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HEALTH

SYSTEM

CHANGE

**Providing Insights
that Contribute to
Better Health Policy**

Disease Management in a Changing Health Care System:

Findings from the 2002-03 Community Tracking Study Site Visits

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Overview of Major Developments

- Growing employer interest and lingering concerns
- Late-adopting plans expand DM offerings
- Early-adopting plans retarget DM offerings
- Movement to specialized DM/CM vendors
 - ▶ Outsourcing by health plans
 - ▶ Direct contracting by employers

The Community Tracking Study (CTS) Site Visits

- Visit 12 randomly selected communities every two years
 - ▶ Tracking markets longitudinally since 1996
 - ▶ Nationally representative sample
- Conduct 70-100 interviews in each site
 - ▶ Broad cross-section of health care stakeholders
 - ▶ Triangulate results
- Round 4 visits: September 2002-May 2003



The CTS Sites



The Context for Change: 2000-01

- Plans loosen many cost containment tools
- DM programs offered primarily in HMOs
- Larger markets have more mature programs
- Plans have difficulty selling disease, care management to self-funded employers

Pressures for Change: 2002-03

- Significant premium increases
- Renewed interest in cost control
- Plans increasingly focus on PPOs and consumer-driven health plan designs
- Higher consumer cost-sharing

Key Findings in 2002-03:

I. Purchaser Interest Grows

Perceived Needs

- New options for containing costs, improving productivity, reducing work loss
- Programs targeted to health conditions in their workforce
- Evidence of ROI

Key Findings in 2002-03:

I. Purchaser Interest Grows

Responses

- Requests for customized DM
- Increased use of health risk assessments, work-site prevention programs
- Efforts to link health insurance and workers compensation data to monitor ROI
- Direct contracting with DM vendors

Key Findings in 2002-03:

II. Late Adopters Expand DM Offerings

- Introducing DM into PPO products
- Increasing number of conditions targeted
 - ▶ Beyond asthma and diabetes to CVD, obesity, cancer, back pain
- Improving information systems to support DM
- Improving coordination with providers

Key Findings in 2002-03:

III. Early Adopters Retarget DM Offerings

- Targeting smaller subgroups of high-risk, high-cost members
- Introducing predictive modeling
- Emphasizing intensive case management over disease-specific protocols
- Offering multiple choices/levels of management

Key Findings in 2002-03:

IV. Movement to Specialized DM Vendors

- Concerns that plan-developed DM programs do not match workforce needs
- Interest in offering programs for specialized and complex conditions
 - ▶ Cancer, ESRD, MS
- Interest in reducing administrative costs of DM, improving ROI

Key Findings in 2002-03: Continuing Challenges and Issues

- Increasing member awareness and participation
- Building provider engagement and support
- Demonstrating impact and ROI
 - ▶ Timeframe?
 - ▶ Perspective: plan, employer, community?

Conclusions and Policy Implications

- DM remains an key strategy for cost containment, health improvement
- Recent changes could have important implications for costs and outcomes:
 - ▶ Targeting DM resources at smaller subgroups
 - ▶ Moving to higher cost-sharing and consumer-driven plans
 - ▶ Decoupling DM from health insurance

The Future of Disease Management?

- Expanded availability and access to DM
- Continued pressure for evidence
- Integration with consumer-driven approaches to information and decision support
- Provider and member incentives for engagement
- Collaborative, community-wide approaches?