Employer Initiatives in Disease Management

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NATIONAL DISEASE MANAGEMENT SUMMIT
May 13, 2003 – Baltimore, MD
Purchasers’ Demand of Health Plans: Core Consumer Competencies

- Health promotion
- Risk reduction
- Self-care/triage
- Shared decision-making
- Disease management
- Provider & treatment option ratings
- Consumer engagement platform
- Benefit designs incenting “good citizenship”
Disease Management: Purchasers’ “Best-in-Class” Expectations

- **Conditions targeted** based on program efficacy, condition cost and prevalence
- **Identification of members** using medical and Rx claims, nurse-line and case management information
- **Stratified members** to target highest clinical and efficiency gain matched to intervention
- **Targeted** recruitment, participation goals and incentives based on stratification
- **Clear provider-oriented interventions**
- **Net savings** and program cost-effectiveness quantified
Purchasers’ Paths to Better Disease Management

- Accreditation
- Health Plan Purchasing Strategies
  - RFPs
  - Performance Standards
- Focused Audits/Inventories
- Employer-Specific Initiatives
Independent Review of Processes—Offered by NCQA, URAC and JCAHO

- Sample elements from NCQA
  - Program scope includes monitoring of member adherence and co-morbidities
  - Member identification & risk stratification for targeted interventions
  - Member engagement & program participation levels
  - Evaluate performance by measuring processes & outcomes
Purchasing Strategies – Expectations in RFPs

PBGH Negotiating Alliance – Using the eValue8 RFP

- Clinical Guidelines
- Disease Management Programs
  - Diabetes
  - Cardiovascular disease
  - Depression
  - Asthma (rotated for 2003)
- Health Promotion
Purchasing Strategies – Performance Guarantees

PBGH & the University of California
Requiring Premiums at Risk

- Promote opportunities for purchase/plan partnership
- Maintain plan accountability for quality & service improvement
- Develop longer-term perspective through multi-year agreements
- Expand focus on quality, care management, provider performance and consumer engagement
- Align measures for self-funded and HMO plans
  - Link ASO fees to quality and care management objectives
PBGH & UC Performance Domains

- Administration & services
- Member satisfaction
- Provider retention and access/member disruption management
- Behavioral health
- Provision of consumer decision support tools
- Data reporting

Quality

- Health & disease management
- HEDIS (outcomes measures/administrative data improvements)
- Pay-for-performance & provider-level measurement
- Common provider metrics & quality transparency
- Leapfrog patient safety measures

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Purchasing Strategies – Performance Guarantees

PBGH & UC Disease Management Performance Elements

- **Disease/Care Management**
  - Member identification
  - Member intervention
  - Data reporting, including disease-specific costs and strategies for program improvement
  - Outcomes as measured by reduced ER utilization or readmissions & member self-reported health status

- **HEDIS**
  - Focus on outcomes measures
  - Administrative results to incent data improvement
Focused Audits

**PBGH DM Effectiveness Project**

- **DM programs reviewed in seven plans***
  - Diabetes-7 plans
  - Asthma-6 plans
  - Congestive Heart Failure-5 plans
  - Coronary Artery
  - disease-2 plans
  - Depression-none

- **Evaluation components**
  - Program duration
  - Scope of interventions
  - Clinical practice guidelines
  - Condition-specific registry
  - Population stratification
  - Enrollment
  - Care management services
  - Coordination of information
  - Provider feedback
  - Outcomes
  - Meeting special needs

*Plans include Aetna, Blue Cross, Blue Shield, Health Net, Kaiser North, Kaiser South, and PacifiCare
General observation #1: All health plans have made real DM investments

- Staff hired/assigned to manage programs
- Strategies to identify, stratify and track members
- Attempt to match interventions to population
- Information mailed and some self-management tools to identified members
- Often efforts to affect physician practice with feedback reports, patient-specific information
General Observation #2: Health plans have very different DM strategies

- **Purpose and strategy for disease management**
  - “Public health” vs. business decision
  - “Make” vs. “Buy”

- **Strategies to influence physicians**
  - Relationship: “mindshare,” trust
  - Information tools of relevance to physicians
  - No coordination of feedback to MDs by multiple plans

- **Variable outreach to members**
  - General educational mailings
  - Telephonic coaching/assistance by care managers
  - No coordination with provider groups
General Observation #3: Concurrent trends affect many DM programs

- Financial pressures in some health plans prevent up-front investments, absent short-term ROI
- Increased drug co-payments may create barrier for good self-care
- Physicians’ overall distrust of managed care leads to poor integration of programs
- Consumer-directed health care could compromise or enhance efforts to coordinate care
Key Findings

- Evaluation results correlated with diabetes HEDIS scores
- The majority of patients “enrolled” in disease management programs is only to receive only infrequent mailings
- Minimal measurement by any plan of efficacy and cost-effectiveness
- Plans unable to quantify program “reach”
- Plans with integrated delivery platforms have greater capability to deliver effective disease management services
- Vendor programs can be good solutions
- Physicians do not appear to use clinical information provided by health plans
**Focused Audits: PBGH’s Evaluation**

**Key Recommendations**

- There is a huge need/opportunity for employers to push for new, population-based outcome measures
- Health plans and large medical groups need to be better aligned
  - Integrate feedback reporting to physicians
  - Recruit patients into disease management programs
  - Reinforce program messages
- Mechanisms are needed to reward performance
- Employer opportunities to become involved in disease management
  - Provide data on productivity/absenteeism
  - Worksite resources for care management, education
  - Provide financial incentives to employees to enroll in programs
### Employer-Specific Initiatives

**Employer Actions to Improve Outcomes and Lower Costs**

<table>
<thead>
<tr>
<th>Initiative</th>
<th>Currently in Use</th>
<th>Considering for a Future Date</th>
<th>Adopting in 2003</th>
<th>No Interest</th>
</tr>
</thead>
<tbody>
<tr>
<td>Create access to targeted DM programs through health plans or focused programs</td>
<td>25%</td>
<td>14%</td>
<td>48%</td>
<td>13%</td>
</tr>
<tr>
<td>Profile prevalent chronic conditions in workforce</td>
<td>24%</td>
<td>10%</td>
<td>47%</td>
<td>20%</td>
</tr>
<tr>
<td>Employee incentives to participate in wellness/other health-related initiatives</td>
<td>18%</td>
<td>4%</td>
<td>55%</td>
<td>24%</td>
</tr>
<tr>
<td>Measure health/productivity impact of DM programs</td>
<td>9%</td>
<td>9%</td>
<td>59%</td>
<td>23%</td>
</tr>
<tr>
<td>Incentives for at-risk individuals to participate in DM programs and encourage compliance</td>
<td>8%</td>
<td>5%</td>
<td>61%</td>
<td>28%</td>
</tr>
<tr>
<td>Plan incentives to accept and manage high-risk individuals</td>
<td>4%</td>
<td>2%</td>
<td>41%</td>
<td>52%</td>
</tr>
</tbody>
</table>

*Hewitt Survey Findings: Health Care Expectations,*
Types of Disease Management Incentives Offered

- Reduced or waived mail order prescription copays: 15%
- Reduced cost for maintenance drugs to treat targeted conditions: 7%
- Lower annual premium to participants: 4%
- Up-front incentives for high-risk employees: 4%
- Out-of-pocket limits for participants reduced by 50%: 1%
Employer-Specific Initiatives

**Pitney Bowes: Putting Disease Management to Work**

- Health risk assessment
  - Additional FSA dollars incent completion
- Web tools promote access to health information and consumer engagement in self-care
- Predictive modeling and claims analysis to target member support and intervention
- Pharmacy benefit management
  - Coverage for chronic care medications in lowest cost tier
  - Pharmacy buy-up option available
Hughes Electronics: Putting Disease Management to Work

- Integration of cost and outcomes measurement for Workers Compensation, group health benefits, disability and disease management
- WorkWell health risk appraisal – incentives for member to participate in follow-up services
  - $200 reduction in health insurance contribution
  - 1st dollar coverage for preventive services
- DM programs for low-back pain, congestive heart failure, asthma and diabetes
  - Member education
  - RN telephone support
- ROI measurement
  - Reduction in health care costs
  - Increased workplace productivity and reduced absenteeism
To Learn More...

- **www.pbgh.org**—an overview of PBGH programs and initiatives (Disease Management Evaluation report available)
- **www.healthscope.org**—consumer Web site with health plan and provider quality measurements
- **www.pacadvantage.org**—small group purchasing pool
- **chooser.pacadvantage.org**—assists in the selection of health plans and providers
- **www.diabetescqi.org**—Collaborative Diabetes CQI Project description and resources for plans and providers

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