

Disease Management and Pay-for-Performance

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A Commonsense Solution to the Broken U.S. Healthcare Delivery System

“The Problem”

Healthcare Affordability and Value

- U.S. healthcare is more expensive
- U.S. public health statistics rank low
- 30% to 50% of expenditures are wasted or avoidable

Why Healthcare Delivery is Broken in America

- Recommended care rendered only about 50% of the time (RAND Corp)
- Defensive medicine adds 5% to 15% to costs
- Doctors and patients communicate poorly (Univ. of Toronto)

Poor Physician-Patient Communications

- 2% of patients tell their doctors all they need to...
- Patients are interrupted by their doctor within the first 23 seconds of explaining their problems
- Only 15% of patients fully understand what their doctor tells them
- 50% of patients are uncertain of what they are supposed to do to care for themselves when they leave their doctors' office
- The doctor-patient relationship is more important than actual physical harm in malpractice lawsuits

Poor Physician-Patient Communications Leads To:

- Mis-diagnoses
- The ordering of unnecessary tests
- The failure of patients to follow treatment plans
- Poorer clinical outcomes
- Medical malpractice lawsuits
- Higher overall costs

SOURCE: University of Toronto, Department of Medicine

Can Disease Management Be More Successful?

- Do patients respond to case management?
- Do physicians tend to be disenfranchised?
- Would disease management work better if physicians and patients had some “skin in the game?”
- Does disease management recognize the power of the doctor-patient contract?

Solutions

- Disease Management
- Consumer-driven Healthcare
- Population Health Management
- Economic Credentialing Providers
- Tort Reform
- Digitizing the Medical Record
- Pay-for-Performance (P4P)

Pay-for-Performance

- P4P is in its infancy
- There are 90 test programs currently across the country
- There are 10 Medicare programs starting in April
- Great Britain launched P4P in January 2005

Pay-for-Performance Models

- Who gets paid?
- When do they get paid?
- Why do they get paid?
- How do they get paid?

Pay-for-Performance Models

- There is a growing shortage of doctors, therefore:
 - P4P models that drive business to the best doctors is fundamentally flawed
 - P4P models that attempt to make all doctors better and patient healthier are ideal

Pay-for-Performance Models

- P4P should ideally:
 - be quality driven
 - be focused initially on doctors and patients
 - encourage accountability
 - empower through the dissemination of accurate and useful information
 - be efficient, effective and equitable
 - align the incentives of stakeholders
 - be commonsensical

Solution

- Develop a delivery system that financially rewards the healthcare stakeholders that control most of the costs...
 - Pay doctors more for rendering recommended care and communicating better with patients
 - Financially reward patients for understanding and adhering to healthier behavior
 - Make system efficient and effective

The MedEncentive Model

- MedEncentive is a healthcare delivery program that:
 - “bolts-on” to any health plan to...
 - reward both providers and patients to...
 - control healthcare costs by...
 - improving the standard of care and
 - encourage healthy behavior.

The MedEncentive Model

- MedEncentive incorporates the following elements in three patent pending methods:
 - Pay-for-performance (P4P)
 - Evidence-based medicine (EBM)
 - Information therapy (I_x)
 - Proprietary Internet applications
 - Strategic checks and balances between doctors and their patients

The MedEncentive Model

- Information therapy is:
 - the right information
 - at the right time
 - so the patient can make the right health decision
 - symbolized as I_x

Information Therapy

Recent RAND Corp. study commissioned by Blue Cross and Blue Shield Association of America says:

“providing information to consumers and realigning incentives to promote quality care leads to higher consumer satisfaction, better healthcare outcomes and greater affordability.”

The MedEncentive Model

- Physicians, employers and employees are oriented through instructional videos and asked to sign an acknowledgement
- Patients are encouraged to ask their doctor for EBM and Ix (the first check and balance)
- Doctor initiates the process by accessing the Website during the patient encounter or after-the-fact by normal claim filing


Physician Log-in Screen

Physician Direct Network - ePPO - Microsoft Internet Explorer

File Edit View Favorites Tools Help

Back Forward Stop Reload Home Search Favorites Refresh Print Mail New Window New Tab

Address <http://localhost/ePPOPhysician/login.aspx?ReturnUrl=%2fePPOPhysician%2fDefault.aspx> Go Links



PHYSICIAN DIRECT ePPO
Empowered by the Evidence

Physician Direct - User Login







Welcome to Physician Direct Network - ePPO

User Login

Password

[Forgot Password?](#) ☐ Remember my user login

A Better Direction in Healthcare



Done Local intranet

Physician Guideline Screen

File Edit View Favorites Tools Help

Address <http://localhost/ePPOPHYSICIAN/Docs/WorkClaim.aspx> Go Links

Patient: Test Patient
Date of Service: 2004-10-05 To 2004-10-05

Instructions: All questions associated with each diagnosis in the left column must be appropriately answered to be eligible for higher payment on this claim. A "no" response will require a listed or typed explanation. Refer to "No" options under each question. Only the primary diagnosis requires your response, however you can prescribe additional information therapy to your patient by clicking on other listed guidelines and diagnoses. When completed click the "Done" button. Click "Help" for expanded instructions.

[Print Guideline](#)

Hypertension Decision Tree

1. 401.1 (P) BENIGN HYPERTENSION
[Hypertension](#)

Are you following this guideline for this patient?
☐ Yes
☐ No
[Click here for 'no' options](#)

Do you wish to prescribe information therapy to this patient?
☐ Yes
☐ No
[Click here for 'no' options](#)

Please rate your patient's compliance for this diagnosis.
☐ Compliant
☐ Compliance is a non-factor
☐ No Response

Help Done

Hypertensive Crisis?

No

If not Hypertensive Crisis Begin Lifestyle Modification :
Lose weight, limit alcohol, increase activity, reduce sodium, maintain potassium calcium and magnesium, stop smoking, reduce saturated fat and cholesterol

Not at Goal BP

Initial Drug Choices

Specific Indications

- ACE Inhibitors
- Angiotensin II Receptor blockers
- Alpha-blockers
- Beta-blockers
- calcium antagonists
- Diuretics

Compelling Indications

- Heart Failure: ACE inhibitors, diuretics
- Myocardial Infarction: Beta-blockers (non-ISA), ACE inhibitors
- Diabetes Mellitus (type I w/proteinuria): ACE inhibitors
- Isolated systolic HTN (elderly): Diuretics preferred, long-acting dihydropyridine CA antagonists

Uncomplicated

Diuretics
Beta-Blockers

Still not at Goal BP?

Substitute another drug from a different class

Add second agent from different class (diuretic if not already used)

Still not at goal BP while

Local intranet

Physician Guideline Screen with Treatment Deviation Options Menu - “Anti-Cookbook”

Claim Details - Please complete the required questions - Microsoft Internet Explorer

File Edit View Favorites Tools Help

Address <http://localhost/ePPOPHYSICIAN/Docs/WorkClaim.aspx> Go Links

Patient: Test Patient Instructions: All questions associated with each diagnosis in the left column must be appropriately answered to be eligible for higher payment on this claim. A “no” response will require a listed or typed explanation. Refer to “No” options under each question. Only the primary diagnosis requires your response, however you can prescribe additional information therapy to your patient by clicking on other listed guidelines and diagnoses. When completed click the “Done” button. Click “Help” for expanded instructions.

Date of Service:
2004-09-17 To 2004-09-17

[Print Guideline](#)

(Active Diagnosis)
(Active Guideline)

1. 401.9 (P)
HYPERTENSION
NOS

[Hypertension](#)

Are you following this guideline for this patient?
☐ Yes
☐ No

[Close:](#)

- [Co-morbidity](#)
- [Emergent condition](#)
- [Pending lab or other test results](#)
- [Contraindicated because:](#)
- [Patient declines for financial reasons](#)
- [Patient declines for other reasons:](#)

[Click here for 'no' options](#)

2. 530.11
REFLUX
ESOPHAGITIS

[Help](#) [Done](#)

Hypertension Decision Tree

Hypertensive Crisis?

No

If not Hypertensive Crisis
Begin Lifestyle Modification :
Lose weight, limit alcohol, increase activity,
reduce sodium, maintain potassium calcium
and magnesium, stop smoking, reduce
saturated fat and cholesterol

Not at Goal BP

Initial Drug Choices

Specific Indications

Compelling Indications

Uncomplicated

Diuretics
Beta-Blockers

Still not at Goal BP?

Substitute another drug from a different class

Add second agent from different class (diuretic if not already used)

Heart Failure: ACE inhibitors, diuretics

Myocardial Infarction: Beta-blockers (non-ISA), ACE inhibitors

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Isolated systolic HTN (elderly): Diuretics preferred, long-acting dihydropyridine CA antagonists

Local intranet

Information Therapy Prescription Letter

John Doe
123 Test St
Oklahoma City, OK 73127

Dear John,

Welcome to the ePPO Program sponsored by your health plan. This letter is an information therapy prescription from **Dr. Doright** relating to services rendered on **01/20/2005**.

The purpose of this prescription is to provide you with important medical information to help you self-manage your condition and to help you maintain good health. This letter also serves the purpose of initiating the process that will financially reward you when you indicate your compliance with your doctor's instructions and with treatment guidelines compiled by leading medical schools.

To receive your information therapy you must have access to the Internet. If you have Internet access at home, this is ideal. If not, we recommend contacting your employer about Internet access at your place of work. You may also consider accessing the Internet at your doctor's office or at the public library.

You will find your information therapy by going to <https://www.eppopatient.com> on the Internet. This Web site will ask you for a user id and a password.

Your user id is: XXXX
Your password is: XXXX

This website provides helpful instructions for you to successfully receive your information therapy. One important instruction worth noting is the **two week time limit** for you to successfully complete the information therapy questionnaires in order to be eligible for any financial rewards associated with this notification. Also, be aware that failure to actively participate in this self-management program may result in increased health care cost to you. Your participation may earn you a financial reward of **\$25.00**.

Contact your doctor if you have medical questions. Contact Patient Services at 405-947-7410, ext. 123 if you have operational or financial rewards questions.

Thank you for your active participation in maintaining your good health.

Patient “Information Therapy” Prescription Log-in Screen

The screenshot shows a web browser window titled "Login - Microsoft Internet Explorer". The address bar displays the URL: `http://localhost/ePPOPatient/login.aspx?ReturnUrl=%2fePPOPatient%2fDefault.aspx`. The page header features the "PHYSICIAN DIRECT ePPO" logo with the tagline "Empowered by the Evidence" and a red arrow pointing right, followed by the slogan "A Better Direction in Healthcare". Below this is a banner image of a doctor and a nurse. The main content area is divided into two columns. The left column contains a "Login" section with fields for "Username:" and "Password:", a "Login" button, and a link for "Forgot Your Password?". Below the login section is the "Medencentive" logo with the tagline "Evidence-based rewards for a healthier world." The right column contains three paragraphs of text. The first paragraph welcomes users to "Physician Direct ePPO of Oklahoma" and describes the network's goals. The second paragraph explains that "Physician Direct" is unique in Oklahoma as the first network to incorporate the ePPO Program (Patent Pending), combining evidence-based medicine (EBM) with a pay-for-performance incentive system. The third paragraph states that "Physician Direct" combines a statewide network of providers with the ePPO Program to provide improved health outcomes and lower health care expenses. At the bottom of the page, a footer contains the text: "This web site is best viewed using the latest version of Internet Explorer or Netscape. © 2005 Physician Direct". Below this text are logos for "HealthGate", "DUKE", "OHSU", "Vanderbilt", and "DAVID HEALTHCARE". The browser's status bar at the bottom shows "Done" and "Local intranet".

PHYSICIAN DIRECT ePPO
Empowered by the Evidence → *A Better Direction in Healthcare*

Following Evidence Based Guidelines improves health outcomes, and allows you to become an active participant in your own health care.

Login
Username:
Password:

[Forgot Your Password?](#)

Medencentive
Evidence-based rewards for a healthier world.

Welcome to **Physician Direct ePPO of Oklahoma**, an innovative network of hospitals, doctors and other health care providers in Oklahoma. **Physician Direct** was developed to improve the quality and affordability of care in Oklahoma. On this Web site, we provide information about our organization for clients, providers, patients, brokers and payors. As you review this Web site, please feel free to contact us directly if you have any additional questions or need more information.

Physician Direct is unique in Oklahoma as the first network to incorporate the ePPO Program (Patent Pending). The ePPO Program combines evidence-based medicine (EBM) with a pay-for-performance incentive system to improve the quality and affordability of health care.

Physician Direct combines a statewide network of providers with the ePPO Program to provide our clients with improved health outcomes and lower health care expenses. Through the use of leading-edge technology, **Physician Direct** provides over 116 EBM guidelines, or proven treatments, for doctors and their patients to follow. These guidelines have been developed after a thorough analysis of medical literature, scientific evidence, and clinical studies to determine the treatments that produce the best health outcomes.

While **Physician Direct** is targeted for large employers at this time, new relationships are being formed with insurance carriers that offer products to small business employers. Contact us if you are interested in learning more about **Physician Direct** and how you can benefit from these unique features.

This web site is best viewed using the latest version of Internet Explorer or Netscape. © 2005 [Physician Direct](#)

Patient “Information Therapy” Screen

Step 2 of 6

Review medical information related to this diagnosis and answer the questions at the bottom of each article

High Blood Pressure - Description

WHAT IS HYPERTENSION?

Hypertension or high blood pressure is a serious disease that affects nearly 50 million Americans. It causes stroke, heart attack, heart failure, kidney failure, and premature death and disability. It can also cause damage to the eyes and blood vessels. The best way to find high blood pressure is to measure the pressure in the left or right arm. Measuring the blood pressure is important. Once the disease is found, it can be treated with drugs or lifestyle changes.

Blood pressure is simply the pressure within the blood vessels associated with each heartbeat. It is defined by

401.9 /
HYPERTENSION NOS

- ☒ Key Points
- ☒ Description
- Causes
- Symptoms
- Diagnosis
- Prevention & Treatment
- Alternative Therapy
- Prognosis

Patient Website Section Questionnaire

ePPo Claim Wizard Final Questionnaire - Microsoft Internet Explorer

Step 4 of 6

Please Complete the Following Final Questionnaire




1. Did your doctor direct you to this website and discuss the reasons why you should view this information?
☐ No ☒ Yes
2. Did your doctor prescribe medication to you?
☐ No ☒ Yes
3. Are you taking your medications?
☐ No ☒ Yes
4. How are you tolerating your medications?
☐ Not Very Well ☒ Well ☐ Very Well

Patient Financial Reward Voucher

RewardPage - Microsoft Internet Explorer

Step 6 of 6

Confirmation Document [Print](#) / [Close](#)

PHYSICIAN DIRECT ePPO

Empowered by the Evidence

Test Company

2/24/2005

Medencentive Participation Confirmation

Congratulations on completing the information therapy process. Your active participation in the Medencentive program has earned you a financial reward. Your employer / payor has been notified of your participation and you should receive your financial reward by mail in a few weeks. You may print this document for your records.

MedEncentive Model

- Strategic checks and balances:
 - Financial rewards and physician-patient contract improves care and encourages healthy behavior
 - Allows doctors to deviate from guidelines (“anti-cookbook medicine”) because...
 - Rating by each party is benchmarked to EBM to gain compliance and prevent fraud and abuse

MedEncentive Model

- Per occurrence:
 - Achievable because it is fast and easy for doctors to use
 - Reinforces positive behavior, on-going
 - Keeps doctors and patients abreast of the latest medical developments
 - Adds value each time through Ix

MedEncentive Model

- Top reasons why doctors like MedEncentive:
 - Encourages patient healthy behavior
 - Helps improve standard of care
 - Is “anti-cookbook medicine”
 - Provides malpractice risk management
 - Increases their productivity
 - Improves patient communications
 - Improves their reimbursement
 - Financial rewards are immediate
 - Is a source of medical information

MedEncentive Model

- Top reasons why patients like MedEncentive
 - Health information that is empowering
 - Financial rewards
 - Knowing their doctor is at least considering EBM
 - Motivation to be healthy
 - Better communication with their doctor
 - An improvement in their health plan

MedEncentive Model

- Top reasons why purchasers like MedEncentive
 - Leverage in controlling health costs
 - Better healthcare and more value
 - An improvement in benefits being offered
 - Doctors and patients with “skin in the game”
 - Provisions to prevent fraud and abuse
 - A win-win-win

Distribution

- Product is sold to insurers and self-insured employers
- Fee is charged per employee/insured per month
- Test market employers are realizing 20% + cost savings inclusive of an investment of 3% -
- Initial key prospects are doctors, employers, labor, and Medicare
- MedEncative enjoys important “industry insider” endorsements

Distribution

- Channels of distributions
 - Disease management service providers
 - Independent physician associations
 - Brokers and consultants
 - Employers
 - Health plans and managed care organizations
- **P**reparing for rapid expansion in mid-2006

Projections

- Demand is extremely high for progressive healthcare reform solutions
- Commercial potential for the best healthcare cost containment solution is also extremely high

MedEncentive and Other Healthcare Reform Initiatives

- MedEncentive makes other healthcare reform initiatives better:
 - Disease management
 - Population health management
 - Health assessments and predictive modeling
 - Preventative and wellness programs
 - Electronic health records
 - Malpractice risk management and tort reform
 - Consumer-driven health care

“A Commonsense Solution to the U.S. Healthcare Delivery Crisis”

Contact Information

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