POPULATION HEALTH RISK MANAGEMENT:

"STAYING IN THE HEALTH BENEFIT GAME"

Presented by:

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"PERSONAL ACCOUNTABILITY"

"Give it to me straight, Doc. How long do I have to ignore your advice?"

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HC21/SOLUTIONS Overview

- HealthCare 21 Business Coalition (HC21) is a non-profit, multi-stakeholder member driven organization.
- In January 2011 formed a for-profit subsidiary: HC 21 Solutions to help employers outside TN.
- We are committed to improving the quality of health care for all employers and their populations.
- HC21 has over 90 corporate members representing over 500,000 covered lives.
- Co-founders of SCBCH
- We believe that: "Health benefits management must become health ***risk*** management."

-HC21 Solutions White Paper, April 2011

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TRIPLE AIM

Better Health

Better Care

Better Cost

SOURCE: Dr. Don Berwick, former CMS Administrator

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THE NEW ENVIRONMENT

1. Emergence of the Public Insurance Exchange
2. Emergence of the Private Insurance Exchange
3. Emergence of Accountable Care Organizations (ACO)
4. Emergence of CO-OPs

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Emergence of the Public Insurance Exchange ("Medicaid for the Middle Class")

- Creates a true market & competition
- Creates community rating
- Creates a retail market

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Emergence of Private Exchanges

- AON
- BlueCross / Anthem
- Walgreens

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Emergence of Private Exchanges

Underlying Motivation:

- Shift the risk of a broken health care system to the employee or individual, and to
- Facilitate move from ‘defined benefit’ to ‘defined contribution’ for healthcare.

Results in reduced need for health benefit departments and increased need for ‘health risk’ managers.

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Emergence of Private Exchanges

- Choice: multiple plan levels, buy-up opportunity
- Consumerism: Built in ‘value based benefit design’ & behavior requirements.
- Administrative efficiency: combined overhead into one TPA (AON, Mercer, Walgreens, etc.).
- Creates opportunity for narrow networks and Accountable Care Organizations (ACO)

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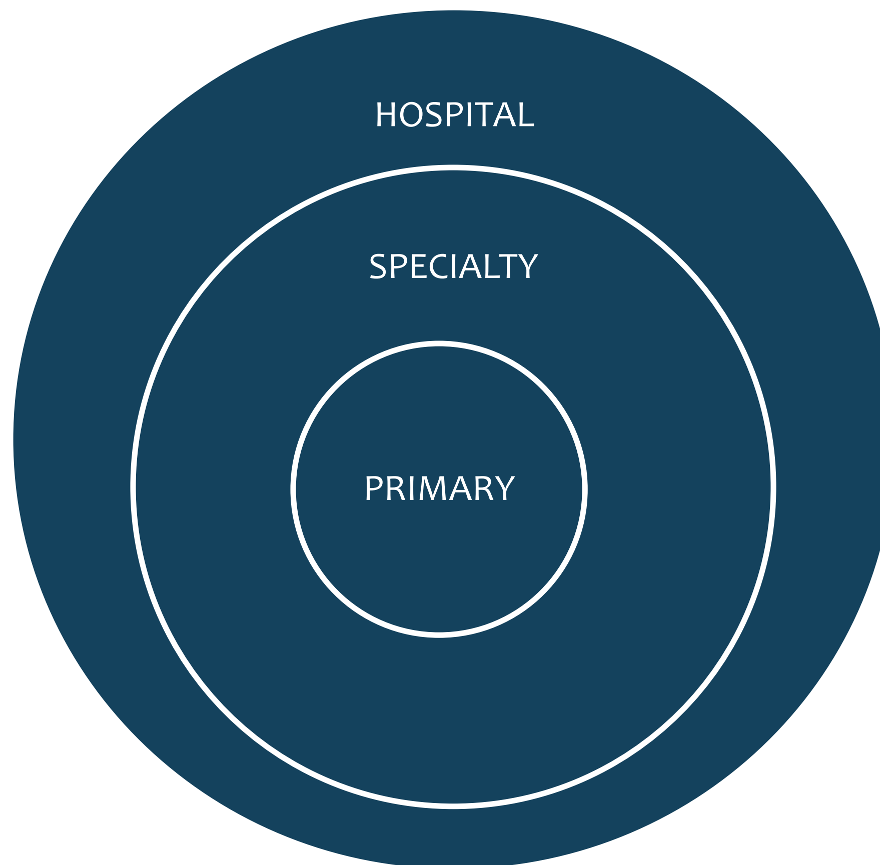
Emergence of ACOs

- 3 Level Integration
  - Primary Care
  - Specialty Care
  - Hospital Care



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Provider Value

Medical Village

Accountable Care Organization (ACO)

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Emergence of CO-OPs

Consumer **O**riented and **O**perated **P**lan: A Non-Profit, consumer controlled health insurance company.

- Policy Owners Benefit: (cheaper coverage, plus refund of excess premiums collected over operating costs)
- Policy Owners Govern: BOD elected from policy owners, and BOD chooses executive staff
- Beneficiary Owns: Oversight by Policy owners

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Emergence of CO-OPs

Consumer **O**riented and **O**perated **P**lan

- 17 announced and approved to date.
- Several more in approval stage
- 50 initial applications; not all approved.
- HHS desired at least 1 per State.

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Why Large Employers Won't Completely Exit Health Care Completely

Getting Out—The Simplified Math

Total Health Care Premium		**$8,992**
Employer Subsidy		**$7,015**
Employee Contributions		**$1,977**

****

Free Rider Penalty (non-deductible)		**$2,000 (?)**
Loss of Deduction (40%)		**$ 800**
Net Expense of Penalty		**$2,800**
Employee Comp. Increase (50% of Subsidy)	**$3,507**	
Tax Gross-up (30%)	**$1,503**	
Total Comp. Expense		**$5,010**
Total Employer Cost After Exit		**$7,810**

Where are the Savings?

STAYING IN THE GAME MEANS LINKING **HEALTH** & **PRODUCTIVITY**

"HEALTH RISKS" ARE THE ROOT CAUSE OF EXCESSIVE HEALTHCARE COSTS

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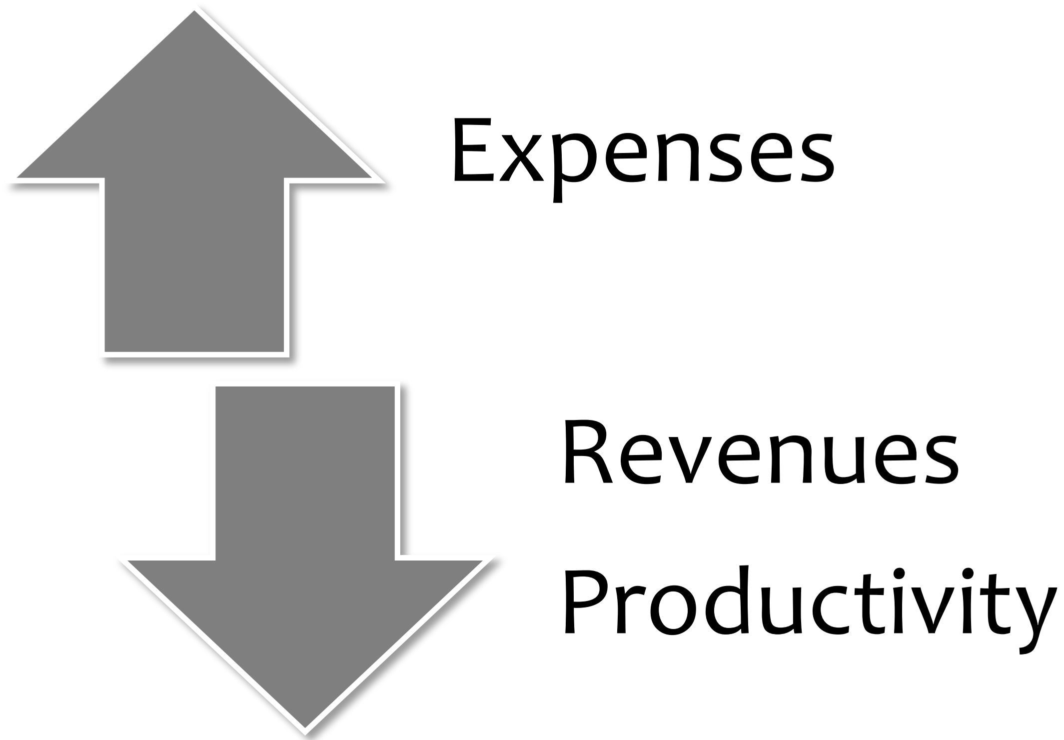
Economic Downturn

A Time for the Opportunist



Crisis breeds Opportunity!

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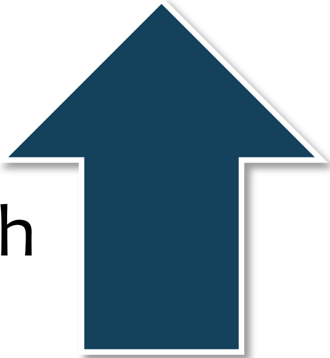
Cause and Effect

Health Risks



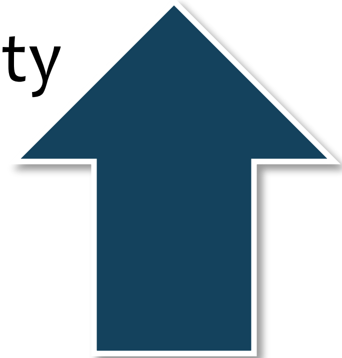
Medical Costs

Productivity

Health Risks

Medical Costs

Productivity



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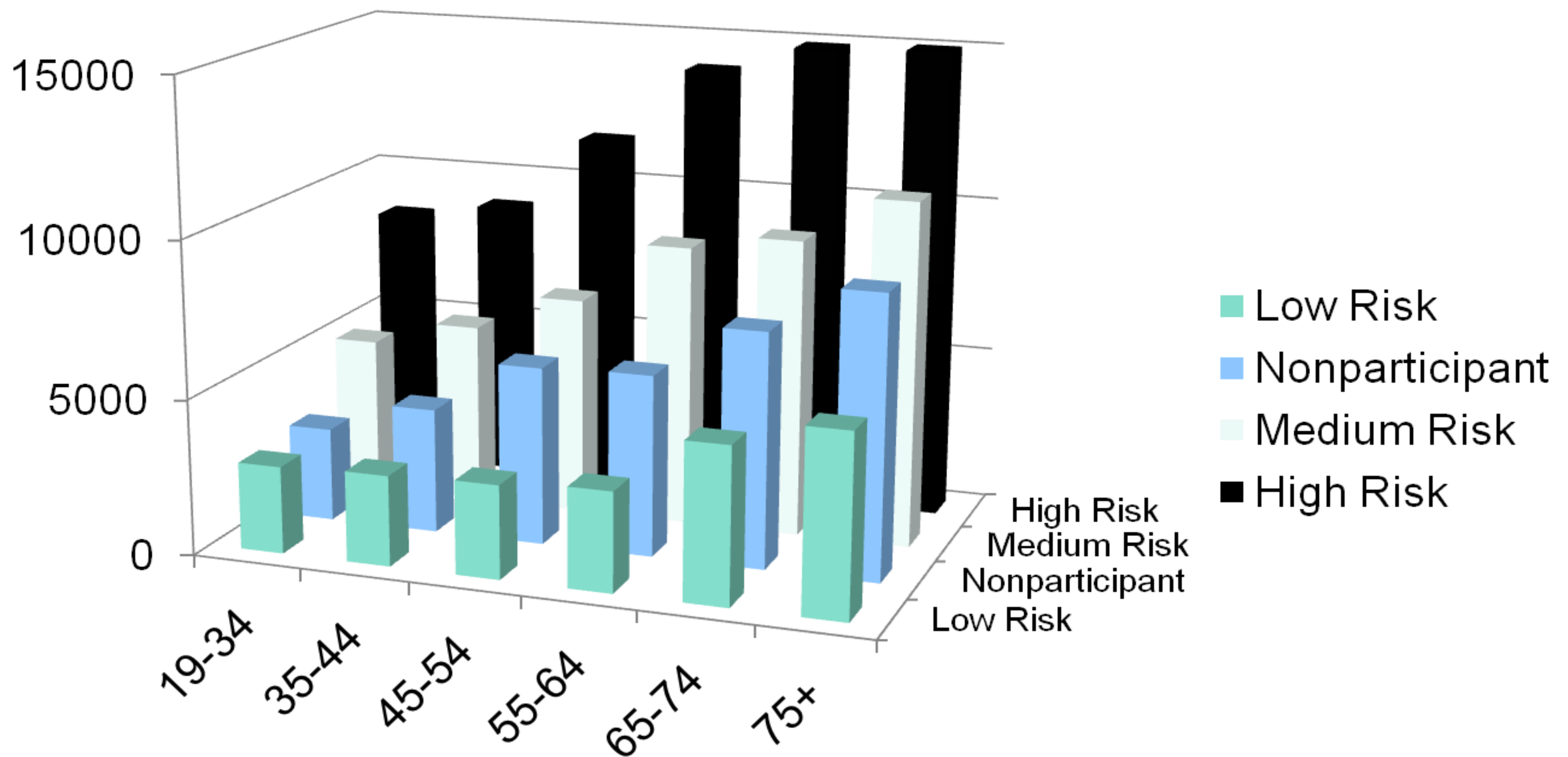
Costs Associated with Health Risks



SOURCE: *Zero Trends* by Dee W. Edington, PhD

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The Real Problem:
The full cost of poor employee health

Medical & Pharmacy Costs

$3,376 PEPY

25%

Personal Health Costs

Medical Care
Pharmacy

Health-Related Productivity Costs

$10,128 PEPY

75%

Productivity Costs

Absenteeism:
- Short-term Disability
- Long-term Disability

Presenteeism:
- Overtime
- Turnover
- Temporary Staffing
- Administrative Costs
- Replacement Training
- Off-Site Travel for Care
- Customer Dissatisfaction
- Variable Product Quality

$13,504 PEPY **(Total Costs)**

CREDIT: Integrated Benefits Institute

Sources: 2006 Mercer Employer Annual Survey; Edington DW, Burton WN, *Health and Productivity.* In McCunney RJ, Editor. A Practical Approach to Occupational and Environmental Medicine 3rd Edition. Philadelphia, PA. Lippincott, Williams and Wilkens; 2003: 40-152. Loeppke, R., et al. Health-Related Workplace Productivity Measurement: General and Migraine Specific Recommendations from the ACOEM Expert Panel. *JOEM. April, 2003, Volume 45, Number 4, Pages 349-359.*

HEALTH RISK MANAGEMENT MODEL

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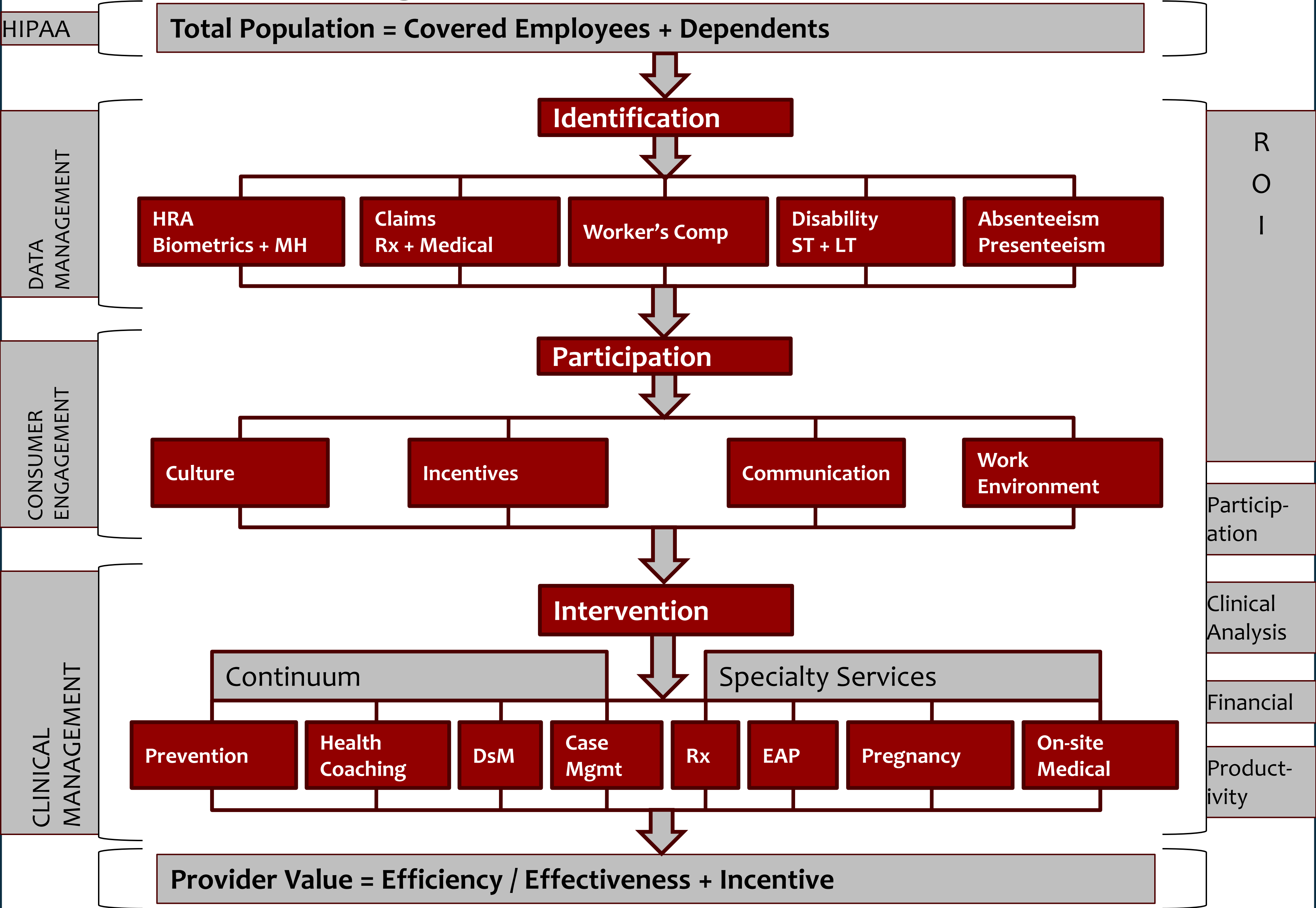
Health Risk Management Model



DEFINING THE POPULATION

- Covered Employees
- Covered Dependents
- Low Turnover
- Eligibility Audits (Nissan example)
- Age/gender calculator
- Age/risk

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IDENTIFICATION AND DATA MANAGEMENT

Detailed data, to Individual Level

Integrated database, multiple sources

Data Ownership

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Effective and Efficient Health Risk Assessment Tool

- Actual biometric information is crucial to identifying and managing an "at-risk" population. Many Health Risk Assessment tools on the market are either too complicated or lengthy, so members skip important responses, or they rely on self reported data which can be false.

Effective and Efficient:

- One page, key biometrics, signed by clinician
- The data is accurate and easy to understand
- The process facilitates annual face-to-face preventive visits with PCP
- The analysis is meaningful and contains recommendations
- Becomes part of 'integrated database'
- Employer uses (HIPAA compliant) for 'health improvement' program

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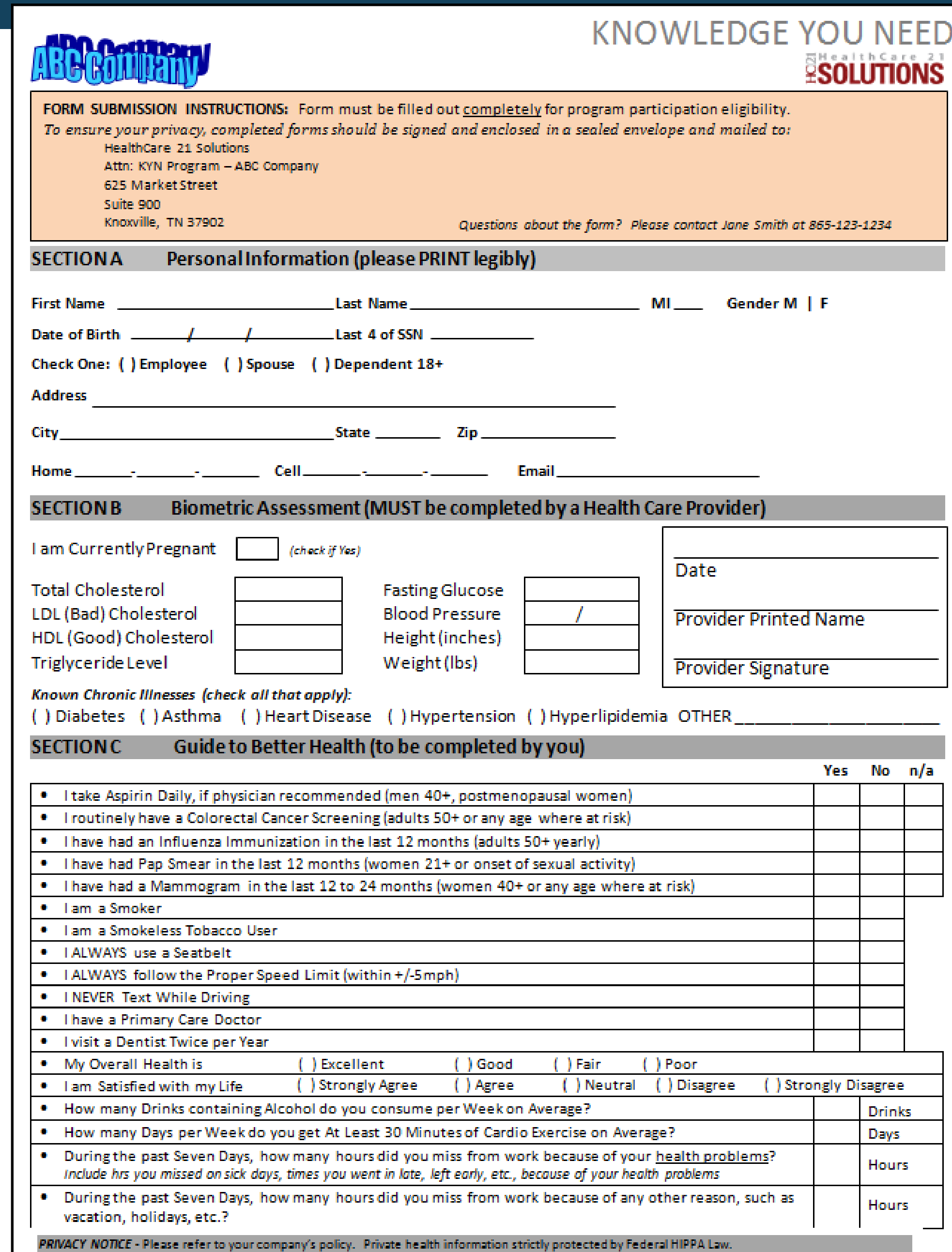
Sample 1-Page HRA Form

- Demographic Information
  - ✓ *Age*
  - ✓ *Gender*
  - ✓ *Relationship to Subscriber*

- Biometric Information
  (clinically measured)

- Lifestyle Information
  (self-reported)



ABC Company

KNOWLEDGE YOU NEED

HealthCare 21 SOLUTIONS

FORM SUBMISSION INSTRUCTIONS: Form must be filled out completely for program participation eligibility.
To ensure your privacy, completed forms should be signed and enclosed in a sealed envelope and mailed to:
HealthCare 21 Solutions
Attn: KYN Program – ABC Company
625 Market Street
Suite 900
Knoxville, TN 37902
Questions about the form? Please contact Jane Smith at 865-123-1234

SECTION A Personal Information (please PRINT legibly)

First Name ____________ Last Name ____________ MI ___ Gender M | F
Date of Birth ___/___/___ Last 4 of SSN ______
Check One: ( ) Employee ( ) Spouse ( ) Dependent 18+
Address ______________________
City ____________ State ______ Zip ______
Home ___-___-___ Cell ___-___-___ Email ____________

SECTION B Biometric Assessment (MUST be completed by a Health Care Provider)

I am Currently Pregnant [ ] *(check if Yes)*

Total Cholesterol		Fasting Glucose	
LDL (Bad) Cholesterol		Blood Pressure	/
HDL (Good) Cholesterol		Height (inches)	
Triglyceride Level		Weight (lbs)	

Date ____________
Provider Printed Name ____________
Provider Signature ____________

Known Chronic Illnesses (check all that apply):
( ) Diabetes ( ) Asthma ( ) Heart Disease ( ) Hypertension ( ) Hyperlipidemia OTHER ____________

SECTION C Guide to Better Health (to be completed by you)

	Yes	No	n/a
I take Aspirin Daily, if physician recommended (men 40+, postmenopausal women)			
I routinely have a Colorectal Cancer Screening (adults 50+ or any age where at risk)			
I have had an Influenza Immunization in the last 12 months (adults 50+ yearly)			
I have had Pap Smear in the last 12 months (women 21+ or onset of sexual activity)			
I have had a Mammogram in the last 12 to 24 months (women 40+ or any age where at risk)			
I am a Smoker			
I am a Smokeless Tobacco User			
I ALWAYS use a Seatbelt			
I ALWAYS follow the Proper Speed Limit (within +/-5mph)			
I NEVER Text While Driving			
I have a Primary Care Doctor			
I visit a Dentist Twice per Year			

- My Overall Health is ( ) Excellent ( ) Good ( ) Fair ( ) Poor
- I am Satisfied with my Life ( ) Strongly Agree ( ) Agree ( ) Neutral ( ) Disagree ( ) Strongly Disagree
- How many Drinks containing Alcohol do you consume per Week on Average? ___ Drinks
- How many Days per Week do you get At Least 30 Minutes of Cardio Exercise on Average? ___ Days
- During the past Seven Days, how many hours did you miss from work because of your health problems? *Include hrs you missed on sick days, times you went in late, left early, etc., because of your health problems* ___ Hours
- During the past Seven Days, how many hours did you miss from work because of any other reason, such as vacation, holidays, etc.? ___ Hours

PRIVACY NOTICE - Please refer to your company's policy. Private health information strictly protected by Federal HIPPA Law.

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PARTICIPATION

- VBBD
- Consumer Engagement
- Behavior Change
- Efficient/Effective HRA
- ‘Face to Face’ based Coaching
- Behavioral Economics

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"VALUE BASED BENEFIT DESIGN" (VBBD)
Effective Benefit Plan Design

- Concept: Steer toward 'doing the right thing'; removing obstacles; high value services are low cost, free to member, make it convenient, cheap, using incentives and/or mandates (carrots and sticks).
- Examples:
  1. Preventive physicals
  2. ER co-pays
  3. Rx co-pays for brand drugs
  4. step therapy
  5. duplicate diagnostic testing
  6. CDHP's
  7. Reference pricing

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EFFECTIVE INTERVENTIONS

CLINICAL MANAGEMENT: 'FACE TO FACE' COACHING
VALUE BASED BENEFIT DESIGN – (VBBD)

THE GOAL
IS CHANGING
HUMAN
BEHAVIOR

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The Message is Motivation

- To have a successful coaching program you need to generate high participation among the "at-risk" population. This can be achieved through a combination of financial incentives and creating a program that maximizes convenience; however, to change human behavior and sustain "positive" behavior, the participants will need to find **their individual** motivation.

The Difference is…

- Personal connection between participant and coach
- Specially trained and certified nurse/health coaches
- Flexibility to take the program to the participant, wherever it is convenient for the participant
- State-of-the-art tools and methods to assess and encourage, with regular follow up
- Data is integrated into program management and evaluation

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THE OUTCOME IS
RESULTS

- Health Risk Coaching starts with motivation, but ends with results:
  - **Increased compliance** to treatment standards (getting needed care)
  - **Improved clinical indicators** associated with risk factors (getting numbers under control)
  - **Decreased healthcare costs**
  - **Increased productivity**
  - **Increased life satisfaction**

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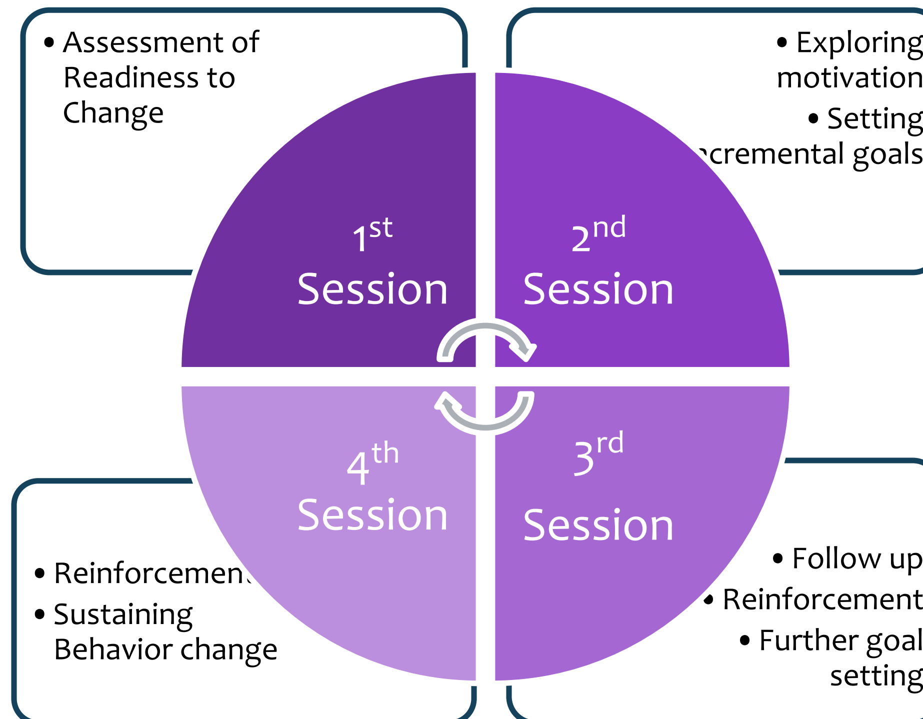
We call her "Mary Lou"

She has Hypertension and Hyperlipidemia, but doesn't realize she is pre-diabetic. She occasionally thinks about losing weight, but gets too busy. **She enjoys being a mom!**

Motivation to change: Children



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PROGRAM EVALUATION

Return On Investment (ROI):

Are your programs working?
Is your population healthier? How do you know?

Are costs down / Is productivity up?

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Program Evaluation Components

“TRUE” ROI should include a multifaceted, incremental approach.

- Population / Participation
- Risks (Biometric / Lifestyle)
- Productivity (Absenteeism / Presenteeism)
- Goal Attainment / Readiness to Change
- Participant Satisfaction
- Claims
  - Overall / Condition Related
  - RX
  - Hospital
  - ER
- RX Adherence
- Care Gaps

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Program Evaluation Case Study Results

ALL CLAIMS		
Category	NON-Participants	Participants
MED Allowed	56.0%	10.0%
RX Allowed	21.8%	8.5%
MED & RX Allowed	**44.3%**	**9.4%**
ER Allowed	56.1%	-6.2%
ER RX Allowed	81.4%	-87.2%
HOSP Allowed	78.4%	18.2%
ER Visits per K	22.2%	-5.2%
HOSP Admits per K	58.7%	-4.8%
HOSP ALOS	16.5%	11.3%

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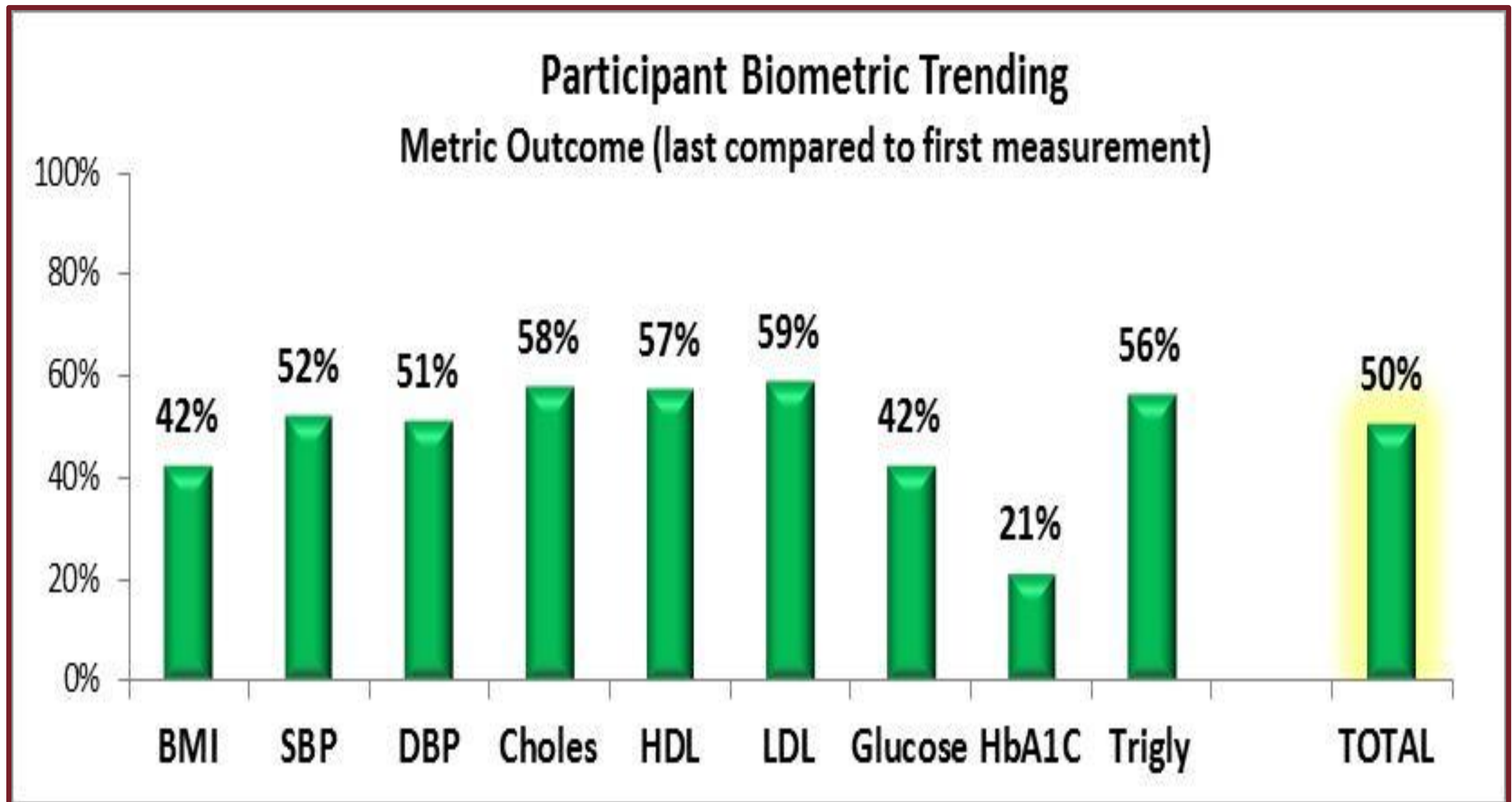
Program Evaluation Case Study Results

- REDUCTION IN HEALTH RISKS

(for example, BMI improved for 42% of the program participants with measured values)



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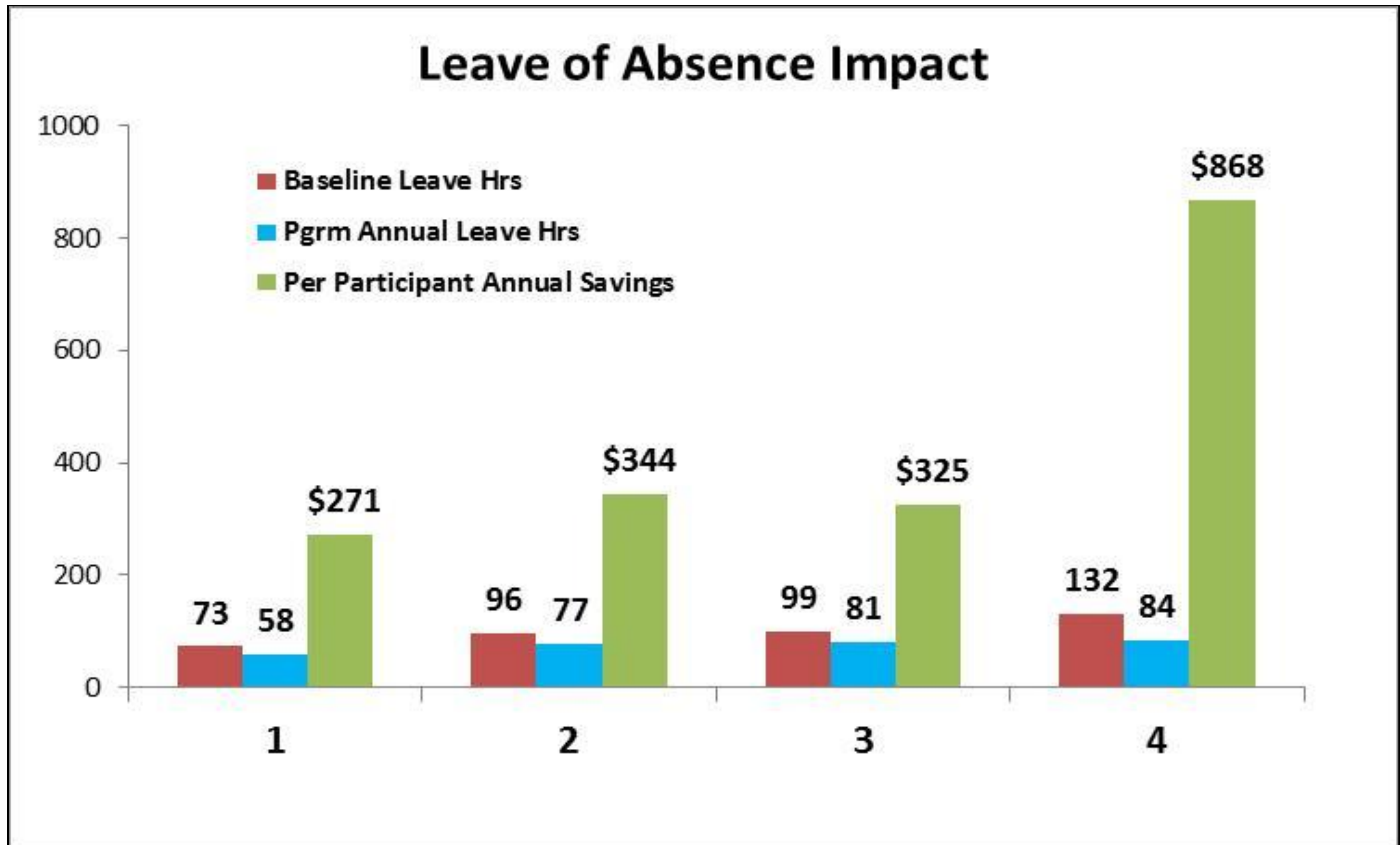
Program Evaluation Case Study Results



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