



## **VMA HEALTHCARE SUMMIT: TELL US WHERE IT HURTS**

July 10 and 11, 2003  
Charlottesville, Virginia

### ***SUMMARY REPORT***



UNIVERSITY OF VIRGINIA  
CENTER FOR EXECUTIVE DEVELOPMENT  
SCHOOL OF CONTINUING AND PROFESSIONAL STUDIES  
Prepared by Bill Fornadel, Ph.D.



## ***Healthcare Summit: Tell Us Where It Hurts***

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### **Summary Report**

The Virginia Manufacturers Association assumed a statewide leadership role in creating a healthcare summit to discuss healthcare cost drivers affecting manufacturing, businesses, insurers, providers, employers, and employees throughout the Commonwealth of Virginia. Approximately one-hundred manufacturing companies, businesses, health professionals, insurance and healthcare managers, speakers, and panelists engaged in a day and one-half of presentations, dialogs, debates, and planning July 10 and 11, 2003 at the Omni Charlottesville hotel (participant list attached).

Participants embraced a full schedule of healthcare information beginning with a keynote address by Dr. Greg Scandlen, Galen Institute, who highlighted the “where” and “why” of the current state of healthcare costs. Following were panels and presentations regarding insurance and regulatory issues, pharmaceuticals, managed care, hospitals and physicians, technology and quality “best” practices and initiatives, as well as representation from state and federal health agencies addressing public policies and legislation. A complete Summit agenda, as well as speaker information is attached for reference.

Culminating the continuous interaction and dialog of the Summit was a facilitated session entitled “Designing Solutions” created to galvanize the thoughts and information gathered by Summit participants into ideas, recommendations, and suggestions for the VMA to garner for future planning and action. Specifically, adjunct faculty from the Center for Executive Development, University of Virginia, facilitated two random participant groups in discussions and exploratory dialog to ascertain ideas, suggestions, and feedback for the VMA regarding healthcare. Each group addressed the following two open-ended questions:

1. What is your knowledge of the best health care related business practices?
2. What recommendations and/or directives do you have for the VMA to reduce healthcare costs for manufacturers as it works with (a) insurance, (b) providers, and (c) legislative and regulatory forces?

Each group consisted of approximately 20 – 25 participants with equal representation from areas including manufacturing, insurance, technology, healthcare, and legislative or policy-makers. Participants engaged in their specific tasks for approximately 90 minutes, working in small groups, dyads, and collectively on healthcare issues, reconvening as a whole for presentations to

the entire Summit. The following feedback was communicated to the entire Summit, providing time to engage additional clarification, conversation, questions, and answers. Mr. Richard Carlton, H. Warshaw & Sons, Inc., concluded the Summit with overview comments.

## **Designing Solutions: Group 1**

### Providers

- Engage in education
- Pay for performance
- Encourage “fair” reimbursement
- Promote collaboration with all stakeholders
- Support outcome-based studies
- Reduce fragmentation in system delivery

### Uninsured

- Employee contribution to a pool
- Work to eliminate/minimize the number of uninsured
- Employers that do not offer health insurance be required to register employees and withhold an uninsured fee similar to the uninsured motorist fee
- Develop a new way to think about health care in a capitalistic society (don’t want the best healthcare going to wealthiest and worst or none going to the poor)
- Offer incentives to employers (i.e. tax breaks, new cost options)
- Adequately fund Medicaid

### Process Improvement

- Through employees, technology (reduce waste), and plan options
- Empower employees to change insurance/health options
- Eliminate waste using process improvement techniques; volume and regional metrics
- Employees offer multiple plan healthcare options for employees to choose (and contribute to)
- Implement computerized medical record systems
- Expand insurance coverage (public and private) to achieve more efficient healthcare system
- Technology solutions

### Wellness

- Reward employee involvement
- Linking employer contributions to health life styles and benchmarks
- Capture health carrier data informing solutions for employee behavior medication (i.e. obesity, high blood pressure)
- Encourage fitness

### Incentives

- Explore small employer tax incentives regarding long-term care; HRA’s, FSA’s

- Pay for Performance – employee, provider, employer
- Eliminate “contingency” fees
- Institute “loser” pays
- Employers taking advantage of IRS Section 125 to save tax for them and save tax for their employees
- Offer affordable full-service long-term care coverage to employees of VMA employers at discounted rates
- Contract incentives
- Provide money incentives for employee “not” to take coverage

#### Education/Information

- Direct information toward user; inform about cost options; educate workforce to become better consumers of healthcare
- Execute outcome-based studies to evaluate efficacy of healthcare services/treatments
- Mandate state teaching institutions to “produce” more nurses without lowering standards
- Inform consumers for “buy-in” and ownership in FSA’s and cost-sharing
- Include all stakeholders in benefits of wellness programs
- Rx generics; Rx education for doctors (re: cost, efficacy, alternatives)
- Conduct awareness programs regarding the cost of health insurance and what affects cost
- Understand employee expectations regarding healthcare; consider flexible choice where employees select from a menu of benefits suiting individual need, not one-size fits all

#### Regulatory/Legislative

- Re-evaluate mandates and current regulatory oversight of managed care organizations
- Identify opportunities to relax regulations without affecting quality of care
- Legal reforms; fraud and recovery; consider Tort reform
- Validate that inadequate Medicaid funding shifts costs to employers/businesses
- Unify healthcare related legislative mandates across state lines
- Increase oversight of regulatory process to improve efficiency and avoid duplication

## **Designing Solutions: Group 2**

#### Providers

- Develop a good understanding of the issues they face to help create solutions for business that are mutually beneficial
- Encourage more efficiency regarding provider operations
- Performance guarantees by the provider (time to process claims; accuracy of claims; and response time)

- Establishing standards for healthcare providers
- Employers/employee cost sharing

#### Uninsured

- Investigate a reinsurance pool for VMA members to spread the risk and cost of catastrophic claims for self-insured members
- Cost sharing involving the purchaser while still providing catastrophic protection
- Initiate some mechanism to collect an uninsured fee from the 1/3 to 2/3 of uninsured who can afford to pay
- Continued third party payments

#### Process Improvement

- Encourage the use of quality information to reduce costs
- Access to accurate information and trends
- Purchasers need to encourage quality
- Embrace technology for efficiency and quality and communication
- Help support and create market rewards for quality
- Encourage the use of practice protocols
- Create centers for excellence (i.e. specialty hospitals)
- Increase use of technology in Physician offices and hospitals
- Disease management enhanced through predictive modeling
- Determine the correlation between under funding Medicaid and increased cost shifting to private premiums

#### Wellness

- Encourage provider and community leaders collaboration on *health improvement practices*
- Provide larger incentives for wellness check-ups
- Providers need to establish ways to encourage subscribers to participate in wellness programs
- Solicit a wellness package for VMA members

#### Incentives

- Direct contracting with hospitals and medical practices
- Encourage product flexibility
- High deductible, low premium plans
- Increased coverage for good lifestyle choices
- Rollovers for unused money in medical savings accounts
- Voluntary group benefits at group rates (not individual rates)
- Pay employees directly keeping employers out of the loan business

#### Education/Information

- Continue to create a forum for the players (state, providers, employers, insurers) to solve problems

- Learn more about health insurance policies with higher deductibles and co-pays to reduce premium costs
- VMA newsletter to include consumer educational tools
- Continue to facilitate awareness/education through conferences
- Educate business on what they should expect from providers (i.e. quality programs, cost containment, best practices, using technology)
- Increase education to employees regarding benefits and benefit options
- Employee involvement in evaluating benefits verses the cost of benefits

#### Regulatory/Legislative

- Understand that Virginia has the 3<sup>rd</sup> largest number of mandates in the country – support rollback of mandates
- Promote consumer directed health plan designs
- Understand the political process & how to influence legislative outcomes
- Educate members (VMA) to increase legislative involvement
- Timely education from the VMS regarding legislative issues that are pending or upcoming at the next session
- Change insurance benefit laws to allow rollovers in MSA's
- Support MSA's in the General Assembly
- Lobby for tax advantaged spending accounts to allow plan design with more cost sharing
- Support liability caps and malpractice reforms
- Educate the regulators – participate in process to make needs known
- Break-down professional exclusivity silos
- Reduce/eliminate redundancy of unnecessary regulations
- Deregulation of equipment for hospital; reform/abolish COPN – Certificate of Public Needs
- Request Board of Insurance to review all existing mandates for cost and appropriateness; ask to reform essential and standard plans

The latter list of ideas, recommendations, and suggestions created by Summit participants is an invaluable foundation from which action and change can materialize. The prioritization of the elements by the VMA for providers, regulatory and legislative groups, employers, and employees will continue the Summit's purpose, and move constituency from conversation to action. The VMA will, along with appropriate "stakeholders" lead the strategy to "move" the agenda of healthcare cost drivers from an important need to a necessary, immediate action. The crisis of healthcare costs cannot be sustained. The survival of many businesses require bold leadership and change regarding healthcare.

**VMA Healthcare Summit Agenda**  
**July 10 and 11, 2003**  
**Omni Hotel, Charlottesville, Virginia**

**Thursday, July 10**

- 8:00 – 8:15**      **Registration - Omni Ballroom Lobby**
- 8:15 – 8:30**      **Welcome Remarks – Brett Vassey, President and CEO, Virginia Manufacturers Association**  
**Keynote Speaker Introduction & Comments – Richard Carlton, Director of Human Resources for Southern Operations, H. Warshow & Sons, Inc.**
- 8:30 – 9:30**      **Keynote Address: Where are We and Why?**  
**Greg Scandlen, Galen Institute**
- 9:30 – 12:00**      **Understanding The Cost Drivers: Presentations, Panel Discussions, and Q&A Session**  
**Introductions and Facilitation: Camille Miller, UVa**  
**Insurance & Regulatory Issues: Bob Wright, VA Bureau of Insurance**  
**Hospitals: Ed Murphy, Carilion Health Systems**  
**Physicians: Paul Kitchen, Medical Society of Virginia**  
**Hospitals in Rural Settings: Chris Bailey, VA Hospital & Healthcare Association**  
**Pharmaceuticals: Steve Russek, Medco Health**  
**Underfunding Medicare: Chris Bailey, VA Hospital & Healthcare Association**  
**Managed Care: Michael Dudley, Sentara Health Management**  
**Health Care Litigation: Martha Damon, Wharton Aldhizer & Weaver**  
**Insurance Pricing: George Atkins, American Association of Health Plans**
- Summation: Ian Bushell, M.D., Southern Health**
- Panel Cross-Talk**  
**Question and Answers Session**
- Note: Participants will be given a break approximately 10:30 – 10:45.**
- 12:00 – 1:20**      **Buffet Lunch Sponsored by BB&T**  
**Lunch Address: High-Quality Care and Low Cost: Can We Achieve Both?**  
**Introduction of Speaker – Dan Williams, VMA Chairman**  
**Dr. Thomas Massaro, M.D., Ph.D., Associate Dean, Graduate Medical Education & Director, Performance Improvement and Quality, UVa School of Medicine**
- 1:30 – 2:30**      **What Will Drive Future Costs: The Implications of Changing Public Policies**  
**Introductions of Speakers – Brett Vassey, VMA President & CEO**  
**Federal: Dana Pavey, American Enterprise Institute for Public Policy**  
**State: Jane Woods, Virginia Secretary of Health and Human Resources**  
**State: David Hallock, Policy Office, Office of the Governor**
- 2:30 – 4:25**      **Solutions? Considering Options**  
**Introductions of Speakers: Joe Croce, VMA**  
**AHP's: Good or Bad?: Richard White, Anthem**  
**Consumer Behavior: Jeff Stouffer, Medco Health**  
**Employee Wellness Programs: Ian Bushell, Southern Health**  
**Universal Health Care & the Uninsured: Chris Bailey, VA Hospital & Healthcare Association**  
**Going Through Transformations: Anne Woodbury, American Enterprise Institute for Public Policy**

- 2:30 – 4:25      **Solutions? Considering Options Continued  
Questions and Answers Session**
- 4:25 – 4:30      **Session and Day Wrap-up – Richard Carlton, H. Warshaw & Sons, Inc.**
- 5:00 – 6:00      **Reception & Entertainment – Sponsored by John Hancock Long Term Care  
Location: Omni Atrium  
Welcome & Introduction of Sponsor – Joe Croce, VMA  
Music by Vernon Fischer**

**Friday, July 11**

- 7:15 AM          **Registration/Information – Omni Ballroom Lobby**
- 7:30 – 9:00      **Mistake Proofing Health Care: Process Improvement and Quality  
Panel Introductions – Joe Croce, VMA  
Richard Grinnan, Anthem  
Richard Loftus, Virginia Electronic Commerce Technology Center  
Rick Starnes, High Tech Innovation**
- 9:00 – 9:30      **Breakfast Break**
- 9:30 – 11:10    **Designing Solutions – Facilitated Sessions  
Working Groups In Break Out Sessions**
- Facilitators:**  
**Dr. Camille Wright Miller – The Virginia Group; University of Virginia, Adjunct Faculty,  
Center for Executive Development, School of Continuing and Professional Studies  
Ms. Tara Telfair, Leadership Development Center, University of Virginia  
Mr. Robert Garrity, FSR Associates, University of Virginia, Adjunct Faculty, Center for  
Executive Development, School of Continuing and Professional Studies**
- Participants will work in one of four groups. Questions to explore will include:**
1. **What are the best Health Care-Related business practices you're aware of?**
  2. **What recommendations and/or directives do you have for VMA to reduce  
Health Care costs for manufacturers as it works with:**
    - a) **Insurance**
    - b) **Providers**
    - c) **Legislature and regulatory forces**
- 11:10            **Break**
- 11:20 – 12:05    **Summit Facilitation Group Reports - Ballroom**
- 12:05 – 12:15    **Where Do We Go From Here? Richard Carlton, H. Warshaw & Sons, Inc.; Health  
Insurance Task Force**

***Please participate and attend the vendor booths throughout the  
Summit.***

**VMA Healthcare Summit Participant List**  
**July 10 and 11, 2003**

<b>COMPANY</b>	<b>NAME</b>
Abbott Labs	Cristal Wood
Abbott Labs	Evelyne Potter
Alcoa	Karin Shaban
American Association of Health Plans	Kelly Vogel
Better Living	John Nunley
BWX Technology	Ted Vassar
Cannon Virginia Inc.	Phil Gilstrap
Carilion	Mark Lawrence
Colonial Circuits	Lisa Bradley
Combined Insurance	Richard Salomonsky
Corp. Medical Services	John Jenkins, MD
Dan River	Joe Bouknight
Danville Regional Health System	Warren Callaway
Dept. of Business Asst.	Mike Eisenman
Dynax Corp	Cathy Lawrence
Filter Cart	Alex Kardy
Graham White Mfg.	Rob Cassell
Graham White Mfg.	Thomas Roberts
H. Warshow & Sons	Richard Carlton
Hysong	Janice Chandler
Hysong	Nam Kim
Northrop Grumman	David Rineer
Northrop Grumman	Gary Lewis
Nursing Collaborative Works	Rebecca Rice
Potomac Hospital	William Moss
Renaissance Resources	Al Hinkle
Richmond Box	Dan Williams
Richmond Cold Storage	Jeff Allende
Smurfit Stone	
Southern States	Jerry Walker

The Emergent Group  
The Emergent Group  
The Medical Society of VA  
Thomas Jefferson Inst.  
VAHP  
VAHP  
VMA  
VMA  
VMA  
VMA  
VMA  
VA Dept. of Health  
VA Hospital & Healthcare Assoc.  
Whitehead Consulting  
Wiley & Wilson Inc.  
Williams Mullen  
Williams Mullen

Brick Brickley  
Rachael Scheinman  
Mike Jurgensen  
Chris Braunlich  
Doug Gray  
Joy Lombard  
Brett Vassey  
Joe Croce  
Laura Kenny  
Wesley Johnson  
May Nnonah  
Erica Gulrich  
Betty Long  
Cal Whitehead  
Roger Beeker  
Mark Pratt  
Reginald Jones

<b>COMPANY</b>	<b>SPEAKERS</b>
American Association of Health Plans	George Atkins
American Enterprise Inst. For Public Policy	Dana Pavey
Center for Health Transformation	Anne Woodbury
Anthem	Richard Grinnan
Anthem	Richard White
Carilion Health Systems	Ed Murphy
Galen Institute	Greg Scandlen
H. Warshow & Sons, Inc.	Richard Carlton
High Tech Innovations	Greg Sweeney
M.D. Southern Health	Ian Bushell
Medco Health Solutions	Jeff Stouffer
Medco Health Solutions	Steve Russek
Medical Society of Virginia	Paul Kitchen
Office of the Governor	David Hallock
Secretary of Health & Human Resources	Jane Woods

Sentara Health Management  
VA Bureau of Insurance  
VA Electronic Commerce Technology Center  
VA Hospital & Healthcare Association  
VHHA  
Wharton Aldhizer & Weaver

Michael Dudley  
Bob Wright  
Rich Loftus  
Chris Bailey  
Katherine Webb  
Martha Damon

**COMPANY**

**SPONSORS**

AFLAC

Roy Munster

AFLAC

John Jones

AFLAC

Robert Tassone

AFLAC

Diane Grey

Anthem

David Blanchard

Anthem

Jeff Hartman

Anthem

Leonard Hopkins

BB&T

Claudia Dodge

BB&T

Randy McGann

John Hancock

Matthew Brotherton

John Hancock

Ray Perkins

Southern Health

Chris Fanning

Southern Health

Cosby Davis III

Southern Health

Laura Lee Viergever

Southern Health

Diana Jennings

**LIAISONS**

Alcoa

Cherry, Bekaert & Holland

Dan River

H.W. Warshow & Sons

Richmond Corrugated

Smurfit-Stone

Southern States

Virginia Association of Health Plans

Virginia Hospital & Healthcare Association

Virginia Manufacturers Association

**UVA - Center for Executive Development**

Program Director

Bill Fornadel

Facilitator

Bob Garrity

Facilitator

Camille Miller

Facilitator

Tara Telfair

Teresa Marshall

UVA School of Medicine

Dr. Thomas Masaro



## *Healthcare Summit Speaker and Presenter Bios*

### **George Atkins**

#### **Managing Director of State Affairs American Association of Health Plans**

George Atkins serves as Managing Director of State Affairs for the American Association of Health Plans. AAHP is the nation's largest trade association representing HMOs, PPOs and other managed health plans with over one thousand members.

In this position, he is responsible for strategic planning and program development in the areas of public affairs, communications, advocacy campaigns, issue management and public policy development. He has provided services to AAHP over the last nine years in the area of strategic planning and public policy communications.

Previously, his ten years of experience as Senior Vice President for Public Affairs at Humana, Inc., combined with prior positions in both elected and appointed public offices uniquely equip him to relate to both the public and private positions on health care issues. Mr. Atkins holds a Bachelor of Science degree in business and administration from the University of Kentucky and is a graduate of the Yale University Executive Management Program.

### **Christopher S. Bailey**

#### **Senior Vice President Virginia Hospital & Healthcare Association**

Mr. Bailey is Senior Vice President with the Virginia Hospital & Healthcare Association, in which capacity he has overall responsibility for financial policy issues, health data programs, the Association's strategic planning efforts and internal financial affairs. Mr. Bailey also serves as Executive Vice President of MultiSource, which develops, offers, and manages an array of distinctive products, services and solutions that are either state-specific or not currently met by members' existing alliances.

Prior to joining the Virginia Hospital & Healthcare Association, Mr. Bailey served 10 years with the Illinois Hospital Association where he developed a health policy reform proposal and the association's strategic plan. He holds a Bachelors of Science and a Masters in Health Services Administration from the University of Michigan. His academic honors include the Hospital Administration Alumni Association's Walter J. McNerney Thesis Award.

### **Ian W. Bushnell**

#### **Medical Director Southern Health**

Ian W. Bushnell, MD, MHS-CL, has been Medical Director of Southern Health since November 2002. Prior to joining the Charlottesville office of Southern Health, Dr Bushnell was founder and Chief executive of a group private practice in Cary North Carolina for five years. While in practice, he served as a member of Well Path's Utilization management Committee, MAMSI's Second Level Grievance Committee and the North Carolina State Health Plan's Pharmacy and Therapeutics Committee.

**Richard W. Carlton, PHR**  
**Director of Human Resources for Southern Operations**  
**H. Warshaw & Sons, Inc.**

Richard Carlton is Director of Human Resources for Southern Operations of H. Warshaw & Sons, Inc. Mr. Carlton has been a Human Resource professional for the past twenty-eight years. He is presently chairman of the Workforce Committee for the Virginia Manufacturers Association. He also serves as a member of the Business and Leadership Curriculum Committee for Rappahannock Community College, member of the Employer Advisory Committee for the Virginia Employment Commission. Mr. Carlton is a Past President of the Tappahannock – Essex County Chamber of Commerce.

**Martha J. Damon, Esquire**  
**Attorney**

**Wharton Aldhizer & Weaver, PLC**

Martha Damon, an attorney with Wharton Aldhizer & Weaver, PLC, is experienced in the issues and environment unique to medical practices and health care providers. She assists in establishing and advising providers with attention to minimizing personal and corporate liability, taxes, and long-term planning. She also assists hospitals with matters such as acquisitions of and affiliations with other hospitals, risk management and regulatory compliance issues such as the application of Stark and Fraud and Abuse laws to transactions, and hospital-physician issues. While representing Kentucky Hospital Association, Ms. Damon followed state health care reform initiatives and was selected to present legislative updates at Health Care Reform Seminars.

Ms. Damon earned both her Bachelor of Science in Business and Economics and her law degree from the University of Kentucky, where she served as an associate editor for the Kentucky Law Journal. She received her Master of Laws in Taxation (LL.M.) from the University of Missouri-Kansas City School of Law. Prior to joining Wharton Aldhizer & Weaver, Ms. Damon practiced in the health care sections of Alston & Bird in Atlanta, Georgia and Haynes & Boone in Dallas, Texas. Ms. Damon also served as the Corporate Compliance Officer for a publicly traded health care company. Ms. Damon is admitted to practice in Kentucky, Georgia, and Virginia. Ms. Damon practices with the Health Care Group of Wharton Aldhizer & Weaver PLC, a law firm with an over 85-year history serving commercial, institutional and individual clients concentrated in Virginia and West Virginia.

**Michael M. Dudley**  
**President and CEO**  
**Sentara Health Management**

Michael M. Dudley is the President and CEO of Sentara Health Management and the Senior Vice President of Managed Care for Sentara Healthcare. Sentara Health Management is the managed care division of Sentara Healthcare and southeast Virginia's first managed care health plan, Optima Health Plan. Serving 312,000 members in Virginia, Sentara Health Management's provider network consists of nearly 6,000 physicians and 25 hospitals. For five consecutive years, Optima Health Plan has received the highest level of accreditation from the National Committee for Quality Assurance (NCQA). Optima Health Plan was also named among only two Virginia health plans to receive top ratings in 2002 *Consumers' Guide to Health Plans*, published by Consumers' CHECKBOOK. Sentara Health Management currently offers a variety of group health plans including POS, PPO, and HMO plans.

Prior to joining Sentara in 1996, Mr. Dudley served as President of Kaiser Permanente Insurance Company, President of the northeast region of Kaiser Permanente in Hartford Connecticut, and President of Kaiser's Vallejo Medical Center in California. He earned his bachelor's degree from Brigham Young University and his master's degree of health administration from the University of Colorado where he was Class Valedictorian and recipient of the Foster G. McGaw Scholarship. He completed Stanford

University's executive management program and is a Fellow of the American College of Health Care Executives.

Mr. Dudley serves as Chairman of the Virginia Association of Health Plans and on the Board of Directors for the Virginia Center for Community Health Plans, and Preferred Health Partnership in Knoxville, Tennessee. Most recently, Mr. Dudley was appointed to the Board of Directors of the American Association of Health Plans (AAHP)—the nation's principal association of health plans.

**Richardson "Dick" Grinnan, M.D.**

**Trigon Blue Cross Blue Shield**

Dr. Grinnan remembers when Trigon's forerunner, Blue Cross and Blue Shield of Virginia, was not a publicly traded company, nor part of Anthem, Inc. Joining a company called Blue Cross and Blue Shield of Virginia in 1982, Dr. Grinnan, in his executive roles as Vice President, Medical Affairs; Chief Health Care Management Officer; & Senior Vice President, Quality Management has helped this company evolve and grow into the largest managed health care company in Virginia. Though Dr. Grinnan retired this year, his expertise was called upon once again to help the company with its transition to Anthem, Inc.

Dr. Grinnan is a physician, licensed by the Virginia State Board of Medicine, and is Board Certified in Internal Medicine and in Pulmonary Disease Medicine. He is a member in the American College of Physicians, the Virginia Thoracic Society, the Medical Society of Virginia, and the Richmond Academy of Medicine. He is a fellow in the American College of Chest Physicians. He has also been an Assistant Professor at the Medical College of Virginia School of Medicine, a Senior Lecturer and Affiliate Professor at the Virginia Commonwealth University's Department of Health Administration, on Governors' Task Forces & Commissions, and a Member or Board Member of numerous organizations, such as the Central Virginia Health Planning Agency, Virginia Health Information, Virginia Health Quality Center, and the Insurance Committee of the Richmond Academy of Medicine.

During Dr. Grinnan's twenty-year tenure with Trigon, the company introduced a variety of cost-sharing and managed care plans, among them Virginia's first preferred provider organizations, KeyCare, and one of the state's first health maintenance organizations, HMO Virginia, HealthKeepers, Inc. The company also merged with Roanoke based Blue Cross and Blue Shield of Southwestern Virginia. In 1997, the company converted from a not-for-profit health insurer to a publicly traded managed care company. In July of 2002, the company merged with Anthem, Inc.

Finally, Dr. Grinnan has been a long time friend to the Department of Health Administration. He has served as preceptor to numerous student residents and interns. Doing a residency or internship with Dr. Grinnan provided an opportunity to benefit from his expertise and experience; his active involvement with the company's aforementioned evolution; and, most importantly, his willingness and assistance in allowing residents and interns the opportunity for exposure to the evolution of the managed care environment. Through work on specific teams such as NCQA, provider networks or marketing, residents and interns were all given exposure to senior management allowing residents and interns to learn about, and contribute to, a broad spectrum of health care insurance areas.

**David H. Hallock, Jr.**

**Assistant to the Governor for Policy and Deputy Counselor  
Office of the Governor**

David Hallock currently serves in the office of Governor Mark R. Warner as assistant to the Governor for policy and deputy counselor. His undergraduate and law degrees from the University of Virginia

Prior to joining the Office of the Governor, David was an attorney in the Government Group of Williams Mullen in Richmond, Virginia. His legal practice included all aspects of government law, from administrative/regulatory to legislative and lobbying to local government.

David has spent time in both the public and private sectors. Prior to joining Williams Mullen, he worked for the Virginia General Assembly and for the Albemarle County Attorney's Office. He also has served on the Virginia Freedom of Information Advisory Council.

In addition to being a member of the Virginia Bar Association and the Richmond Bar Association, David also is active in the community. He serves on the Board of Directors of the Richmond Forum and the Board of Directors of the National Kidney Foundation of the Virginias.

#### **Paul L. Kitchen**

##### **Executive Vice President**

##### **The Medical Society of Virginia**

Paul joined The Medical Society of Virginia in January of 1987. He served as Deputy Executive Vice President and Interim EVP until October 1997 when he was named Executive Vice President. Prior to joining the MSV, Paul served in the US Navy as a carrier based Naval Aviator flying the A-3 Skywarrior and A-6 Intruder aircraft. Paul oversees a staff of 40 and is one of the Society's lobbyists at the Virginia General Assembly.

Paul is a native of Dallas, Texas and raised in the Ginter Park area of Richmond. He is a graduate of Benedictine High School and has a B.S. in Physics from James Madison University. Paul received his commission through the Navy's "Officer and a Gentleman" program in Pensacola, Florida in 1978 and was awarded his Pilot Wings in Kingsville, Texas in 1980. During his naval career, Paul was involved in operations in Lebanon, Libya, and the Indian Ocean. Paul finished his naval career in Alameda, California where he was the Project Officer and principle test pilot for the A-6 and A-3 re-work and upgrade program. His other duty stations included Corpus Christi, Texas, Key West, Florida, and Rota, Spain. He has continued his military affiliation in the Virginia Air National Guard flying the A-7 Corsair and F-16 Fighting Falcon.

Paul and his wife Retsy have four children and live in the West End of Richmond.

#### **Rich Loftus**

##### **Content Developer**

##### **Virginia Electronic Commerce Technology Center (VECTEC)**

Rich Loftus, of the Virginia Electronic Commerce Technology Center (VECTEC), is a content developer, strategist and designer for key VECTEC e-commerce projects. These include sites and stakeholder (payment and membership management) systems for vifsm.org (forensic training), explore.cnu.edu (a combined Alumni Relations-Advancement-University Relations site), and www.teccenter.org (NASA technology commercialization). Mr. Loftus is a business development and communications specialist with print, television and web experience in writing, producing, public relations and marketing. He holds a B.A. in English from Old Dominion University.

#### **Thomas A. Massaro, M.D., Ph.D.**

##### **Associate Dean for Graduate Medical Education & Director of Performance Improvement University of Virginia Health System**

Dr. Thomas A. Massaro is Associate Dean for Graduate Medical Education and Director of Performance Improvement at the University of Virginia Health System in Charlottesville, VA where he has overall responsibility for the clinical process improvement activities of the UVa Health System and is the Sponsor of the UVa Six Sigma initiative. He also holds appointments in the Darden Graduate School of Business Administration and the UVa School of Law.

Dr. Massaro received his M.D. from the University of Wisconsin, his business degree from the Stanford University Graduate School of Business, and his engineering degrees from MIT, Cornell, and the University of California, Berkeley. He is board certified in Pediatrics, Neonatology, and Critical Care Medicine. He was formerly chief of the Pediatric Critical Care and the Emergency Medical Transport Services. He has served as an attending physician in the UVa PICU, SICU and NICU.

His research focuses on the financial and structural elements of international health reform and explores the relationship between macroeconomic policy and health care strategy in rapidly changing economies. He has been active in the health insurance reform process in the Czech Republic. He has reviewed the medical savings account system in the Republic of Singapore and interprets that approach for the American and other national health systems. He has served as a consultant for the New Zealand Ministries of Finance and Health as they introduce business principles and free market reforms into their health care system.

His publications in the medical informatics address social and cultural constraints on the introduction of computer technology into the medical setting. His book, *The Business of Critical Care*, describes the management skills necessary to direct high technology patient care teams in the contemporary environment. He also serves on the editorial board of the AAMC journal *Academic Medicine*.

At UVa, Dr. Massaro teaches courses on Health Care Management, Management of Non-profit Organizations, Law and Medicine, Children's Health Care, and the Legal Implications of Biomedical Technology. He lectures extensively on health care policy, strategy, and medical management and is an advisor to governments, consulting firms, and major health care corporations worldwide.

Past research has been supported by grants from the NIH, NSF, the Colorado Heart Association, the Cystic Fibrosis Foundation, the Whittaker Foundation, the Commonwealth Fund and a number of private firms.

**Edward G. Murphy, M.D.**  
**President and Chief Executive Officer**  
**Carilion Health System**

Dr. Edward G. Murphy is President and Chief Executive Officer of Carilion Health System. He assumed this position on January 15, 2001. Prior to this post, Dr. Murphy served as Executive Vice President & COO. In this capacity, Dr. Murphy was responsible for the day-to-day operations of Carilion Health System.

Prior to his affiliation with Carilion Health System and beginning in 1994, he was President & CEO of Seton Health System in Troy, New York. Dr. Murphy's accomplishments include negotiation of a single healthcare delivery system from the components of two separate organizations, development and founding of a integrated delivery system providing service to six counties in Upstate New York and was Vice President of Clinical Services at Leonard Hospital from 1989-1991. He also served as President/CEO at Leonard Hospital from 1991 until the 1994 merger of Leonard Hospital and St. Mary's Hospital to form Seton Health System.

Dr. Murphy's undergraduate studies were at the University of Albany, and he obtained his medical degree from Harvard University, graduating Cum Laude. Dr. Murphy has served as a clinical professor at the University of Albany School of Public Health, and Adjunct Assistant Professor at Rensselaer Polytechnic Institute, School of Management.

Dr. Murphy has served on the Boards of Directors of the Upstate Physician Network, the New York State Hospital Review and Planning Council and the Troy Redevelopment Fund. He is presently on the Boards

of Directors of HANYS Insurance Company & Trust, United Way of Roanoke Valley, Make-A-Wish Foundation of Richmond and Western Virginia, Hollins University, Center in the Square of Western Virginia Foundation for the Arts and Sciences, Art Museum of Western Virginia, Virginia FREE, The Statewide Virginia Chamber of Commerce, Commonwealth Health Research Board for the State of Virginia, The River Foundation, AHA Health Care Systems Governing Council and Council for Virginia's Future.

**Dana Pavey**  
**Director for Research**  
**Newt Gingrich**

Dana Pavey is Director of Research for Newt Gingrich at the American Enterprise Institute for Public Policy Research (AEI). AEI is one of America's largest and most respected think tanks. It is dedicated to preserving and strengthening the foundations for freedom (government, private enterprise, vital cultural and political institutions, and a strong foreign policy and national defense) scholarly research, open debate, and publications.

Currently Newt and Dana are undertaking transforming the health and health care system to a 21<sup>st</sup> century model that is patient centered and strives to achieve the best possible health outcomes leading to more productive and prosperous society. In order to achieve these objectives, a total transformation of the healthcare system is essential. The new model being devised is patient centered, values driven, knowledge intense, innovation-rich, information-age based.

Dana brings to the public policy arena 14 years of healthcare experience as Director of Managed Care, director of a 250-physician-hospital Organization (PHO) for an HCA facility in Augusta, GA, and office manager for a variety of specialties, physician recruiter. A graduate of Mercer University, she has also served on the Board for the Georgia Hospital Association, the Board of the Georgia Society for Managed Care, as well as other advisory and teaching capacities with several teaching hospitals, medical organizations, and universities. Dana has also held the position of Special Projects Director and District Director for Georgia Congressman Charlie Norwood.

**Steve Russek**  
**Medco Health**

**Stephen E. Russek** obtained an A.B. in physics from Harvard University in 1980, and a Ph.D. in physics from Cornell University in 1990. He spent two years working at AT&T Bell Laboratories doing research in silicon device physics. This work resulted in several publications on electron transport in MOS inversion layers. His graduate studies at Cornell included work on Nb based tunnel junctions at low temperatures (10 mK - 100 mK), development of in-situ growth of high T<sub>c</sub> superconductors, and a study of superconducting grain boundary weak-link devices. After graduate school, he was an NRC post doctoral fellow at NIST in Boulder and worked on characterizing electrical and interface properties of high T<sub>c</sub>-normal metal interfaces. He joined the permanent staff at NIST in the Superconductor and Magnetic Measurements group in January 1992. He helped create the magnetic technology program at NIST Boulder and specializes in magnetic thin film device fabrication and measurements. His current research projects include the development of magnetic imaging reference standards; studying size effects, noise, and high-speed dynamics in submicrometer GMR and magnetic tunnel junction devices being developed for use in MRAM, recording heads, and magnetic imaging arrays; and the study of nanoscale magnetic structures. He has been the advisor for several graduate students and postdocs doing work on 1/f noise, high frequency effects, and transport studies in GMR devices. His research has resulted in over 40 publications.

**Greg Scandlen**  
**Senior Fellow**  
**National Center for Policy Analysis**

Greg Scandlen is a Senior Fellow in Health Policy. In this role, Mr. Scandlen writes studies and analyses on health policy issues, as well as opinion columns for such publications as the *Wall Street Journal*, *Investors Business Daily*, and the *Washington Times* among others. He also publishes a weekly health policy newsletter called *Washington Weekly*, which summarizes and critiques the important movements in national health policy.

In addition to his health policy analysis activities, Mr. Scandlen helps represent the NCPA on health policy issues on Capitol Hill, including providing testimony before health care committees, and serves as a liaison to other think tanks, trade groups and policy organizations.

Prior to joining NCPA he was a fellow in health policy at the Cato Institute and President of the Health Benefits Group, a consulting firm in Frederick, Maryland. The firm helped businesses set up medical savings account programs and published two newsletters on free market health care reform.

Mr. Scandlen was the founder and CEO for five years of the Council for Affordable Health Insurance, a trade association of health insurance companies, where he worked to get MSAs enacted into law, encouraged reform of the small group and individual insurance markets, and worked on providing equal tax treatment for all health insurance purchasers.

He was publisher of the Health Benefits Letter and worked in the Blue Cross Blue Shield system for 12 years, most recently as director of state research for the national association.

He is considered an expert in medical savings accounts, insurance regulation and reform, employee benefits and ERISA, Medicare reform, and the uninsured. He has appeared on the NBC Nightly News, the O'Reilly Factor on Fox News, CNN, PBS, and C-SPAN.

Upcoming and recent articles and papers include:

- Book Review of "Code Blue: Reviving Canada's Health Care System," *Medical Sentinel*, Spring 2001.
- "Ensuring Patient Rights," *USA Today Magazine*, January, 2001.
- "Everything You Ever Wanted to Know About Defined Contribution Health Plans," *Health Insurance Underwriter*, December, 2000 and January 2001.
- "Myths About Employer-Sponsored Health Insurance," Brief Analysis #344, NCPA, December 8, 2000.
- "Defined Contribution Health Insurance," Policy Backgrounder #154, NCPA, October 26, 2000.
- "Health Insurance: Letting Employees Choose," Brief Analysis #325, NCPA, July 6, 2000.
- "MSAs Can Be a Windfall for the Rest of Us, Too" *Catholic University Law Review*, Spring, 2000.
- "Patient Dissatisfaction," Brief Analysis #311, NCPA, January 31, 2000.
- "Envisioning the Future," a chapter in *Consumer Driven Health Care*, edited by Regina Herzlinger of Harvard Business School, Spring, 2001.
- "Market Distortions in Health Care," Policy Analysis published by the Cato Institute, Spring, 2000.
- "Legislative Malpractice: Misdiagnosing Patients' Rights," Policy Brief published by the Cato Institute, Spring, 2000.
- "Understanding ERISA," MCO Executives on-line, Winter, 2000.
- "Why Employers Shouldn't Choose Plans," *Healthcare Business*, November/December, 1999.

- "New Voice Enters Health Care Reform," *Business Insurance*, August 2, 1999.
- "Medicare Reform," Council for Government Reform, Winter 1999.
- "Medicare+Choice: A Buyer's Guide," Council for Government Reform, Fall, 1998.
- "Medical Savings Accounts: Obstacles to their Growth and Ways to Improve Them," NCPA, Summer, 1998.

For information or to address inquiries, Mr. Scandlen can be contacted at NCPA Public Affairs at: (972)386-6272 (Dallas, TX) (202)628-6671 Washington, DC) or through email at: [NCPA public affairs](mailto:NCPA_public_affairs); Greg Scandlen: [gmscandlen@ncpa.org](mailto:gmscandlen@ncpa.org)

### **Richard White**

#### **Vice President, Small Accounts Product Management, Southeast Region**

#### **Anthem Blue Cross and Blue Shield**

Mr. White has been with Anthem Blue Cross and Blue Shield for 14 years serving in a variety of marketing and product management positions in various market segments. Beyond his product management responsibilities, he is active in the legislative and regulatory areas of health insurance. Mr. White has testified before Congress on health insurance matters. He is currently a member of the Blue Cross and Blue Shield Association's Association Health Plan Work Group, Senior Markets Advisory Group, and Individual Markets Advisory Group and is past chairman of the Health Insurance Association of America's Individual Insurance Committee. He obtained his M.B.A. from Virginia Tech.

### **Anne Woodbury**

#### **Vice President, The Gingrich Group**

Anne Woodbury is Vice President of The Gingrich Group and manages the health and healthcare practice, including the newly launched Center for Health Transformation. She is a co-contributor to Mr. Gingrich's book, *Saving Lives and Saving Money: Transforming Health and Healthcare*. Gingrich Group health clients range from Fortune 50 corporations to small transforming health companies as well as trade associations and non-profit organizations.

Mrs. Woodbury has worked closely with Mr. Gingrich for nine years. Prior to joining the Gingrich Group, she served as his Project Director at The American Enterprise Institute for Public Policy Research, a Washington-DC based think tank (<http://www.aei.org>). The focus of this project was to develop a 21st Century model of health and healthcare that could accommodate the rapid technological and biological advances of a new age of medicine.

Mrs. Woodbury served Mr. Gingrich during his rise from Republican Whip through his tenure as Speaker of the House. As a Special Assistant to the Speaker, she managed over 300 board and commission appointments including the appointment of the Bipartisan Commission on the Future of Medicare, the Web-based Education Commission, and the National Summit on Retirement Savings. Mrs. Woodbury also served in the Office of the Speaker as the Deputy Director of Administration, and as the Speaker's Executive Staff Assistant. She was one of the ten congressional staff who assisted Mr. Gingrich in his Speaker-elect office during his transition from Republican Whip to the first Republican Speaker in 40 years.

Mrs. Woodbury holds a degree in Human Development and Family Studies from Pennsylvania State University. She lives in Arlington, Virginia with her husband Jeff.

**Jane H. Woods**  
**Secretary of Health and Human Resources**  
**Governor Office**

Jane H. Woods grew up in Annandale, Virginia, where she was active in volunteer and community service. She graduated from the American University with a BA in education.

Upon graduation, Woods began teaching in Virginia public schools where she remained for almost twenty years. She was a nominee for Teacher of the Year of Fairfax County Public Schools in 1987.

In 1987, Jane Woods was first elected to the Virginia House of Delegates. She served there until her election to the State Senate in 1992, where she represented the City of Fairfax and part of Fairfax County until 2000.

Described as "unquestionably one of the foremost experts on health care" in Virginia, Woods developed a particular expertise in health care while serving as the Vice Chairman of the Joint Commission on Health Care and Chairman of its Long Term Care subcommittee. The respect she earned from colleagues helped her to quickly rise to the chairmanship of the Senate Committee on Education and Health. Woods served on many commissions and study committees whose topics ranged from human services policy and delivery to various aspects of the health care systems to access to business capital to education.

Woods has been active for over 25 years in national and state campaigns and organizations. She currently serves as a board member of the Virginia Health Quality Center, the Temple Foundation, and the Virginia YMCA. She is also a strong advocate for Virginia Girls State, where she has mentored and advised young women in Virginia in raising their awareness of the legislative process in Virginia.

**Robert L. Wright, III**  
**Policy Examiner**  
**Bureau of Insurance**

Robert L. Wright, III CLU, CIE joined the Bureau of Insurance in 1976 as a policy examiner in the Forms and Rates Section of the Life and Health Division. Now as Principal Insurance Analyst, he is responsible for implementing small employer health insurance reform as well as preparing several life and health insurance regulation's for adoption. He has represented the Bureau of Insurance on many working groups of the National Association of Insurance Commissioners. He has also been active in the National association of Managed Care Regulators, having served as Treasurer and Vice President of that organization.