How a Silicon Valley Business Coalition is Driving Change in Health Care

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Employers are more active in employee health management…

The New York Times

NEW YORK, JANUARY 14, 2007

Company Clinics Cut Health Costs

By MILT FREUDENHEIM

"Frustrated by runaway health costs, the nation's largest employers are moving rapidly to open more primary care medical centers…"

"…they are looking for any solution," said D.W. Edington, director of the Health Management Research Center at the University of Michigan. "One option is to find ways to take care of people before they get sick."
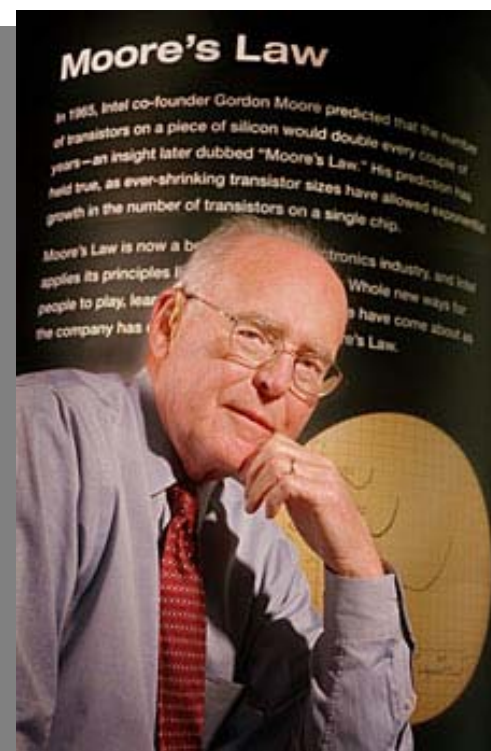
- 2005 revenue: $24.8B

- 48K+ employees in 80 countries; 15K at corporate headquarters in San Jose, CA

- Average 5 years length of service; 93% retention rate; average age 38 years

- 33% engineering/IT, 33% sales, 33% all others

- All connected to common internet tools

- Nearly all are Cisco shareholders
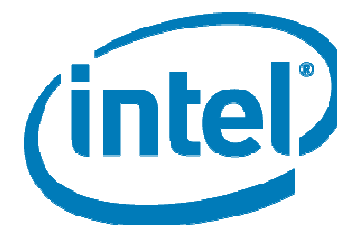
- **Founded in 1968**

- **$38.8B in revenues**

- **Intel has grown into the word's leading silicon innovator**

- **94K employees, 7K in Silicon Valley**

- **300 facilities in 50 countries**

- **World's 5th most valuable brand**

- **Enjoys a consistent history of strong corporate accolades**

  – **Top 100 Global Most Sustainable Corporation**

  – **#17 of World's Most Innovative Companies**

  – **Top 20 "Best Corporate Citizen"**

ORACLE®

- Founded in 1977
- Headquartered in Redwood Shores, CA
- Largest Enterprise Software Vendor
- $16 Billion Revenues in FY06
- Operating in 145 countries
- 55,000 Employees
    - 14,000 Developers
    - 7,000 Support Professionals
    - 17,700 Partners

While young, high-tech employees have significant and modifiable health risks

Prevalence of Risk Factors and Modifiable Health Conditions

Illustrative

Percentage of Adults

80%	
70%	
60%	
50%	
40%	
30%	
20%	
10%	
0%	

Poor Diet · Overweight/Underweight · Physical Inactivity · Stress · Emotionally Unfulfilled · High Cholesterol · High Blood Pressure · Tobaco Use · Diabetes
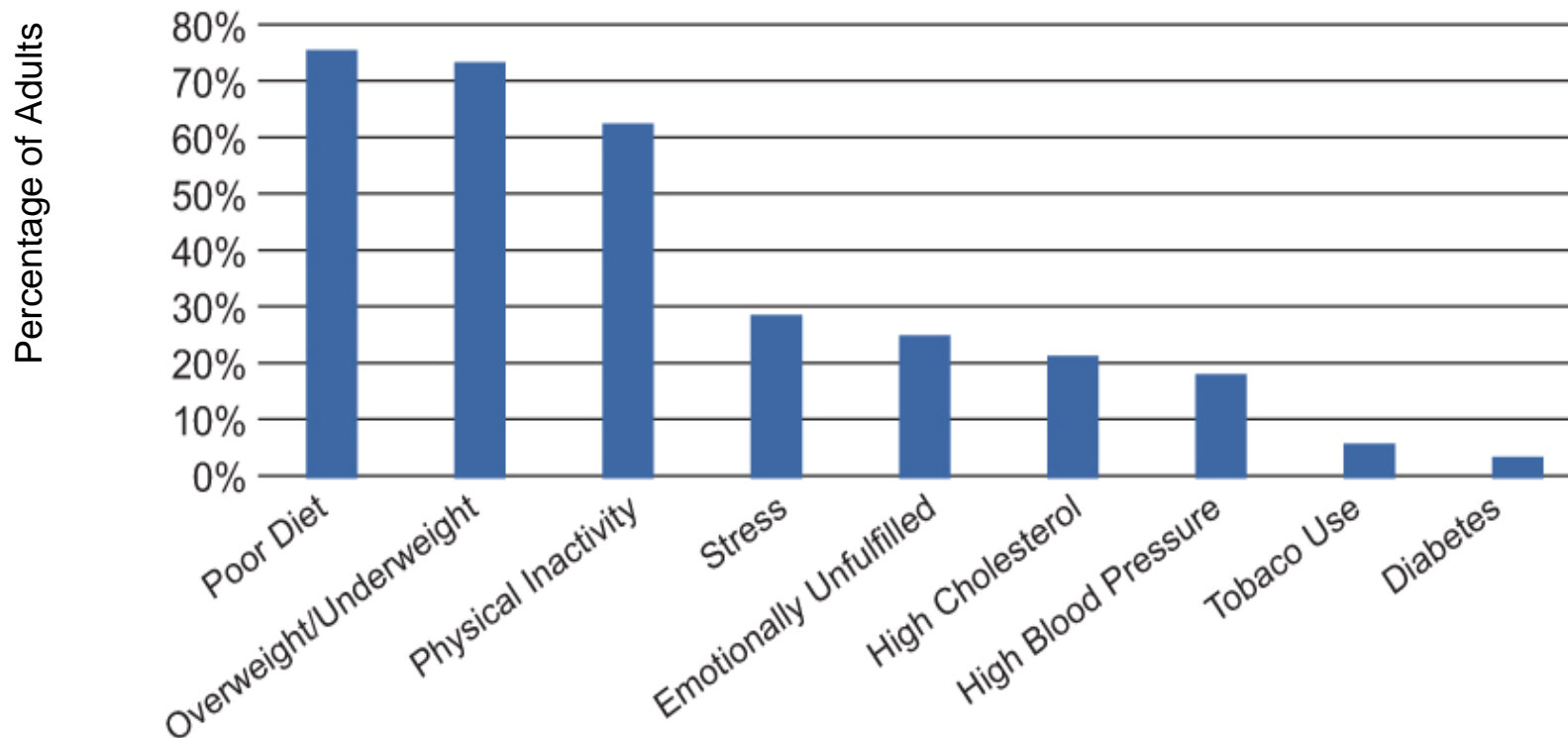
Source: Cisco results obtained from WebMD based on HRA participants

For Cisco, health and productivity challenges are more costly than medical care

We spend only 34 percent of our health
and productivity budget on the medical plan

Illustrative

2005 health
and productivity
program costs

Legend:
- Presenteeism
- Medical
- STD
- LTD
- Sick Leave
- Workers' Comp

Pie chart values: 0%, 1%, 2%, 13%, 50%, 34%
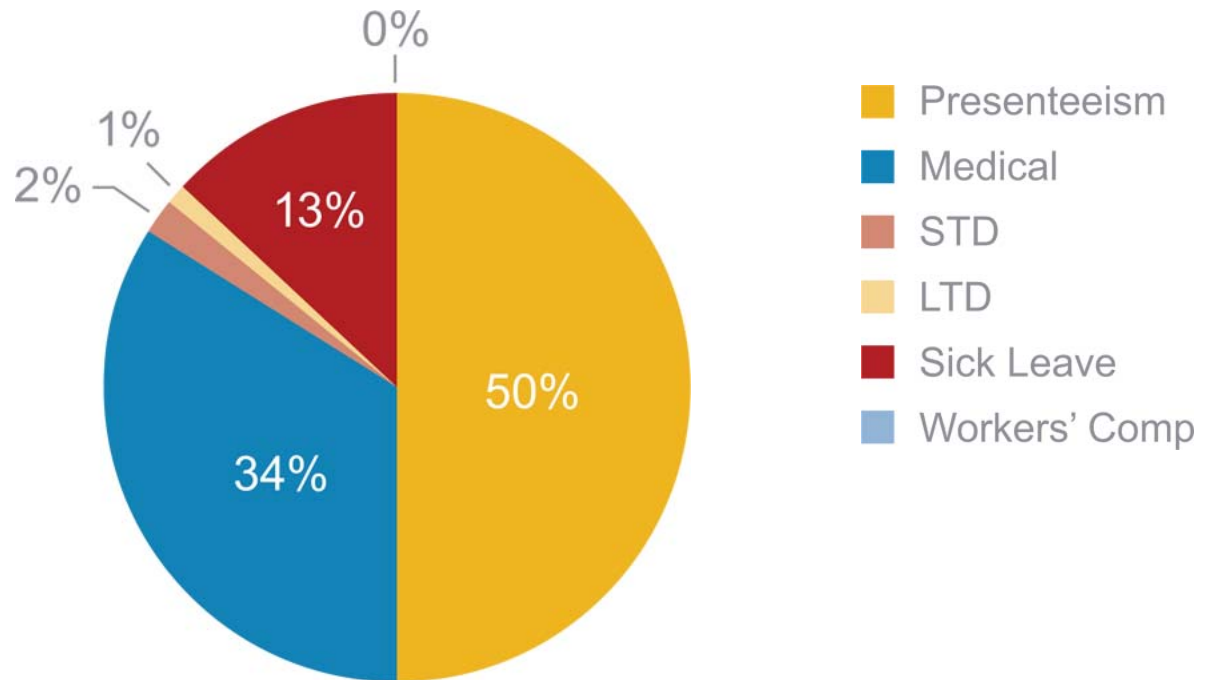
2005 gross health & productivity cost = over $600 million

Source: 2005 Cisco paid and incurred reports;
LTD and WC results include reserves for claims incurred in year

To improve health status of employees, high-tech employers must target all stages of health

Illustrative

Maintain Health

Improve Health

Manage Health

Prevent illness by identifying health risks

Detect health problems early

Improve health to prevent or delay chronic conditions

Manage chronic conditions

Manage catastrophic conditions

- Annual health screening events
- Limited health screenings at fitness centers
- Annual physicals and screenings in the health plan
- WebMD health assessment
- Flu vaccinations

- Information and tools on WebMD portal
- Information and resources on
- HealthConnections portal
- Health Coaching program
- Healthy meals at Cisco Cafes

- Health coaching program
- WebMD condition centers
- Condition advisor programs provided by health plans

…and integrate programs for seamless delivery

HealthConnections

Health Plans	Preventive Care	Health Improvement	Condition Management	Nutrition and Fitness	Decision Support
Medical	Health screenings	Health assessment	WebMD condition centers	Healthy meals at Cisco Cafes	WebMD portal
Dental	Coverage in the health plans	**New** Health coaching	**New** Condition advisor program	Onsite fitness centers	**New** HealthConnections portal
Vision	Flu vaccinations	WebMD portal	Disease management for targeted diseases		HealthConnections Live CiscoTV
New Integrated disability	Healthy pregnancies				
Behavioral health	**New** Onsite clinic				
Flexible spending accounts	**New** Global deployment				
Employee Assistance Plan					
New HRA/HSA					

Other Plans
- Life insurance
- Accidental death and dismemberment
- Business travel accident
- Voluntary benefits

health connections
Take Charge. Be Well.

Illustrative

Including programs that offer a IT-enabled, customized patient experience

- Change the health management experience for employees

  Clinic and adjacent fitness center with customized, integrated services

  Online processes and transactions; electronic health management tools

  Health coaching and wellness programs tied to fitness center

- Enable cost-efficient, convenient care; reduce benefit costs and increase productivity

- Showcase technology and interoperability in a healthcare environment

- Further distinguish companies in attracting and retaining top hi-tech talent
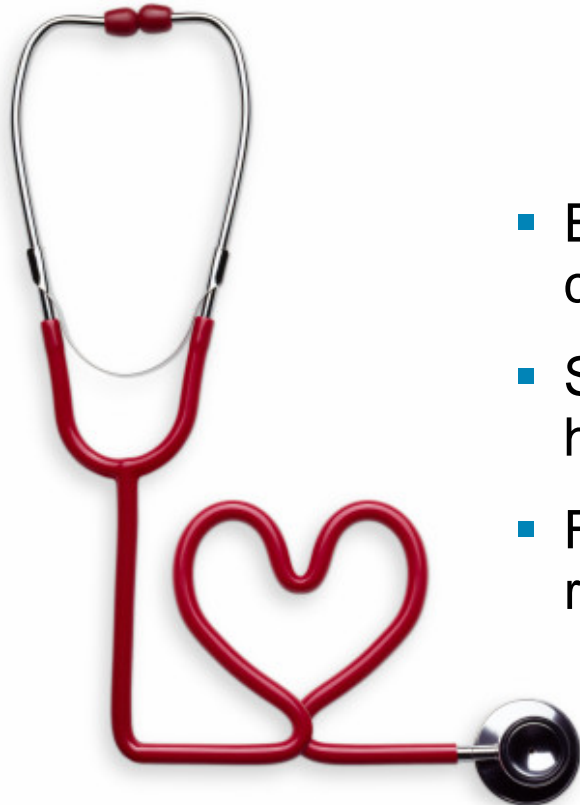
Aligned with employee's expectations of patient-centered care

|	
Multiple access modalities	Access in person, by phone and secure messaging
Communication	Multi-lingual and multi-cultural care customized for the patient
Patient engagement	Engage patients through variety of modalities including complementary & alternative medicine
Information systems	Complete information available electronically for all providers and patients alike
Care coordination	Condition advising and health coaching coordinated with specialists and facilities
Integration and teamwork	All providers' access to data and each other
Patient feedback	Follow-up to make sure treatments are successful
Data on providers	Encouragement to use practices that are PPC-recognized

With the long-term goal of building Cultures of Health

Illustrative
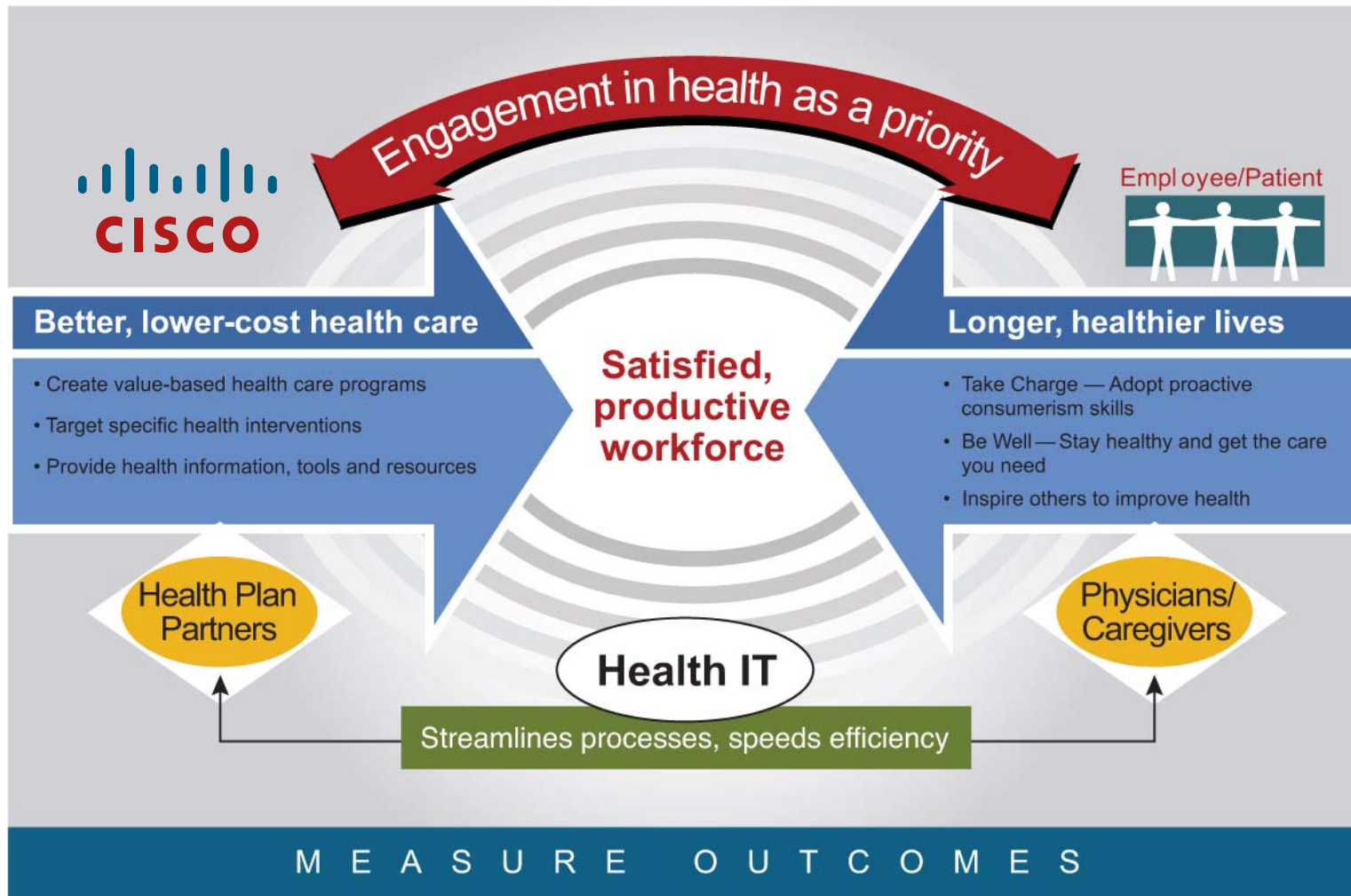
Collaborating with each other and providers allows employers to be part of the process
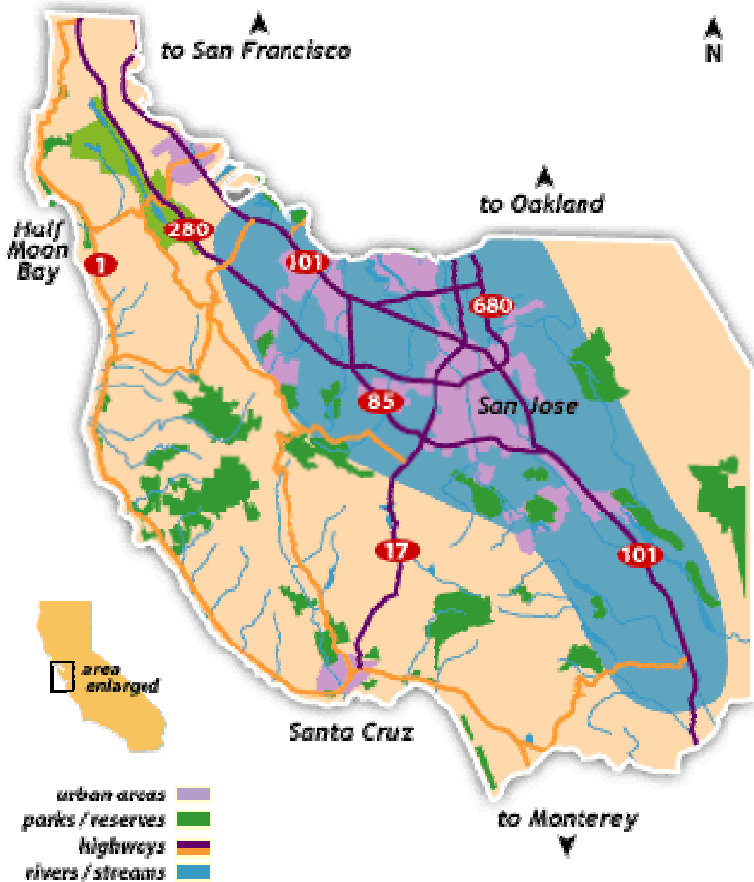
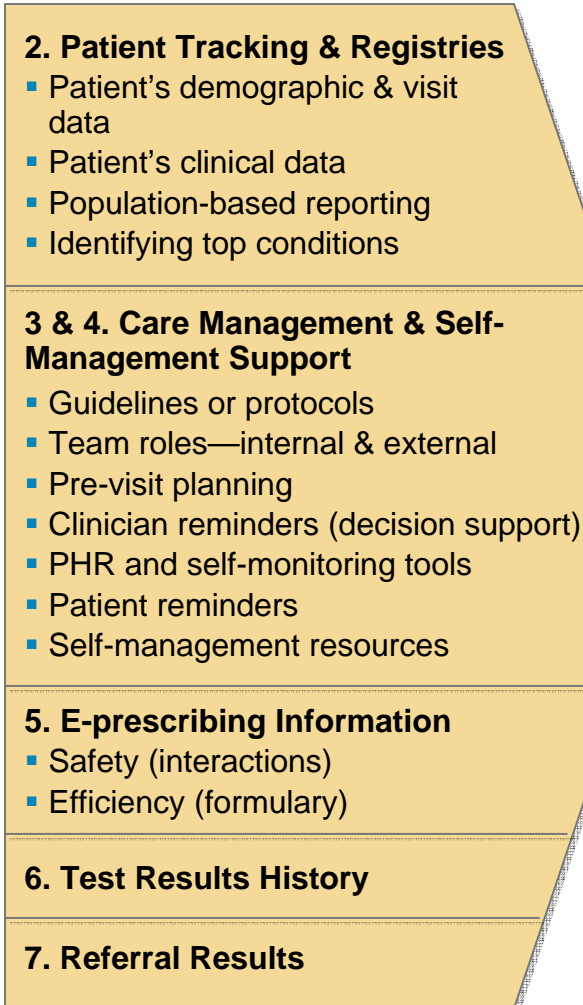

Silicon Valley Health IT Initiative

Pay for Performance is good place to start

- Collaborative effort started by employers in 2005

- 10 IPAs and multi-site medical groups invited--7 accepted and continue to participate

- Represents 25 practice sites with over 1,800 physicians

- Along with rewards, Cisco and Cigna covered portion of NCQA application fee

- Each employer agreed to pay up to $50K in awards to each group

Camino Medical Group
Affiliated with the
Palo Alto Medical Foundation

Palo Alto Medical Foundation
A Sutter Health Affiliate

Santa Cruz Medical Foundation
A Sutter Health Affiliate

KAISER PERMANENTE.

SANTA CLARA COUNTY
sccipa
INDIVIDUAL PRACTICE ASSOCIATION
PACIFIC PARTNERS MANAGEMENT SERVICES, INC.

San Jose Medical Group
OUR PATIENTS, OUR STRENGTH

STANFORD
HOSPITAL & CLINICS
Stanford University Medical Center

Incentives are based on NCQA Physician Practice Connections (PPC) Standards

Systematic Inputs

2. Patient Tracking & Registries
- Patient's demographic & visit data
- Patient's clinical data
- Population-based reporting
- Identifying top conditions

3 & 4. Care Management & Self-Management Support
- Guidelines or protocols
- Team roles—internal & external
- Pre-visit planning
- Clinician reminders (decision support)
- PHR and self-monitoring tools
- Patient reminders
- Self-management resources

5. E-prescribing Information
- Safety (interactions)
- Efficiency (formulary)

6. Test Results History
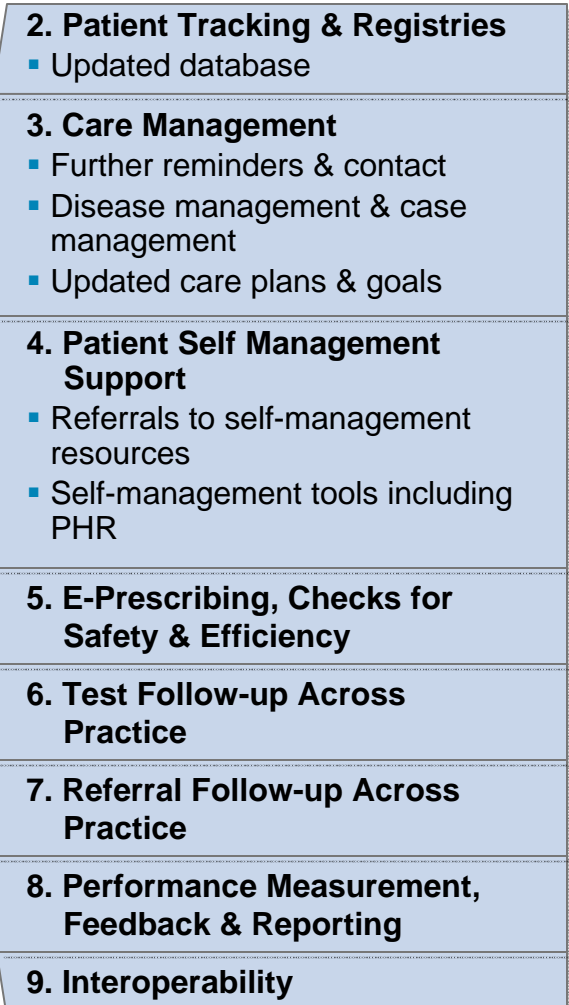
7. Referral Results

1. Access & Scheduling
- open access
- care coordination
- 24/7 telephone
- web site

Patient – Care Team Interaction
- In person
- By telephone
- By e-mail

Systematic Follow-up & Outcomes

2. Patient Tracking & Registries
- Updated database

3. Care Management
- Further reminders & contact
- Disease management & case management
- Updated care plans & goals

4. Patient Self Management Support
- Referrals to self-management resources
- Self-management tools including PHR

5. E-Prescribing, Checks for Safety & Efficiency

6. Test Follow-up Across Practice

7. Referral Follow-up Across Practice

8. Performance Measurement, Feedback & Reporting

9. Interoperability

Source: NCQA

The SVHIT provider groups added patient-centric capabilities to qualify for recognition…

- **57%**
  - Reminders to patients
- **43%**
  - Same-day appointments
  - Data mining
- **28%**
  - Electronic Health Record
  - Disease registries
  - Reminders to clinicians
  - Post-hospital follow-up
  - E-prescribing, E-lab results and
    E-radiology results
- **14%**
  - Secure messaging
  - Post-visit follow-up

Source: On-line survey conducted by Gibson and Shelton, SVHIT, 03/07/2007

…and made improvements in services and processes

- 28%

    Use of e-messaging

    Care management process

    Use of existing EHR

    Medication lists

- 14%

    Tracking referrals

    Progress toward EHR*

    Streamlined patient work flows

* Four of the groups had EHRs or other electronic process already in place

Source: On-line survey conducted by Gibson and Shelton, SVHIT, 03/07/2007

Providers also received financial rewards at the end of year one

- Total: $592,000 paid out in first year

- All 7 qualified for some reward

- Highest: $150,000 for groups with higher PPC scores & most SVHIT patients

- Lowest: $13,333 for groups with lower PPC scores & fewest SVHIT patients

- Percentage of 3 employers' claims: from 1% for large group to 9% for small group

To enhance impact, SVHIT enabled groups to leverage PPC recognition

NCQA's PPC recognition for member groups also counts toward:

- California Integrated Healthcare Association (IHA) P4P IT measures

- Bridges to Excellence (BTE) designation; addition of SVHIT's 1,800 physicians doubled the number of BTE and NCQA physicians in PPC nationally

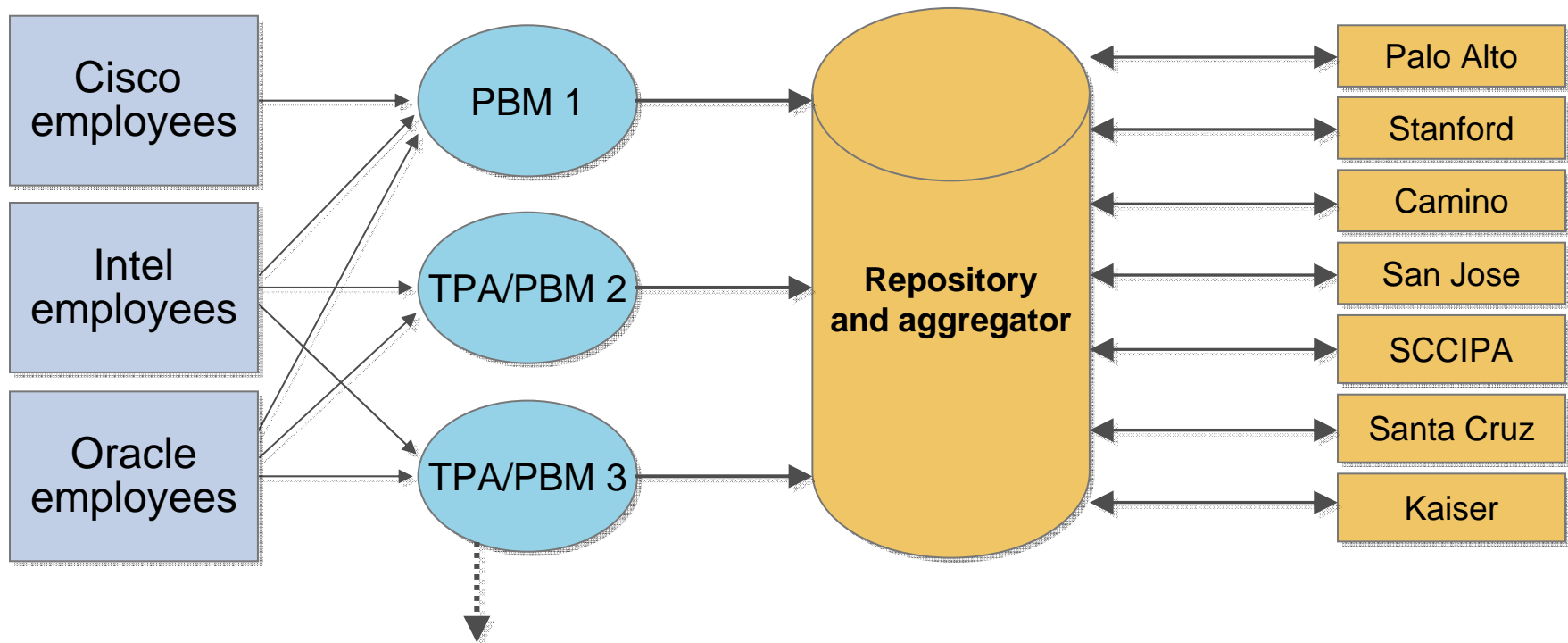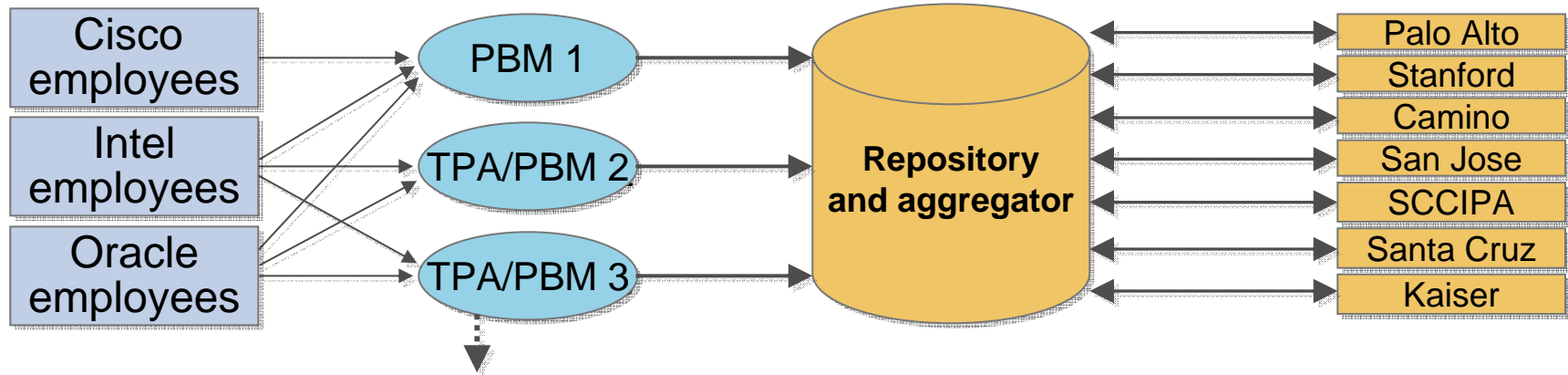# As year one closes, SVHIT maintains momentum

- Continue with PPC improvement and rewards payout

- Consider recruitment of additional employers and provider groups

- Create mechanism to share information – starting with Rx data

- Continue to track and report impact

Creating model is likely first step toward supplying Rx data to SVHIT medical groups

Cisco employees		PBM 1		Repository and aggregator		Palo Alto
Intel employees		TPA/PBM 2				Stanford
Oracle employees		TPA/PBM 3				Camino
						San Jose
						SCCIPA
						Santa Cruz
						Kaiser

Questions and issues abound…

Cisco employees → **PBM 1**

Intel employees → **TPA/PBM 2**

Oracle employees → **TPA/PBM 3**

→ **Repository and aggregator** ↔ Palo Alto, Stanford, Camino, San Jose, SCCIPA, Santa Cruz, Kaiser

More?

What are the privacy protections?

What permissions are needed to release data:

Corporate?

Individual employees?

What is the cost? Who pays?

How many?

What are the privacy protections?

What are PBMs' capabilities to transmit data?

Will this require contract re-negotiation?

What is the data format?

Who decides data format?

How often transmitted:

Real time? Daily? Weekly?

What protections, permissions, or agreements are necessary?

Is organization certified?

Does this become part of a community data-base or HIE?

How do we establish MG's right to patients' data?

Most likely scenario is, physicians and others query a secure site for patient data on unexpired prescriptions

Should the system adjust for groups' different ways of storing / using meds data?

What are the privacy protections for moving data among doctors in a group?

Questions & Issues We'll Need to Address

SVHIT - Lessons learned so far

- **Commitment:**

  Beyond just hurdles & rewards for docs, work on improving the system to improve care for all

  Don't underestimate the leadership, organizational support, and resource requirements

  Engage HC leaders to help move the process—SVHIT had doctors Jeff Rideout & Paul Tang

- **Momentum:**

  Start with a small group of people who can get things done. Invite others to join a going concern

  Use nationally developed measures to avoid spending a lot of time debating. Perfect or not, the measures are done

- **Community:**

  Organized physician organizations in California are large and have infrastructure in place; enables their response and streamlines employers' payout; synchs with existing IHA program

  In an enlightened medical community, doctors ask for <u>more</u> data!!!

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