



Private Sector Strategies to Reduce the Costs of Chronic Disease: *Managing Diabetes*

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MBGH: Powerful Connections

*Representing over 100 major companies,
covering more than 3 million lives*



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- Private employers, including Abbott Laboratories, The Boeing Company, Ford, Kraft Foods and Walgreens
 - Public employers, including City of Chicago and Chicago Transit Authority
 - Health care employers, including Northwestern Memorial Hospital and Rush University Health System
 - Associate Members, including consulting firms, pharmaceutical manufacturers and wellness vendors

MBGH: Activities

Education, networking, group purchasing and benchmarking on managing health benefits



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- Monthly programs on health benefit and health care topics
 - Health Benefits Roundtables
 - Blues User Group
 - Health Benefit Benchmarking Surveys
 - Group purchasing for HMO, Diabetes Management and Pharmacy Benefits
 - Community health awareness and worksite wellness initiatives
 - Health system improvement activities
 - Research and publications on innovative health benefit strategies and employee engagement in worksite programs

MBGH: Activities

Improving benefit design, the quality of medical care and the health of the workforce



TAKE CONTROL



**Preventing
Unnecessary Early
Deliveries**



Managing Biologics



**Chicago Tobacco
Prevention Project**

Managing Chronic Disease and Diabetes

Why should public and private payors address chronic disease?



- Unmanaged chronic disease is 80-85% of health benefit costs
- Most problems caused by patients who allow their conditions to get worse:
 - They do not get screened regularly by their doctors
 - They do not stay on a regular medication regimen
 - They have insufficient knowledge on how to reduce their risk or to monitor their condition
 - They do not manage their lifestyle (eat or exercise correctly)
- Consumers see physicians 1-2 times a year for 7-12 minutes, but are at work 1000-2000 hours a year: Great opportunity to educate and help

Why public and private payors should address diabetes:



Diabetes is the seventh leading cause of death in the US.

- 23.6 million adults and children have diabetes (7.8% of the United States population)
- Over 5.7 million people are undiagnosed and aren't even aware that they have this condition
- Overall, people of similar age who have diabetes have twice the risk of death over those that don't have diabetes.
- The number of diabetes patients is rapidly rising considering that 79 million adults over 20 years of age have pre-diabetes
- **Complications from diabetes can be prevented.**

Statistics Source: <http://diabetes.niddk.nih.gov/dm/pubs/statistics/index.htm#allages>

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People don't just have diabetes



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- 2–4 times greater risk of heart disease and stroke
 - 60–65% have hypertension
 - 60–70% have some degree of nervous system damage
 - Leading cause of adult blindness
 - Leading cause of renal failure (40% new cases)
 - >50% lower limb amputations

Statistics Source: <http://diabetes.niddk.nih.gov/dm/pubs/statistics/index.htm#allages>

Why employers are focusing on diabetes



- Employers spend on average \$4,413 more for employees with diabetes as compared to employees without
- Diabetics average 8.3 sick-leave days annually, compared to 1.7 sick-leave days for employees without diabetes
- Employers nationally lost \$47 billion in productivity due to disability, absence, and premature mortality
- Employers and employees spend \$132 billion in direct and indirect costs for diabetes each year, nationwide
- Unmonitored and untreated diabetes typically leads to huge medical costs for diabetes-related transplants, dialysis, hospitalizations

How do we reduce the costs of chronic disease ?

With proper treatment, monitoring, education and motivation, individuals with a chronic condition could dramatically:

- Improve health outcomes and avoid getting worse
- Reduce health benefit costs: individuals avoid unnecessary emergency room visits and hospitalizations and better utilize medications
- Improve productivity: people stay on the job more often by having fewer doctor visits and feel better at work

Proper therapy & treatment of diabetes reduce costs and improve health



- Glucose Control:
 - Each percentage point decrease in A1c (average blood sugar) test results reduces the risk of eye, kidney, and nerve diseases by 40%.
- Blood Pressure Control:
 - Controlling blood pressure reduces heart disease or stroke by 33–50%.
- Blood Lipids Control:
 - LDL cholesterol (“the bad cholesterol”) control can reduce cardiovascular complications by 20–50%.
- Eyes, Feet, and Kidneys Care:
 - Detecting and treating eye disease with laser therapy can reduce the development of severe vision loss by 50–60%;
 - Foot care programs can decrease amputation rates by 45–85%; and
 - Detecting and treating kidney disease by lowering blood pressure

Approaches private payors are taking with providers to address diabetes



- Financial incentive programs to reward physician practices for using evidenced-based diabetes guidelines
- Coordinating employer, health plan, PBM and other vendor activities to send single message/guidelines to physicians on how to improve diabetes care
- Encouragement to or assistance for physicians in achieving NCQA or other diabetes quality recognition
- Highlighting in physician directories those who attain special recognition or who meet bundles of HEDIS measures

Approaches private payors are taking to help patients address diabetes



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- Conducting worksite and online education programs/resources for employees and dependents
 - Using onsite/retail health centers to offer monitoring, counseling, education and resources
 - Use of diabetes value-based benefit design - using incentives to motivate patients with diabetes to become more responsible for own care

Questions private payors use to identify and evaluate best performing health plans or condition management vendors



- How does the plan/vendor identify people with diabetes?
- How does the plan/vendor help physicians to offer the most effective treatments?
- What services does the plan/vendor offer to help patients improve self-management of diabetes?
- What benefit design features does the plan/vendor use to engage members in seeking out and sticking with care?
- What results has the plan/vendor obtained in measurements of diabetes care quality?

Why should payors ask these questions?

- All of these questions get at the effectiveness of health plans in leveraging their data, information, and relationships to promote better care.
- Through claims data, interface with members, and information collected from members, plans are positioned to identify gaps in care such as missing treatments, medications, and education.
- Their ability to act on this information to leverage better care is key to their performance.
- *If they're not using data, engaging members or interfacing with providers, you're not getting value for your benefit dollar*

What health plans/vendors can do



Health plans and/or condition management firms should:

- Offer diabetes management program
- Remind members with diabetes to monitor their A1c, blood pressure, eyes, feet, BMI and to refill prescriptions
- Offer employers a benefit design or incentive program to motivate/reward diabetic members for being engaged
- Alert patient's physician/health coach about any problems
- Submit information electronically to a PHR to trigger a member alert
- Provide physicians with diabetes guidelines and education
- Offer physicians incentives for improved care

A Mutual Accountability Approach to Disease Management



TCOYH Philosophy



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- Benefit design – incentives tied to engagement - can impact behavior
 - Alignment of incentives to promote motivated, self-managed patients, leads to improved health outcomes, lower health benefit costs, lower absenteeism and improved productivity
 - Employer investment in pharmacy services through reduced co-pays and regular face-to-face patient education to improve diabetes to control and cuts overall costs for workers and retirees with diabetes

What is the Taking Control of Your Health (TCOYH) Program?



- It is coordinated by the non-profit, Midwest Business Group on Health (MBGH) and the Illinois Pharmacists Association (IPhA)
- It is a consumer incentive program that focuses on patient self-management education and techniques to help patients with chronic conditions improve health outcomes.
- The program matches patients to community pharmacist “coaches” who provide hands-on education, monitoring, and evaluation of health improvements.
- It provides education and motivation to help people adopt healthy behaviors to improve their diabetes and cardiovascular health

What are the expected outcomes of this program for the employee?



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- Learn how to monitor their own condition and avoid having to go to the hospital
 - Learn how diet, exercise, and unmanaged stress impact their condition
 - Understand how and why they are taking various medications
 - Gain confidence that they can improve the quality of their lives

What are the expected outcomes for the employer?



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- A decrease in hospital and emergency room costs
 - An increase in necessary screening rates for vision and preventative exams (i.e. foot exam)
 - A decrease in diabetes-related complications like hypertension and heart disease
 - An increase in medication compliance, as people see the value and understand the importance of taking drugs
 - A decrease in sick days from work
 - An increase in productivity for those with chronic disease

How TCOYH differs from typical disease management programs



Typical DM program:

- Focuses most resources on the sickest 10-15% of individuals with diabetes
- Targeted patients get emails and phone calls from counselors
- The remaining 85% of individuals with diabetes get periodic mailings
- There is little or no interaction with patient's doctor

TCOYH:

- All individuals with diabetes are eligible to participate and receive same level of support
- Participants receive incentives that remove cost barriers to obtaining medications
- Each participant has a personal coach that meets face-to-face with them
- Pharmacist coach works with patient's doctor

A Mutual Accountability Benefit Model



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- Participation is voluntary and confidential
 - In return for employer incentives, employee:
 - Must see coach, in person, minimum of four times a year
 - Must follow treatment and medication regimen set out by physician
 - Must learn how to monitor and manage their condition

Roles

- Physicians are responsible for overall care of patient and changes in therapy
- Pharmacist coaches (trained as Certified Diabetes Educators):
 - Identify private consultation areas for patient education or visit worksite
 - Monitor patient's knowledge and skills of managing their diabetes and provides lifestyle and drug direction
 - Collaborate with patient's physician
 - Maintain documentation and report outcomes

Year 1 Initial Clinical Results (n=86)

MBGH Pilot Program



Prior to Program

- A1c = 7.52
- Systolic Blood Pressure = 130
- Diastolic Blood Pressure = 80
- LDL Cholesterol = 85
- BMI = 33.9

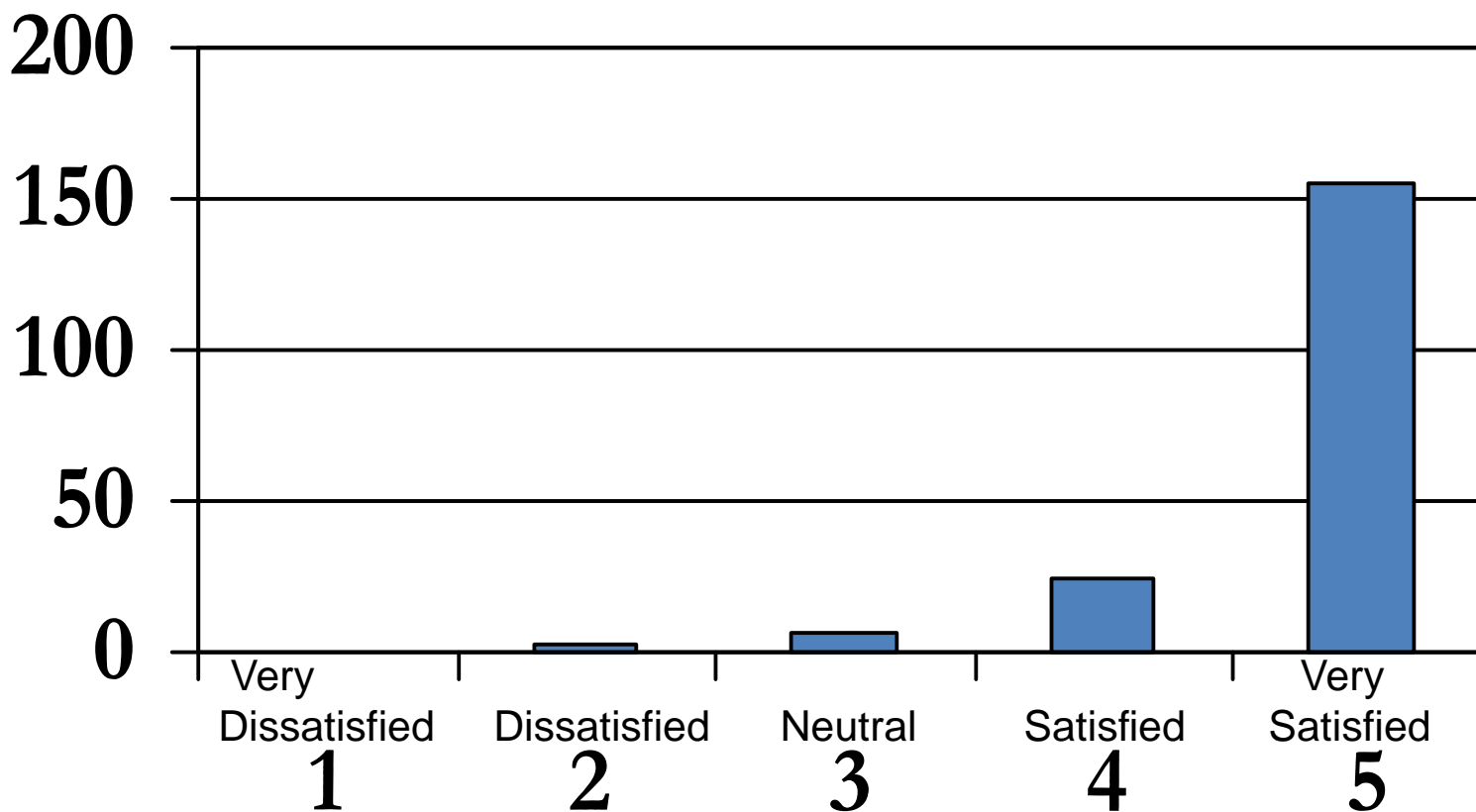
After 12 months

- A1c = 6.95 ↓
- Systolic Blood Pressure = 128 ↓
- Diastolic Blood Pressure = 77 ↓
- LDL Cholesterol = 86
- BMI = 31.8 ↓

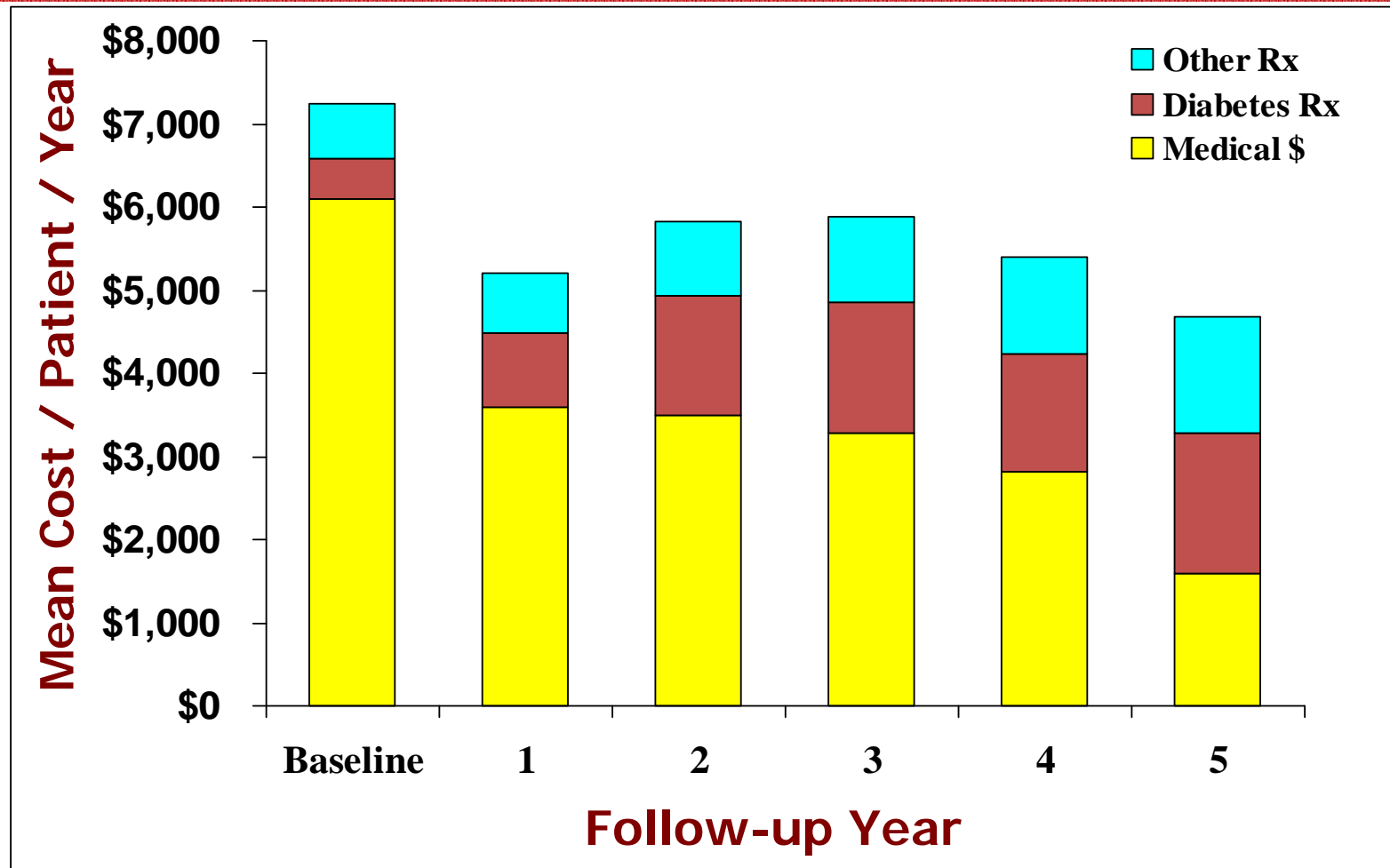
All diabetes clinical results are below
the American Diabetes Guideline goals

TCOYH: Overall participant satisfaction with pharmacist care

Overall Satisfaction with Pharmacist Provided Diabetes Care at 6 Months



City of Asheville Cost Savings¹



¹Cranor CW, Bunting BA, Christensen DB. The Asheville Project: Long-term clinical and economic outcomes of a community pharmacy diabetes care program. *J Am Pharm Assoc.* 2003;43:173-84.

One Chicago Employer's Experience

- The IL diabetes group began (2007) as the most expensive per patient and ended up (2008) the least expensive
- Proportionately more was spent on drugs for the IL diabetes group, but substantially less was spent for inpatient care. This favorable impact was even more pronounced in the first full calendar year (2008)
- Drug utilization was very favorable with increased use of multiple drugs and insulin; only 5% did not receive diabetes drugs
- Utilization of ED and inpatient services were markedly decreased
- *In sum, investment in good quality drug management and lifestyle changes can reduce inpatient costs and, consequently, reduce overall diabetes costs*

Patient and employer experiences



Midwest Business Group on Health
Powerful Connections, Vital Solutions



*For more info on this program
or MBGH...*



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