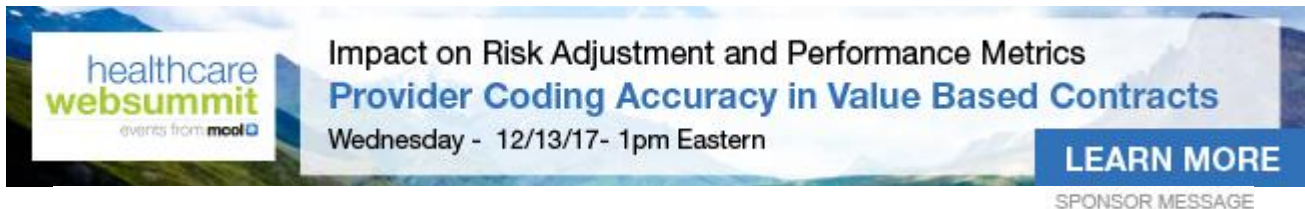


# PAYERS & PROVIDERS

## FIVE QUESTIONS FOR...

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## FIVE QUESTIONS FOR...



**Henry Loubet** is CEO of Bohemia Health, which works with early-stage and established healthcare organizations to focus on overall strategy, innovation, business development, mergers & acquisitions and relationship building. Henry's executive career in California includes:

- President of Health Net
- CEO of UnitedHealthcare's Western Region
- Chief Strategy Officer, Keenan
- CEO of Paladin Healthcare Alliance
- CEO of Bohemia Health

**1: So Henry, what has changed the most in California health care since the start of your career?**

**Henry Loubet:** It's ever changing. If I have to pick one thing over the last 25 years of my career I would say that the biggest changes are ones with the ACA. And I think somewhat like Medicare and Medicaid under President Nixon in the 60s, the ACA was definitely a tidal wave change relative to President Obama, when it was passed in 2010. So along with the setting up of exchanges is the fact that 24 million Americans have become insured under the program, however imperfect that may be. It also brought ACOs and many other things. I'd say unfortunately one of the biggest disappointments is now occurring is what I would best define as the chaos and the kind of uncertainty of the dismantling or the attempt to dismantle the Affordable Care Act. Hopefully a number of those things will not take place. Some certainly seem like they are.

The second change is the Medicare Advantage program. And as I say these days, one of the few things where there's agreement from the prior administration with President Obama and now President Trump is the kind of tailwinds around Medicare Advantage and the recognition that this provided an integrated care delivery approach with aligned incentives, as there are in Medicare Advantage plans in

most cases - especially in California where I believe overall there's about fifty percent penetration of growth - and even in other parts of the country I've seen as I'm fortunate to work nationally. I'm just seeing a lot of interest and focus in support of Medicare Advantage.

So the third change area I think is unfortunately the relationship with health plans and providers for the most part I think has deteriorated over the years. And I do see some positive aspects of that in the last few years but by and large, I just think there's lots of turnover in health plans and less turnover I see at medical groups and health systems. I do see a fair amount of friction and challenges that result. I used to pride myself as a former health plan president of really trying to establish the best relations possible, recognizing the economic challenges of providing affordable care. I really try to pride myself on that in my history at HealthNet and UnitedHealthcare. But you know I don't see those relationships as strong these days, unfortunately.

## ***2: What are some of the relatively unique attributes of California health care compared to other parts of the country?***

**Henry Loubet:** I think first and foremost actually is Kaiser. I've competed a fair amount of my career with Kaiser though when I was at Keenan and the benefits consulting space we partnered quite closely with Kaiser and did over 700 million dollars of business with them. But historically as a health plan President I've competed against Kaiser in my career. I think far and away Kaiser is the most successful integrated health care delivery system in approach including health plans, hospitals and physicians, in the country. And you know I would say they're hitting it these days under Benard Tyson and Doctor Artie Southam and others' leadership. Any of the folks that I know there are really hitting the ball out of the park and to their credit. You know the establishment of their K.P. Connect and K.P. dot org, on the technology side - and around their EMR, around their scheduling, and around their analytics is just second to none. I think you know it's ironic but when I talk to people who never ever - executives in particular but even other white collar workers - who would never ever before had considered Kaiser on the commercial side - now do with the new buildings, the physicians with the new hospitals and medical offices. To Bernard and Arti and Paul Swensen, Bill Caswell, and others' credit, they've really I think reinvented Kaiser.

Second of all it is kind of the 'me too' effect on health other California health plans. The non-Kaiser system as in the commercial and Medicare sides has been a leader in the fully capitated integrated delivery system model. You've seen the California health plans having a much different payment system which ACOs in many ways mimic in other parts of the country.

Hospitals are doing more in terms of aligned incentives and there has also been an increase in provider sponsored health plans like Stanford and Sharp and Sutter - three leading health systems that all have their own health plans - Dignity also does to some degree. I don't think you see that as much in other parts of the other parts of the country.

I always like to give pros and cons. I would say I think California has gotten complacent in terms of the overall health system in many cases. And by complacent, I mean kind of resting on the laurels of the capitated model and haven't necessarily taken it to the next level. So when I was involved more in health plans - and I'm still in the board of Gem Care Medical Group - I think there used to be more creativity, more innovation, and a more dynamic approach to the market. And I think there is some amount of complacency that I witnessed while other parts of the country are attempting to be more innovative.

## ***3: What person(s) influenced your career in healthcare the most and in what way?***

**Henry Loubet:** So if I had to pick a person, I would say Roger Greaves. Roger's still involved with HealthNet and Centene. Roger had the confidence to appoint me as President of the HealthNet at the time for Northern and Central California, and I had a lot of corporate responsibilities as well. I have to say I may not have been on the surface really qualified to take on the responsibility of that magnitude. And you know I'm happy to say we grew the plan from 30,000 members over 250,000 members in three years which was unprecedented. There were a lot of reasons why that happened. But a lot of it was just Roger's mentoring and Roger's willingness to let me really lead a whole variety of efforts that really stimulated the provider partnerships that we were able to form. He was a great leader in building the delegated capitated model that HealthNet was so well known and recognized for.

While if I have to name just one person it would be Roger, a second person is to mention is Jim Carlson. When I was at United he hired me, and there I ran 10 western states plus international in Asia. Again Jim, similar to Roger, is just a great leader, mentor, a thinker and innovator. Jim became CEO of Amerigroup, a big Medicaid plan that was acquired by Anthem.

***4: Do you see any recent innovations coming out of California that you think will have a significant impact in healthcare?***

**Henry Loubet:** I think some companies are doing some really exciting things. Actually just today I was with Sean Duffy, the CEO of a Digital health company called the Omada health, and Omada is a real leader in diabetes, pre-diabetes and diabetes management, and now moving into other areas by taking a real consumer and patient centered approach blending technology and service. Clearly this is one of the most pressing issues that faces the American population given the obesity and other areas that affect pre-diabetics and diabetic. So I think organizations like Omada in particular are really leading the way, thanks to funding through venture capitalists seeking new opportunities. This week I'm going to be meeting with One Medical, another leading company. Amir Rubin - formerly head of Stanford - is a great addition as CEO at One Medical and they're doing some really exciting and innovative things on the primary care delivery side of things. I think we're seeing some of those innovations also on the PBM side, though it's more national.

I'll talk later about a company I'm involved with called EmpiRx, but there is so much focus on drug and drug costs. There's new approaches that take a much more patient centered approach, not just focusing on discounts, but focusing a lot more on better delivery more generics, outcome based, and such. I'm involved with a company getting a lot of attention as recently as today with the opioid abuse area.

I'm involved with called Chess and they're trying to take unique and innovative approaches from a digital side and service delivery side to that area and then dealing with that an innovative way. And finally, a company out of Silicon Valley called eHealth - a well-known company that has been around for 20 years - who is focusing on improving and enhancing the provider systems and health plans in Medicare and Medicare Advantage. I'm a huge supporter - as I said earlier - of Medicare Advantage and eHealth has developed among the most innovative platforms the country that's quite unique. So it's a national program based in California and they're enabling increased enrollment for health systems and consumers to really make the best selection for their Medicare plans. When consumers in this platform are presented with every option available to them, eighty nine percent of those consumers and Medicare recipients are picking Medicare Advantage on their own volition. So anyway, those are some of the more exciting things I've seen in California health care and somewhat nationally.

***5: You've talked some about your involvement with innovation. I think everybody's going to be curious to know more - tell us about what you're up to now.?***

**Henry Loubet:** So most of my background has been as the CEO and executive at United Health Care and Health Net and also a company that Health Net acquired. Before that I was in hospital administration when I first moved to California: Stanford affiliated County Hospital of Santa Clara Valley Medical Center. I spent a number of years recently with Keenan, a large employee benefit and consulting firm - now just recently acquired themselves. So I decided I had to step out at least for now from corporate America. So I formed an LLC called Bohemia Health. And essentially it's a business development, innovation growth and consulting company really focused on working with partnering and collaborating with a really short handful of what are called leading edge companies - and help them given the relationships and hopefully knowledge that I have to advance what they're doing.

So eHealth is the company I mentioned them earlier - I've been helping them be among the leaders helping advance Medicare Advantage. We call it a consumer engagement platform for health systems. It's fortunate that the annual Open enrollment is starting right now. I give a lot of credit to Sutter who partnered with eHealth to launch this about a year ago. We now have nine health systems launching this as we speak right now. So leading edge systems - like in Northern California John Muir, Stanford, in Southern California Providence and Memorial Care, and Summit in New Jersey are among the plans that are partnering with eHealth to try to add to their Medicare Advantage footprint. This will continue to expand and grow and I think will be known in the marketplace. So that's probably where I'm spending the majority of my efforts helping to grow and develop.

I'm also working a few other companies. I'm working with Doctor Arnie Milstein who many folks know at the Stanford Clinical Excellence Research Center that Arnie started about five years ago. So I'm trying to help Stanford advance that. Then I've been working with Pinnacle Insurance Benefits Solutions with a capitated Stop-Loss program that they have also based out of California. As I mentioned earlier a lot of groups are taking risk - and when I say groups those could be health systems, smaller health plans, or medical groups. They really need to have the proper stop loss growth programs and reinsurance programs and those aren't always available or readily known up there. Pinnacle insurance solutions has a really unique approach given their analytics platform and other aspects to that of the stop loss side.

And then finally I've been involved with a number of companies. I was one of the founding members of the Integrated Healthcare Association (IHA) and served on this prestigious Board of Directors for 20 years. I've been a long time board member with MCOL. Now I'm on the board of a provider system in Southern California called Gem Care that is part of Dignity Health and I've been a board member for more than 10 years. I also was part of the Gem Care health plan, a provider sponsored health plan that was sold to BlueShield California about three years ago, and I also do some investing.

Fortunately I'm in a position to do that. So there are two primary companies I'm involved in that I mentioned earlier. EmpiRx is based out in New Jersey, which is a unique approach towards pharmacy benefit management led by a great CEO Bill Reznick and is a national company based in New Jersey. There is also a California based company I'm involved with. I've always been involved in not for profits - I formed the Ace Kids Golf Foundation along with Stanford Healthcare executive Tom Williams for inner city youth. I've been involved with different health care organizations, involved with the Make A Wish Foundation, among other things. But anyway, one of the things we all know is happening out there are concussions in sports, both anywhere from kids to professional sports. So I'm an adviser and investor to a company out of the bay area called Brain Guard led by Dr. Robert Knight. They are inventing in developing helmets and are about to launch their football helmet that will show a 30 plus percent reduction in concussions, and also want to ultimately move into baseball, motocross, bicycle helmets, and such. So anything that I've done over the years I try to have a public policy approach to providing health care to a broader population. In most cases this has been in a for profit setting, but in other cases as well as a not for profit setting. Doctor Knight at Brain Guard for example is head of neuroscience at UC Berkeley. So anyway those are the things to say I'm up to. I'm really enjoying myself. I have an office in San Francisco. I get to see a lot of folks and doing something that's pretty different and unique from my past.

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