The Emerging Health Care Risk Landscape
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Advisen Ltd. is a privately-owned, independent and unbiased provider of news, data and risk analytics to the commercial insurance industry.

Advisen’s mission is to deliver productivity and insight to insurance professionals. Advisen brings greater success through technology and data, revolutionizing the way the commercial insurance industry functions. Our customers leverage the Advisen platform, adding power to their proprietary ability and bringing value to their clients.

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About Aon:

Aon plc (NYSE:AON) is the leading global provider of risk management, insurance and reinsurance brokerage, and human resources solutions and outsourcing services. Through its more than 62,000 colleagues worldwide, Aon unites to empower results for clients in over 120 countries via innovative and effective risk and people solutions and through industry-leading global resources and technical expertise. Aon has been named repeatedly as the world’s best broker, best insurance intermediary, reinsurance intermediary, captives manager and best employee benefits consulting firm by multiple industry sources.

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The Emerging Health Care Risk Landscape

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- **White Paper**: Industry Analysis: Health Care Services and Facilities
- Copy of these **slides**
- **Recording** of today’s webinar
Today’s Moderator

David Bradford- President, Research & Editorial Group, Advisen Ltd.
Today’s Panelists

**Ron Calhoun**, National Health Care Practice Leader, Aon Risk Solutions. **Topic: Health Care Reform**

**Martha Jacobs**, Senior Vice President, Team Leader, Financial Services Group, Aon Risk Solutions. **Topic: Federal Statutes / Health Care Fraud**

**Steve Bridges**, Senior Vice President, Aon Risk Solutions. **Topic: Cyber Exposures**

**Gregory Larcher**, Regional Director & Actuary, Actuarial & Analytics Practice, Aon Risk Solutions. **Topic: Medical Malpractice Caps**

**Richard Chiocchi**, Managing Director, Managed Care Practice Leader- Healthcare, Aon Risk Services. **Topic: Bundled Reimbursements**

Today’s Panelists

Ron Calhoun, National Health Care Practice Leader, Aon Risk Solutions

Role
Ron is Aon’s National Health Care Practice Leader and is responsible for development, design, and execution of innovative risk management strategies and solutions that meet the needs of Aon Risk Solution’s health care clients. Additionally, he and his team are addressing the challenges realized by the health care provider community as they face a challenging exposure landscape resulting from health care reform.

Expertise
Ron was the first insurance industry expert invited to join the Health Management Academy. Additionally, he has been an active board member of the Coalition for Affordable and Reliable Health Care, a group that has been on the forefront of medical malpractice tort reform initiatives at both the state and federal levels.

Experience
With over twenty years of leadership experience in the commercial insurance industry, Ron has served as a healthcare industry practice leader and as president of a unique MGU that provides health care equipment maintenance management solutions. Ron is responsible for the development and deployment of risk related products and services to meet the strategic, financial, and operation needs the health care provider communities we serve.

Education/Service
Ron earned a B.S.B.A. degree from The Citadel and an M.H.R.D. from Clemson University. He is currently a member of the Health Care Advisory Board of Vanderbilt University’s Owen Graduate School of Management Health Care MBA Program and serves on the Advisory Board of the National Risk and Safety Collaborative. Additionally, he serves on the Advisory Board of the American Association for Caregiver Education and is an active member of the American Society for Healthcare Risk Management and the Healthcare Financial Management Association.
Today’s Panelists

**Martha Jacobs**, Senior Vice President, Team Leader, Financial Services Group, Aon Risk Solutions

**Role**
Martha is responsible for the marketing and servicing of management liability programs for our corporate clients. In that role, she directs the renewal strategy process – setting strategy for managing the marketplace and driving optimal results, providing guidance on policy language analysis, and sharing up to date information on current issues to clients.

**Expertise**
Her focus is on the core Management Liability products, including Directors and Officers Liability, Fiduciary Liability, Employment Practices Liability, Crime and Kidnap Ransom coverages. Additionally, she also markets and services related coverage's including Professional E&O, Miscellaneous E&O, and Privacy and Security Liability.

She is solely focused on handling these coverages for a wide range of clients, from large multi-national corporations to large non-profit entities, in the manufacturing, retail, industrial, financial institutions, consumer, and health care industry groups.

Within management liability products, Martha is also a health care national resource, to assist Aon clients in that industry.

**Experience**
Martha has over twenty-one years of experience in the management liability insurance industry. She was previously Regional Director for Executive Risk Solutions at Hilb Rogal and Hobbs. Martha established the local ERS practice in Pittsburgh and grew the book by over 200 percent in 18 months.

Prior to that she was the Pennsylvania Regional Manager in the Executive Department and Designated Underwriting Officer at Chubb & Son.

**Education/Service**
Martha graduated Magna Cum Laude from University of Pittsburgh with dual bachelor degrees in 1991.
Today’s Panelists

Steve Bridges, Senior Vice President, Aon Risk Solutions

Role
Steve has been a member of the Professional Risk Solutions team in Aon’s Financial Services Group in Chicago, Illinois for eight years. He works with companies to address exposures related to technology, professional services and network risk/privacy. In addition to placing errors and omissions and network risk/privacy insurance solutions for clients in a wide range of industries, Steve advises a number of large clients as to proper contract language and risk mitigation strategies.

Experience
Steve has a legal background that is reflected in his career history. He previously was the General Counsel and Vice President of Business Development at Sportsvision, Inc, the Director of Government Relations at Northwestern University, and a Securities/Corporate lawyer at both Chapman and Culter and Vedder, Price.

Education/Service
Steve earned a B.S. degree from Illinois Wesleyan University in 1986 and a J.D. from University of Illinois in 1989.
Today’s Panelists

**Gregory Larcher**, Regional Director & Actuary, Actuarial & Analytics Practice, Aon Risk Solutions

**Role**
Gregory is the regional director of Aon’s Actuarial and Analytics Southeast Practice. He manages actuarial pricing and reserving analyses for various self-insurance programs and captive insurance companies. He provides peer review to ensure adherence to applicable standards of practice. Gregory also assists in the overall strategic planning initiatives for the practice.

**Expertise**
He has done extensive work with professional liability, medical malpractice products liability, general liability, workers compensation, and auto liability lines of insurance. Gregory has special expertise on healthcare accounts particularly hospitals, physicians and long term care. He also focuses on alternative risk transfer mechanisms including captives, trusts and risk retention groups.

**Experience**
Gregory’s prior industry experience includes reinsurance pricing, reserving, general consulting engagements, audit opinions, audit support, managing rates and rating plans for small business owners, and rate analyst for homeowners. He has worked at Chubb Atlantic, Ernst & Young, Zurich, and Colonial Penn.

**Education/Service**
Gregory earned his B.S. in Mathematics from the University of Delaware. He is a Member of American Academy of Actuaries and a Fellow of Casualty Actuarial Society. Gregory is the author of the Aon/ASHRM Hospital Liability Benchmark. He is also a speaker at various healthcare industry events including: American Society of Healthcare Risk Managers (ASHRM), Professional Liability Underwriters Society (PLUS), and the Cayman Captive Conference.
Today’s Panelists

**Richard Chiocchi**, Managing Director, Managed Care Practice Leader- Healthcare, Aon Risk Services

**Role**
Rick serves as the national practice leader for Aon Risk Solutions Managed Care Practice. He is accountable for coordinating the resources of Aon with numerous managed care and health care providers on risk management and reinsurance programs designed to mitigate unbudgeted exposures while preserving capital and profit.

**Experience**
Within his 30 years of health care and insurance (including 15 years at Aon), Rick’s experience includes work with health care providers, managed care organizations and insurance companies in a variety of marketing, operations, and managed positions. Prior to joining Aon in 1996, he was employed by the VHA assisting its members in managed care ventures including the development of PHOs, integrated delivery networks and MCOs. He has served in a leadership capacity for a large statewide PPO network, and has an extensive background in the areas of provider contracting, employee benefits and alternative funding of insurance programs.

**Clients**
His clients also include Hospital and Healthcare Systems, Employer Coalitions, and Physician Organizations.

**Education/Service**
Rick earned his Bachelor’s Degree from the Pennsylvania State University. He is also a Certified Health Consultant for BCBSA.
Today’s Panelists

Jon Littig, Alternative Risk Consultant, Aon Risk Solutions

Role
John serves as an alternative risk consultant for health care clients and prospects in evaluation and implementation of alternative risk financing programs including large deductible plans, trusts, risk retention groups and captives. He is responsible for managing and servicing these ART programs which includes facilitating the pursuit of Best Practices.

Experience
John’s background includes eight years experience as an Account Executive and Alternative Risk Consultant for Aon. He is experienced in the analysis, design, negotiation, and management of liability programs with an emphasis on alternative risk financing programs including large deductible plans, trusts, risk retention groups, captives, and loss portfolio transfers.
He has experience in workers’ compensation, professional liability, general liability, managed care errors and omissions liability, directors and officers liability and excess programs.

Education/Service
John has earned is BA in English from Miami University and has completed his Associate in Risk Management designation (ARM). He is a licensed P&C Broker in many states including Illinois, Missouri, New Jersey, Pennsylvania, and Ohio.
What do you see as the most impactful piece of the PPACA from a provider perspective?

Dave Bradford- Advisen Ltd.

Ron Calhoun, National Health Care Practice Leader, Aon Risk Solutions

Martha Jacobs, Senior Vice President, Team Leader, Financial Services Group, Aon Risk Solutions

Steve Bridges, Senior Vice President, Aon Risk Solutions

Gregory Larcher, Regional Director & Actuary, Actuarial & Analytics Practice, Aon Risk Solutions

Richard Chiocchi, Managing Director, Managed Care Practice Leader-Healthcare, Aon Risk Services

Jon Littig, Alternative Risk Consultant, Aon Risk Solutions
What does the current ACO landscape look like right now?

Dave Bradford - Advisen Ltd.
How will the emerging physician shortage affect accountable care strategies?

Dave Bradford - Advisen Ltd.
The federal government has stepped up enforcement of the False Claims Act in recent years. Can you please outline the key provisions of the act as concerns healthcare entities, and explain why the surge in enforcement activity?

Dave Bradford- Advisen Ltd.

Ron Calhoun, National Health Care Practice Leader, Aon Risk Solutions
Martha Jacobs, Senior Vice President, Team Leader, Financial Services Group, Aon Risk Solutions
Steve Bridges, Senior Vice President, Aon Risk Solutions
Gregory Larcher, Regional Director & Actuary, Actuarial & Analytics Practice, Aon Risk Solutions
Richard Chiocchi, Managing Director, Managed Care Practice Leader-Healthcare, Aon Risk Services
Jon Littig, Alternative Risk Consultant, Aon Risk Solutions
What is the “whistleblowing” provision of the act, and how does it contribute to the government’s high success rate?

Dave Bradford- Advisen Ltd.

Ron Calhoun, National Health Care Practice Leader, Aon Risk Solutions
Martha Jacobs, Senior Vice President, Team Leader, Financial Services Group, Aon Risk Solutions
Steve Bridges, Senior Vice President, Aon Risk Solutions
Gregory Larcher, Regional Director & Actuary, Actuarial & Analytics Practice, Aon Risk Solutions
Richard Chiocchi, Managing Director, Managed Care Practice Leader-Healthcare, Aon Risk Services
Jon Littig, Alternative Risk Consultant, Aon Risk Solutions
What are typical terms in the settlements of these cases?

Dave Bradford- Advisen Ltd.

Ron Calhoun, National Health Care Practice Leader, Aon Risk Solutions
Martha Jacobs, Senior Vice President, Team Leader, Financial Services Group, Aon Risk Solutions
Steve Bridges, Senior Vice President, Aon Risk Solutions
Gregory Larcher, Regional Director & Actuary, Actuarial & Analytics Practice, Aon Risk Solutions
Richard Chiocchi, Managing Director, Managed Care Practice Leader-Healthcare, Aon Risk Services
Jon Littig, Alternative Risk Consultant, Aon Risk Solutions
What types of insurance may provide coverage for this exposure?

Dave Bradford - Advisen Ltd.
HITECH and PPACA both encourage health care organizations to digitize medical records. While this may improve patient care, it can also create data security challenges. Can you please explain the risks?
Mobile devices such as tablets have clear advantages for health care professionals, but they also pose risks. What data security risks are specific to handheld devices, and what can be done to control these risks?

Dave Bradford - Advisen Ltd.
You have mentioned the costs of a data breach a number of times. Can you help us understand what types of costs a healthcare entity might incur should it have a breach?

Dave Bradford- Advisen Ltd.
How can insurance help address these risks?

Dave Bradford- Advisen Ltd.
Just a few years ago tort reform was being prescribed as the cure to what were sometimes characterized as runaway medical malpractice costs. That solution seems to be less frequently demanded now. What happened?

Dave Bradford- Advisen Ltd.

Ron Calhoun, National Health Care Practice Leader, Aon Risk Solutions

Martha Jacobs, Senior Vice President, Team Leader, Financial Services Group, Aon Risk Solutions

Steve Bridges, Senior Vice President, Aon Risk Solutions

Gregory Larcher, Regional Director & Actuary, Actuarial & Analytics Practice, Aon Risk Solutions

Richard Chiocchi, Managing Director, Managed Care Practice Leader-Healthcare, Aon Risk Services

Jon Littig, Alternative Risk Consultant, Aon Risk Solutions
What are some of the alternative ways suggested to contain costs? Do these processes have goals other than reducing costs? Have any states legislated any of these measures?

Dave Bradford - Advisen Ltd.
Do you see PPACA impacting medical malpractice costs?

Dave Bradford- Advisen Ltd.
How are health care organizations using captives?

Dave Bradford - Advisen Ltd.

Ron Calhoun, National Health Care Practice Leader, Aon Risk Solutions
Martha Jacobs, Senior Vice President, Team Leader, Financial Services Group, Aon Risk Solutions
Steve Bridges, Senior Vice President, Aon Risk Solutions
Gregory Larcher, Regional Director & Actuary, Actuarial & Analytics Practice, Aon Risk Solutions
Richard Chiocchi, Managing Director, Managed Care Practice Leader - Healthcare, Aon Risk Services
Jon Littig, Alternative Risk Consultant, Aon Risk Solutions
Why do captives represent an attractive alternative to insurance for health care organizations?
How can captives promote adherence to the Medicare Shared Savings Plan (MSSP) and other payment transformation model quality and cost metrics?

Dave Bradford - Advisen Ltd.
Can captives insure the financial risk associated with the acceptance of bundled payment/reimbursement methodologies?

Dave Bradford - Advisen Ltd.

Ron Calhoun, National Health Care Practice Leader, Aon Risk Solutions
Martha Jacobs, Senior Vice President, Team Leader, Financial Services Group, Aon Risk Solutions
Steve Bridges, Senior Vice President, Aon Risk Solutions
Gregory Larcher, Regional Director & Actuary, Actuarial & Analytics Practice, Aon Risk Solutions
Richard Chiocchi, Managing Director, Managed Care Practice Leader-Healthcare, Aon Risk Services
Jon Littig, Alternative Risk Consultant, Aon Risk Solutions
ACOs are an important feature of PPACA. Please explain how ACOs are intended to achieve the seemingly conflicting goals of improving patient care and reducing costs.

Dave Bradford- Advisen Ltd.
Medicare ACOs are incentivized by PPACA, but similar patient centered, multi-disciplinary health care delivery models are flourishing independently of PPACA. Why is this approach gaining traction?

Dave Bradford- Advisen Ltd.

Ron Calhoun, National Health Care Practice Leader, Aon Risk Solutions
Martha Jacobs, Senior Vice President, Team Leader, Financial Services Group, Aon Risk Solutions
Steve Bridges, Senior Vice President, Aon Risk Solutions
Gregory Larcher, Regional Director & Actuary, Actuarial & Analytics Practice, Aon Risk Solutions
Richard Chiocchi, Managing Director, Managed Care Practice Leader-Healthcare, Aon Risk Services
Jon Littig, Alternative Risk Consultant, Aon Risk Solutions
Bundled Payment or Episode of Care reimbursement was also included within the Accountable Care Act, Why has this payment approach caught momentum as an attractive contracting option?

Dave Bradford- Advisen Ltd.
Can you share what types of risks are associated with these various types of contracting models and is there a role for insurance to mitigate these risks.

Dave Bradford - Advisen Ltd.
Q&A

Dave Bradford - Advisen Ltd.

Ron Calhoun, National Health Care Practice Leader, Aon Risk Solutions
Martha Jacobs, Senior Vice President, Team Leader, Financial Services Group, Aon Risk Solutions
Steve Bridges, Senior Vice President, Aon Risk Solutions
Gregory Larcher, Regional Director & Actuary, Actuarial & Analytics Practice, Aon Risk Solutions
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INDUSTRY ANALYSIS:
Healthcare Services and Facilities

December 2012

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  *Tuesday, December 11, 2012 at 11am EST*

- **Trends in Business Globalization: The Implications for Employees Health and Safety & Solutions for Addressing Them**
  
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**Date: Thursday, January 31, 2:00 PM EST**

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