

Consumer Incentives for Health and Health Care: An Employer Perspective

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National Business Coalition on Health (NBCH)

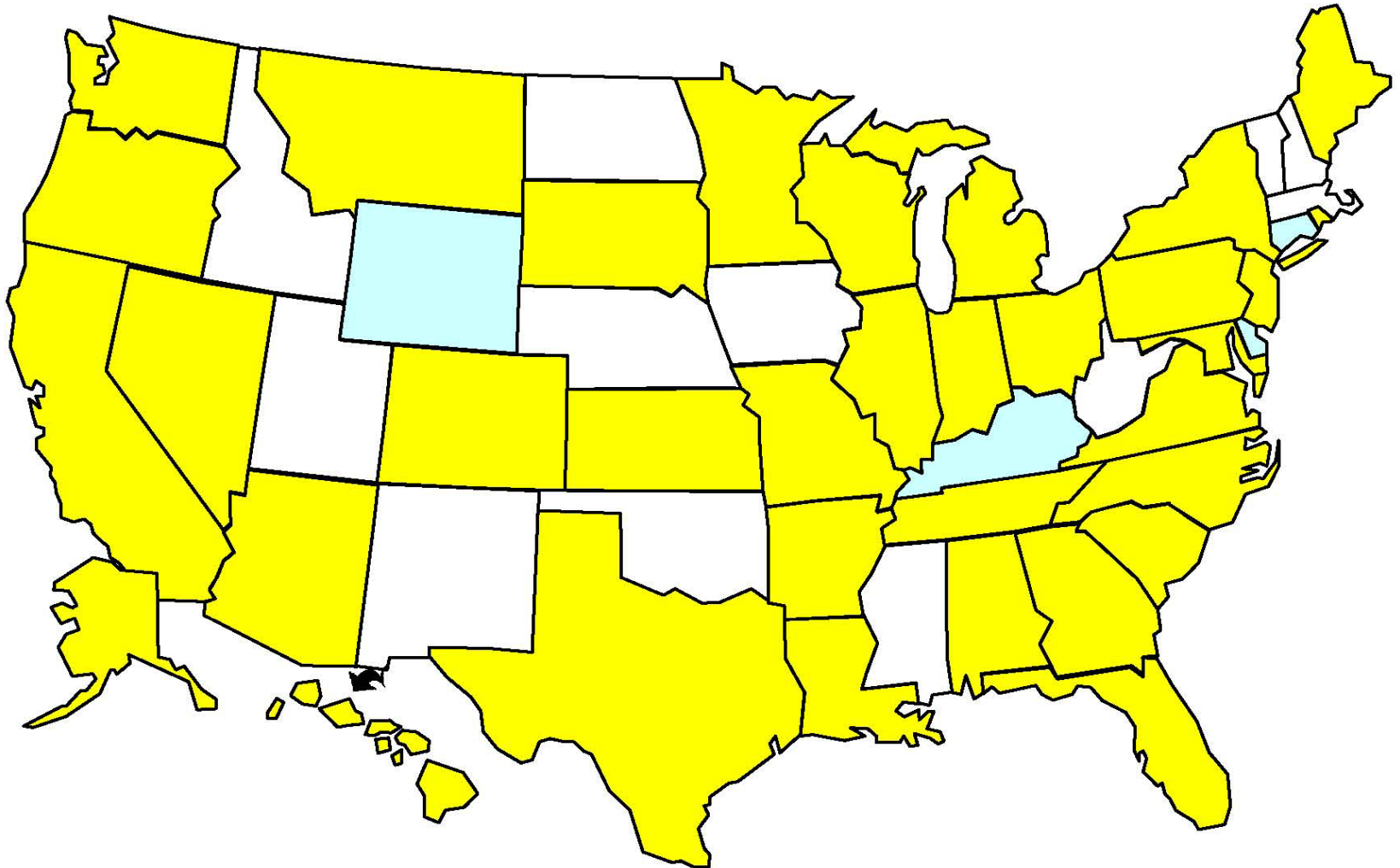
- ***Our identity:*** National, non profit association of 65 business and health coalitions,
- ***Our vision:*** Health system reform, through value based purchasing, community by community
- ***Our primary mission:*** To build coalition leadership capacity



Members of National Business Coalition on Health (NBCH)

Active Coalition Members

Pending Coalition Members



Thank You AHRQ!



Business Community Believes in the Power of Incentives

But We Are to Blame for a Toxic Payment System that Pays for:

- Resource use rather than outcomes
- Individual units of care rather than episodes of illness
- Acute care not prevention
- Medical errors and “do overs”
- With no performance based payment

And for a Consumer Entitlement Mentality:

- That insulates individuals from cost sensitivity because of 3rd party payment

No Business Case for Quality!

Value Based Purchasing: Measure, Report, Reward, Lead

Five Pillars:

1. Performance Measurement
2. Transparency and Public Reporting
3. Payment Reform
4. **Informed Consumer Choice**
5. Purchaser Leadership and Action

***Accelerating the Pace to the Ultimate Goal:
Health and Health Care Improvement***

Informed Consumer Choice

The Goal: To influence the individual consumer to make informed choices at many levels:

- to live a healthy lifestyle;
- to seek preventive services/care when sick;
- to share in, and make the right, treatment decisions;
- to comply with treatment regimen and self-manage, particularly chronic disease;
- to select a plan, hospital, physician.

A Few Examples

General Motors

		HMO A	HMO B	HMO C	HMO D
eValue8 RFI Results	Raw Score Flex Score (25)	129 5	221 25	211 24	176 16
HEDIS / CAHPS (CARS evaluation)	Raw Score Flex Score (20)	7 7	14 14	13 13	13 13
NCQA Accreditation	Raw Score Flex Score (5)	Commendable 2	Excellent 5	Excellent 5	Accredited 1
Total Quality Score (50)		14	44	42	30
National Rate Rankings		24	20	19	22
Relationships of rates to Local Indemnity		23	13	12	14
Total Cost Score (50)		47	33	31	36
Total Quality + Cost (100)		61	77	73	66
Rating		Below Avg	Benchmark	Strong	Good
Sample Employee Contribution		\$100	\$20	\$40	\$55

An Integrated Strategy: HealthMapRx (The Asheville Model)

- Reinvention of community pharmacy through consumer coaching/counseling
- With value based benefit design
- Led by American Pharmacists Association Foundation and NBCH through national distribution agreement
- 4 member coalitions participating – a dozen more coalitions with expressed interest
- Demonstrated ROI

Asheville Project Results

- Over 1500 patients from 10 employers enrolled for diabetes, asthma, hypertension, lipid therapy management, and depression
- Patients realize improved outcomes & increased medication adherence
- 50% reduction in sick days
- Zero workers comp claims in the City diabetes group over 6 years
- Average net savings of \$1,600-\$3,200 per person with diabetes each year from year 2 on
- Employers saved over \$5,000,000 in health care costs

The Most Promising Approach



Value Based Benefit Design

- Basic health insurance benefit architecture should **tier** medical services by evidence of effectiveness - and providers by evidence of performance
- **Co-pay** levels (incentives) should vary by tiers in a way to help steer individuals toward effective services and high performing providers. And vice versa.
- An alternative to high deductible plans

Some of My Conclusions from Dudley's Presentation:

- *We need to match incentives to the consumer behavior we're trying to influence*
- *Changing consumer behavior will take a melting pot: timely/actionable information; coaching/counseling; peer/family/employer/community support; and incentives*
- *We need more research!*