



**QMED** INC  
INTERACTIVE HEART MANAGEMENT

# Medicare Coordinated Care Demonstration

May 13, 2003





**QMED** INC  
INTERACTIVE HEART MANAGEMENT

**Founded in  
1983**

**178 employees**

**Over 50,000  
Patients in 11  
states**



**Corporate office  
Eatontown, NJ**

**11 Satellite  
offices  
throughout  
the U.S.**

**Recipient of 2  
Medicare  
Demonstration  
Projects**



**Over 15,000  
physicians  
participating**



**SUMMACARE**  
Health Plan

 **Regence**  
*BlueCross BlueShield of Utah*  
An Independent Licensee of the BlueCross BlueShield Association

 **Providence | Health Plan**  
**A caring difference you can feel**

**PacifiCare®**

- Arizona
- California
- Colorado
- Oregon
- Texas
- Washington

 **CHA HEALTH**  
YOUR KIND OF PEOPLE. YOUR KIND OF CARE.

 **Regence**  
*BlueShield*  
An Independent Licensee of the Blue Cross and Blue Shield Association

 **Regence**  
*BlueShield of Idaho*  
An independent licensee of the Blue Cross and Blue Shield Association.

 **DAKOTACARE™**  
THE HEALTH CARE PLAN OF THE SOUTH DAKOTA MEDICAL ASSOCIATION



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## 21<sup>st</sup> Century Medicare

Medicare's traditional approach, paying only for discrete visits and services, has denied many chronically ill seniors the opportunity of advances pioneered by Disease Management in **coordinating care for complex conditions and chronic diseases**. These programs can lead to better health outcomes and reduce total medical costs by avoiding complications and hospitalizations.

Numerous Medicare documents suggest that by “DM” Medicare implies “Care Coordination”, which is the QMed approach - an advantage for Medicare and for QMed.





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## To Achieve 21<sup>st</sup> Century Medicare

Sec HHS Tommy Thompson:

- Is seeking **Medicare Contractor Reform** legislation to incorporate care coordination.
- Has stated publicly that **progress or success in demonstrations** will be the criterion for an organization obtaining a contract

**Medicare is the growth area of health care and demonstration participation is essential**



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## QMed & CMS Demonstrations

- MCCD 1400 CAD Patients = July '02 start
- DM Demo 21000 CHF Patients = Mid/Late '03 start
- Capitation Demo (*CAD+CHD+DM*) = *Potential QMed bid\**

*\* Possibly part of multiple project bids*



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## **Medicare Coordinated Care Demonstration**

- One of 15 projects awarded from more than 60 proposals
- The only CAD project in the MCCD
- QMed incorporates a modest prescription drug subsidy
- Treatment and control groups expanded for higher statistical validity upon initial full enrollment
- June 30 is the one year anniversary upon which initial evaluation will be based
- We expect to save Medicare money and to grow in the program





## Coordinating Critical Elements of Care to Meet Medicare Needs

- **Docs must *centrally* be involved** - CMS concluded that “Non-involvement of physicians from the beginning” caused failure of a 1997 demonstration. Physician coordination is unique to QMed and the driver for our enrollment success.
- **Must have near real-time/interactive clinical information loop to impact care/costs** - QMed coordinates physicians, patients, nurses, medical records, clinical labs, pharmacy, other therapy and formulary into an interactive clinical information loop.
- **Must coordinate compliance to operate cost effectively** - The administrative information loop allows reports of compliance by patient and physician, of medical therapy efficacy, and of costs.



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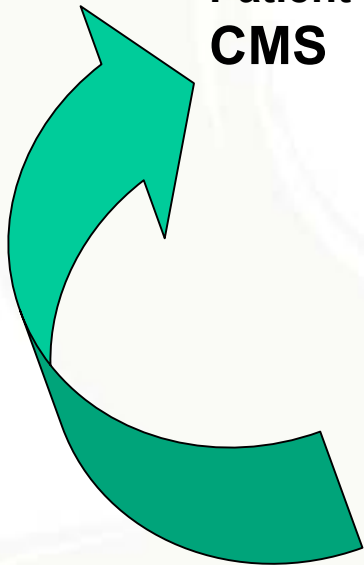
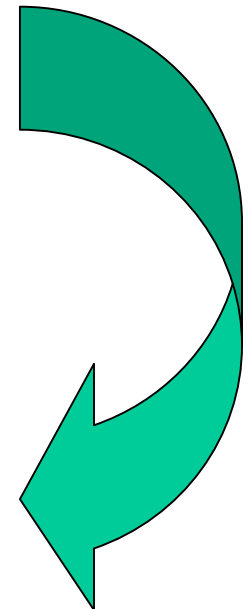
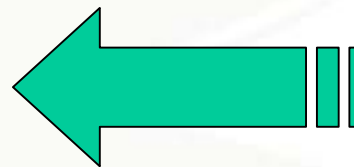
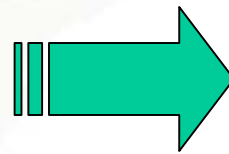
# Coordinated via Interactive Information Loop

Claims  
Lab Results  
Pharmacy Use  
Patient Chart Data  
**CMS**

QMed Database  
Best Practice Algorithms  
Evidence Based Recommendations

Physician Compliance

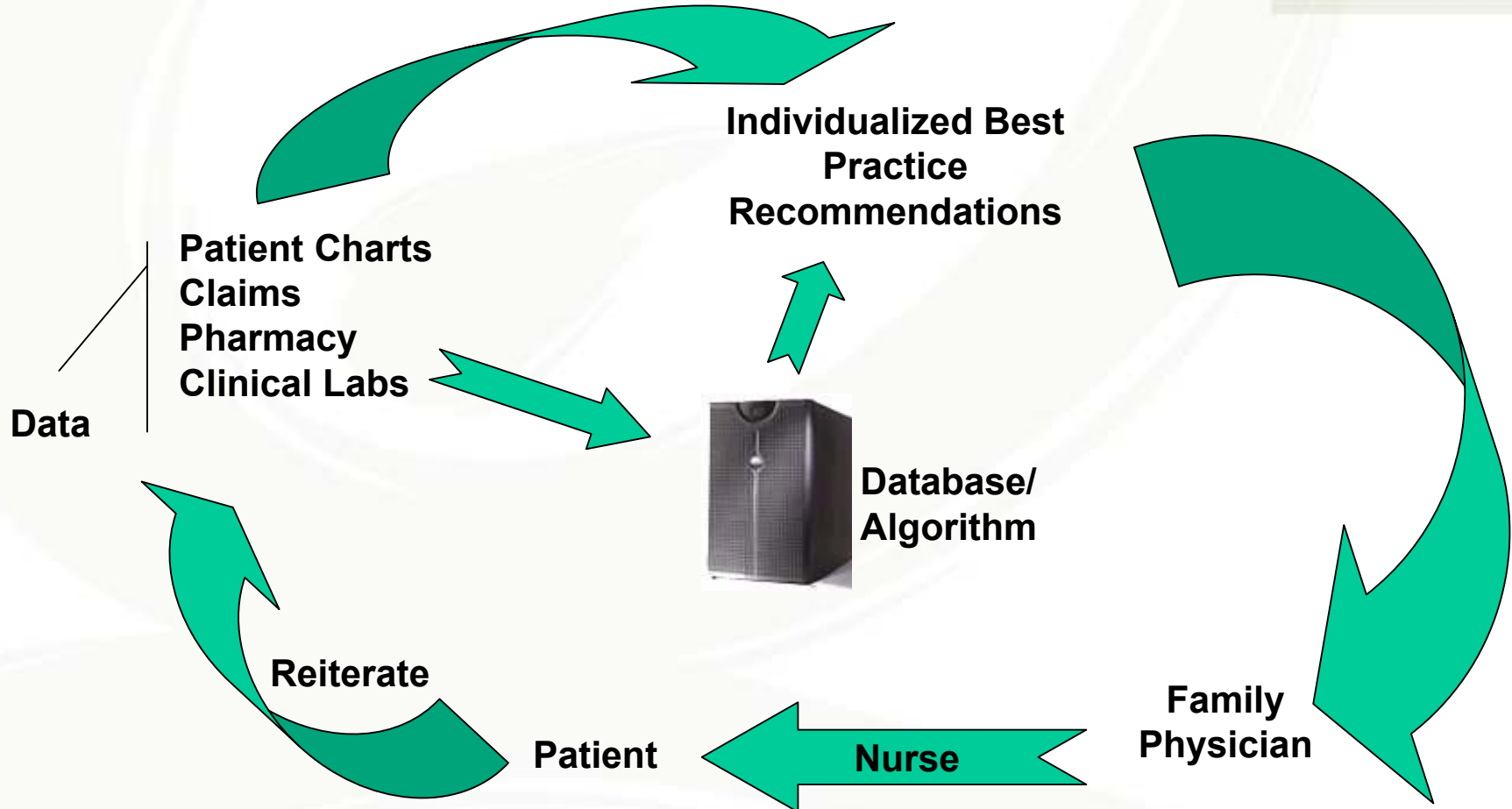
Patient Compliance





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# QMed Clinical Loop

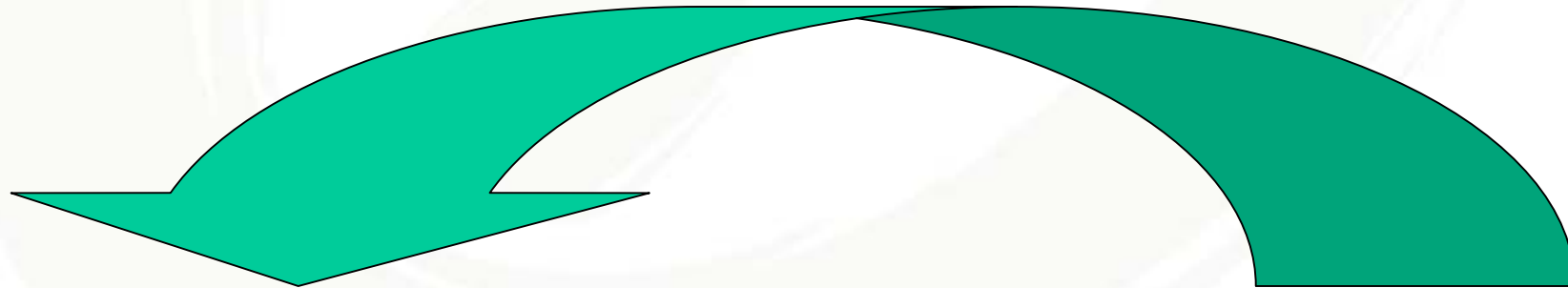




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## Administrative Loop

To Physicians, Nurses, Patients



Data from  
Clinical  
Loop



Database



Reports

Compliance  
(Doc & Pt)  
Efficacy  
HEDIS



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## Summary

- Medicare has nearly 40,000,000 members
- Medicare spends \$350,000,000,000 annually
- Both are growing and reform is both needed and coming
- This is the biggest healthcare services market in the world

We believe that QMed is part of the solution because, uniquely, we coordinate all the critical elements of care. We will work with CMS on its Medicare reform project as led by the Demonstration Division and the Administrator's Office.



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**FINIS**