Next Generation Prevention: The Foundation of Health and Productivity

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Lumenos/Wellpoint

My Perspective Today . . .

- Primary care and preventive medicine: whole person and whole population
- “Single Payer” health care system for 20 years
- Start-up pioneer consumer-driven plan for 6 years
- Nation’s largest health insurer for 2 years
- Stirring the pot with the “usual suspects”
  - Employers, foundations, academics, consultants/brokers, unions, legislators, (dis)organized medicine, PBM’s, hospital ceo’s/cfo’s and docs
- And . . . Forgotten and least (most!) important?
  - Employees, consumers and patients!

New Game Changers, Killer Apps, or "UCR" Irritants

- Prevention "works" – both epidemiologically & economically
- "Show me (better, *GIVE* me) the money spent on "benefits"
- My personal health behaviors, those of my family and the choices we make for care "matter" – to our health *& wealth*
- Banks, retail clinics, WalMart, global medical services, Microsoft/Google PHR's – who *ARE* these guys and *WHAT* do we do about them?
- "Walk up pricing" vs U&C, AWP, PBM, "tiers" etc
- Demise of primary care as we've known it
- Shared decision-making usually is right . . And accepted!
- "Pay for Performance" . .By whom for what? . . Oops lawsuit!
- **Behaviors and efficient care choices = optimal corporate health, productivity (and profit)**

High Performance Networks?
What about High Performance Patients!

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

The Challenge: Newly Diagnosed Diabetics WITH Health Insurance*

- PREVENT unnecessary chronic disease : *"none of the diabetics had taken proactive, preventive actions to reduce diabetes (diet, weight loss, physical activity) or expressed concern about next generation risk – despite family history and even deaths"*
- UNDERSTAND how to improve health behaviors: *"food and diet were toughest challenge – don't want to eat foods of another culture – sense of stigma – crave support and information – doctors don't address diet, nutrition, exercise or depression"*
- ENGAGE patients in their care: *"very inconsistent in taking meds, don't ask questions, not aware of checklists or guidelines, judge 'quality' by personal demeanor only"*

*20 type II diabetes patients, Cincinnati, OH 2008

Mediterranean (or Asian) Diet + Nonsmoker + Daily Activity + Moderate Alcohol Use*

Disease	Reduction Compared to US	Comment
Heart Disease	64%* - 83%**	90% due to modifiable risk factors
Cancer	60%*	Approximates NCI estimates
Diabetes	91% **	No Type II Epidemic
All-cause Mortality	50%*	25 year Okinawa Program Similar Findings

* Knoops et al and **Rimm, Stampfer, JAMA 2004;292:1433-1439

Health Reform Guiding Principles? From the "Inside-Out"

- Prevention and public health as foundation
  - Evidence-based community and individual behaviors for high performance America
- Epidemiology as core science
  - Behaviors drive 80% of disease, premature deaths, healthcare and productivity costs
- Economics as guide to value and efficiency
  - Who's money? Who decides? With what info? Real cost? Market-based or government?

Total Health and Productivity Costs Typically 3X Medical Costs

Establishing the "Cost Burden" of Poor Health
Median HPM Costs Per Eligible Employee (1998 $)
Medstat/IHPM/APQC Benchmarking Study

- The sum of median 1998 HPM costs across programs was $9,992 per eligible employee

*Goetzel R, NIOSH background paper, Steps to a Healthier US Workforce, 2004

Current Trends in America for a Healthy and Productive Workforce

Perspective	Current State	Desired State
Function	**Absenteeism**	**Performance**
Cost Metrics	**Medical Costs**	**Economic Outcomes**
Care Model	**Treatment Focused**	**Prevention & Behavior Change-Focused**
Medical Model	**Individual**	**Population**
Health Metrics	**Disease Status**	**Health Status**
Interventions	**Single-Risk Focused**	**Multiple-Risk Focused**
Health Framework	**Employer, Condition, and Program Centric**	**Employee Centric**
Management Systems	**Segregated Programs**	**Integrated Systems**

Institute of Medicine: Characteristics of a Healthy Workforce Today

- **HEALTHY**
  - Demonstrating optimal health status as defined by positive health behaviors; minimal modifiable risk factors; and minimal illnesses, diseases, and injuries;
- **PRODUCTIVE**
  - Functioning to produce the maximum contribution to achievement of personal goals and the organizational mission;
- **READY**
  - Possessing an ability to respond to changing demands given the increasing pace and unpredictable nature of work; and,
- **RESILIENT**
  - Adjusting to setbacks, increased demands, or unusual challenges by bouncing back to optimal “well-being” and performance without incurring severe functional decrement.

Next Generation Employer-Leveraged Health Management per Dr Edington*

1. Vision from Senior Leadership
2. Worksite Environment

3a. Health Risk Appraisals

3b. Individual Stratification

- Coaching
- Health Advocate: Unlimited contacts
- Triage to Resources
- Develop Self-Leaders

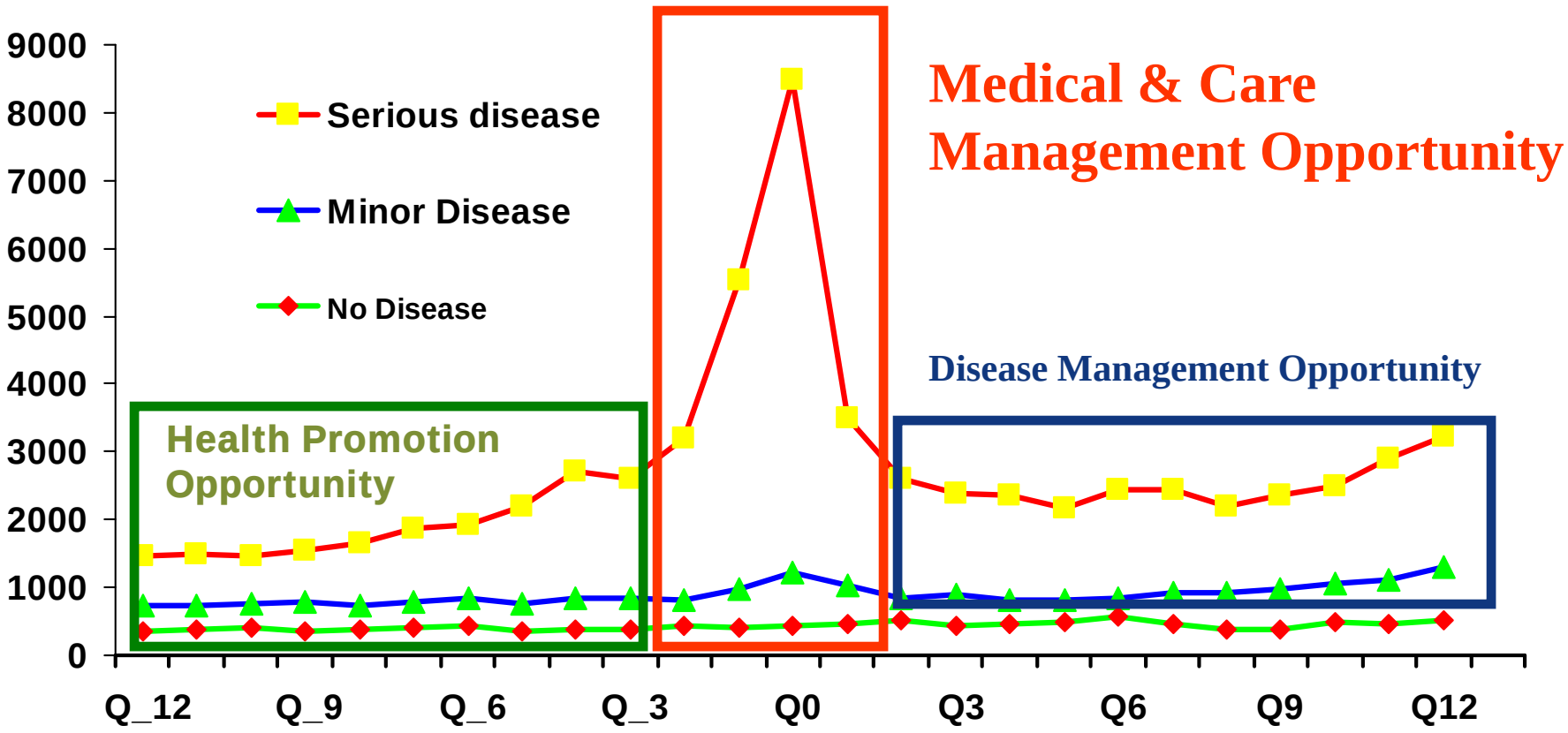
4. Population Programs

- Website
- Low-Risk Maintenance
  - Know Your Numbers
  - Physical Activity
  - Nutrition Awareness
  - Wellness Modules

5. Incentives

6. Measurement

Opportunity for Care Management – And Consumer Engagement



University of Michigan Health Management Research Center

Imagine If (Because Its True) . .

- Individuals saw the money spent from their paychecks and their taxes for healthcare and related costs . . . As their own (it is)
- Individuals knew that 50-80% of health outcomes and costs came from personal health behaviors (they do)
- Individuals were incentivized to know and improve those behaviors (they can)
- Individuals knew that 35% of all care was wasteful . . And came ultimately from their pocket (it is and does)
- They had employers, government and health plans that incentivized prevention-oriented, evidence-based and appropriate care
- Willing patients and willing physicians had information on price and quality to better inform decision-making?

Engaged Consumer – What Would One Look Like?

Takes personal responsibility for understanding & optimizing health behaviors

- Completes an annual Health Risk Assessment
- Eats a healthy diet
- Exercises 30 minutes a day on most days of the week
- Knows desired body weight and strives to be within 5 lbs of desired BMI
- Non-smoker/non drug user
- Consumes two or fewer alcohol drinks a day
- Follows safe sex recommendations
- Understands sources of stress and has healthy means of addressing
- Has a comprehensive view of their health (physical, mental, spiritual)
- Is aware of and participates as appropriate in community health resources
- Knows basic CPR, self- and “buddy” care

Engaged Consumer – What Would One Look Like?

Is a smart buyer of health care products and services

- Knows and fully utilizes recommended preventive exams, screening services and immunizations
- Adopts recommended behavior change programs and treatment programs
- Minimizes the use of unnecessary tests, procedures and drugs
- Understands drug functions, side effects and interactions
- Utilizes a personal health record, shares with provider and carries the file with him/her
- Shops for providers and goods based on quality and cost data
- Has a collaborative relationship with healthcare provider – designates a principal care provider
- Utilizes quality hospitals (Leapfrog, NCQA), docs that offer e-visits and online scheduling

Engaged Consumer: What Would One Look Like?

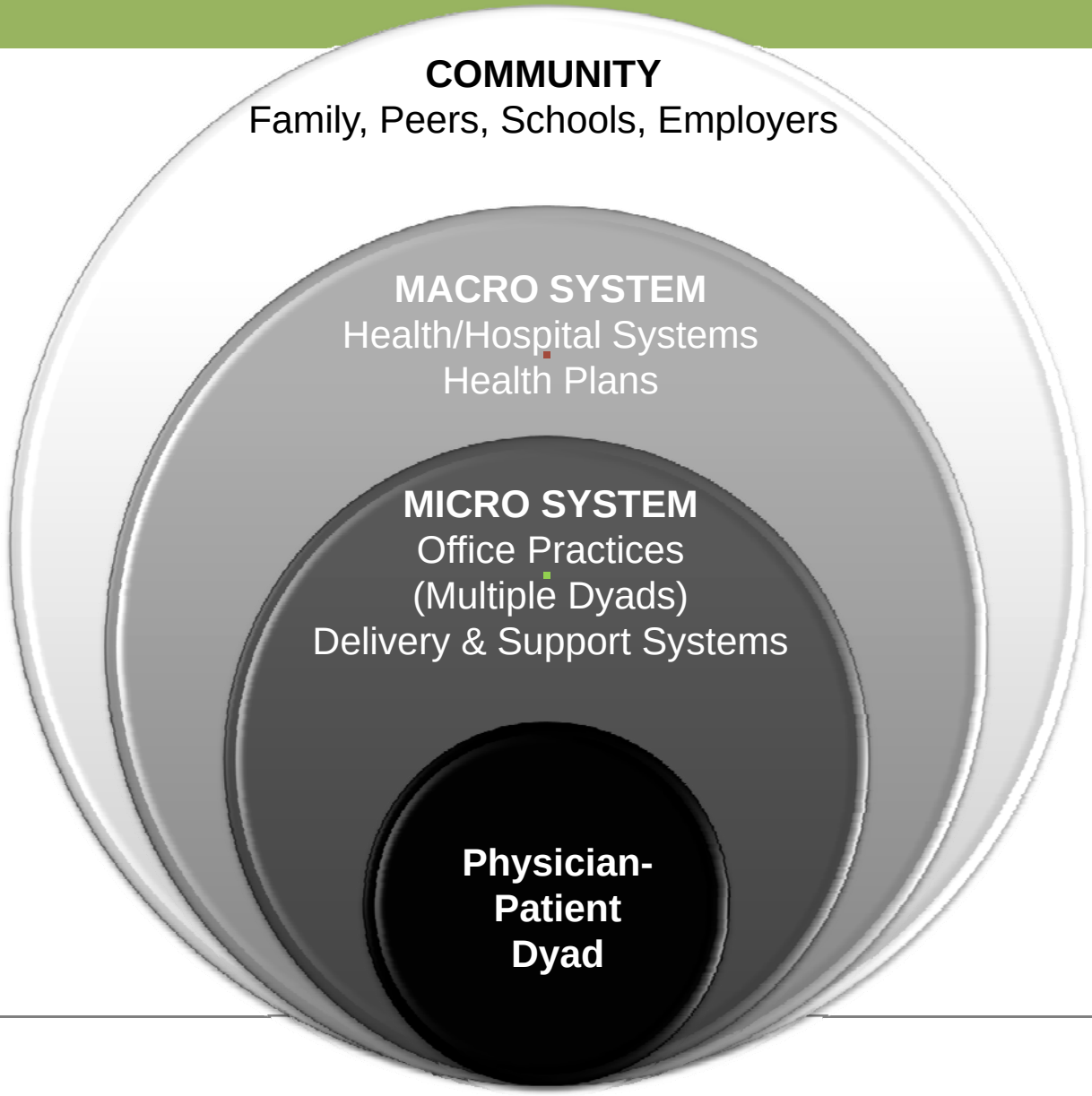
Is a Smart "Buyer" of Health Care Services

- Knows the most appropriate medical facility for relevant medical conditions and emergencies
- Consider options, consults knowledgeable sources of info
- Knows his/her "numbers" i.e. lipids, bp, weight
- Utilizes strategy to maximize value of care visits
  - Preparation, anticipation, "expect to prevent"
- For common healthcare interactions knows how to seek price information
- Understands the financial impact of healthcare choices, the lifetime cost trend and has a plan
- Recognizes accountability for healthcare and knows how to maximize health benefits
- Understands self and family care to only "buy" what is necessary

Engaged Consumers Participate in a Transformational Health Plan – Or System Outside of a "Plan"

- Recognizes me as a customer
- Provides a premium reduction for health behaviors and covers treatment for tobacco addiction and excessive weight
- Provides a suite of health and lifestyle related tools
- Informs me about costs and relative effectiveness of medical treatments
- Provides access to health coaches/disease management programs
- Enables community connections with people like me
- Anticipates my needs based on life events e.g.. birth of a child, likely health event and end-of-life planning
- Communicates clearly and easily
- Minimizes hassles for me and my doctor and helps me navigate healthcare
- Provides me with security and peace of mind in financing healthcare

Prevention Systems Cascade*



*ACPM Aspirin Optimization Project, 2007

Best Performing Companies Use CDHP's With Incentives*

- Best-performing companies two-year median cost increase of 1%, compared with 10 % for their poor-performing peers.
- Companies with CDHP report a two-year average cost trend that is significantly below that of companies without a CDHP (5.5 vs. 7%)
- CDHP enrollment strongly linked to lower health care cost trends. Companies with at least 50 percent of their population enrolled in a CDHP have a two-year trend about half that of non-CDHP sponsors.
- CDHP adoption and enrollment rates are increasing. 47% percent of companies now have a CDHP in place (20% over 2007). 42% of these companies have at least 20% of their employees enrolled in a CDHP, up from 27% of surveyed companies in 2006.
- Best performers use financial incentives; focus on provider quality, data, health and productivity; and provide employees with information to make smarter health care decisions.

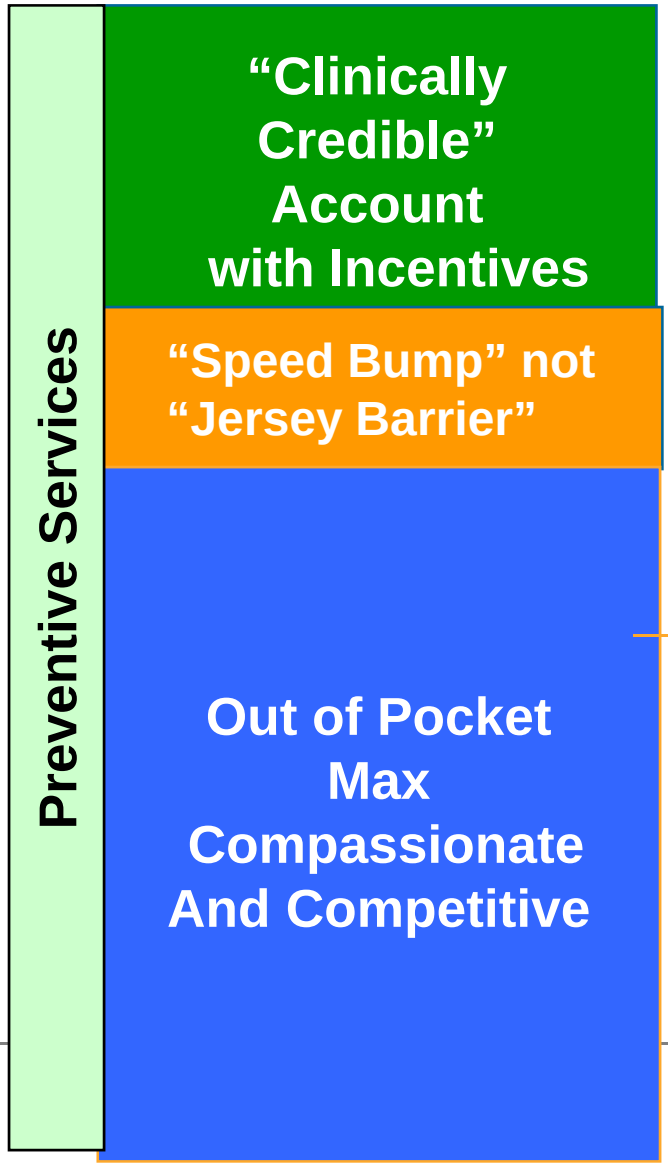
*NBGH/Watson Wyatt 2008 Employer Survey

Health Insurance Coverage of Prevention*

- Survey of 2,180 employers
- Coverage by type of preventive service
  - Physical exams, immunizations and screening tests: 50%
  - Tobacco cessation: 4-20%
  - Weight management: 4-20%
- Even fewer without copays, deductibles or incentives for assessment or improvement

*American Journal of Health Promotion 2006;20:214-222

CDHP Design Imperatives to Attract & Assist High Users and Chronic Disease



- Preventive services 100% covered – no copay
- "Clinically credible" – for most of the time, does this amount meet my and my families needs?
- Bridge is "speed bump" not real or perceived "barrier" to traditional health insurance
- Incentives for completing health risk assessment and behavior change (tobacco, weight reduction)

- Must be "compassionate" not to bankrupt individual and "competitive" relative to other options and/or previous years experience
- Incentives for enrolling in and graduating from health coach program for sickest, highest users

The Cost of Waste and Inefficiency: $1,700-$2,000 PEPY (at least!)*

- Overuse
  - Antibiotics
  - Tranquilizers
  - Lifestyle drugs
  - Antiinflammatory drugs
  - Hysterectomies
  - Cardiac caths
  - GI endoscopy
- Misuse
  - Multiple uncoordinated visits
  - Duplicate tests, procedures
  - Medical and hospital error
- Underuse
  - Vaccination
  - Chronic care management e.g., diabetes, asthma, heart failure, cancer

*Midwest Business Group on Health, Juran Institute study, 2002

Medical Practice Today: "Hamster Health Care"

Symptoms

- Inadequate time with patients
- Administrative hassles
- Patients who know and demand more
- Greater accountability
- Decreasing reimbursements
- Rising overhead costs

Signs

- Waiting times for appointments
- ER for non-urgent visits
- Managed care backlash
- Inadequate management of chronic illness
- MD burnout and retirement
- "System" collapse?

Restoring “Connectivity” . . . And TRUST What We All Want

Early Physician and Health Care System Response to CDHP's

- Supported by AMA and leading medical associations
- Clinical
  - Provides information, tools and personal support for patients to understand and follow care management
  - Supports more efficient physician-patient and system interactions – at no cost to medical practice
  - Patient "reminds" physician of evidence-based care and covered preventive services
  - Prevents "Google Syndrome"!
- Administrative
  - Decreases administrative hassles at point of care
  - "Why do I need the health plan if patient pays me directly?"
- Med Center MD leadership: "Best news in 25 years of practice"
- Full replacement solution for hospital & health system employer/providers to "walk the walk"

Supporting Engaged and Informed Consumers – Consumer-Centric Health Improvement Model

Online Health Tools

Health Assessment Profile
- Health Risk Appraisal
- Condition Assessments
- Family Health File

Health Library & News

Self Care Tools
- Improvement Programs
- Condition Guides
- Hospital Care Guides

Physician/Hospital Profiles

Consumer - Patient

Seek Information

Seek Care

Seek Help

Health Care Marketplace
- Providers
- Hospitals
- Pharmacy
- Lab/Ancillary

Personal Health Resources
Personal Health Coach
24/7 Nurse Advice
Maternity Program
Tobacco Treatment Program
Weight Management Program
Surgical Support Nurse

Claims & Hospital Review Data

Health Risk Appraisal and Consumer Contributed Data

High Risk
Identification and Stratification

Health Improvement Strategy: "The 5 I's"

- Integrate
  - Health promotion, disease prevention, care management
  - Seamless consumer experience with one point of contact
- Incentivize
  - Account based cash incentives at 3 clinical "point of decisions"
- Identify
  - High risk factors, chronic disease, surgical candidates
- Improve
  - Integrated "first dollar", incentivized behavior change programs
  - "Hi tech – Hi touch" care management
- Innovate
  - Deliver high value, consumer-centric innovations
  - Improve efficiency and effectiveness of patient-physician interactions

Health Improvement "Hi Tech – Hi Touch" Model: Integrate, Identify, Incentivize, Improve

	Identify	Incent	Improve	Integrated Tactics
Risk factor reduction	X	X	X	HRA incentive, results to health coach, synergy with onsite assessments, health improvement programs with incentives for completion
Acute care	X	X	X	Monthly messaging and 24 hr nurse advice line
Chronic disease	X	X	X	Health Coach enrollment & graduation incentives triggered by HRA, self-referral, customer service or claims analysis (last preference)
Surgical decision support	X	X	X	Surgical shared-decision making online tools and surgical support nurse

Chronic Disease "Evidence-based Medicine" Requires Complimentary Patient Competencies

- **Asthma**
- **Cardiology**
  Coronary Artery Disease
  Congestive Heart Failure
  Hypertension
  High Cholesterol
- **Chronic Obstructive Pulmonary Disease**
- **Depression**
- **Diabetes Mellitus** (Type I,II and Gestational)
- **General Health Model**
  Other Chronic Conditions
  Overutilization
- **Gastroesophageal Reflux Disease**
- **Low Back Pain**
- **Maternity**
- **Cancer**
  - **Lung**
  - **Breast**
  - **Colon**
  - **Prostate**
- **Pediatric**
  Special Conditions
- **Rehabilitation**
- **Solid Organ Transplants**

Patient-Defined Diabetic Competencies: The "Demand Side" of Evidence-based Medicine

- "Did you receive a HbA1c and what was it?"
  - Report: Yes/No and within what range
- "Do you know your cholesterol and lipid levels?"
- "Was your urine tested for protein?"
- "Were your eyes examined and dilated with drops by an ophthalmologist?"
- "Did your physician or her staff examine your feet?"
- "Did you receive your flu shot?"
- "Do you know your blood pressure?"
- "How often did you visit your doctor for your diabetes last year?"

Impact of Unnecessary Surgery

- 75 % of all surgical procedures are elective and 1/3 of all elective surgeries are unnecessary

- Studies show that education can reduce risk of unnecessary surgery by shared decision-making: frank education and discussion of options, pros/cons, benefits/risks, outcomes and patient expectations

The Solution

- Promote through consumer education with focus on high volume, high cost elective procedures that may benefit from nursing intervention, such as:

  – Back Surgery
  – Joint Surgery
  – Gastric Bypass
  – Hysterectomy
  – Cardiac Surgery
  – Gall Bladder Removal

“Hi-Tech” Tool for Enhanced Surgical Decision Support

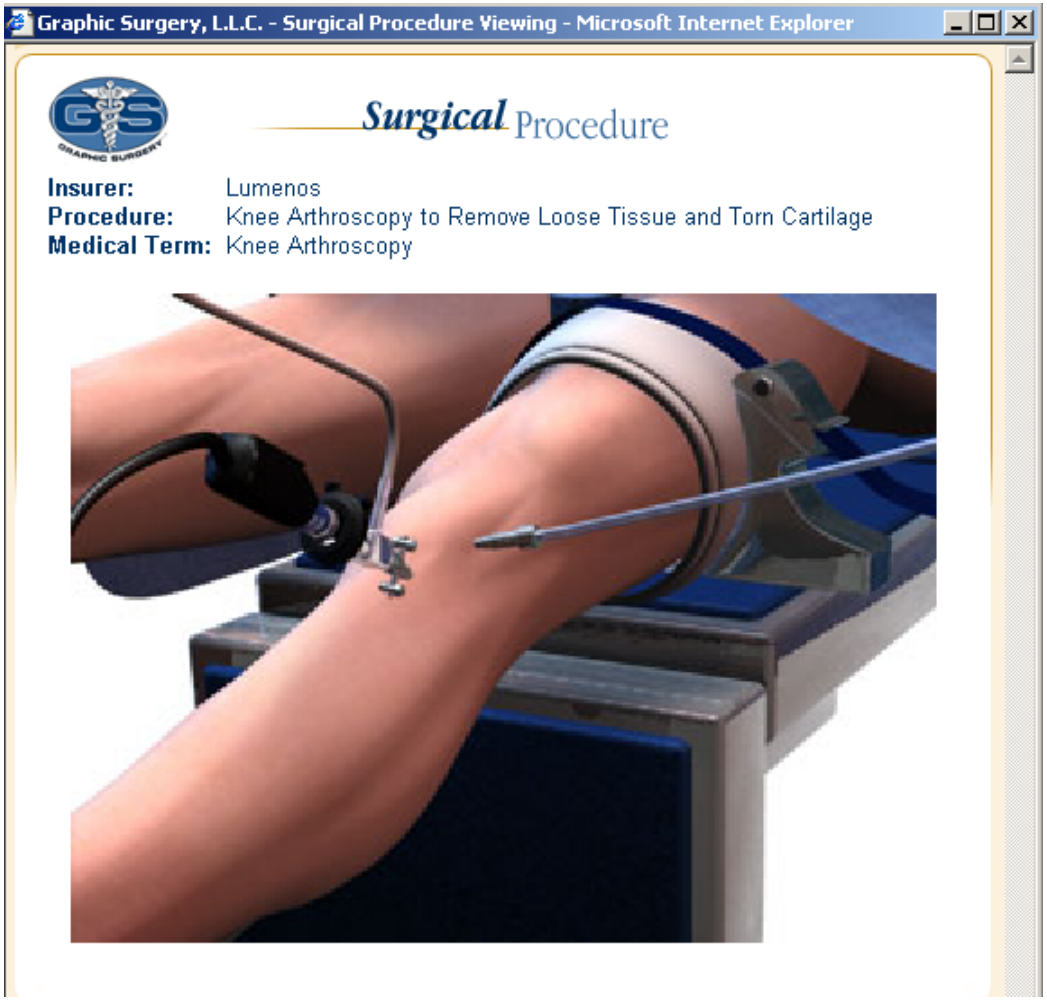
Animated Guide to Surgical Procedures

- Start-to-Finish review of surgical procedures
- Voice-over to guide consumers

Step-by-step review of

- Important things to consider before surgery

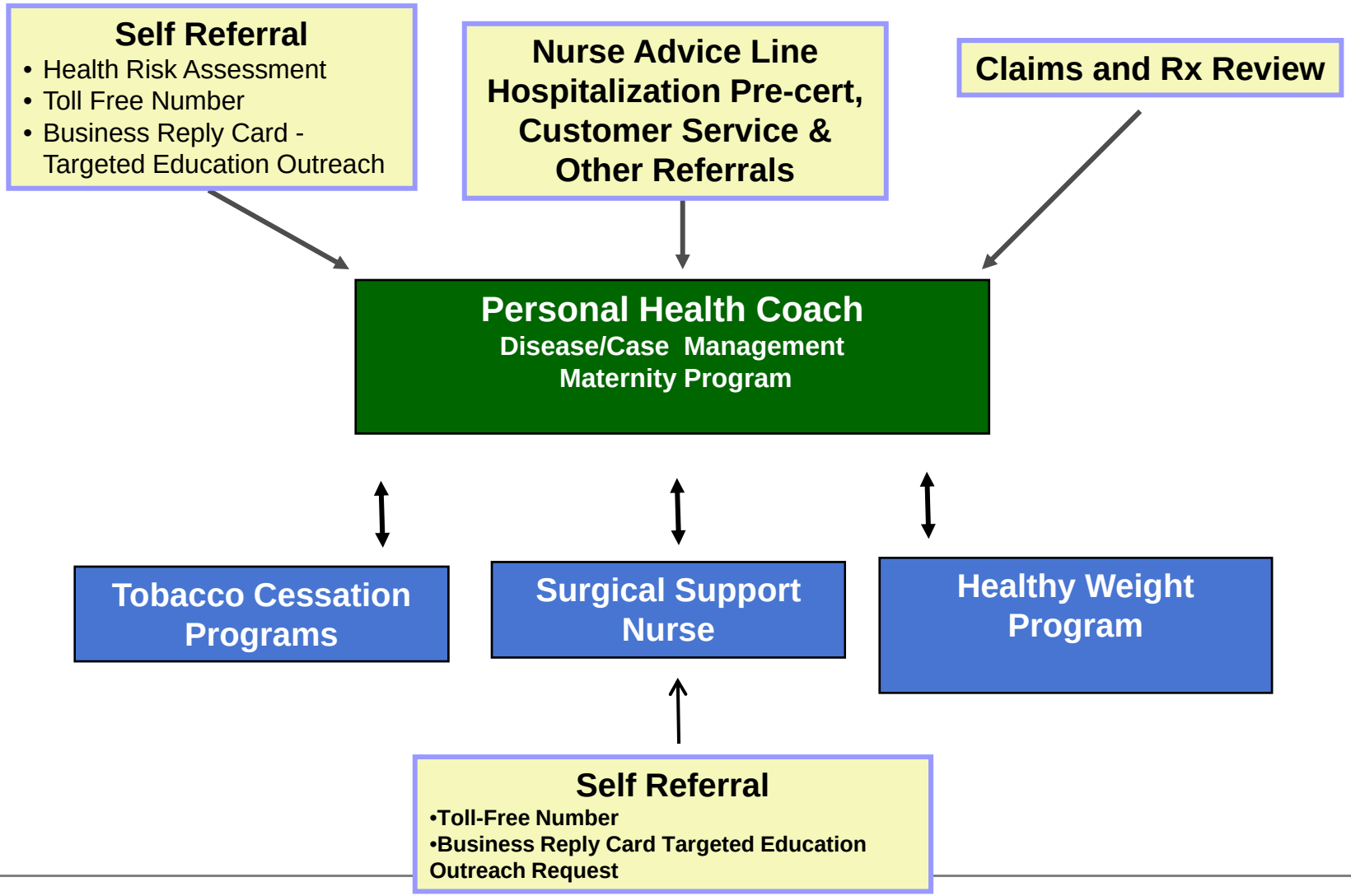
➢ **How the surgery is performed**



Prevention and Chronic Disease Incentives

- **Identification: Health Risk *Assessment***
  - $100-$250 Health Account allocation for HRA completion
- **Personal Health Coach Enrollment = *Engagement***
  - Additional $100-$200 Health Account allocation for chronic disease program
  - Member agrees to participate in Health Coach Program after initial assessment
  - Member commits to engage with Health Coach through regularly scheduled meetings to identify goals, become educated and skilled in working effectively with their physician to manage their disease.
- **Personal Health Coach Graduation = *Mastery of Competencies***
  - Additional $100-$200 Health Account allocation for mastering HealthModels
  - Member achieves predetermined goals and documentation of competencies for disease(s) with knowledge, skills, functional provider-patient relationship and clinical outcomes when indicated
- **Risk Factor Reduction: Tobacco Treatment /Weight Management**
  - Additional $100 – $200 for program completion

Integrated Identification, Referral and Support Process



When We Listened – REALLY Listened

- “I want to connect with patient’s like me or with other family members who are dealing with this illness/event in their family”
- “I want to learn “what works” from others with similar challenges in human resources and benefits”
- “I’d love to come to dinner to listen and share”
- “I want it MY way . . When and how it matters most to me”

And What we DID:

Increased face-to-face focus groups for consumers & HR directors

Drug pricing, reminders, info via cell phone

National physician-led webcasts with Q&A

Consumer social networking website, behavior change competition and challenge programs

New “Connectivity” Solutions to Drive Change, Simplify, Improve Health and Reduce Costs

- Employer – employee – family
  - Worksite clinics delivering acute and comprehensive care vs “occ med & safety”
  - Onsite fitness centers “linked” to HR programs, incentives, PHR’s
  - Retail clinics onsite and in community for smaller employers to access
- Physician – Patient – Plan
  - Reimbursement for in-person or telephonic group visits with physician staff
  - Reimbursement for community health support personnel
  - Reimbursement for e-visits and online connectivity avoiding unnecessary visits
  - Abandoning of “primary care” for concierge medicine, “company doc” revisited
- Out of the box . . And out of the country!
  - GPS enabled phone with biometric sensors
  - International medical services options

True Competition* Vs Health Care Non-"Competition"

From

- Plan, hospital and network competition
- "Reduce cost"
- Local competition
- Full service, closed networks and duplication of services
- Wrong incentives for payers and providers

To

- Disease and procedure competition
- "Improve value"
- Regional and national competition
- Distinctiveness and focused competitors
- Right incentives for payers and providers

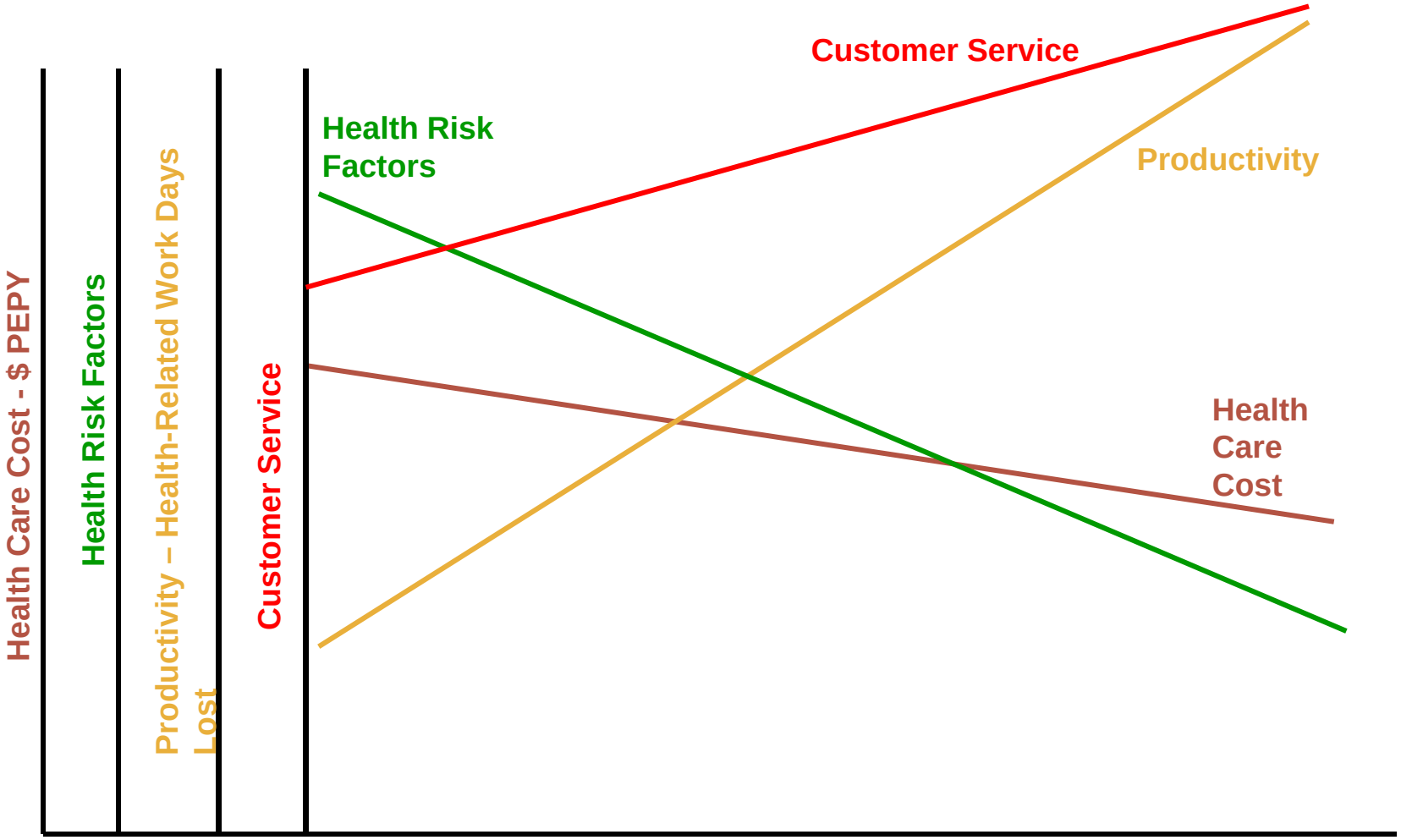
*Michael Porter, "Fixing Competition in US Health Care",Harvard Business Review, June 2004

Ingredients for Change to Create a True Health Care Market

- No restrictions to competition and choice
  - No network restrictions
  - Consumers with savings accounts seek max value
- Accessible information
  - Provider's experience and risk adjusted outcomes using standardized national measures for comparison
- Transparent pricing
  - Single price for treatment or procedure and posted
- Simplified billing
  - One bill per hospitalization or period of chronic care
- Fewer lawsuits
  - Shared decision-making and tort reform

*Michael Porter, "Fixing Competition in US Health Care", Harvard Business Review, June 2004

Cost, Risk Factor, Productivity and Service Stretch Goals – Do You Have Them?



Targets for Change

- Free up the insurance and health care delivery market
  - Buy wine and insurance across state lines
  - Premium differentials and incentives for health and care engagement behaviors
  - Reverse antitrust exemption for health insurance?
- Leave only to the insurance market those services which need insurance
  - Design consumer-driven products “right”
  - Claims-free and direct payment models
    - Retail clinics, onsite employer integrated services, global health options
- Apply lessons you’ve learned in YOUR business to healthcare – not vice versa
  - Chances are – improved value, reduced waste, lower cost, higher satisfaction

Impact on Health Care Stakeholders?

- "Medical-industrial complex" disruptions with "my own money"
  - Is the convenience worth 10X the cost?
  - New emphasis on "breakthrough" vice "copycat" R & D
  - All "middlemen" redefining value – or perish
  - Retail clinics, 4 buck generics, surgical hospitals, international centers and "Centers of excellence": lower (and transparent) unit costs and better outcomes?
- Hidden & shifted costs (and value questions) explicit faster
  - How much are you willing (or should you) pay for GME?
  - Societal questions accelerated: end of life care, evidence-based vice usual care, "total cost of illness" vice "med loss ratio"
- Consensus on best of breed private, market-based functions vice public, "safety net" functions of government required

Integrated Health and Performance
What the Science Says & Solutions Required

- The Science
  - What produces health, drives medical costs and is responsible for employee/corporate loss of productivity and performance?
- The Solution
  - “Total fringe” employee ownership perspective
    - ALL benefits and lost productivity comes out of my paycheck
  - Consumer-driven health care as “core” to improving/incentivizing health behaviors and health care engagement
  - Integrated Health and Productivity approach to corporate culture and benefits

Ingredients for “Right Thing” Becoming the “Easy Thing”

- “Monetize” the benefit and return money to true payer
  - Return “insurance” to unpredictable, catastrophic function
- Evidence-based care prioritized in benefit design and education
  - Prevention, 10 chronic conditions, surgical decision support, compassionate end-of-life care
- Re-define public-private continuum
  - Today defined by income level, age (65+), organ “luck” (ESRD)
  - Transparent price/quality, innovation and competition where markets can work “best” with “my money”
  - Public funding where public good, US economic competitiveness and evidence “best”
- Redefine government role: R&D support, comparative evaluation for high cost/tech, reinsurer for hi $$ threshold, medical liability reform, EMS systems, GME

Conclusions: Make the Right Thing . . The Easy Thing To Do

- The **right thing** to do CAN be the **easy thing** to do
  - Align incentives
    - It IS your employees' money and additional incentives help make the linkage
    - Prevention and evidence-based care makes sense and drives cost-savings and value
  - Build and integrate infrastructure
    - "High tech" tools/info & "High touch" personal support both clinically and administratively
  - Provide and push information
    - When, how you need it with personal support services
- Consumers showing signs of behavior change
- Economic results mirror better health and clinical outcomes
- Alignment & integration with corporate initiatives & Health Improvement & Productivity (HIP) transformation can greatly improve personal and company bottom line