By the end of 2017, we had 27 employers representing over 25,000 covered lives sharing data on our data platform provided by Innovu. Going forward, self-funded employers can either participate as a data contributor or use the platform to take a deeper dive into what is happening in their own plan. We would like to add another 75,000 lives to the platform to ensure our data is credible and a true representation of what is occurring in our region.

The second initiative supported by the CPBGH Board of Directors is the push to create price transparency for all healthcare purchasers. In today's complex world, employees are struggling to understand the process for purchasing care and also to understand the cost of services in advance of treatment. To that end, we have begun to meet with area providers and insurers to see what can be done to affect change.

Knowing that change can be stressful, I again invite you to take advantage of all this organization offers to you. As we continue this journey, we again challenge you to use our resources, attend our events and make your voice heard. Collectively, we will make a difference.

Best wishes for a happy and healthy 2018!

A handwritten signature in cursive script that reads "Diane".

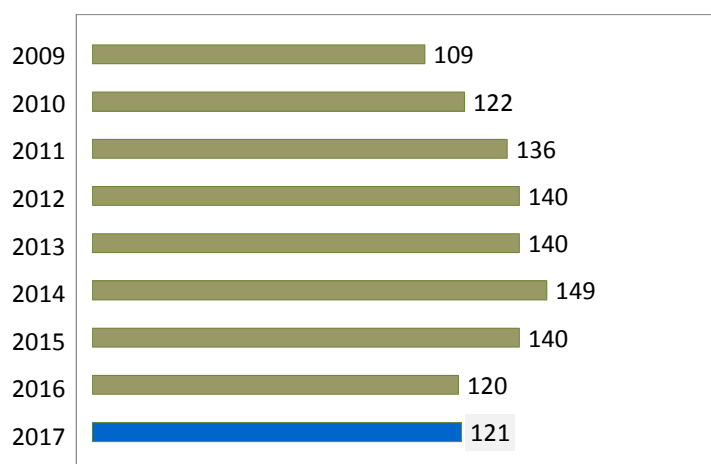
Diane N. Hess, CLU CEBS
Executive Director

OUR MISSION

Balance between costs and quality

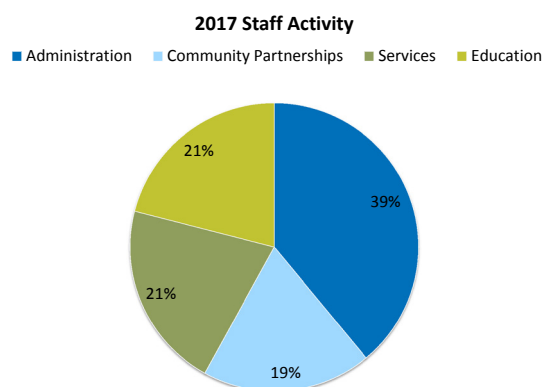
NUMBER OF MEMBERS

The Central Penn Business Group on Health saw a modest increase in membership in 2017 when compared to prior years. With our new regional strategy and continued support for our initiatives, we anticipate an uptick in membership in 2018.



STAFF ACTIVITY

At the Central Penn Business Group on Health, we track all of our activity so our membership knows exactly how we are spending our time. Although administration takes up a significant portion of our time, we continue to focus on delivering high quality educational events and innovative programs and services. We also value our relationship with our community partners and devoted significant resources to these collaborations in 2017.



2017 STRATEGIC INITIATIVES

Engage

Collaboration & Partnerships

Promoting dialogue and partnerships among stakeholders — businesses, healthcare providers, insurers, payers, project funders, social service agencies, brokers, consultants, and government — helps keep healthcare effective and affordable. Working together, by utilizing individual organizational strengths, maximizes our impact which benefits the entire community.

Empower

Education & Advocacy

Providing educational events yields opportunities for the community to learn about leading trends in healthcare. Through formal events, member-only networking events, local surveys, newsletters, webinars, and strategic vendors, our members learn compelling strategies that directly impact their employee benefit plans. The Central Penn Business Group on Health continues to advocate for the appropriate balance between quality and cost of healthcare.

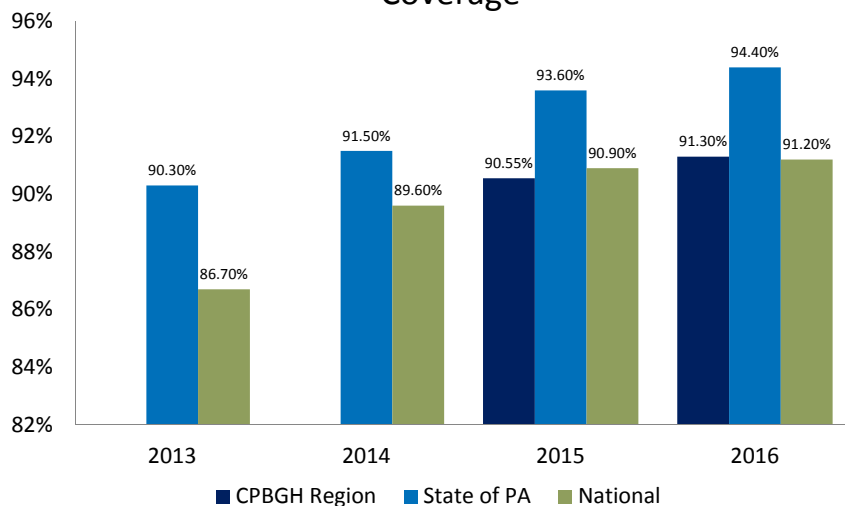
Execute

Products & Services

The Central Penn Business Group on Health seeks to find or develop unique cost-effective products and services that promote the optimal well-being of our membership. We will accomplish this by filling market voids where the Central Penn Business Group on Health can play a unique role without directly competing with existing services in the marketplace.

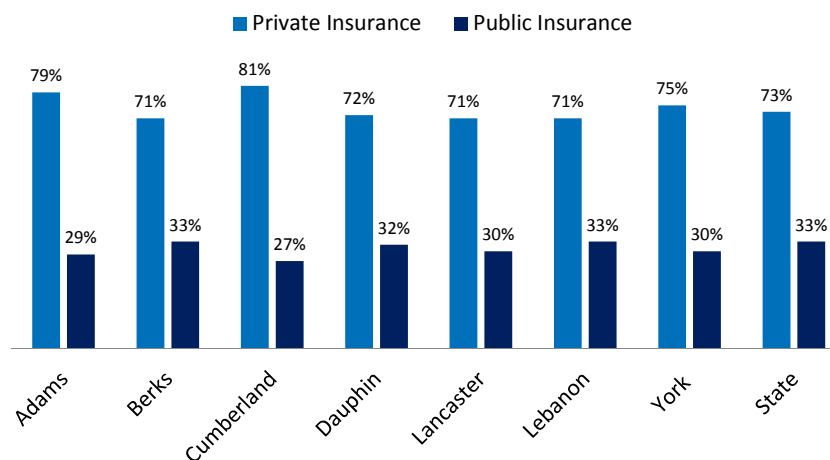
HEALTHCARE TRENDS:

Percentage of individuals with Health Insurance Coverage



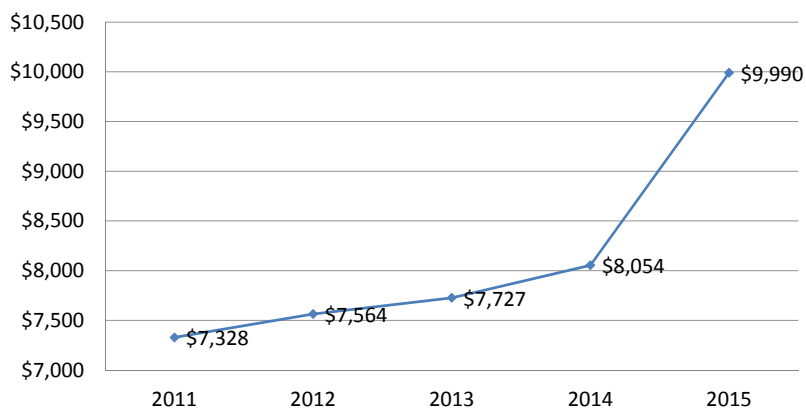
Data Source — US Census Bureau & Towncharts.com

Health Insurance Coverage Type



National Personal Health Expenditures per Capita (nominal)

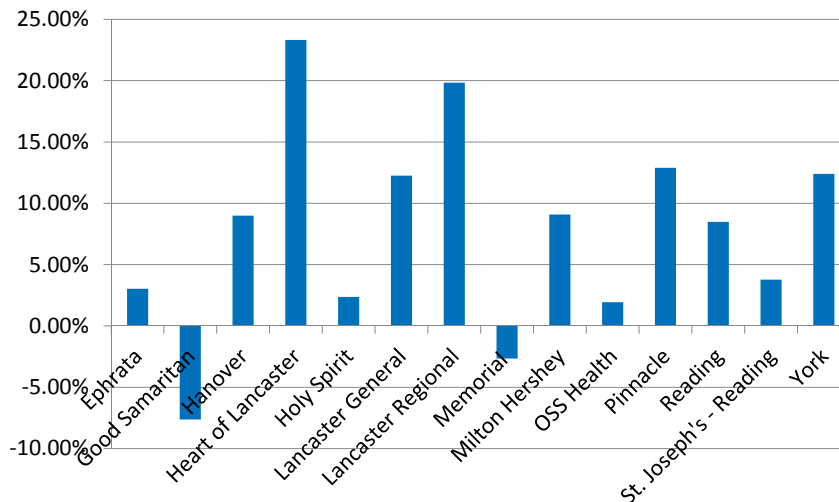
Data Source — Towncharts.com



Data Source — US Census Bureau

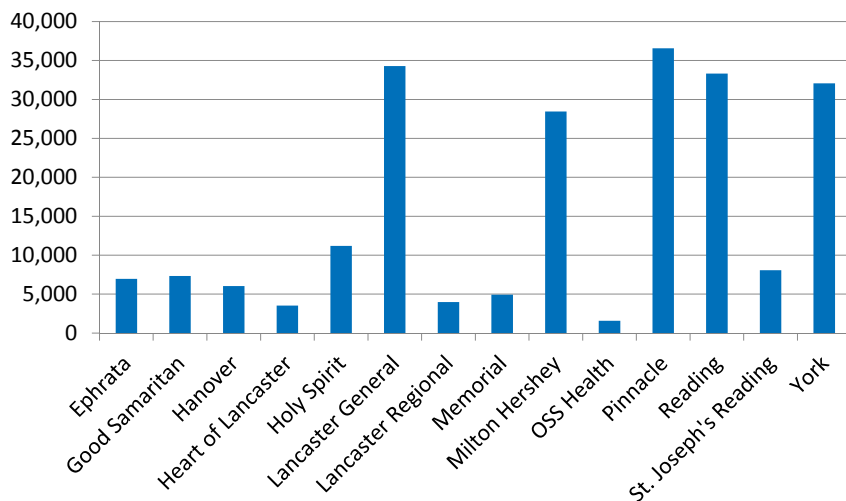
HEALTHCARE TRENDS:

2016 Hospital Operating Margins



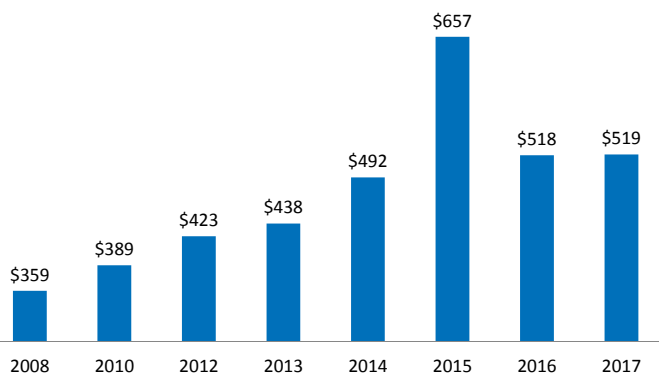
Data source: 2016 PHC4 Reports

Number of Inpatient Days for Calendar Year 2016



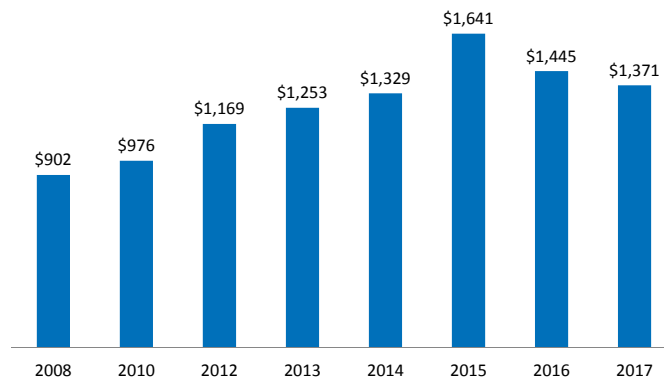
Data Source – 2016 PHC4 Reports

Average Cost of Single Coverage in Central Pennsylvania
Per Month



Note: Data from Central Penn Business Group on Health/Lancaster Chamber Survey. Prior to 2017 data was from employers in Lancaster County only.

Average Cost of Family Coverage in Central Pennsylvania
Per Month



Note: Data from Central Penn Business Group on Health/Lancaster Chamber Survey. Prior to 2017 data was from employers in Lancaster County only.

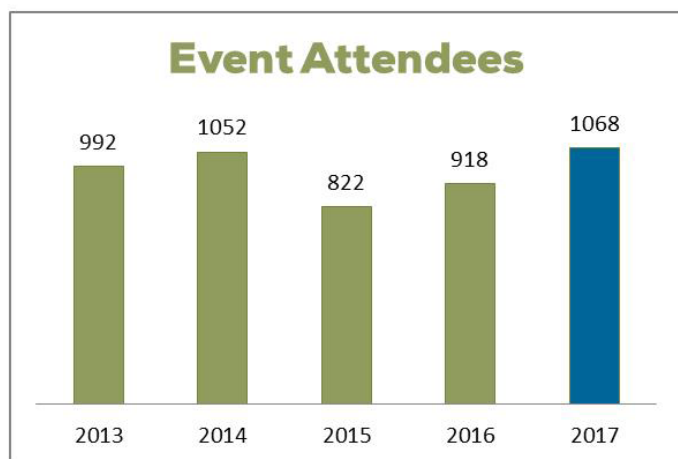
2017 KEYNOTE EVENTS

2017 saw an uptick in attendance at our three keynote events. We started the year with a focus on health plan compliance and challenged our community to focus on reducing stress and improving wellbeing. The annual Forecast Breakfast focused on the changing healthcare landscape in our region and what we can expect in the future. With the mergers and acquisitions, new partnerships and payment structures continuing to dominate our news, 2018 brings with it the need for updates and expert analysis.

HEALTHCARE Forum/Health Summit

HEALTHCARE Legislative/Legal Update

HEALTHCARE Forecast Breakfast



Title Sponsor: Penn Medicine Lancaster General Health

THURSDAY, MAY 11, 2017
7:30 AM TO NOON
THE LANCASTER COUNTY CONVENTION CENTER
25 SOUTH QUEEN STREET, LANCASTER

Our keynote speaker will be **Dr. Robert Sapolsky**, a noted science and nature writer, biologist and neuroscientist as well as stress expert.

Also help us celebrate those employers in our community who continue to foster a culture of health in their workplace.

We'll see you at the summit!

Gold Sponsor: WellSpan Health

In Partnership: Business LiveWELL Lancaster County Division

2017 HEALTH SUMMIT

Managing STRESS and Improving WELLBEING

18th Annual Healthcare Forecast Breakfast
"The Changing Central Pennsylvania Healthcare Landscape - Our Opportunities and Our Challenges"

September 25, 2017
8:00 a.m. - 12:00 p.m.
Hochey Country Club
\$50 Members, \$80 Non-Members

Register On-line at: www.cpbgh.org

2017 Business GROUP ON Health HEALTHCARE LEGISLATIVE/LEGAL UPDATE

February 23, 2017
7:30 a.m. - 10:30 a.m.
Lancaster Country Club
\$45 Members, \$75 Non-Members

Register On-line at: www.businessgrouponhealth.org

RESOURCES & SOLUTIONS

CPBGH Data Initiative - We Need You . . .

The Central Penn Business Group on Health mission is to promote continuous improvement in the quality and cost of healthcare in our region for our member companies, their employees and covered dependents. In order to do this effectively, we need to have a better understanding of what we can measure in our region and we need to be able to compare those metrics to other markets. To that end, in the fall of 2016, CPBGH formed a relationship with Innovu, a data analytics company based in Pittsburgh, PA. The plan was to roll out to our members and the region at large, a robust data solution to address specific employer concerns and also to be able to present regional insight into cost and quality metrics.

Today, we have over 25,000 covered lives from 27 employers using the platform. Our goal is to build that to 100,000 covered lives. We believe at that point our data will be credible and we can confidently share and compare. To meet these goals and begin the heavy lift we need your participation. If you are a self-funded employer with employees in our region (Adams, Berks, Cumberland, Dauphin, Lancaster, Lebanon or York Counties) we are asking you to consider being a data contributor. There is no cost to contribute your data and having your information included will give us a more robust data set for our region. As CPBGH members you will have access to regional insights regarding health issues and the cost of care.

Platform capabilities can also provide you with a robust analytics tool that will allow you to understand cost drivers and health issues within your own population. Please call Diane Hess at (717) 239-6954 or email her at dhess@cpbgh.org if you are interested in participating or to learn more details about this initiative and its value.

EmployerLens®
Use Data Differently.

Harness your data to measure how employee health impacts productivity, performance, and your bottom line. EmployerLens gives you the visibility and clarity you need to make informed benefits and risk program decisions.

- Integrate health and benefits data in a secure platform
- Review monthly dashboards and reports
- Prioritize issues identified by alerts
- Use the insight to better manage costs

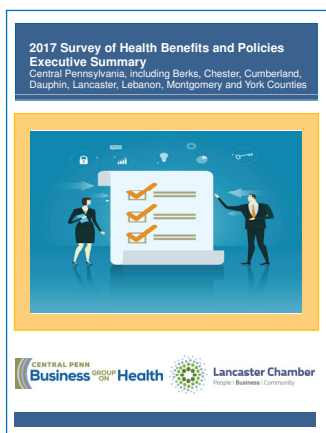
Integrate Benefits and Risk Program Data
Integrating data across all your benefits and risk programs gives you a 360-degree view of your population. EmployerLens integrates, validates, and analyzes your data, uncovering program correlations and underlying cost drivers. This data-driven insight empowers you to manage costs, improve employee health outcomes, and offer more targeted benefits programs.

Know Where to Look First
EmployerLens automatically scores your data to quickly identify and alert you to issues, letting you prioritize and focus your efforts. See trends impacting your program costs, identify gaps in care, detect fraud, and much more with hundreds of configurable alerts.

Monitor Program Performance
Dynamic dashboards and reports allow you to track key performance indicators that matter to you. If you have questions, your benefits advisor can dig deeper into the data to quickly get answers.

Collaborate with Your Team
Using our built-in collaboration tools your team, advisors, and Innovu can privately share information within the platform, keeping your data secure.

Central Penn Business Group on Health



2017 Benefits Survey

In collaboration with the Lancaster Chamber, the Central Penn Business Group on Health conducts an annual Policy and Benefits Survey. The survey asks employers in Central Pennsylvania about their healthcare benefits, including employee contributions, strategies to contain costs and their views on healthcare issues. The results provide a benchmark for area employers to assist them in evaluating the competitiveness and appropriateness of their benefit package. Participation was up significantly in 2017.

Central Penn Business Group on Health members can receive a free copy of the Executive Summary of Health Benefits and Policies by visiting the MEMBERS ONLY section of the Central Penn Business Group on Health website: www.cpbgh.org. A copy of the presentation will also be available to members on our site. Employers who participated in the survey who are not members can receive a copy of the Executive Summary by emailing dhes@cpbgh.org. Survey participation begins in May of each year and the survey results are unveiled at the annual Forecast Breakfast.

2017 Benchmarking Reports

New in 2017, the Central Penn Business Group on Health also offered area employers the ability to purchase customized benchmarking reports. These reports focused on all measurement benchmarks and compared the employer's data to our overall survey result to the Kaiser Family Foundation findings as available. There was a nominal cost for these reports, but well worth the investment.



Consumer Reports: Choosing Wisely Campaign

The Central Penn Business Group on Health partnered with Consumers Reports / ABIM Foundation to allow members access to communication resources for health related issues. Materials can be accessed via our website and give employer member's additional resources to help them communicate about healthcare with their employees. The goal of this partnership is to provide members with educational tools and resources, written both in English and Spanish to help employees understand the benefits they have, best practices for use, and general guidelines for monitoring their own health.

5 QUESTIONS to Ask About Medical Tests Before You Have Surgery

- What are medical tests before surgery?** Sometimes, before surgery, you will get medical tests, also known as pre-operative or "pre-op" tests. These might include a chest X-ray, blood and urine samples, or heart and lung tests.
- Do I really need these tests?** They can be helpful if you are having serious surgery, especially if you have health problems. But if your surgery is minor or low-risk, you probably don't need them. Ask your doctor or surgeon.
- What are the risks?** Ask about any false alarms the tests might cause or if they could lead to more tests, procedures, or a surgery delay.
- Is this test different than the one I had recently?** Ask your doctor to check your test records from the last six months. Usually you don't need to repeat a recent test if your condition hasn't changed.
- How much does it cost?** Ask if the tests are part of your surgery expenses and what your insurance will cover.

Use these 5 questions to talk to your doctor about which pre-op tests you need — and which you don't need.

Some pre-op tests provide little benefit. And in some cases, they may even cause harm.

Talk to your doctor to make sure you end up with the right pre-op tests — not too many and not too few.

<http://consumersreports.org/choosingwisely/>

Member e-Newsletter

Fall / 2017

CENTRAL PENN Business Group ON Health

In This Issue

- Executive Director's Report
- Healthcare Data Summary
- 2017 Survey Results
- Healthcare Data Summary
- Survey Findings
- Survey Conference
- Survey Data Call

From the Executive Director

The pace of change in healthcare these days and the need to educate our members about the changes does not allow the staff at CPBGH much down time or even much time for reflection. However, as we begin to look at our programming for 2017 and focus on 2018, it is imperative that I do just that. I read clearly the feedback from all of our events and want you to know I take all of your comments and feedback to heart. Just know that as a very diverse group of stakeholders with varying agendas, it is often difficult to please everyone at the same time.

The vision for our organization is to provide a forum and a voice for the business community on healthcare through collaboration among stakeholders. Sometimes that means presenting conflicting solutions to problems since what works for one organization does not necessarily work for another.

The goal now to me is that the feedback suggests a willingness of our stakeholders to remain engaged and work toward solutions. An example of this is our transparency initiative and our upcoming transparency summit. The CPBGH Board began this initiative in response to feedback from members who have been challenged in getting the answers they need when receiving care. Our goal is to see how we can make it easier for purchase of care to understand the cost of care and care options prior to receipt of services. While we don't always have the luxury of being able to assume all options when we need care, it still is needed to be much easier than it is today. On November 16, we have 20 representatives from the provider community, area insurers, and employers coming together to explore making the initiative forward. All that we welcome and our goal is to create the pathway forward. If you wish to be part of the conversation, please feel free to contact me. And of course, more to follow as we continue to explore all opportunities for success.

Diane

Healthcare Benchmarking Reports

New for 2017:

Central Penn Business Group e-Newsletters

Quarterly, "news you can use" is sent via email to our members.

Action Briefs

Each Action Brief centers on a specific topic of interest highlighting why employers should care and providing action steps and strategies employers can take to improve health and healthcare delivery. This information documents make great educational pieces employers can share directly with employees so they have knowledge they can use.

Action Brief

RETHINKING HEALTHCARE CONSUMERISM STRATEGIES IN LIGHT OF EMERGING EVIDENCE

Healthcare delivery has long been a complex system. But as the industry evolves, it's becoming more and more consumer-driven. This means that employers need to rethink their healthcare strategies to better serve their employees and control costs.

5 STRATEGIES TO MITIGATE THE NEGATIVE EFFECTS OF CONSUMERISM

1. **Provide transparent information:** Employers should provide clear, accessible information about healthcare costs and options to help employees make informed decisions.
2. **Encourage preventive care:** Encouraging employees to get regular check-ups and preventive care can help reduce the need for expensive treatments.
3. **Use data to inform decisions:** Employers should use data to identify areas of high cost and high utilization to inform their healthcare strategies.
4. **Engage employees in decision-making:** Encouraging employees to be active in their healthcare decisions can help them make choices that are right for them.
5. **Consider self-insured plans:** Self-insured plans can give employers more control over their healthcare costs and allow them to tailor their plans to their specific needs.

EMERGING EVIDENCE ON POTENTIAL CONCERNS

While there is growing concern about the impact of consumerism on healthcare, there is also evidence that suggests that consumerism can lead to better outcomes and lower costs. By using the strategies outlined in this brief, employers can help ensure that their healthcare strategies are effective and efficient.



BOARD OF DIRECTORS 2018

Executive Committee:

James Maurer, R.W. Sauder, Inc., Chair
Jason Dennis, CoreSource Inc., Vice Chair
Regina Deel, Conestoga Wood Specialties Corp., Secretary
Joan Enoch, Lift-All Company, Inc., Treasurer
Tom Williams, InteriorsHome, Immediate Past Chair

New 2018 Board Members:

George Ioannidis, Spring Grove School District; Jessica Lilly, Capital BlueCross; Maureen Putnam, OSS Health

Retiring 2017 Board Members:

Timothy Shrom, Solanco School District; Eric Athey, McNees Wallace & Nurick; Richard Migash, Capital BlueCross

Central Penn Business Group on Health Staff:

Diane N. Hess, CLU CEBS, Executive Director
Laura Mscisz, Project and Events Coordinator

Directors:

Eric Buck, LGH Community Care Collaborative, LLC
Joan Enoch, Lift-All Company, Inc.
Kelly Fasnacht, Kalas Manufacturing
Liz Ford, High Company LLC
George Ioannidis, Spring Grove School District
David Kreider, WellSpan Health
Scott Labrecque, StoudtAdvisors
Jessica Lilly, Capital BlueCross
Maureen Putnam, OSS Health
Lora Regan, M.D., Lancaster City & County Medical Society
John Roda, Burnham Holdings, Inc.
Brooks Turkel, UPMC Pinnacle Lancaster & Lititz
Annette van Eeden, Highmark Blue Shield
Leslie Wireback, LCSWMA
Heather Valudes, The Lancaster Chamber

UPCOMING EVENTS IN 2018

JANUARY NETWORKING BREAKFAST: HOW ARE ACCOUNTABLE CARE ORGANIZATIONS AND BUNDLED PAYMENT PROGRAMS CHANGING HEALTHCARE IN CENTRAL PENNSYLVANIA?

Date: January 25, 2018
Location: Lancaster Chamber, 115 East King Street
Time: 8:00 a.m. to 10:30 a.m.
Cost: Free for CPBGH Members / \$15 Non-Members

AUGUST NETWORKING BREAKFAST

Date: August 2018
Location: Lancaster Chamber, 115 East King Street
Time: 8:00 a.m. to 10:30 a.m.
Cost: Free for CPBGH Members / \$15 Non-Members

HEALTHCARE LEGISLATIVE/LEGAL UPDATE

Date: Thursday, February 22, 2018
Location: Lancaster Country Club
Time: 7:30 a.m. to 10:00 a.m.
Cost: \$45 Members; \$75 Non-Members

2018 HEALTH SUMMIT

Date: Thursday, May 24, 2017
Location: The Lancaster Convention Center
Time: 7:30 a.m. to 12:00 p.m.
Cost: \$45 Registration Fee; \$20 Non-Profit Rate

19th ANNUAL HEALTHCARE FORECAST BREAKFAST

Date: September 2018
Location: TBD
Time: 7:30 a.m. to 11:00 a.m.
Cost: \$45 Members; \$70 Non-Members



SPONSORSHIP OPPORTUNITIES

Join others in getting your firm in front of 100's of key decision members while supporting CPBGH in it's mission to hold cost down and create efficiency by working collaboratively with all sectors of the healthcare system.