Employer View of Disease Management

Some Bold Predictions About the Future

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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)
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.
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.
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.