



Incorporating Disease Management Into Your Long-Term Health Care Strategy

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Agenda



- STRS Ohio's health care program
- Overview of disease management programs
- Lessons learned

STRS Ohio Health Care Program



- 114,000+ enrollees; 1/3 under age 65
- Total CY 2007 paid health care costs of \$518 million of which \$180 million is for prescriptions
 - Offer two national self-insured PPO/indemnity plans covering 93% of enrollees (the other 7% are enrolled in fully insured local HMO plans) through two medical administrators and a single PBM
 - Enrollees share 48% of program's costs
 - Medicare age enrollees represent 2/3 of enrollees but account for less than 50% of the total costs since Medicare pays as primary

STRS Ohio Health Care Program



- **Objectives**

- Target under age 65 where
 - STRS Ohio bears primary risk for health care expenses
 - 6% of enrollees responsible for 57% of health care expenses and 14% are responsible for 75%
 - Reduce future costs – bend the health care trend curve downward
 - Employ population-based approach to improve health outcomes and lower cost trends for targeted treatment groups – enrollees with chronic illness whose management of their conditions can make a difference

STRS Ohio Health Care Program



- Established three pronged disease management approach
 - Primary; >6,000 enrolled
 - Specialty
 - Rare and complex; >800 enrolled
 - ESRD; <20 enrolled

Primary Disease Management



- **Demographics**

- 48,918 self-insured enrollees without Medicare
- 6,956 had at least one “primary” chronic condition
- Participants by chronic condition:
 - Diabetes (3,000)
 - Congestive heart failure (2,136)
 - Coronary artery disease (672)
 - Chronic Lung disease (417)
- 88% participation rate of eligible population

Primary Disease Management



- **Key Features**

- Supports MD/patient relationship
- Emphasizes prevention, adherence and patient empowerment strategies
- Utilizes evidence-based treatment guidelines
- Alerts treating physicians of potential problems
- Evaluates and commits to measurable outcomes

- **Approach – population-based**

- Through claims, identify all persons with targeted conditions
- Profile and risk stratify the population
- Develop appropriate interventions
 - Intervention intensity varies according to severity of patient's condition
 - Interventions are evidence-based

Primary Disease Management



- **Services**

- Introductory materials mailed to participants and their physicians
- Disease-specific educational materials
- Phone calls from personal nurse
- Quarterly newsletter
- Access to .com website
 - Interactive online tool for self-management

- **Additional services for moderate/high risk**

- Vital signs and symptom monitoring
- Progress reports to participants
- Reports to treating doctors
- Participant surveys assess functional status and program satisfaction

Primary Disease Management



- **Contract**

- Three-year contract periods (in 3rd year of 2nd contract)
- Fees paid by STRS Ohio on a per-member-per-month basis
- 100% fees at risk – 80% financial, 10% clinical, 10% participant satisfaction
- Financial results validated by independent third party hired by STRS Ohio

- **Results**

- Net reported ROI of \$2.2 million; exceeded guaranteed net ROI of 1.87 by \$0.26 million (less than ROI from 1st contract period due to change in ROI methodology and program maturation)
- 10 out of 12 clinical guarantees met
 - Two guarantees not met: Congestive Heart Failure: Ace/ARB inhibitor usage and function self-reported
- 94% rated satisfaction as excellent, very good or good
- Plausibility indicators – Disease specific admissions (12.8%); ER visits (10%)

Specialty Disease Management



- **Specialty**

- Rare and complex medical conditions
- End-Stage Renal Disease

- **Focus**

- 16 total medical conditions which:
 - Require access to specialized expertise
 - Prone to wide range of complications
 - High and growing use of expensive specialty drugs
 - High cost: >\$14,000 per patient per year
 - About 820 non-Medicare patients

Specialty Disease Management



Conditions:

- Multiple Sclerosis
- Parkinson's Disease
- Rheumatoid Arthritis
- Seizure Disorders
- Systemic Lupus
- Cystic Fibrosis
- Hemophilia
- Myasthenia Gravis
- Lou Gehrig's disease
- Dermatomyositis
- Polymyositis
- Scleroderma
- Chronic Inflammatory Demyelinating Polyradiculoneuropathy
- Gaucher Disease
- Sickle Cell Anemia
- ESRD

Specialty Disease Management



- **Objectives**

- Promote self-management
- Prevent complications and reduce magnitude of crisis events
- Improve health outcomes and quality of life
- Reduce total cost of care

- **Services**

- Primary nurse care model with support and education via phone 24/7
- Coordination of care with physicians and other providers (home care, durable medical equipment and specialty drug providers)
- Support physicians in their care of patient

- **Results**

- **Program Cost:** Annual costs \$3/4 million charged per enrollee/per month
- **Projected Savings:** Annual projected savings \$1.75 million

Lessons Learned



- Consultant expertise is important in selecting vendors and negotiating contracts.
- Voluntary disease management programs are embraced by the majority of retirees.
- Few retirees were concerned their personal health information was being shared with a disease management firm.
- Disease management programs have a positive impact on enrollees in improving health and lowering costs.
- Risk sharing of financial and clinical outcomes is an important aspect of creating aligned incentives.
- ROI metrics and performance guarantees must be continually reviewed and refined as ROI reconciliation methodology is still evolving.
- Independent third-party ROI reconciliation takes time and is complex.
- Continual review of outcomes and adjusting target audience is required.



Questions?