

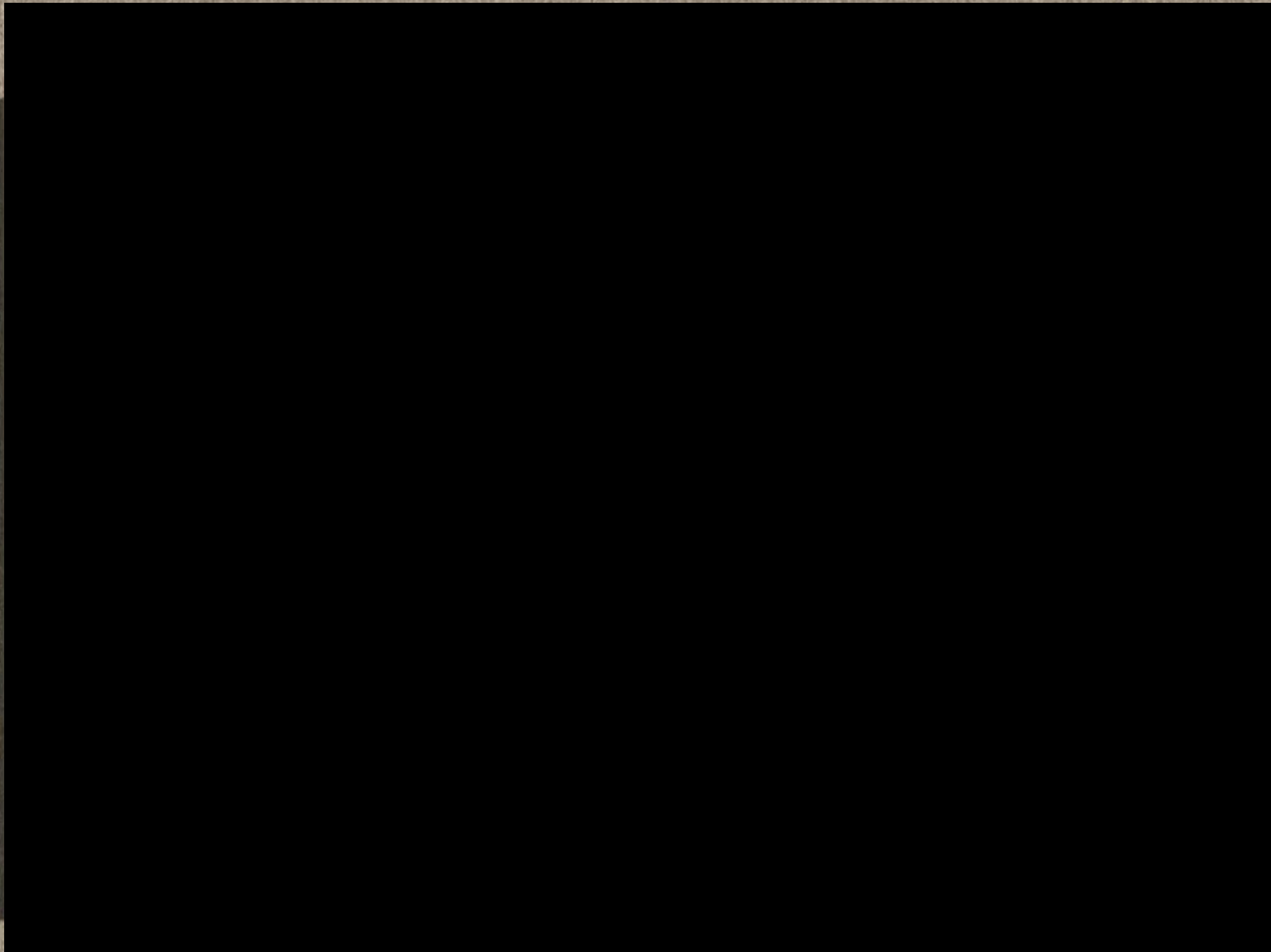
changing the face
of health care.



The Role of Disease Management in the Private Sector

The Disease Management
Colloquium, Philadelphia, PA
1 p.m.

Robert E. Stone
Executive Vice President



America's Health Care Expectations

- To be cured
- To be cured *right now*
- To be cured for free



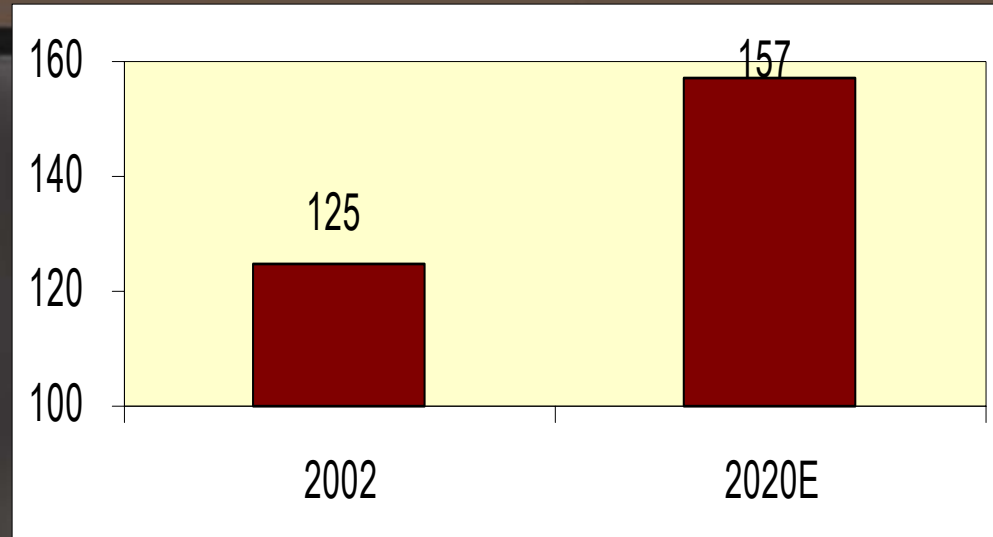
THESE
GAS PRICES
ARE GETTING
RIDICULOUS!

I ALMOST
CAN'T AFFORD
TO GET IN MY CAR
AND GO TO THE END
OF THE DRIVEWAY
TO CHECK MY
MAIL ANYMORE!

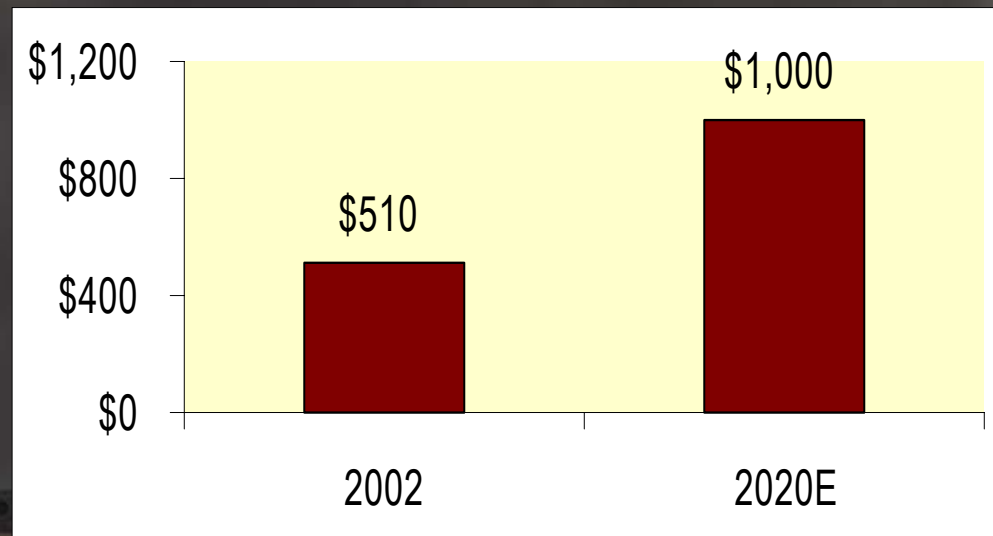
STACYCURTIS
©2004
THE TIMES
artizans.com

Growing Population and Costs

Americans with
Chronic Conditions
In millions



Medical Costs for
Chronic Conditions
In millions



Source: JPMorgan Disease Management
Health Plan Survey

Something Important Has Changed

Historically, Disease Management Programs...

- Did not have a macro economic effect
- Had a credibility gap in value measurement
- Had no quality standards



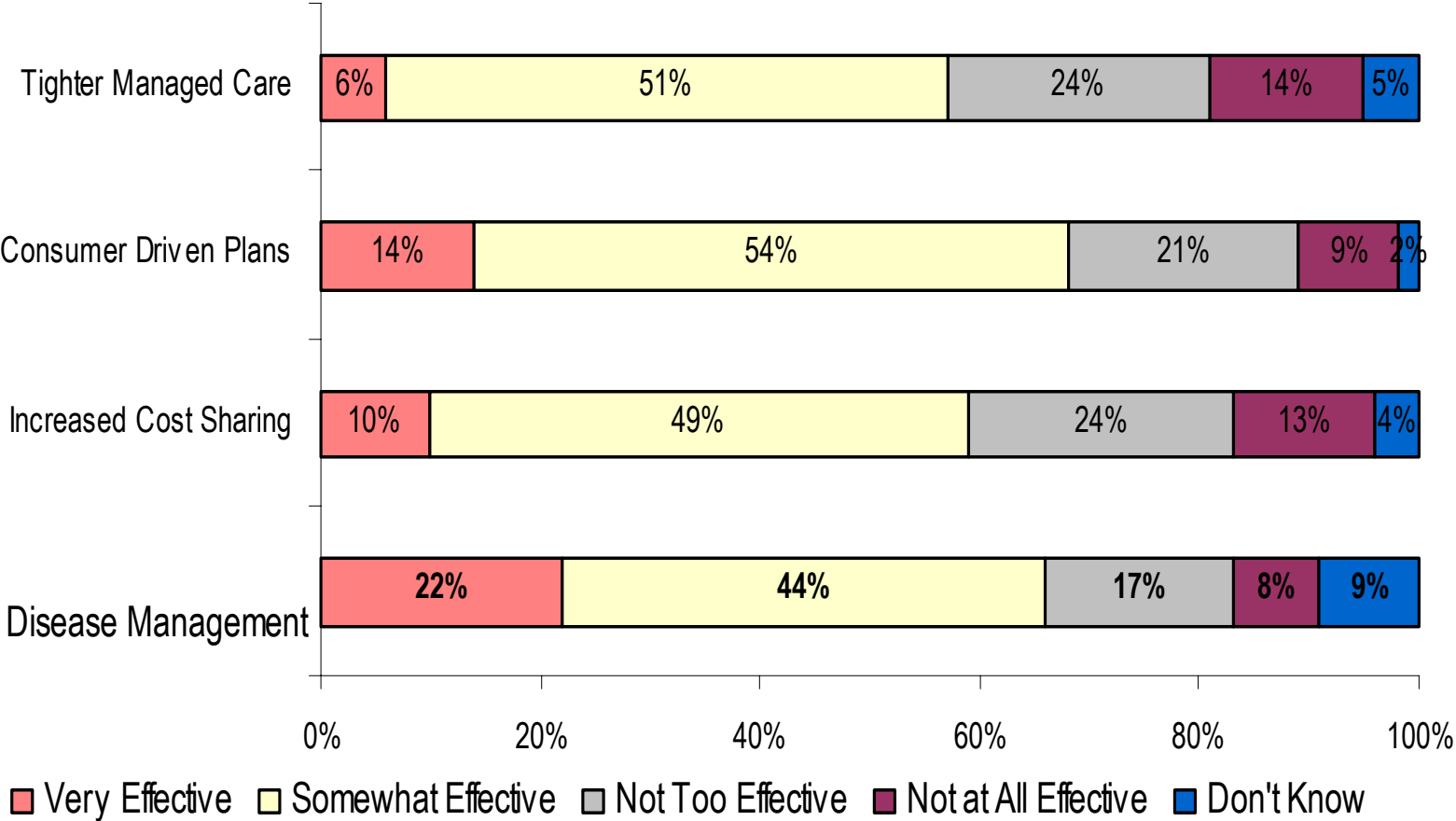
Disease Management is now a strategic imperative

Today it's a different story...

- Outcomes continue to show significant clinical and financial improvements among the country's chronically ill, impacting medical costs trends for health plans and self-funded employers.
- Standardized measurement methodologies are beginning to take shape.
- NCQA, URAC and JCAHO have established quality standards.



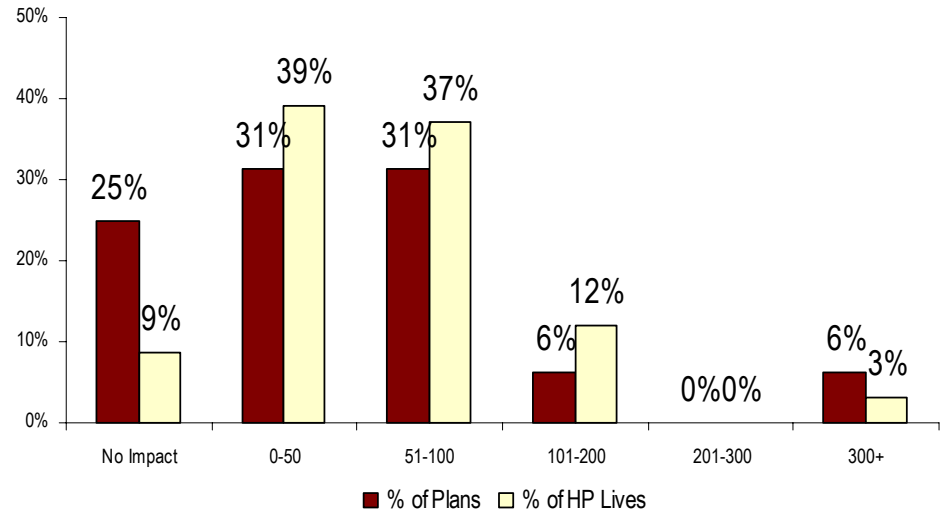
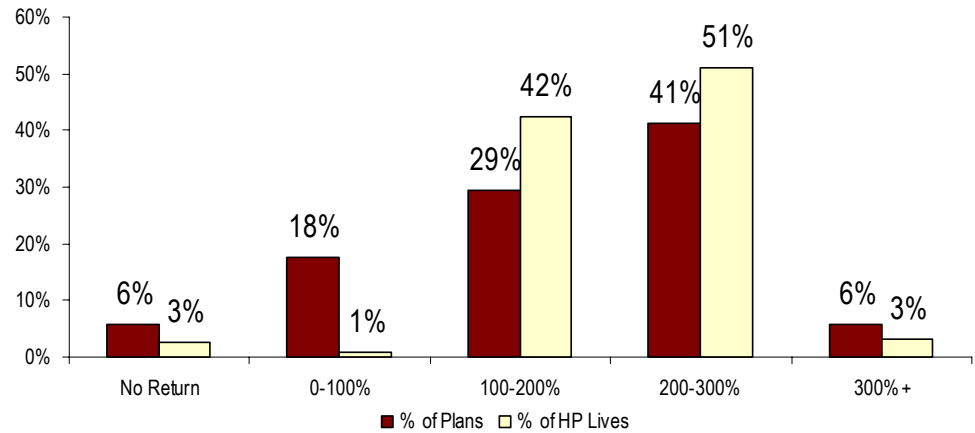
Employer Cost Containment Strategies



Healthy Returns

Health Plan ROI on DM Programs

Impact on Overall Medical Cost Trend, in basis points



From the Customer's Perspective

Why Disease Management is relevant

- **Chief Financial Officers** see the macro-economic effect
- **Chief Medical Officers** see improved quality and clinical outcomes
- **Chief Executive Officers** see differentiation which translates into top line growth, customer retention and market leadership
- **Employers** see reduced costs as a result of improved work force health and productivity
- **Consumers** see their way to a much better life
- **Government** sees the promise and has taken action



Value Proposition Aligned with Stakeholders

“Outcomes Improvement”

Improve health of populations,

Enhance patient satisfaction & care experience,

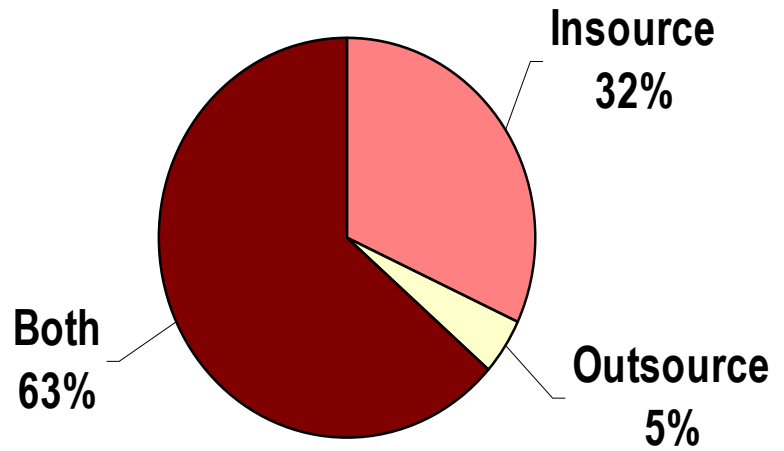
Enhance physician satisfaction & delivery experience,

Reduce total health care cost, and

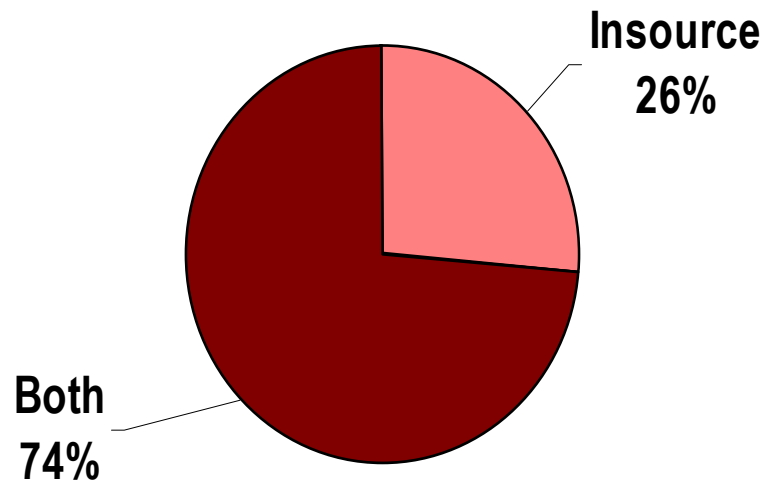
Improve work force productivity



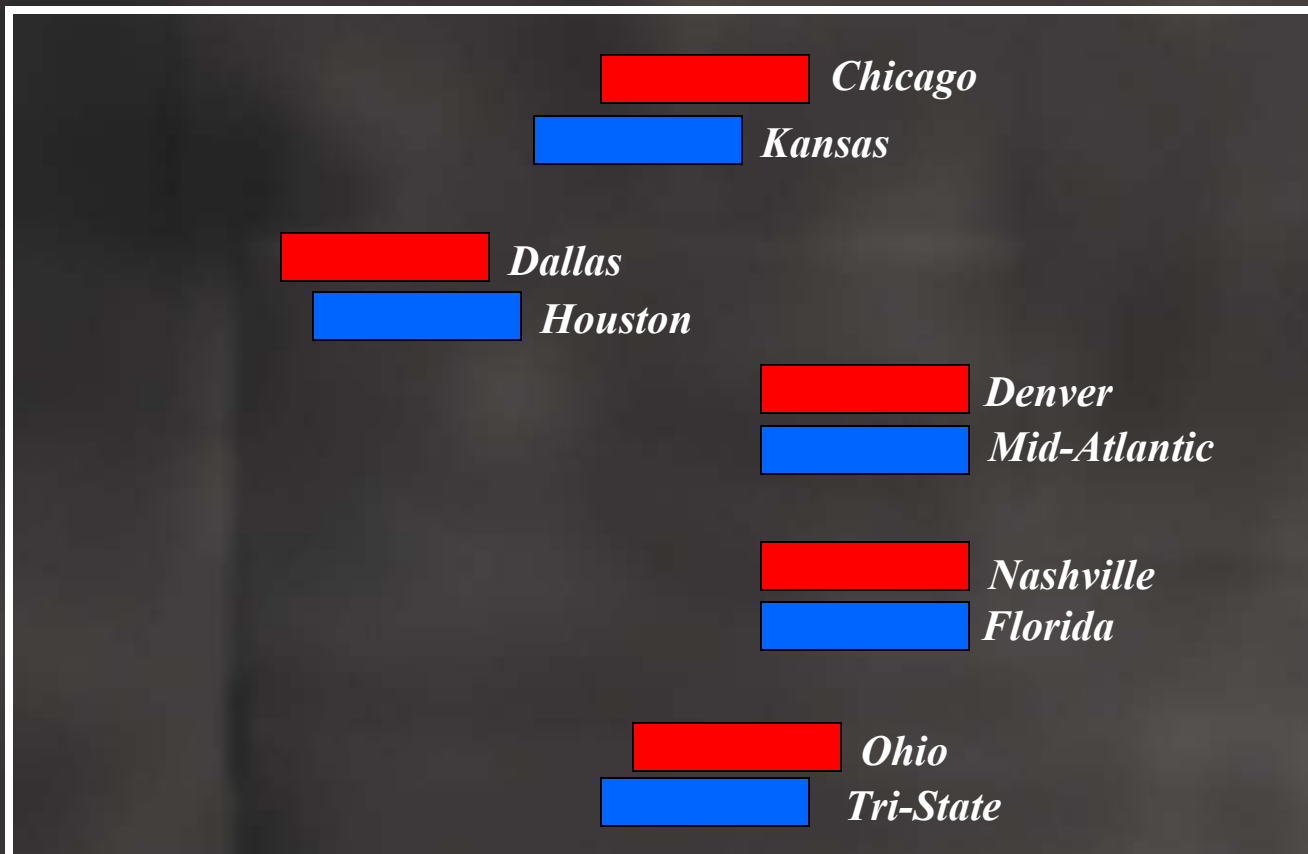
DM Strategy by % of Plans



DM Strategy by % of Covered Lives



Parallel Group Comparisons



4 / '97

4 / '98

4 / '99

4 / '00

4 / '01

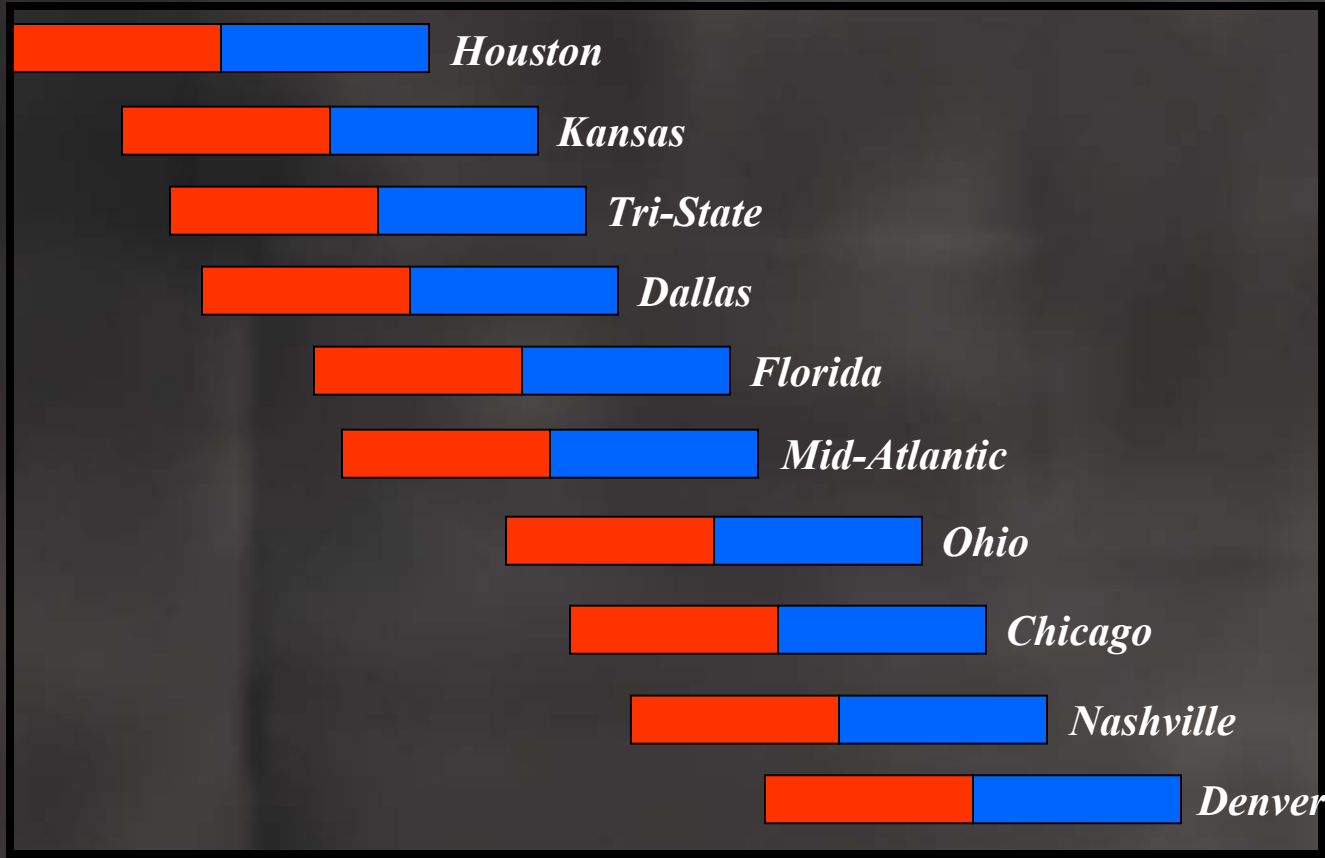


Control Site



Intervention Site

Pre-Post Comparisons



4 / '97

4 / '98

4 / '99

4 / '00

4 / '01

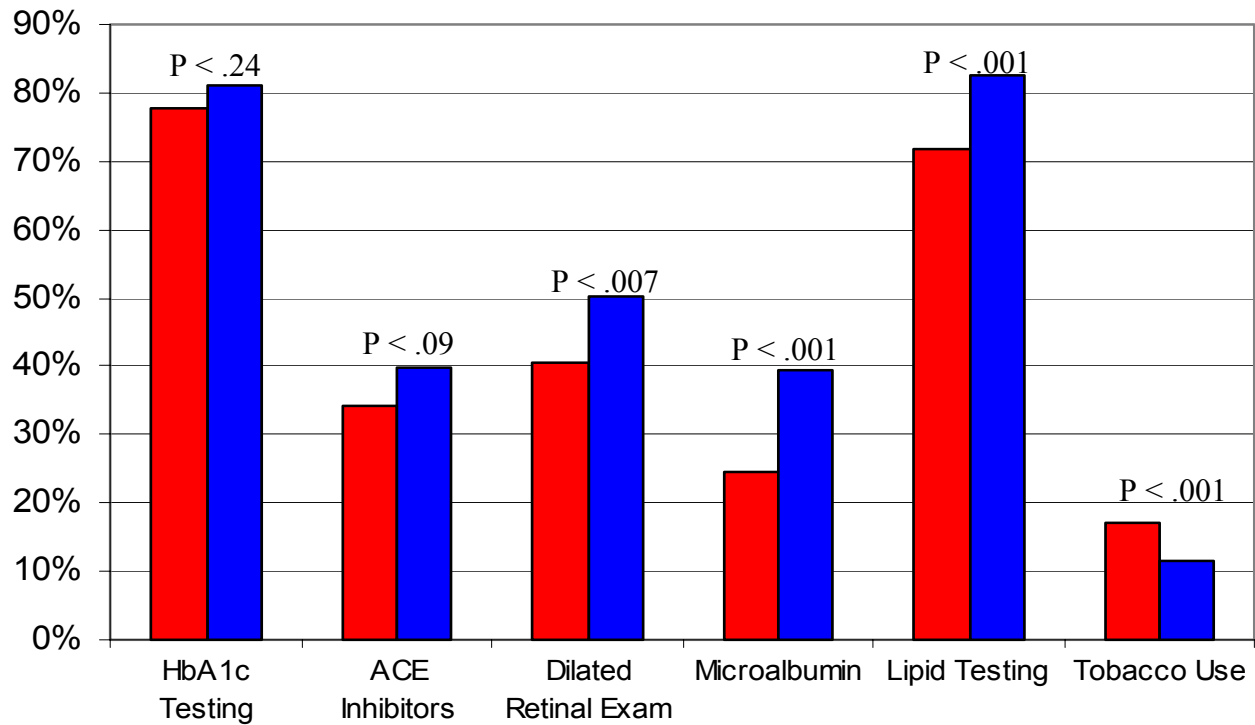


Baseline Period



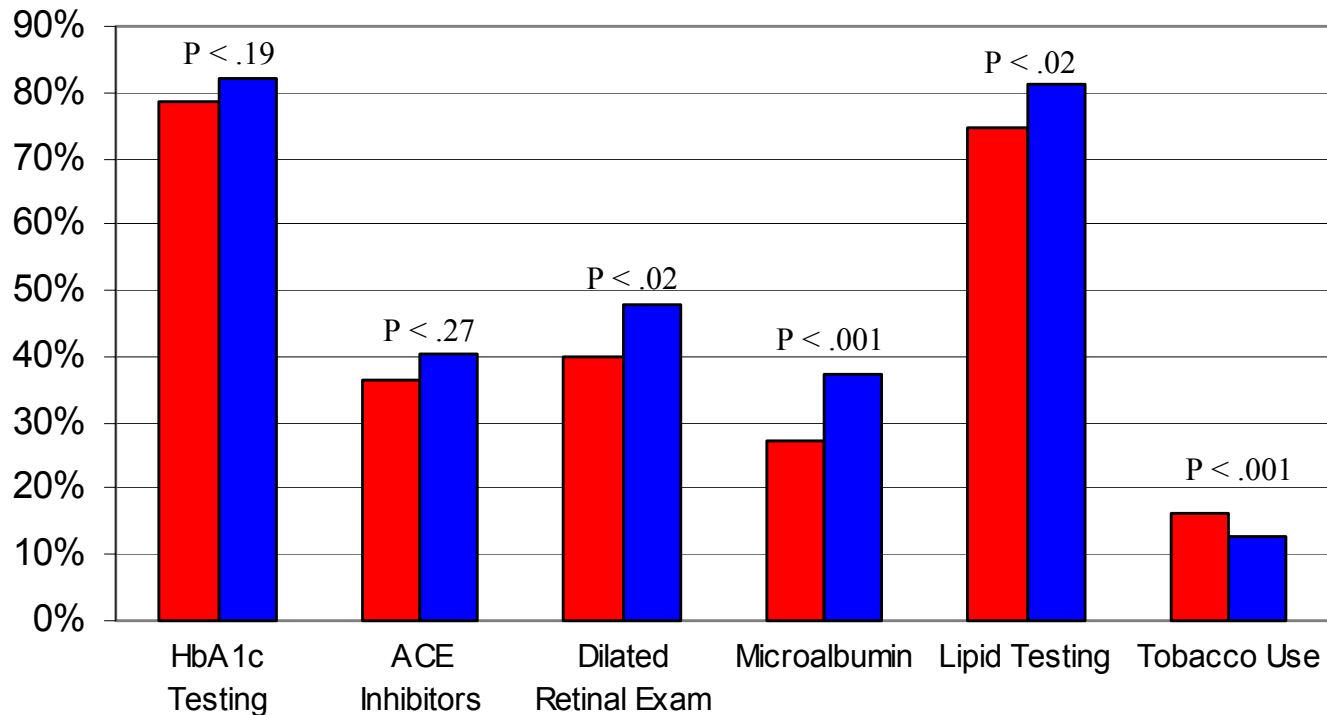
Intervention Period

Quality Indicators: Parallel Group Comparison



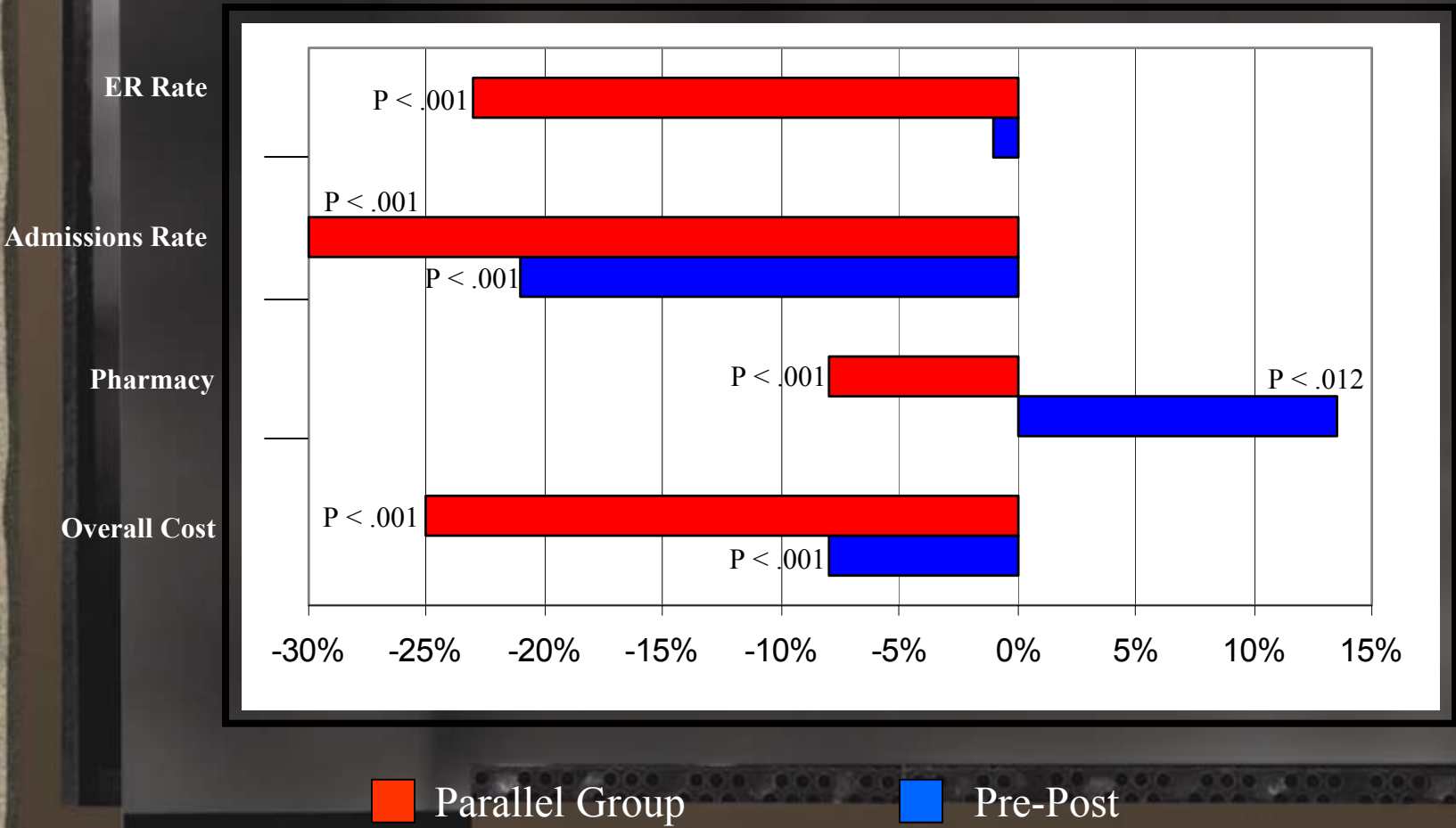
■ Control	77.8%	34.2%	40.7%	24.6%	71.9%	17.1%
■ Intervention	81.1%	39.9%	50.2%	39.6%	82.6%	11.5%

Quality Indicators: Pre-Post Analysis

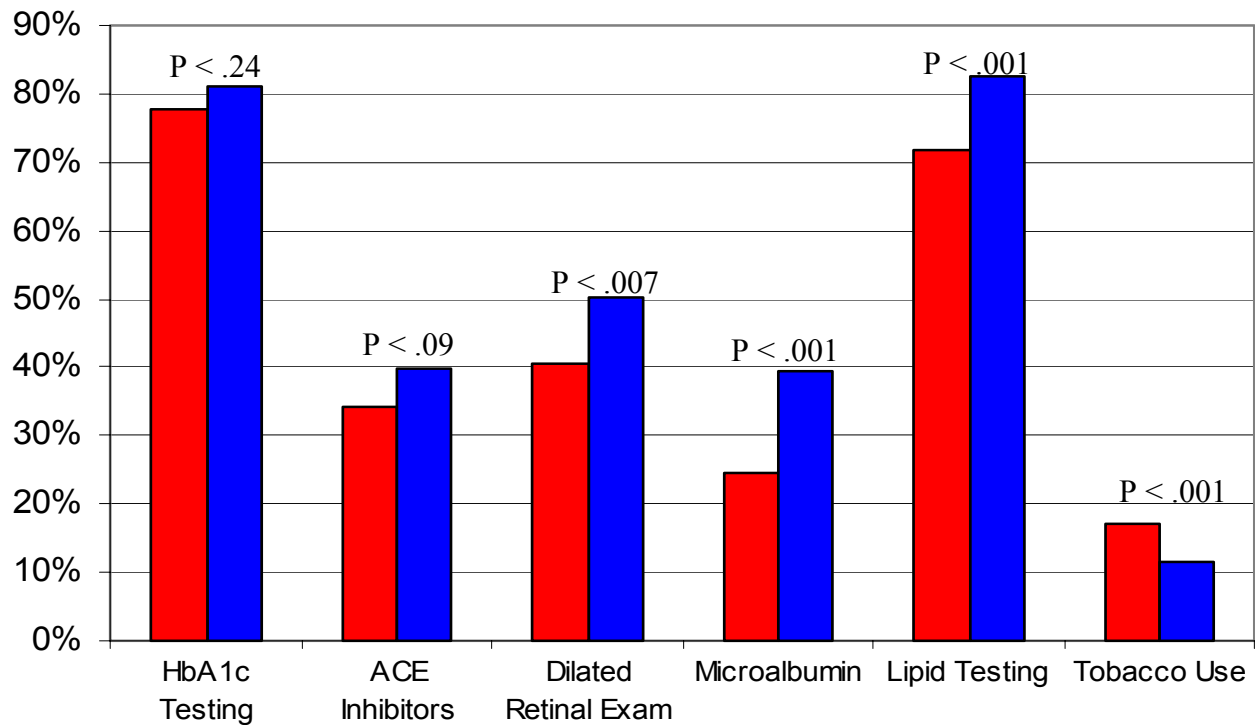


Control	78.7%	36.3%	40.0%	27.3%	74.6%	16.1%
Intervention	82.3%	40.3%	48.0%	37.3%	81.2%	12.6%

Cost and Utilization Changes Parallel Group and Pre-Post Comparisons

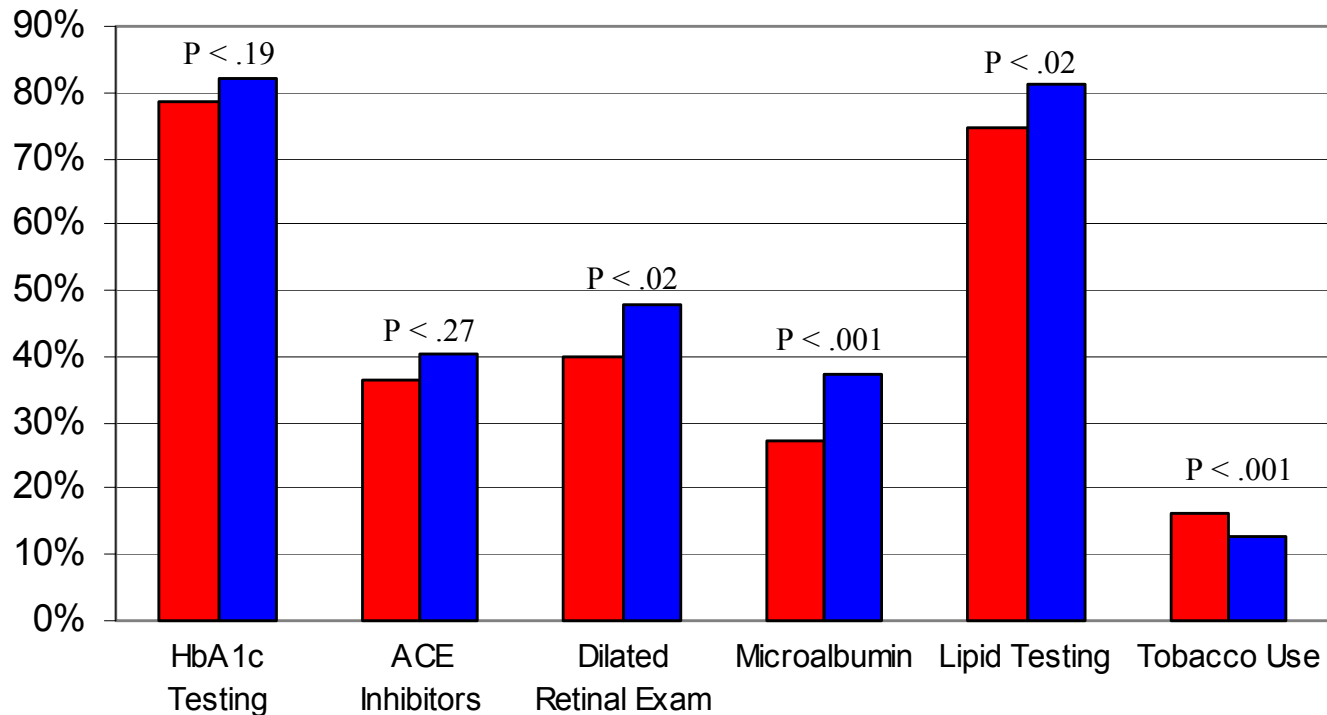


Quality Indicators: Parallel Group Comparison



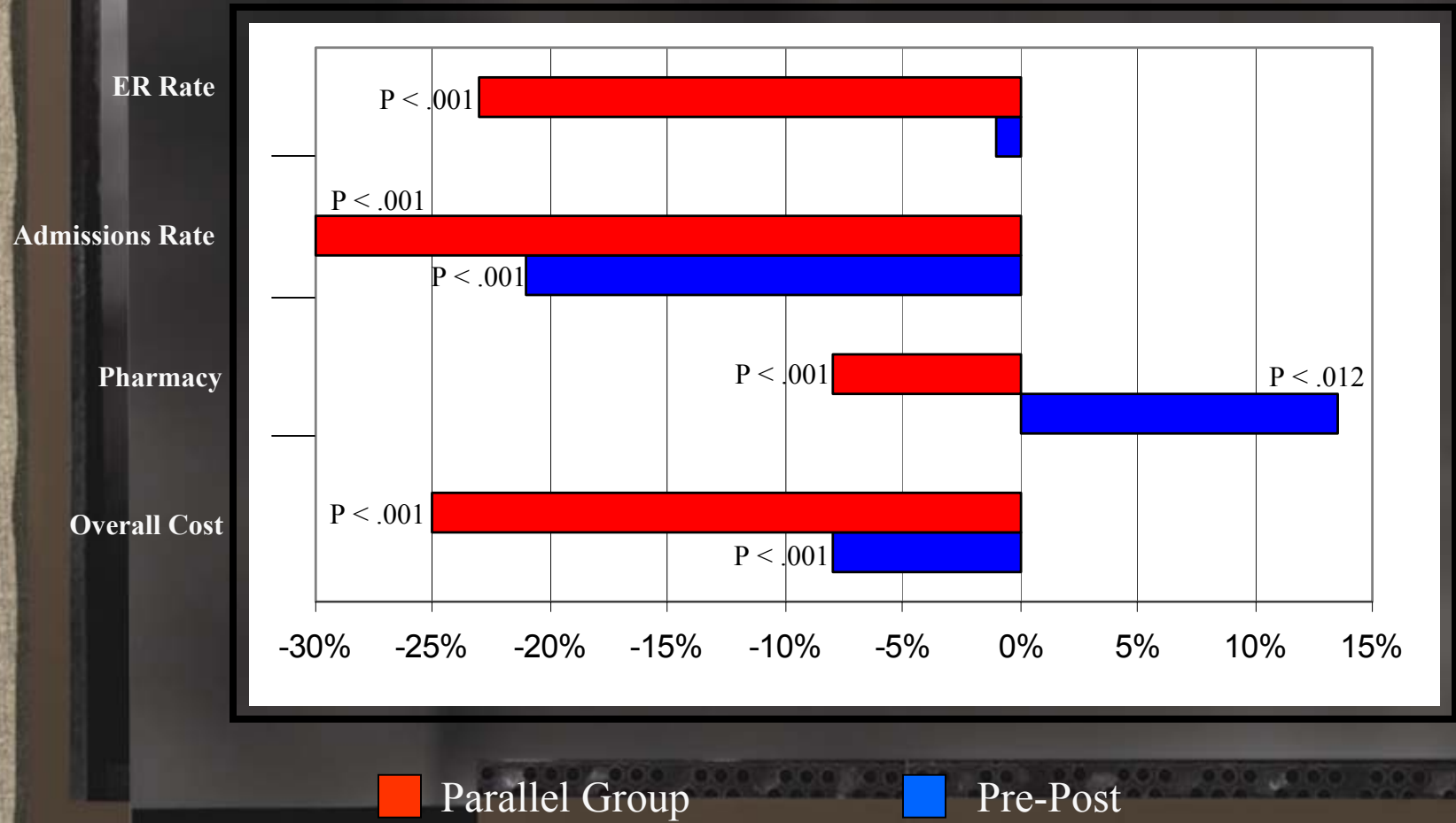
■ Control	77.8%	34.2%	40.7%	24.6%	71.9%	17.1%
■ Intervention	81.1%	39.9%	50.2%	39.6%	82.6%	11.5%

Quality Indicators: Pre-Post Analysis



Control	78.7%	36.3%	40.0%	27.3%	74.6%	16.1%
Intervention	82.3%	40.3%	48.0%	37.3%	81.2%	12.6%

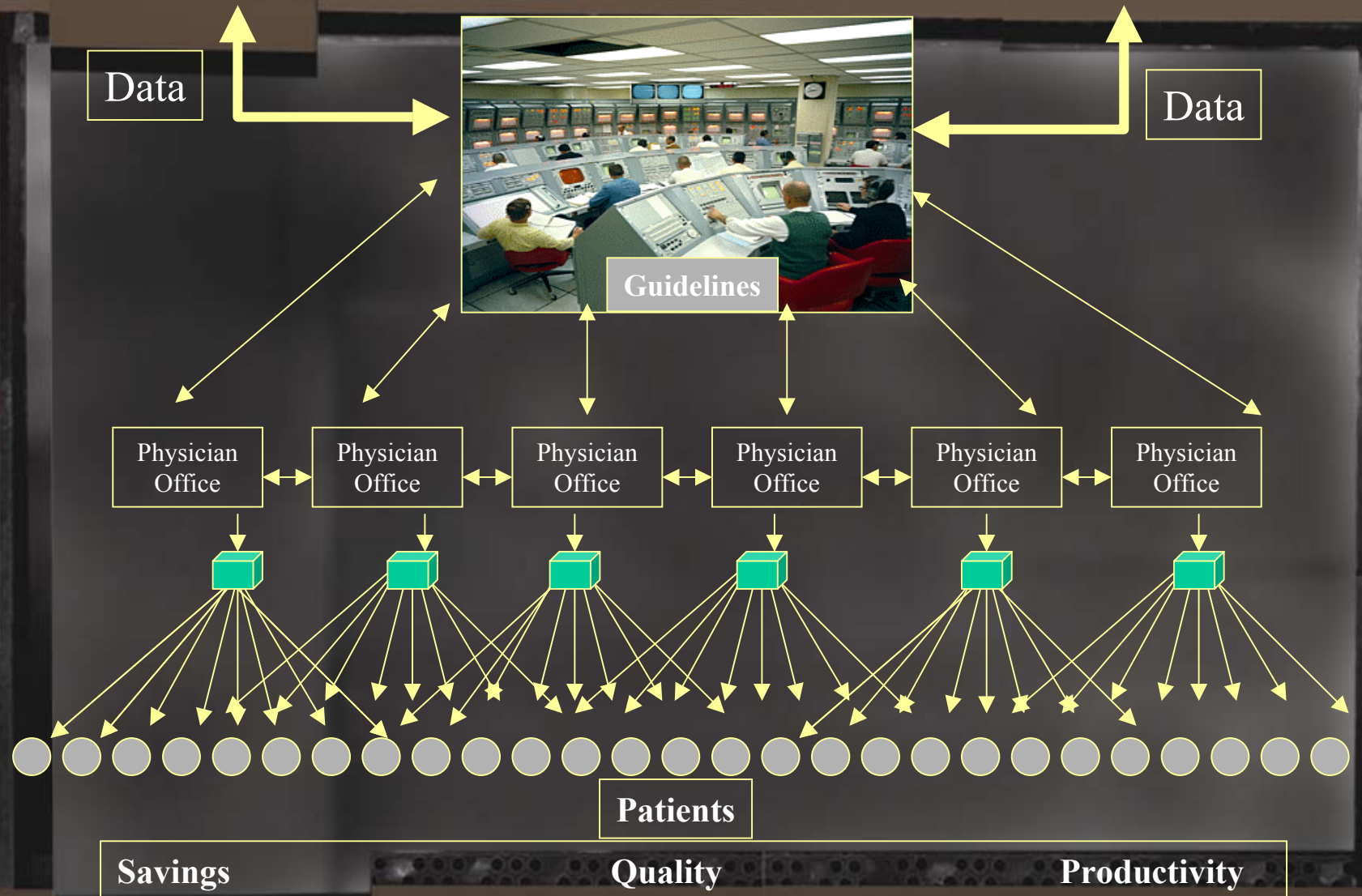
Cost and Utilization Changes Parallel Group and Pre-Post Comparisons



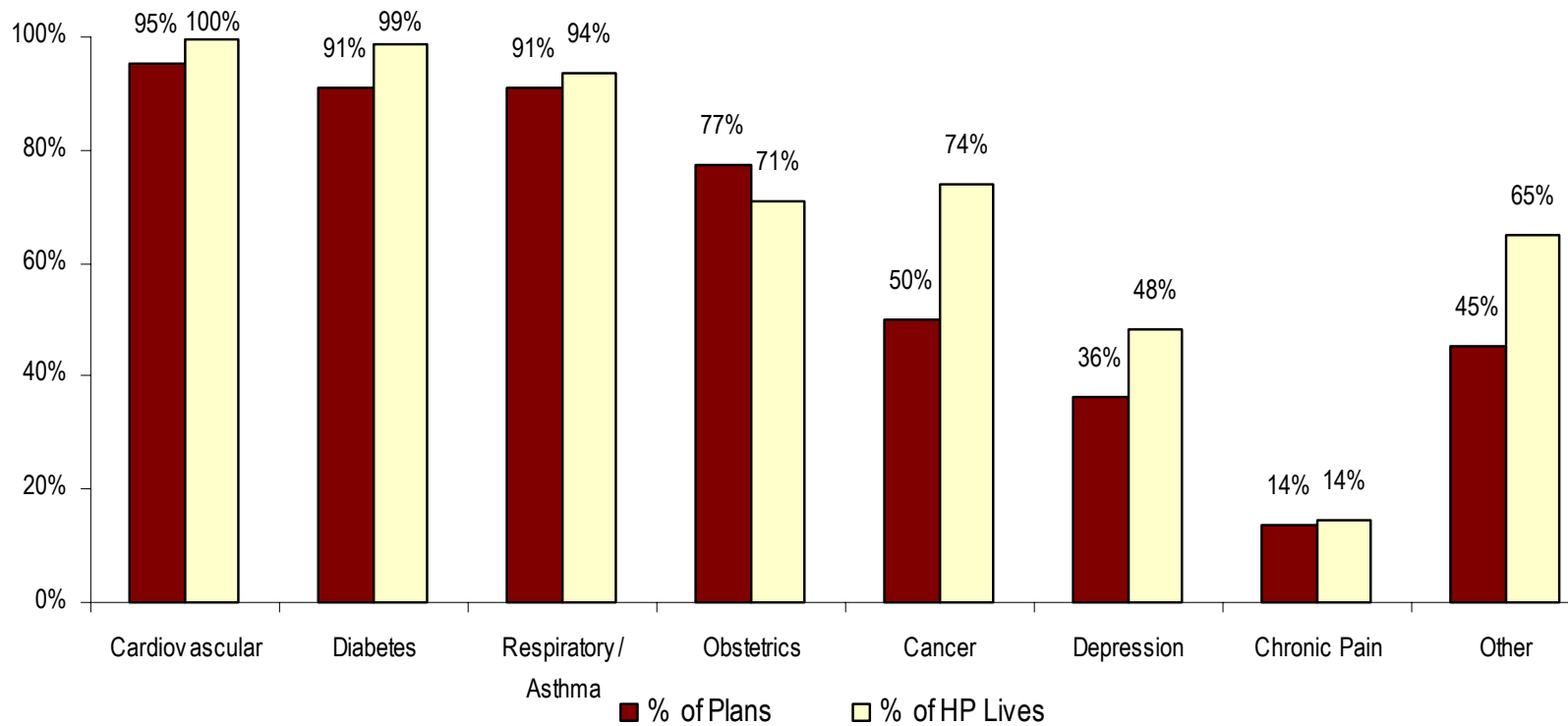
The Cohort Study

- Compares a population with disease enrolled in the program to a reference population with similar disease not enrolled in the program
 - **Study Population** – Fully Insured members, excluding Public Programs, Atrium, and First Plan
 - **Reference Population** – ASO (self-insured) members not eligible for care support during year 1
 - **Both Populations**
 - Continuously enrolled for 24 months (03/2001 – 02/2003)
 - Diseases identified by same algorithm
 - Members with the following age criteria
 - Asthma, age 5-64
 - All other conditions , age 18-64
 - All members have drug benefits

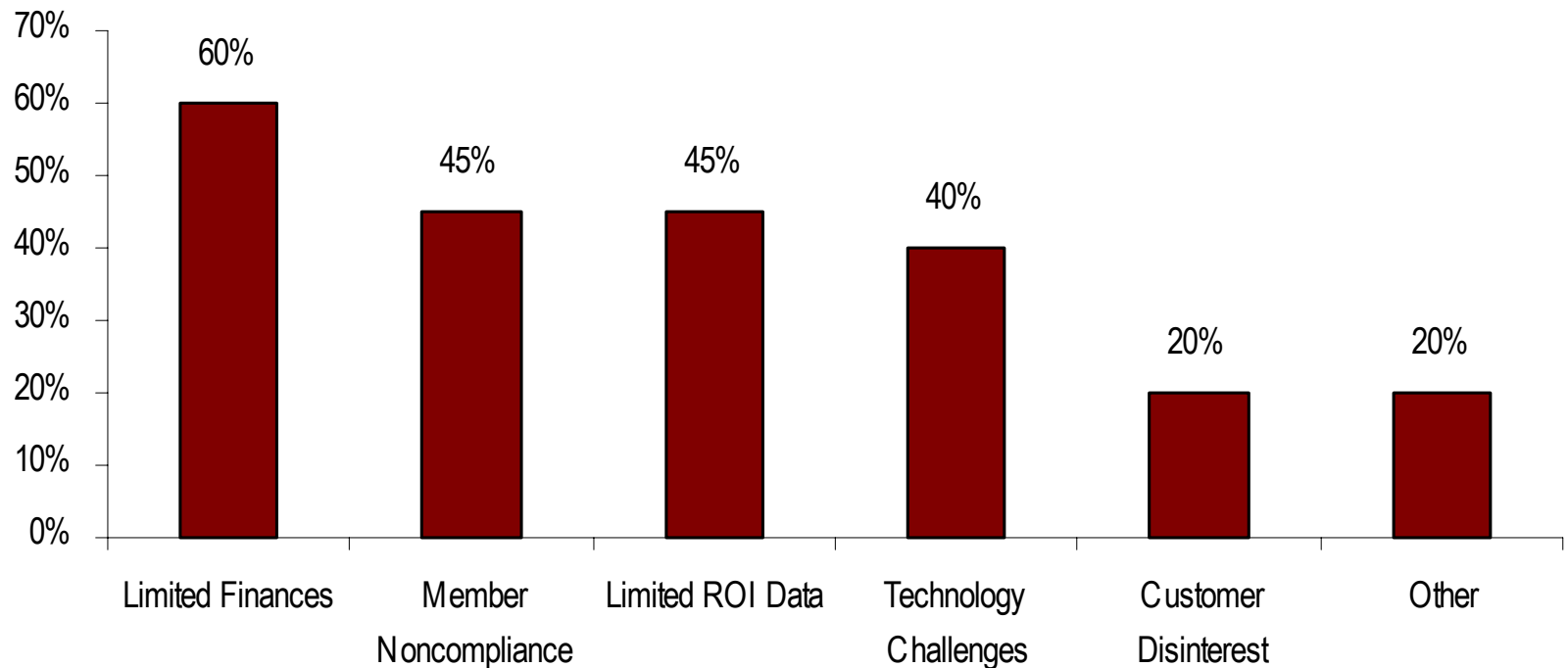
Effective, Efficient Translation



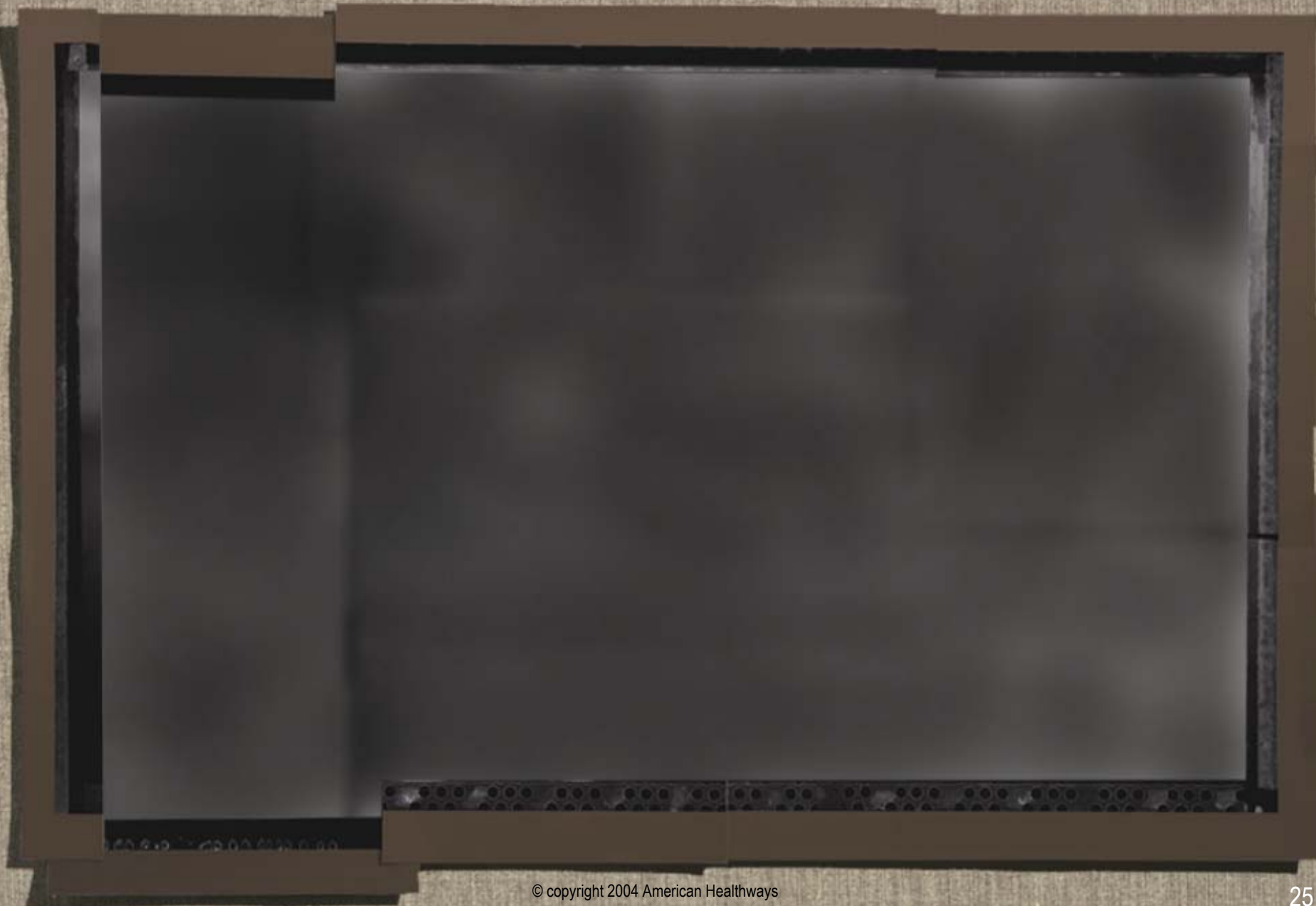
DM Programs Currently in Place



Challenges to Wider Adoption



The Next Frame



Thank You!

**changing the face
of health care.**

