

Leveraging Health for Better Outcomes



**CENTER FOR
HEALTH VALUE
INNOVATION**
INFORMATION EXCHANGE FOR
VALUE-BASED DESIGN

Overview

New Board of Directors

Buck Consultants

Caterpillar [Michael Taylor MD]

City of Cincinnati

City of Springfield Or

Detroit Regional Chamber of Commerce

Genesis Health System

Goodyear/Whirlpool

Group Health Cooperative

Bob Holben ~ Gulfstream

Peter Hayes ~ Hannaford

Health Alliance Med Plans

Horizon BCBS NJ

Humana

IBM

IHP/Battle Creek

Intercare Solutions

Johns Hopkins HealthCare

Journal Communications

Greg Judd

Jack Mahoney ~ Pitney Bowes

Cyndy Nayer

Partners in Care

Plumbers and Pipefitters Local 525 H/W Fund

Premera BC/Vivacity

Quad/Graphics; QuadMed

Quest Diagnostics

State of Colorado

Univ of Colorado Health Sciences

WellPoint

Whirlpool

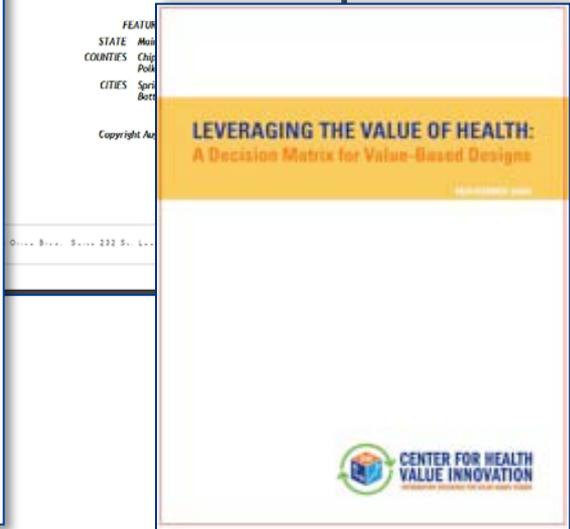
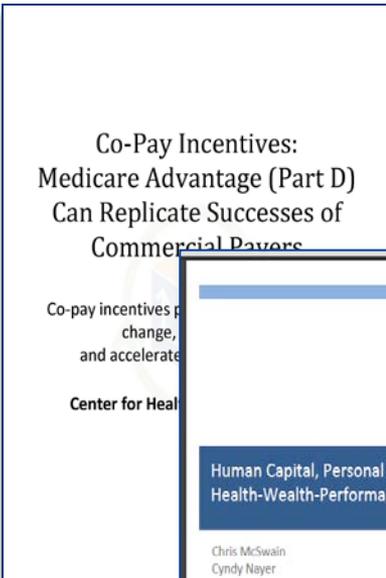
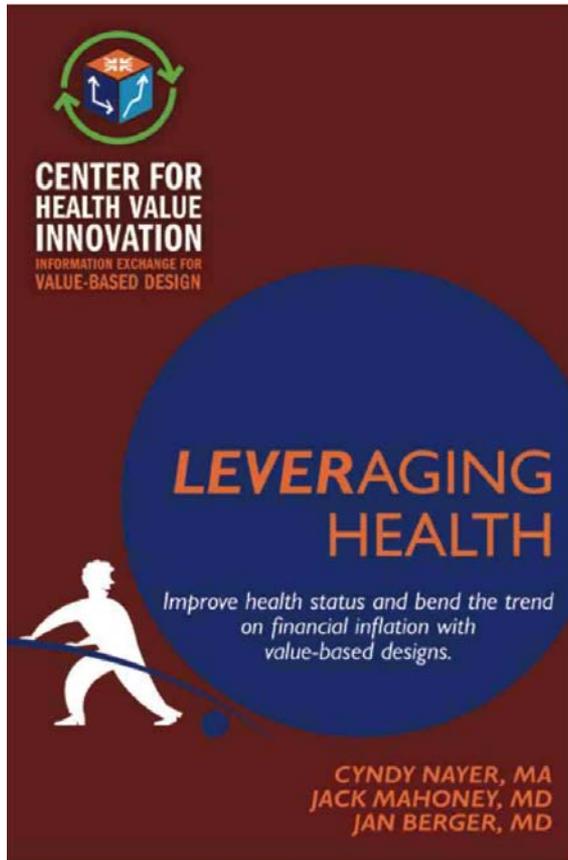
Yum!

The Work of the Center

- **Our mission is to drive the value of every dollar invested in health**
 - Our goal is to identify and link innovators and innovation that broaden the boundaries of health value
 - Our work is focused on defining value, creating relevance to shareholders and stakeholders, and improving the health and economic viability of communities

Center publishes the first book on levers of VBD; white papers, evidence

Also publishes evidence on sectors, innovation, outcomes www.vbhealth.org



Just released

[essential intelligence]

A Xerox Company

WISCONSIN:

Levers Drive Value-Based Innovation Across the State

Includes highlights of neighboring developments:
Detroit Regional Chamber of Commerce Focus on Prevention and Whirlpool Focus on Patient



Value-Based Design 2009

Survey Report
January 2010



buckconsultants

THE VALUE OF MEDICATION ADHERENCE: A Business Imperative

JANUARY 2010



The Value of Health is Our Economic Survivability

Our question must be: **How much health is that dollar delivering?**

- VBD is an ENGAGEMENT TOOL that engages the EMPLOYEE (consumer) and the EMPLOYER (plan sponsor) and the PROVIDER (clinician)
- VBD focuses on OUTCOMES: Better Performance
- VBD has remarkably changed and matured
 - Data Design Delivery DIVIDENDS
- VBD is driven by data that drives the suite of performance tuners: LEVERS
- VBD is sustainable and applicable at the small-large employer AND at the community level
- VBD builds the Health-Wealth-Performance Portfolio©



**CENTER FOR
HEALTH VALUE
INNOVATION**
IMPROVING CARE AND
VALUE-BASED DESIGN

Data, Design, Delivery, Dividends

Update on Our Work

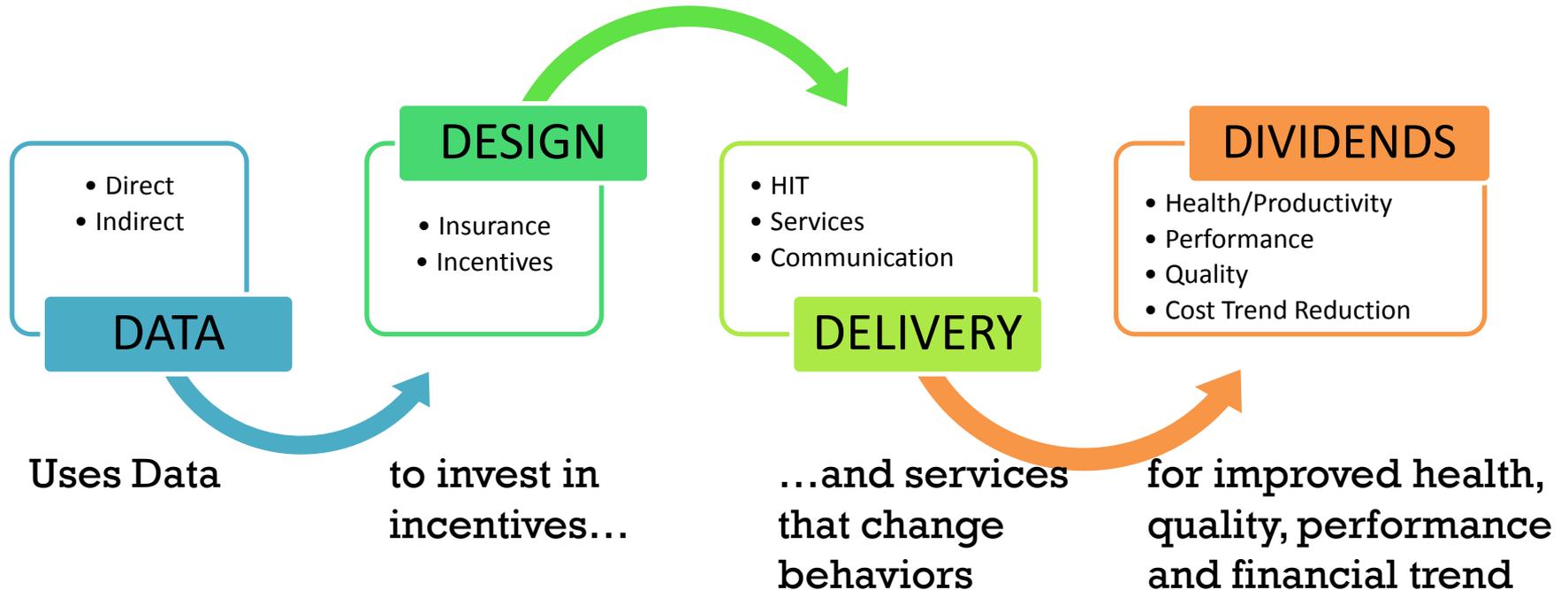
LEVERAGING HEALTH

*Improve health status and bend the trend
on financial inflation with
value-based designs.*



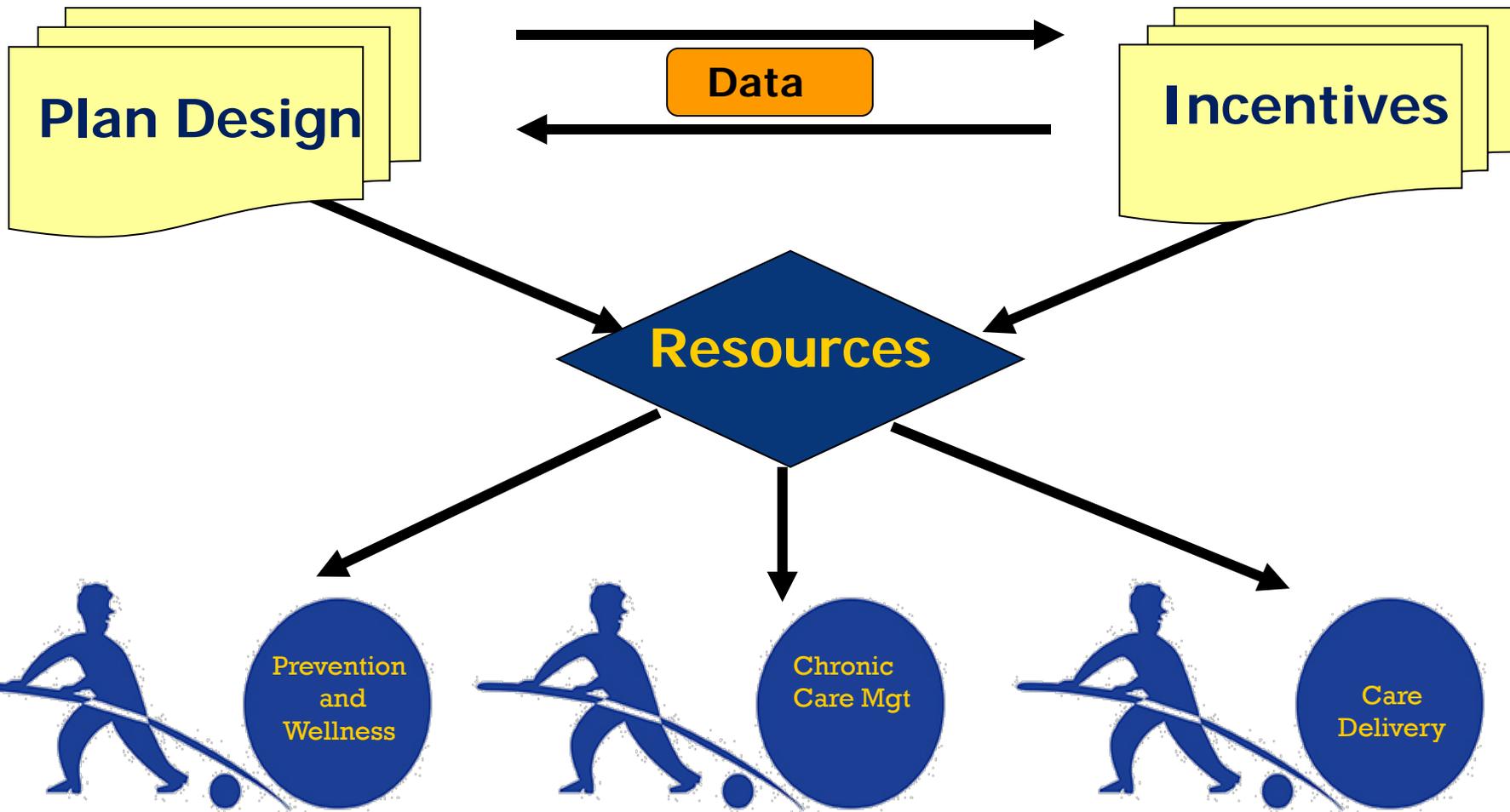
Fundamentals of Value-Based Design

Value-based design is an **ENGAGEMENT TOOL**
for the **CONSUMER AND PLAN SPONSOR AND PROVIDER**

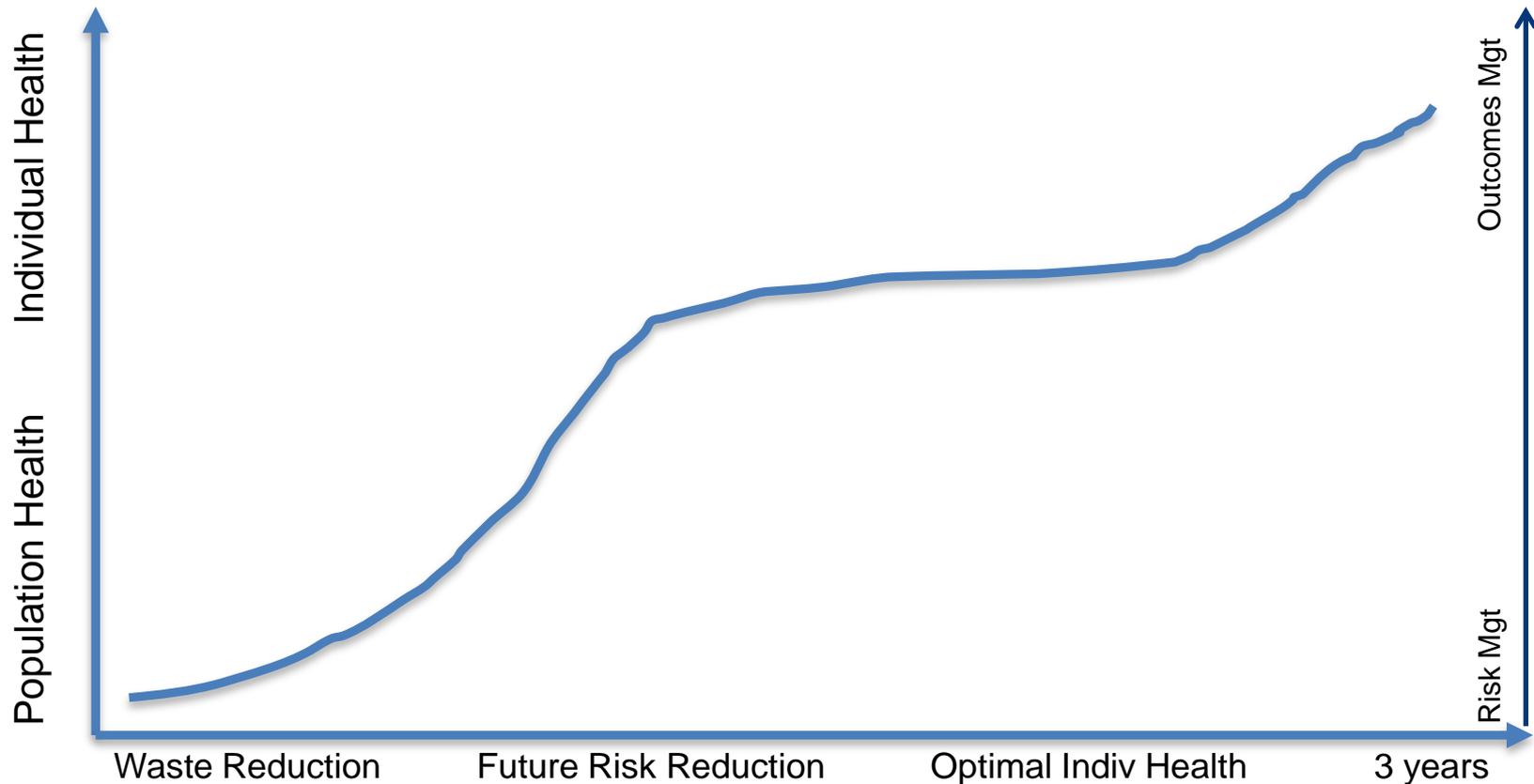


VBD is focused on OUTCOMES

Value-Based Template



Evolution of the Health Value Continuum© 2009



Nayer, Clinical Therapeutics, 2009

The Economy Affects Health Behaviors; compliance, adherence and persistence is at risk

- | | |
|---|---|
| <ul style="list-style-type: none">■ 26% have had problems paying medical/health bills■ 6 out of 10 have skipped recommended treatment, exams, etc.■ <u>1 out of 5 workers is uninsured</u>■ <u>Pressure at public level is increased</u> | <ul style="list-style-type: none">■ Do we know who these folks are?■ Can we identify these folks AND/OR those at risk?■ Can we create incentives that keep people insured and engaged?■ Can we create communities of health and incentivize them to “stay the course?” |
|---|---|

Decision Matrix Follows the Health Value Continuum

examples of levers

Solve for:	Waste Reduction	Future Risk Reduction	Individual Health Competency
	<i>Underuse/ Overuse/ Misuse</i>	<i>Compression of Morbidity</i>	<i>Decision Support for Health-Wealth- Performance</i>
Prevention and Wellness	Remove barriers to primary care	Incentive for early risk reduction	Incentive for use of PHR
Chronic Care Management	Remove barriers to chronic care	Incentive for adherence	Incentive for counseling
Care Delivery	Guide to efficient care site	Incentive for care coordination	Disincentive for ER use

Application Value-Based Design: Modeled Savings with Applied Data

Target Productivity Savings Levels	\$ Productivity Gains	Added Workdays	% Increase in Human Capital Growth	FTEs
1%	\$ 118,469	212	0.06%	0.8

**Adherence will drive value through productivity gains,
reduced financial trend**

Modeled with IBI

Value of Health is Driven by Sustainable Behavior Change

- Quality Improvement effort to develop predictability, alignment in care, and transparency for choice
- Risk management focus to reduce inefficiencies and variability in care and outcomes
- Challenge in plan design v incentives leads to innovative use of levers
- Alignment of incentives between delivery system and consumer decisions reduces friction
- Communication that is visible, public and promotional
- VBD = PCPCC = Outcomes that drive sustainable behavior change and predictable reduced trend

Nayer, Mahoney. Journal of Compensation and Benefits Mar 09

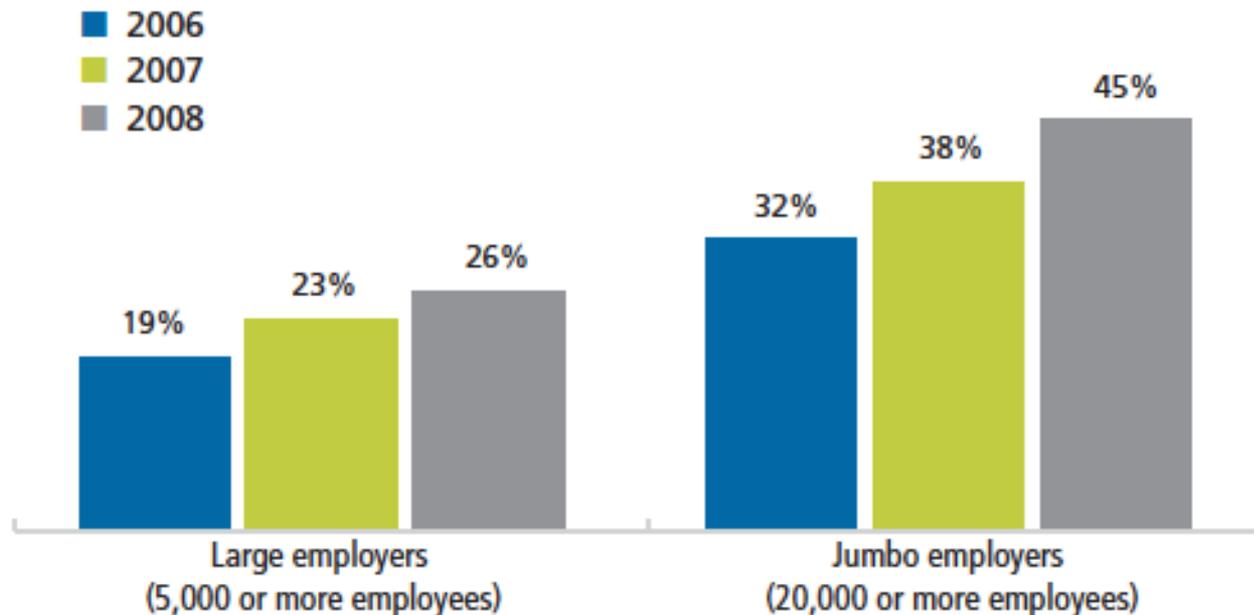
EAP and Behavioral Health Are Important Components of VBD

- Economics and perceived instability in the at-risk population can interfere with the commitment, concern, and cost indicators of adherence.
- EAP and behavioral health supports can ID and re-set employees who may be at risk and reassure their progress
- From APA's Partnership for Workplace Mental Health Survey
 - 90 percent provide mental health coverage
 - 31% report depression is the major cost driver
 - 3% say their own workforce is at risk for depression

Excerpted from Nayer, Mahoney, J Comp and Ben 2009

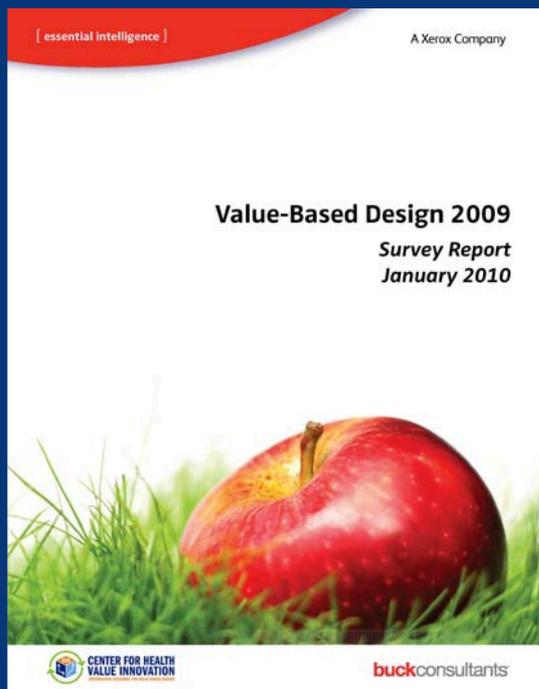
Behavioral Change is the Key to Sustainable Value

Percentage of employers using incentives



Source: Mercer's 2008 Annual Survey of Employer-Sponsored Health Plans

Executive Summary



- Objective: Understand the experience of companies with value-based designs in place for 2 or more years
- Over 100 companies responded
 - Represent over 1 million employees
 - Jumbo to small, public/private, non-profit and governments-as-employers
- Levers cover all 3 domains
 - 87% Use levers in prevention and wellness
 - 60% Use levers for chronic care management
 - 26% Use levers for guidance to appropriate care delivery
- NOTE: some numbers may not add up to 100: this could be due to rounding errors or because companies were allowed to choose more than one response

VBD Are Economically Sustainable...

CHANGES MADE TO VBD PROGRAM IN LAST YEAR DUE TO ECONOMIC DOWNTURN*

Optional enrollment in disease management programs in order to obtain lower costs of drugs/care

Passed more of the prescription drug cost sharing for brand drugs to the covered life

Removal of any employer prescription drug cost sharing for brand drugs

Passed more of the prescription drug cost sharing for generic drugs to the covered life

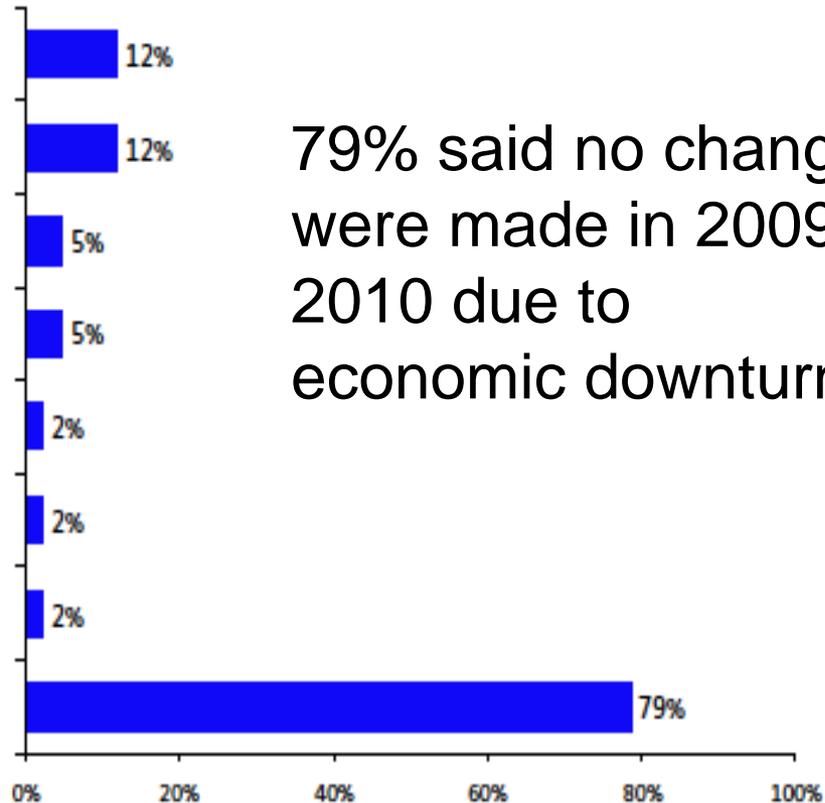
Mandatory enrollment in disease management programs in order to obtain lower costs of drugs/care

Removal of any employer prescription drug cost sharing for generic drugs

Other

No changes made

n = 42



79% said no changes were made in 2009-2010 due to economic downturn

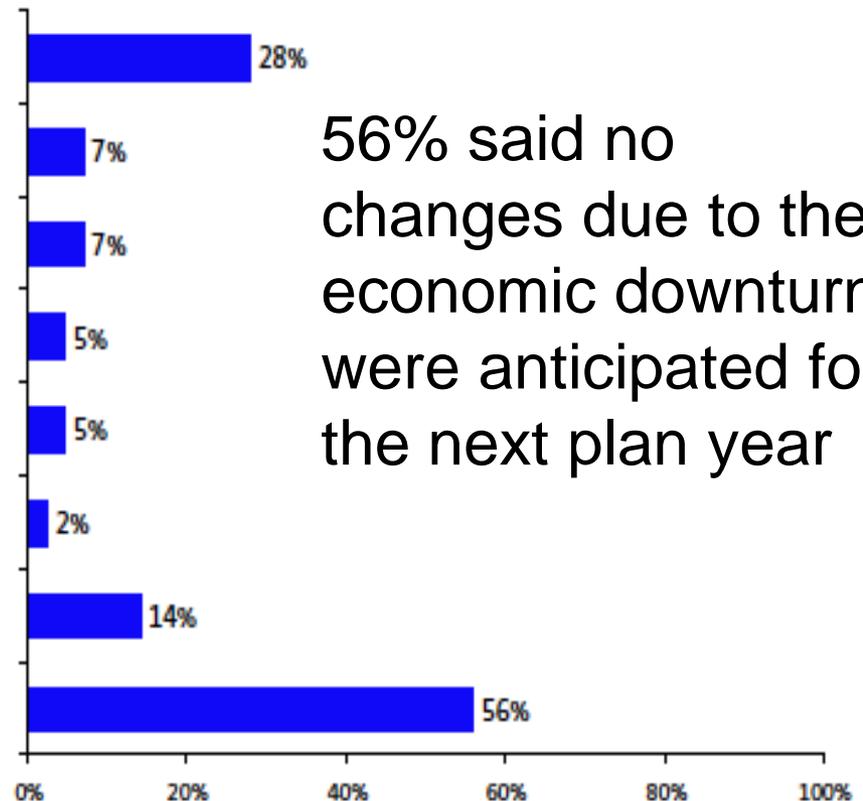
...VBD Will be Sustained

ANTICIPATED CHANGES TO VBD PROGRAM FOR NEXT YEAR*

- Increase cost sharing for prescription drugs, pass more of the cost of brand drugs to the employee
- Mandatory enrollment in disease management programs
- Increase cost sharing for prescription drugs, pass more of the cost of generic drugs to the employee
- Optional enrollment in disease management programs
- Pass total price of prescription drug to the employee (for generic drugs)
- Pass total price of prescription drug to the employee (for brand drugs)
- Other
- No changes anticipated

n = 43

*Respondents were allowed to select more than one answer.

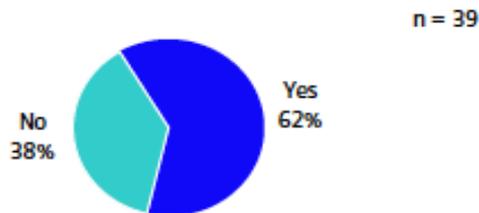


56% said no changes due to the economic downturn were anticipated for the next plan year

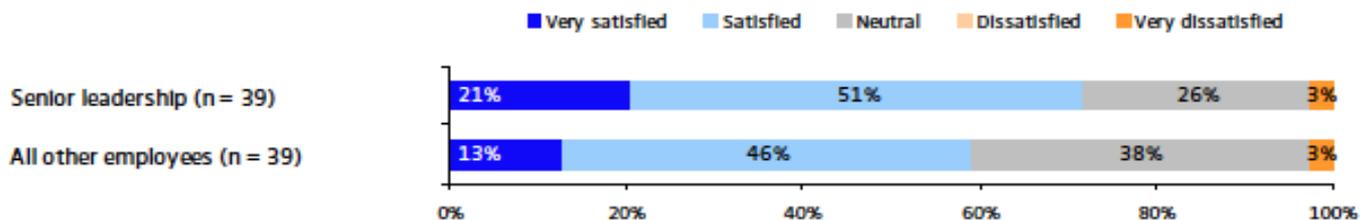
Those That Have C-Suite Support Report the Most Satisfaction from Their Employees



CEO/SENIOR LEADERSHIP VISIBLE IN PROMOTING HEALTH MANAGEMENT AND WELLNESS AT WORKSITE



EMPLOYEE SATISFACTION TOWARD THEIR VBD PROGRAMS



Plan Sponsors Use Levers to Promote Prevention and Wellness (Individual Health Competency)

COMPONENTS OF PREVENTION/WELLNESS PROGRAM*

Prevention: yearly screening exam cost share is waived, paid at 100%, or is considered outside of the deductible

Insurance premium incentive for completion of a Health Risk Assessment (HRA)

Prevention screens cost reduced: age/gender appropriate

Insurance premium incentive for completion of a biometric screen

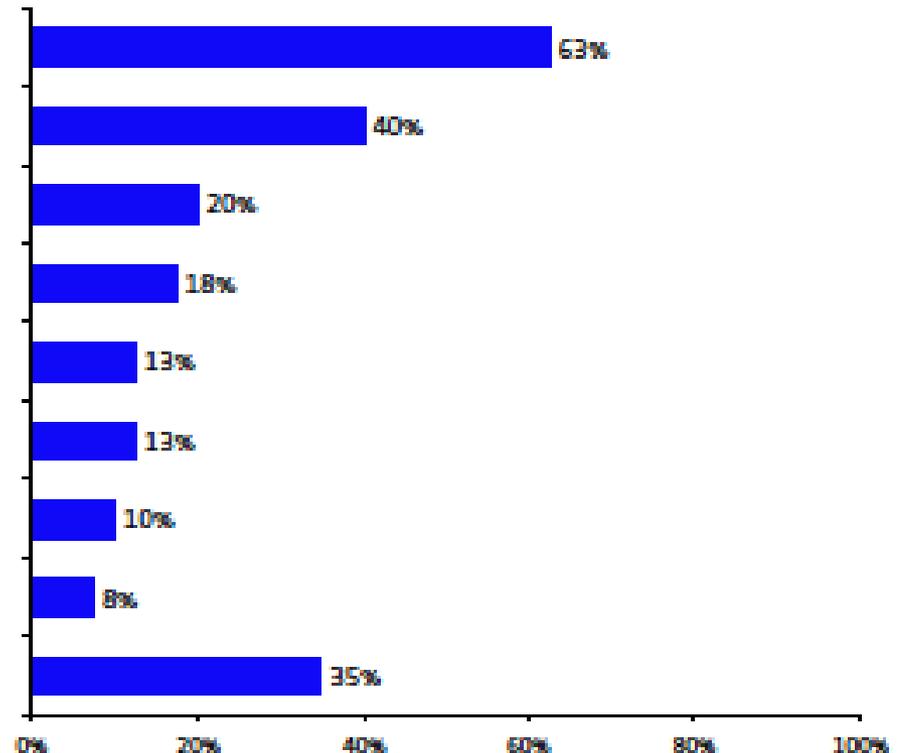
Health promotion goal: OOP reduced by setting and/or achieving goal

Insurance premium incentive for complying with recommended prevention exam

Insurance premium incentive for maintaining a Personal Health Record (PHR)

Mandatory health risk appraisal with compensation

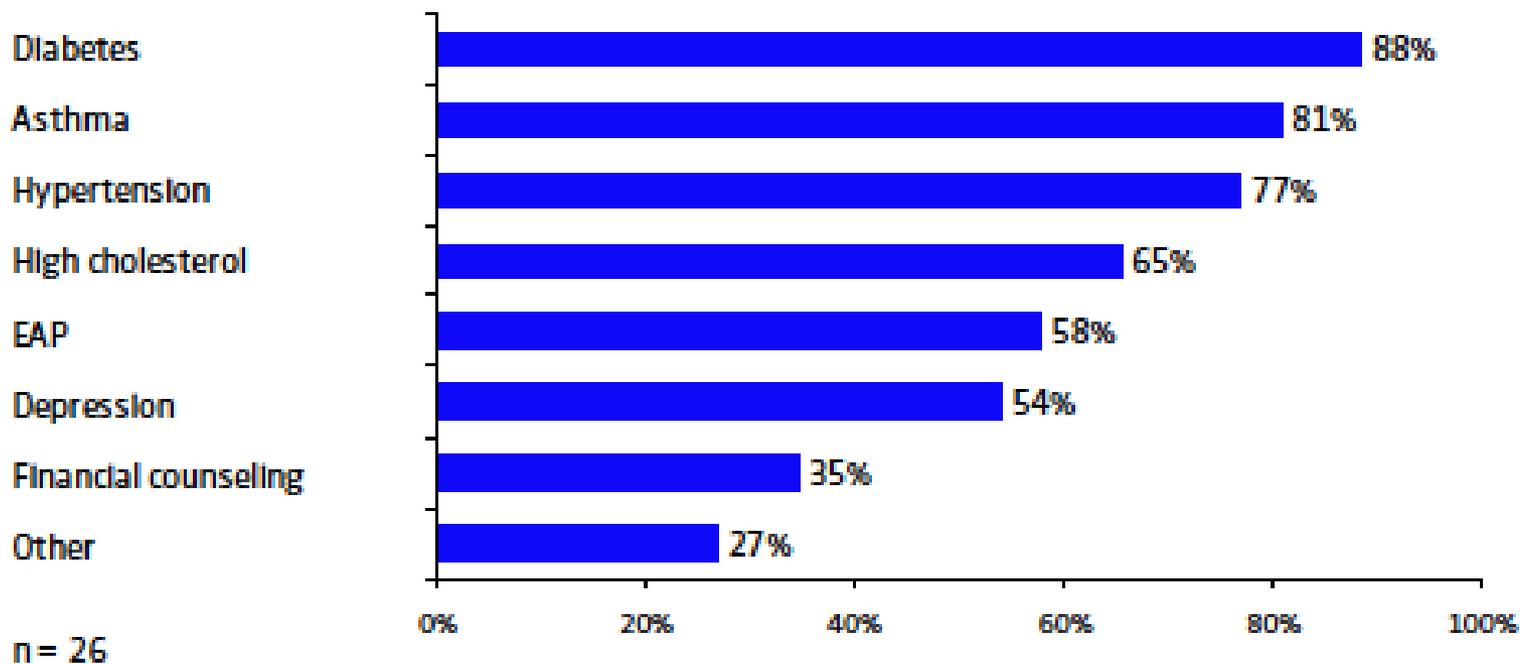
Other



n = 40

Focus on Chronic Care Management

CONDITIONS COVERED UNDER CARE MANAGEMENT PROGRAM*



Care Delivery Levers Match the Reported Results

COMPONENTS OF CARE DELIVERY PROGRAM*

Inclusion of nurse practitioners and walk-in clinics in your provider network

Reduced-waived co-pay for utilizing the lowest cost appropriate site of care (e.g., urgent care, convenient care, onsite services, medical travel)

Increased OOP for non-preferred or high-cost provider (e.g., ER)

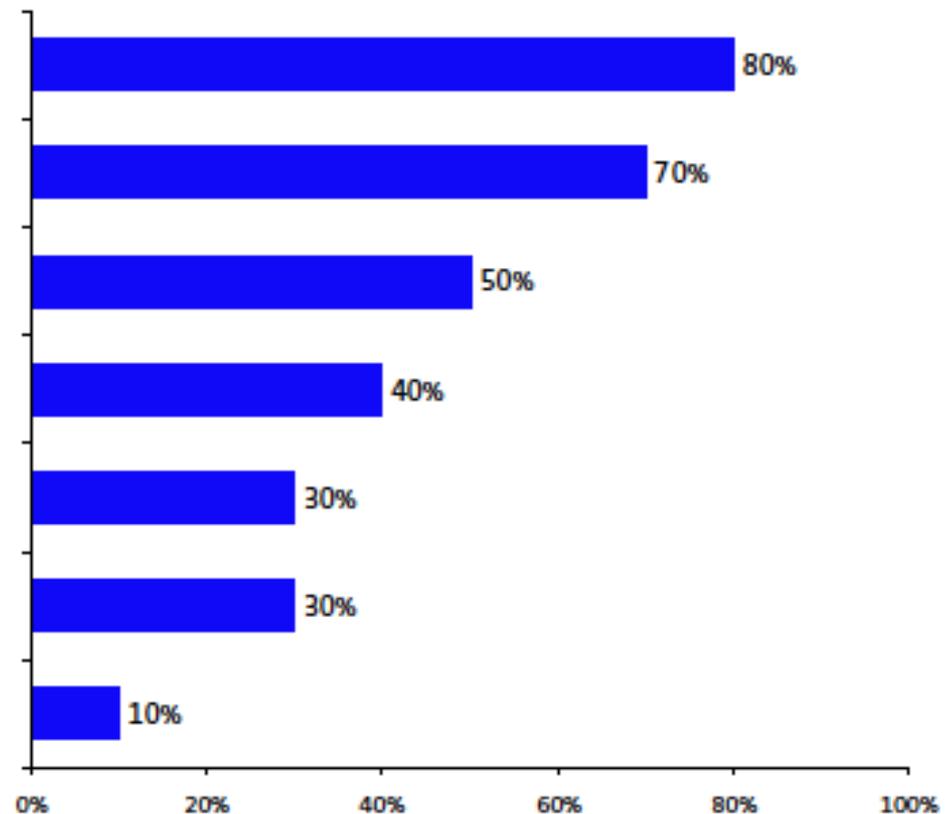
HSA deposit on behalf of employees, for use of evidence-based and patient-centered practices

Pay for performance/quality improvement/outcomes incentives to providers

Premium reduction for employees, for use of evidence-based and patient-centered practices

Aligned reimbursement to providers for practice change/improvement

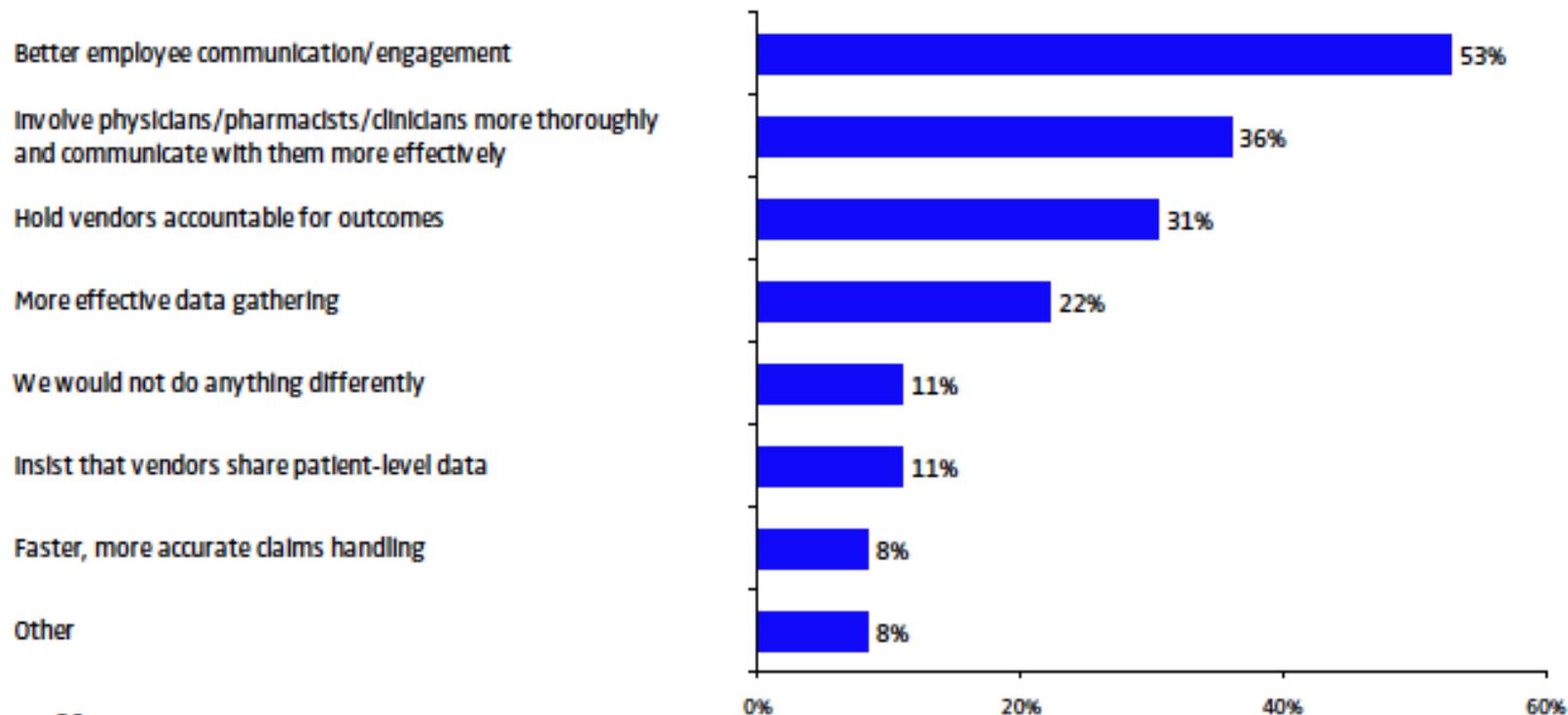
n = 10



What Could They Have Done Better?

Better Employee Communication and Communication with the Physicians/Pharmacists/Clinicians for Aligned Messaging

WHAT WOULD BE DONE DIFFERENTLY, IF VBD PROGRAM COULD BE DEPLOYED OVER AGAIN*



n = 36

What We Now Know...

- No VBD succeeds without a primary focus on prevention and wellness
- All successful adoptions and accelerations of VBD are linked to the level/timing of communications
 - And no one succeeds when only communicating 1 time per year
- **Acceleration occurs when aligned incentives drive outcomes**
 - This includes patient-centered coordinated care
 - This includes use of community-based assets
 - This includes communication no less than quarterly to keep stickiness of behavior change across all stakeholders
- Sustainable and measurable value occurs across silos, into the community (when providers achieve improvement in health and financial outcomes) and into families

Alignment: If Value Is Built on Outcomes, then Purchasing Must Be Built on Outcomes

- Outcomes can be measured by determinants
 - Health (clinical)
 - Wealth (financial)
 - Performance (operational)
- Outcomes-Based Contracting must align incentives between or across the signers of the contract

In Summary...

