

# Keynote: Lessons from a Proactive Purchaser: Managing the Affordability Crisis Before and After COVID-19

June 16 | 1:30 PM - 2:00 PM ET



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#NASUMMITS



# What is the 32BJ Health Fund?

- Joint labor management partnership
  - Provides benefits to SEIU 32BJ union members and their eligible dependents with contributions from 5000+ contributing employers
  - Fund is jointly governed by a board of Union and Employer Trustees
- Self-insured and very engaged
  - We design the benefits: what is covered, out of pocket costs
  - We get claims data and actively use it to make strategic plan decisions

## Who is Covered?

- 200,000 covered lives
- Members of SEIU 32BJ and their eligible dependents
  - Cleaners, property maintenance workers, door people, security officers, window cleaners, building engineers, school and food service workers, and airport workers
- Average wages are \$15-\$20 per hour
- Union members work in 11 states, with spouses and dependents across the country

## Current Events

- Members of SEIU 32BJ are on the front lines
  - More than 700 Covid-related hospital admissions
  - Hundreds of Covid-related deaths
- Affordability is key, now more than ever, for plan participants and contributing employers

CRAINS: Real estate and its unions have built a pandemic example worth following

“We have shown how collaboration between labor and management creates the conditions for an industry to not only survive the tough times but to thrive afterward. . . . This type of collaboration can, and should be, replicated in other industries. It is in all our interests—employers and employees—to ensure essential services continue and that we come out of this crisis stronger than before.”

5/15/2020

LOS ANGELES TIMES:  
While New York City fights a pandemic, building doormen greet and troubleshoot



5/21/2020

# Principles of Plan Design

- Solving the challenge of cost containment should be on the 32BJ Health Fund, not the members
- Implement plan design features that reduce total spend, rather than just cost shift to members
- Willing to trade off on choice for price when we can identify the best choices and promote them
- Maintain trusting relationship with plan participants
  - 90% say they have good benefits
  - 88% say they trust us to recommend programs to them

# Key Features of Our Plan Design

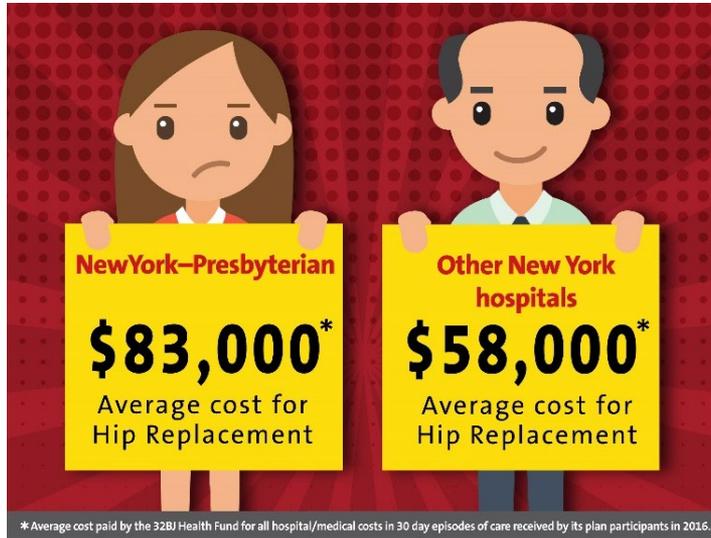
- No premiums
- No deductible for in-network care
- Custom network
- No plan choice
  - Mandatory enrollment; no open enrollment
  - No risk of adverse selection; everyone gets the same plan with rich benefits
  - Can do long-term planning and can make plan changes frequently, including mid-year

## Unique Resources

- In-house call center
- Large team of data analysts to interpret our claims data
- Legislative agenda and government affairs representation
- Public engagement
  - [www.32bjHealthFundInsights.com](http://www.32bjHealthFundInsights.com)
  - Twitter: @\_SaraRothstein

# Additional Resources

## Our Data



## Our Purchasing Power

NEW YORK

### New York City Union Uses Its Size to Leverage Improved Maternity Care

Expectant mothers in the health fund are largely low-wage workers and women of color, its director says



Wall Street Journal, August 2019

# Accomplishments

- Direct contracts for surgical episodes of care (joint replacement, bariatric surgery)
  - No cost for plan participants when using preferred provider
  - Reference pricing for more expensive facilities
- Custom hospital network
  - Direct plan participants out of higher cost hospitals into lower cost hospitals
- Custom maternity network
  - Improving quality and safety for our plan participants having babies

## Evaluating our work

- ✓ Successfully redirecting plan participants to new providers for care
- ✓ Saving money for plan participants and our health fund
- ✓ High levels of plan participants satisfaction with the plan and high net promoter score for specific clinical programs

## Call to Action

- Other purchasers can replicate our successes
- Need to focus on strategies that reduce total costs, rather than shift costs to plan participants

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