



# HEALTHWAYS

***Convergence: Medical Science, Empathetic  
Nurses and Technology***

*Success requires a human connection...*





# Question at Hand

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- For intermediaries like DMOs, IT capabilities *are* the business.
- Employ data streams from the other players and transform and add to them to add value, delivered back to those players or other customers
- Evolving IT capabilities faster than the competition and the customers is critical to maintaining an advantaged value proposition

***How you think about getting this done?***







# Guiding Principles

- **Patient-Physician relationship is the fundamental interaction in healthcare**
- **The best way to lower cost is to improve health**
- **The best way to improve health is to change behavior**
- **Trusting relationships are essential for outcomes improvement – it is about people, not their disease**



# U.S. healthcare, by the numbers

## Cost

- **\$1.7 trillion industry**
- **Double digit annual inflation past five years**
- **26% increase in ER visits in past decade**
- **Country getting older, less healthy**

## Quality

- **50% chance of receiving proper care**
- **Nearly 100,000 die each year from medical errors**
- **45+ million uninsured**



# The case for prevention

- **Total healthcare spend: \$1.7 trillion or 14.9% of GDP <sup>1</sup>**
- **U.S. citizens spent \$5,267 per capita for health care in 2002, which is 53 percent more than any other country<sup>2</sup>**
- **Medical care for people with chronic diseases accounts for more than 75% of the nation's medical care costs.**
- **40+ million Americans will have at least one chronic condition and 70+ million will have multiple chronic conditions by 2010<sup>3</sup>**
- **Diabetes: \$132 billion (*total direct & indirect*)<sup>4</sup>**
  - Cardiovascular disease is the most costly complication of diabetes, accounting for more than \$17.6 billion of the \$91.8 billion annual direct medical costs for diabetes in 2002.



# “You saved my life!”

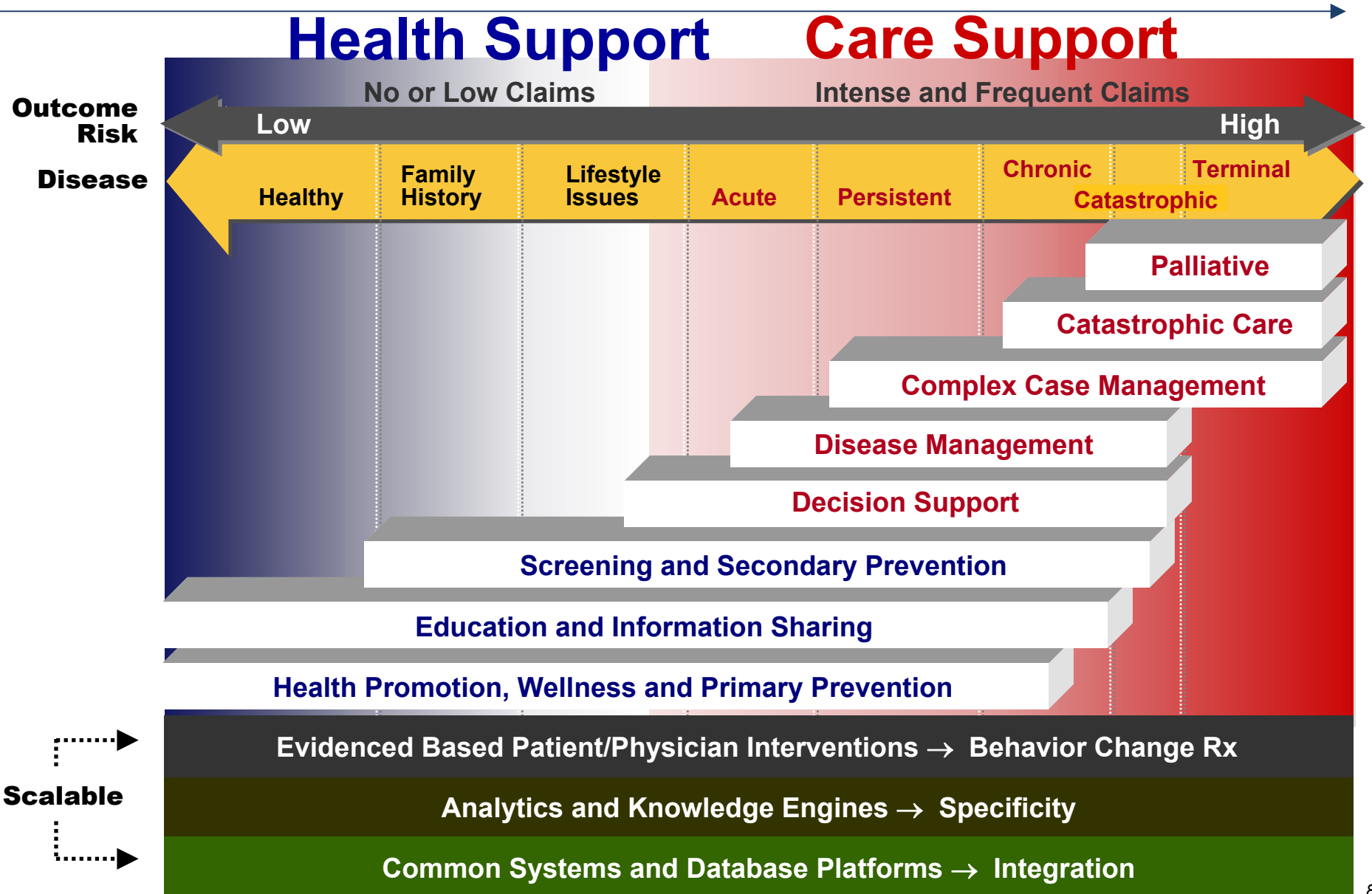
## MHS Nurse Discovers Ten-Fold Medication Overdose

- January 15, 2006, Martin Luther King Day, MHS nurse had a routine care call with Ms. A
- 72 year old beneficiary with heart failure and diabetes
- Ms. A had just been discharged from the hospital the day before; reported she had been given discharge and meds
- MHS nurse went over the prescriptions with Ms. A
- Ms. A reported taking four and a half 25 mg tablets (112.5 mg total) of Coreg that morning per the instructions.
- Knowing that was a large overdose, MHS nurse asked if she could call the beneficiary’s pharmacist
- Ms. A agreed and the nurse called the pharmacist, who said the prescription was for 12.5 mg – not 112.5 mg.
- MHS nurse tried to call the beneficiary’s cardiologist and primary physician; but both offices were closed.
- MHS nurse then called the hospital emergency room, and they instructed her to call the Poison Control Center.
- The MHS nurse called 911; an ambulance was dispatched
- Paramedics arrived and confirmed that the handwritten hospital discharge instructions cited the wrong dosage.
- Paramedics took the beneficiary to the hospital, where she stayed for eight hours to be treated and monitored.
- The MHS nurse called the beneficiary the next morning to see how she was doing.
- Ms. A told the nurse, “You saved my life – I know you saved my life!”

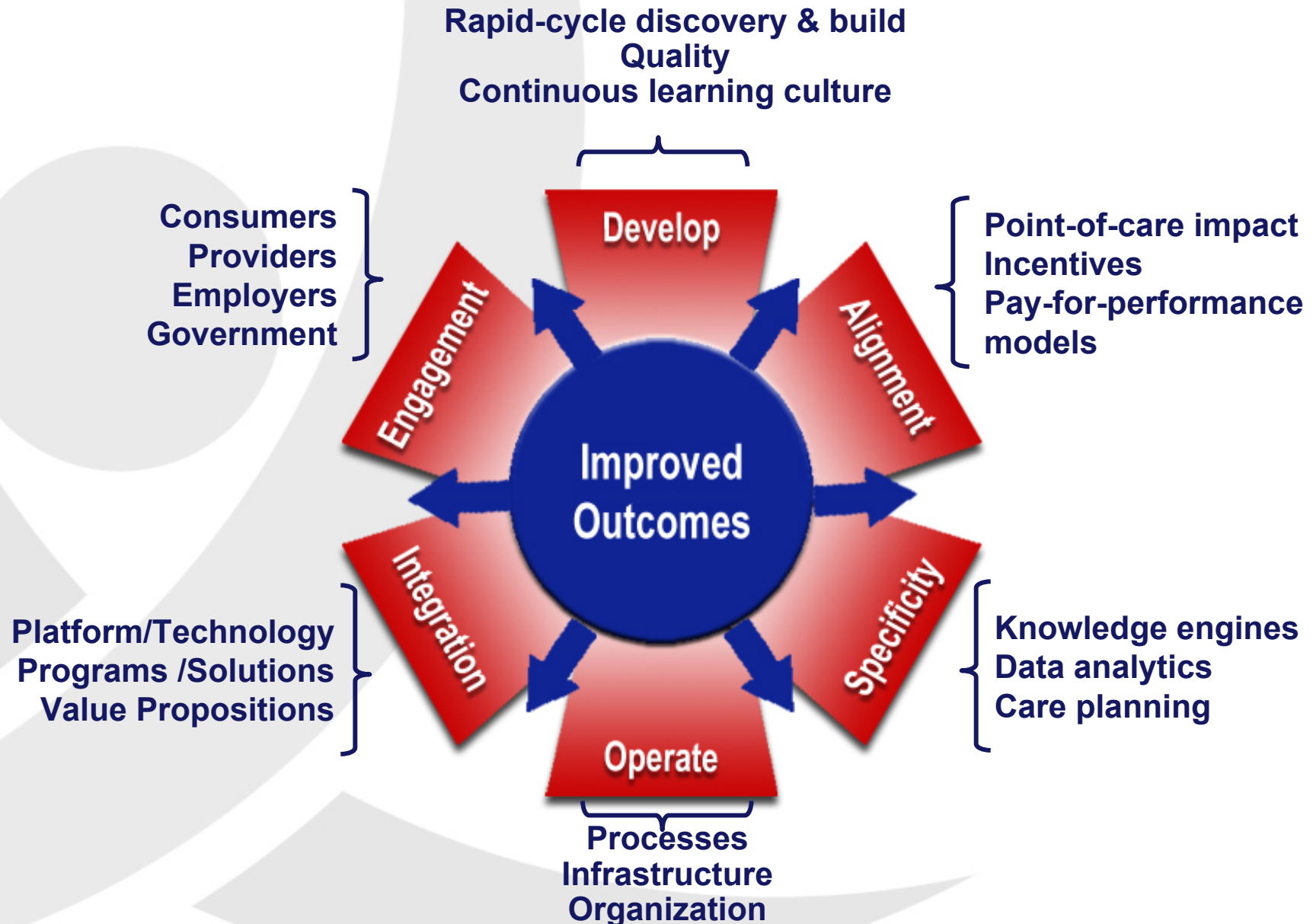




# Whole-population solution



# Focused on outcomes





# Conclusion

- Outcomes, not technology, are key
- Better outcomes from better, more timely interventions
- Better, more timely interventions from more real-time data
- More real-time data from new data sources



# Questions?

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# Where Does Your Health Insurance Dollar Go?



\*Includes prevention, disease management, care coordination, investments in health information technologies and health support.

\*\*Includes the inpatient costs of hospitals and the outpatient costs of hospitals and free-standing clinics.

Based on a PricewaterhouseCoopers' analysis, *Factors Fueling Rising Healthcare Costs 2006*.  
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