

# **Employer View of Disease Management**

## **Some Bold Predictions About the Future**

David Kaplan MD  
415-836-1193

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# We need to understand what is happening in the employer world

- Health care double digit inflation is not sustainable
- Impact on earnings per share is widely recognized within the organizations
- Cost shifting to employees is reaching threshold of pain
- Cost shifting may be having unintended consequences
  - Concerns that greater medical and drug cost sharing may become barriers to compliance for some of the chronically ill lower wage workers

# We need to understand what is happening in the employer world

- Increasing interest in wellness and risk modification by many employers
- HR departments are becoming leaner; move towards outsourcing HR functions
- More actively managing vendors for results
- Continued shift to PPO products from HMO
- Many employers are consolidating the number of health plans they contract with
- Health plans are charging employers for providing multiple data feeds through direct charges or higher administrative fees

# Employer view of care management

- Positive response to recent health plan care management initiatives
- Great interest in leveraging data to identify ill and at risk plan members as well identifying deviations from evidence based medicine
- Increasing interest in wellness and risk modification programs by some employers
- Strong interest in health risk assessments

# Employer view of care management

- Greater willingness to incentivize employees to participate in care management programs
  - Incentive examples
    - HRA completion
      - \$500 credit toward annual contribution
      - \$ 25 to employee and spouse
      - Self-care book
    - Agreeing to participate in care management programs makes you eligible to participate in richer benefit design option
- Large employer looking toward integrators for their multiple programs (care advocate/ navigator models)

# Employer view of disease management

- Many employers remain skeptical of disease management industry and feel programs have not delivered promised returns on investment
- DM industry is relatively weak in 3 of their top 4 cost drivers
  - Musculoskeletal
  - Cancer
  - Depression
- Traditional DM providers are not using a behavior change framework for their lower acuity plan participants and these interventions may not be an effective use of their dollars

# Employer view of disease management

- Appreciate improvements made in ROI calculations, but concerned that projected ROI now no longer justifies financial risk of investing in programs
- More sophisticated employers looking beyond specific disease state management toward high risk patient management
- Employers say they want integrated disease management, but most are still buying disease specific management

## Key questions from employers

- Do I want the same program for all my employees or is having multiple equivalent programs good enough?
- Do I have the internal capabilities/ resources to manage multiple vendors?
- Is disease management the best approach for my lower acuity participants?
- Is what I am getting from my disease management vendor redundant to what I am getting from my health plan, health information portal, wellness vendor?
- Where does wellness fit in?



## Key questions from employers

- How do I keep it simple enough so my employees know what is being offered and where to go for help?
- How do I know that the right people are enrolled in the programs?
- I've bought all your programs and you tell me I am saving money, but why do my health care costs keep going up?
- How does disease management fit in with:
  - High performance networks?
  - Provider quality measurement?
  - Consumerism?

## **Bold predictions moving forward**

- In the short run, anyone with a credible depression disease management program and a credible musculoskeletal program will gain some traction with employers
- Most employers will look to their health plans to provide a comprehensive care management solution and do less direct contracting for services
- Some large employers will look to integrators to provide a seamless interface with different providers across the continuum of care

## **Bold predictions moving forward**

- Risk modification across the continuum of care will take on greater importance and vendors with programs soundly based in learning and behavior change theory will thrive.
- Disease management companies will offer high intensity programs for the highest acuity patients and risk modification to the willing. Most disease specific information will be pushed through employer health portals

## **Bold predictions moving forward**

- As large health plans become increasingly confident of their care management abilities, some will begin to offer attractive products on a fully insured basis to large employers that offer stable, manageable premium guarantees over multiple years. These products will appeal to some companies that are presently self-insured
- Consumerism will start to influence all aspects of health care delivery from design to funding to network structure. Providers may be slow to respond