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*

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

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<th>Desired State</th>
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<td>Health Framework</td>
<td>Employer, Condition, and Program Centric</td>
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<td>Management Systems</td>
<td>Segregated Programs</td>
<td>Integrated Systems</td>
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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 It’s 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
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*

COMMUNITY
Family, Peers, Schools, Employers

MACRO SYSTEM
Health/Hospital Systems
Health Plans

MICRO SYSTEM
Office Practices
(Multiple Dyads)
Delivery & Support Systems

Physician-Patient Dyad

*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

- **“Clinically Credible” Account with Incentives**
  - 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)

- **“Speed Bump” not “Jersey Barrier”**

- **Out of Pocket Max Compassionate And Competitive**
  - 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

Health Risk Appraisal and Consumer Contributed Data

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

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

High Risk
Identification and Stratification

Seek Help

Seek Information

Seek Care

Health Risk Appraisal
and Consumer Contributed Data

Claims & Hospital Review Data

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

Online Health Tools

Consumer - Patient

• Providers
• Hospitals
• Pharmacy
• Lab/Ancillary
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
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<th>Identify</th>
<th>Incent</th>
<th>Improve</th>
<th><strong>Integrated Tactics</strong></th>
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<tbody>
<tr>
<td>Risk factor reduction</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>HRA incentive, results to health coach, synergy with onsite assessments, health improvement programs with incentives for completion</td>
</tr>
<tr>
<td>Acute care</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>Monthly messaging and 24 hr nurse advice line</td>
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<tr>
<td>Chronic disease</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>Health Coach enrollment &amp; graduation incentives triggered by HRA, self-referral, customer service or claims analysis (last preference)</td>
</tr>
<tr>
<td>Surgical decision support</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>Surgical shared-decision making online tools and surgical support nurse</td>
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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?”
• 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

**Self Referral**
- Health Risk Assessment
- Toll Free Number
- Business Reply Card - Targeted Education Outreach

**Nurse Advice Line**
Hospitalization Pre-cert, Customer Service & Other Referrals

**Claims and Rx Review**

**Personal Health Coach**
Disease/Case Management
Maternity Program

**Tobacco Cessation Programs**

**Surgical Support Nurse**

**Healthy Weight Program**

**Self Referral**
- Toll-Free Number
- Business Reply Card Targeted Education Outreach Request
When We Listened – REALLY Listened

- “I want to connect with patients 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
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<th>True Competition* Vs Health Care Non-“Competition”</th>
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<tr>
<td><strong>From</strong></td>
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<tr>
<td>• Plan, hospital and network competition</td>
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<tr>
<td>• “Reduce cost”</td>
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<tr>
<td>• Local competition</td>
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<tr>
<td>• Full service, closed networks and duplication</td>
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<tr>
<td>of services</td>
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<td>• Wrong incentives for payers and providers</td>
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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

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