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Improving
Women's
Health



AMERICAN
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Improving Women's Health Initiative

Women's Health, Session III: Making the Switch - Strategies for Moving to More Efficient Surgical Procedures

Thursday, June 3, 2010
1:00 p.m. – 2:00 p.m. ET

Dial in: 888-872-2155, participant 182018#

Press *6 to mute and unmute your phone line for questions and comments.

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Welcome and Introductions

Health Value Continuum: Where/How Does MIP Fit?



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

Cyndy Nayer
Co-founder and CEO

2010 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

HEB

Horizon BCBS NJ

Humana

IBM

IHP/Battle Creek

Johns Hopkins HealthCare

Journal Communications

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!

Our Mission



■ 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.

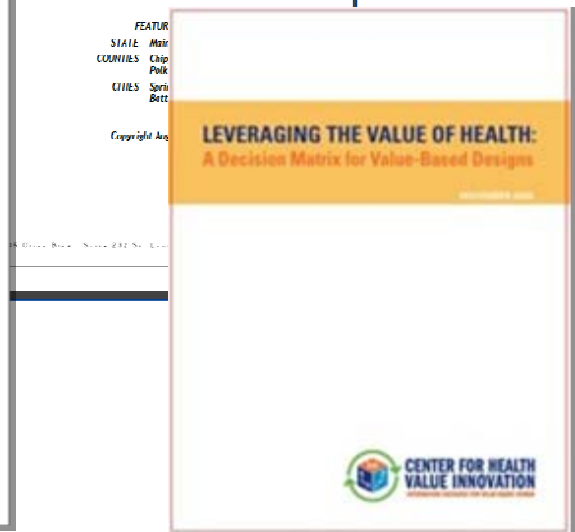
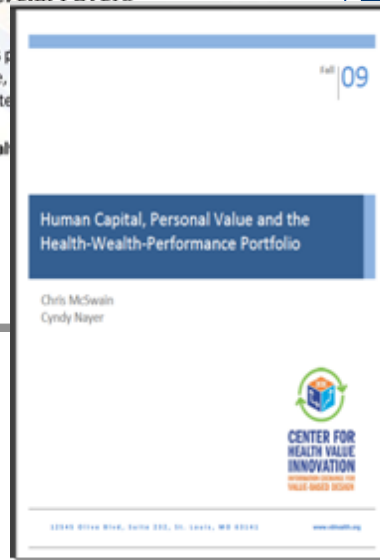
Center publishes the first book on levers of VBD; white papers, evidence

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



Co-Pay Incentives:
Medicare Advantage (Part D)
Can Replicate Successes of
Commercial Payers

Co-pay incentives p
change,
and accelerate
Center for Heal



Peer-Reviewed Calls to Action: Outcomes-Based Contracting

Payer Perspective

Leveraging Health: Valuable Outcomes Drive Proficiency and Expediency

CYNDY NAYER, MA
President & CEO
Center for Health Value Innovation

Today is a red-letter day: the Health Plan Bill has finally made it out of the Senate Finance Committee. This commentary is *not* about the possibilities or the consequences of the next round of debates, nor when a possible healthcare reform policy can be expected. This commentary is about the success and maturation of the value-based design marketplace.

We have been tracking the adoption of value-based designs for almost 5 years; the original surveys were built on my experiences of tracking innovation at the intersection of employers and health plans for the past 20 years. Through a simple 12-question screening tool, we tracked early adopters, fast followers, and experts as the expansion of value-based design grew past our ability to quantify the size of the marketplace. Phone-based interviews with more than 80 companies and online surveys of more than 150 companies resulted in a graphed description that we named the Health Value Continuum. The continuum has grown, too, and it now reflects a broader set of 100+ levers that drive prevention/wellness, chronic care management, and care delivery choices throughout the nation for improved value of every healthcare dollar spent. The improvement is manifest in better health, higher productivity, quality outcomes, and predictable, sustainable, reduced health cost trends.

The early continuum was built on the scores of interviews across 4 dimensions: data (could the company analyze more than medical, laboratory, and prescription claims?), design (what conditions, including prevention and wellness as precursors to better health, were they managing through disease or lifestyle management programs?), delivery (what suites of services, communication, and, later, technology were they using?), and dividends (what were the results of their efforts? What was the C-suite involvement in the efforts, and had there been a shift to a more accountable culture of health?). The original Health Value Continuum is depicted in the **Figure**, with some new nomenclature for the 3 distinct levels of sophistication that began to emerge: entrant, fast follower, and expert.

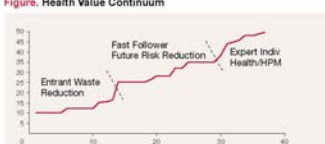


Figure. Health Value Continuum

HPM indicates health and productivity management.
Copyright 2009, Center for Health Value Innovation.

The focus of entry-level value-based designs is on the waste reduction necessary for continuation of the investments. We now know that the first entry point to successful value-based design is a philosophical shift to investing in the health of the workforce; invariably, all value-based designs start by removing access barriers to preventive and wellness care. Without the annual exams, labs, and other biometric screens, coupled with healthcare cost trends, the plan sponsor does not know where the waste lies—therefore, any savings in the initial plan is quickly chewed up by unanticipated costs from folks who are either not in the system at all or who are noncompliant with their treatment regimens. We call this first level “Engagement,” and no company who skips this level has been able to sustain their value-based design over 2 years.

The focus of the next level is “Adherence,” which accentuates the focus on the reduction of multiple conditions associated with chronic disease. The goal of these fast followers is to moderate future risk. Once they achieve a level of predictability, they move quickly to reduce the predicted trend with value-based interventions and measure the impact; they also expand their efforts to include nonadherent groups. The links from the provider community (through improved quality) to the consumer-patient grow bolder, and there are inklings of shared risks and rewards to all who participate.

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Clinical Therapeutics/Volume 31, Number 11, 2009

Perspective

The Value of Dividends in Health: A Call to Align Stakeholders

Cyndy Nayer, MA
Center for Health Value Innovation, St. Louis, Missouri, and River City Partnership on Health, St. Louis, Missouri

ABSTRACT

Objective: The purpose of this paper is to describe the philosophy and utility of value-based designs (VBDs), with an eye toward defining a pathway for a shift to VBDs across US businesses involved in the health care discussion.

Key words: value-based designs, VBDs, health value continuum, levers.

INTRODUCTION

The value of every health care dollar is the driver in every health care discussion currently under way, no matter who appears to be the initiator. Return on investment (ROI) has been a key refrain in recent years, particularly with value-based designs (VBDs) emerging as an important tool for aligning benefits across stakeholders. The real question, however, is not one of ROI, but rather one of dividends accrued through the use of health dollars. By restating the question in terms of dividends, the short-term quick fix is removed and a focus on sustainable and systematic change is achievable.

Innovative stakeholders across the entire health value chain (including health systems, providers, employers, payers, governments, and consumers/patients) have begun to consider this philosophic shift and to implement new strategies to drive incremental improvements in health, including individual health, organizational health, and community health. Furthermore, the dividends can be measured, accrued, and reinvested over time, thereby mitigating external market forces such as downturns in the economy.

Recent surveys by Towers Perrin,¹ the Midwest Business Group on Health,² and the Center for Health Value Innovation³ have revealed a common theme: Financial investment in health must deliver measurable dividends that support the purchasers' goals. Health information technology (HIT) can improve the

Methods: A 12-question survey of 36 companies that had been identified as emerging leaders in health and productivity management was administered by telephone interview and, later, by online interview. Information collected included company size, business sector, prevention, wellness, data accessibility, and integration, condition management, C-suite visibility, and culture of health. Answers were scored on a scale from 1 to 10 per category; the maximum score was 50 points. These scores were used to indicate patterns of development and define the pathway to maturity. Experts resurveyed the data to quantify change over time, which was used as a proxy for dividends. A pathway, or continuum, was graphed based on the scoring.

Results: Three segments were found to be clearly correlated with the reported experiences from the surveys—patterns of data use, targeted population change, and services and metrics. The movement through the continuum begins with a focus on prevention and wellness across the entire population, next uses data to identify current waste (inefficiencies in specific segments of the population regarding chronic care, accessibility, and quality/reimbursement, and inefficiencies in care delivery), and finally merges the total health and wealth of segments of the population into one coordinated strategy to maximize the total health value of every dollar spent at the individual and system level.

Conclusions: The market for VBDs has grown rapidly. The pathway to success—including the data needed, designs created, services acquired to change behavior, and dividends over time—can be shown to be replicable, scalable, and sustainable.

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doi:10.1016/j.clinthera.2009.11.023
0149-2918/\$ - see front matter
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November 2009 2689

Leveraging Health:

The Foundation for Value-Based Design



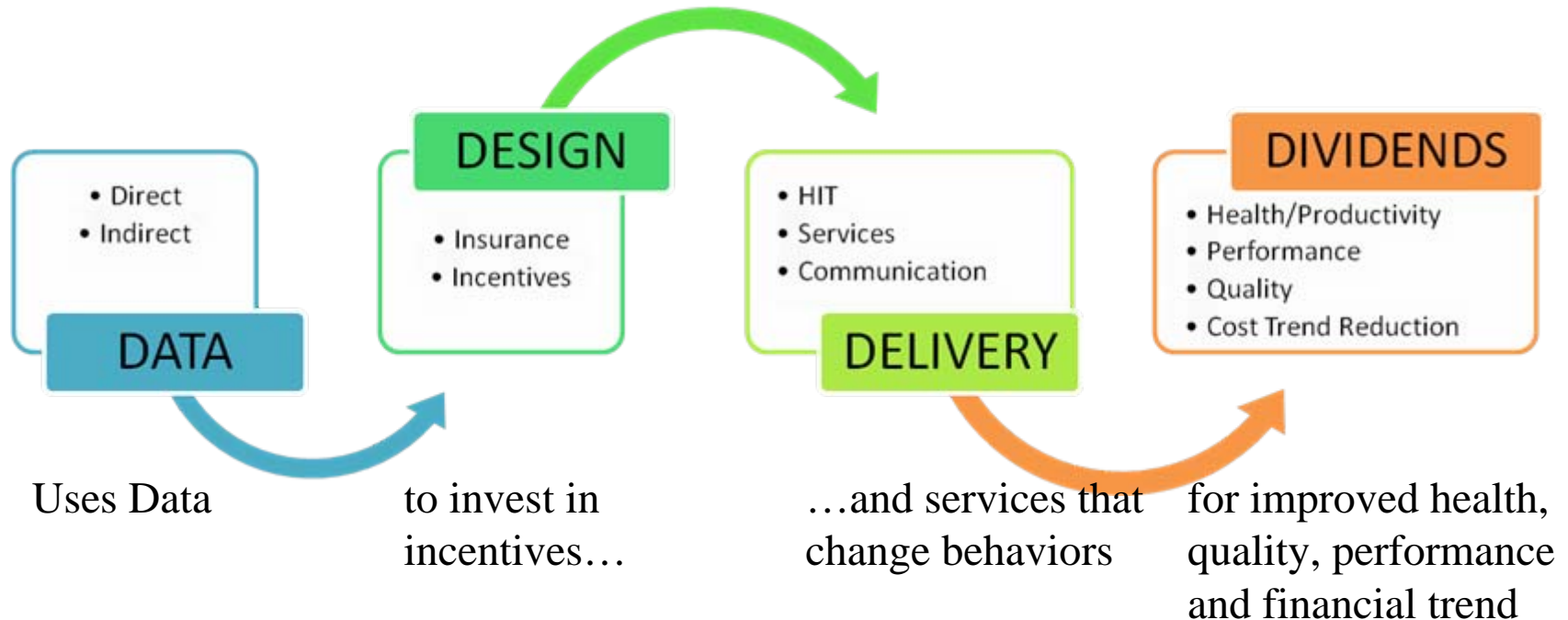
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VALUE-BASED DESIGN

Cyndy Nayer
Co-Founder and CEO

Fundamentals of Value-Based Design

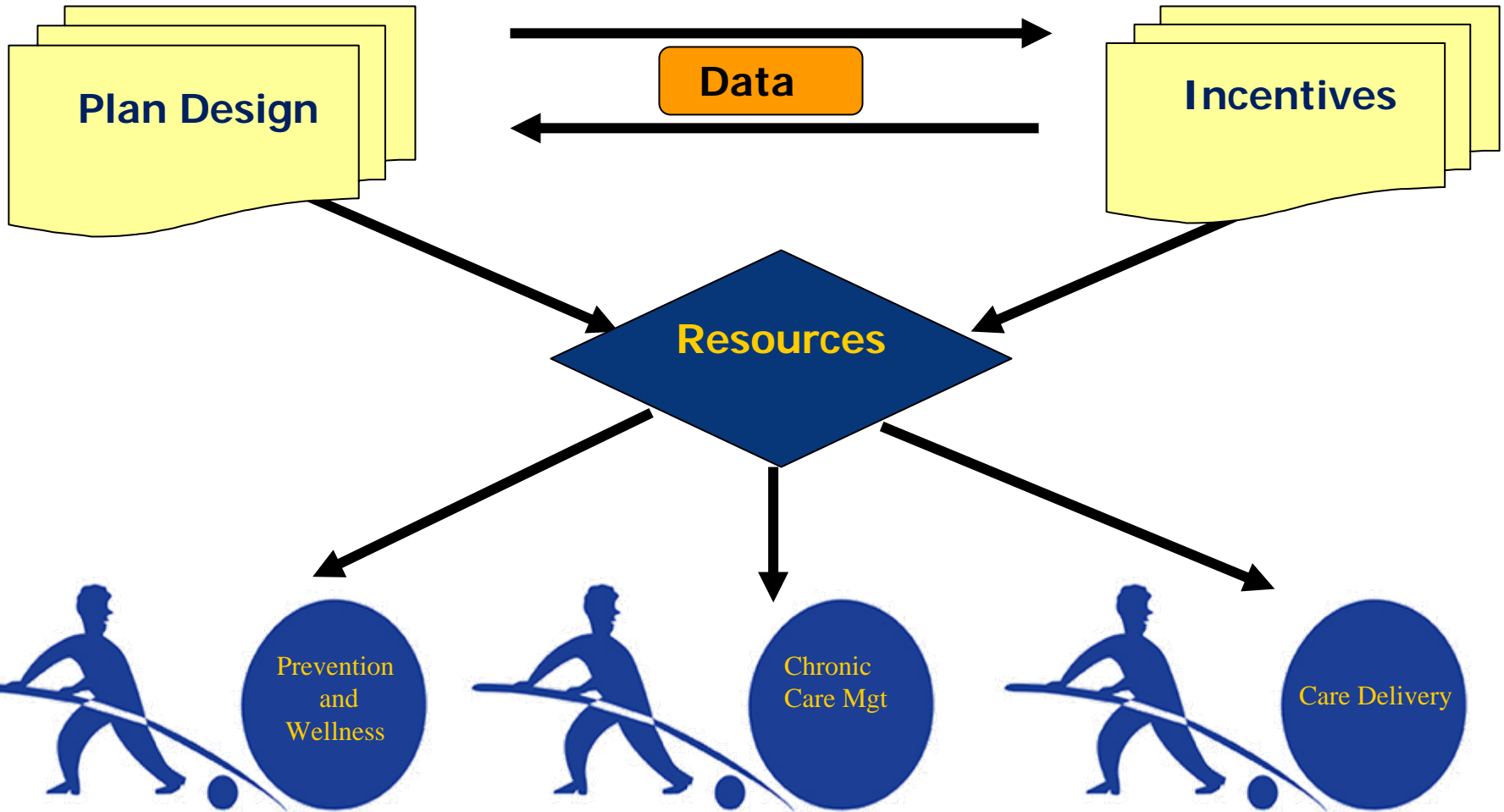
Value-based design is an **ENGAGEMENT TOOL**

for the **CONSUMER AND PLAN SPONSOR AND PROVIDER**

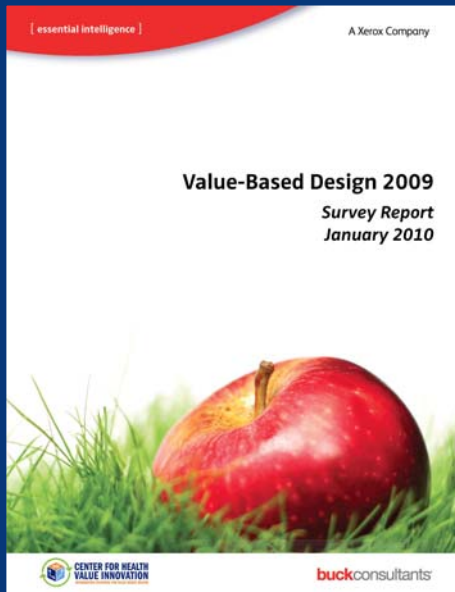


VBD is focused on OUTCOMES

Value-Based Template



Center contracts with Buck consultants to verify our work



- 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
- 54% use levers for Depression management
- 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

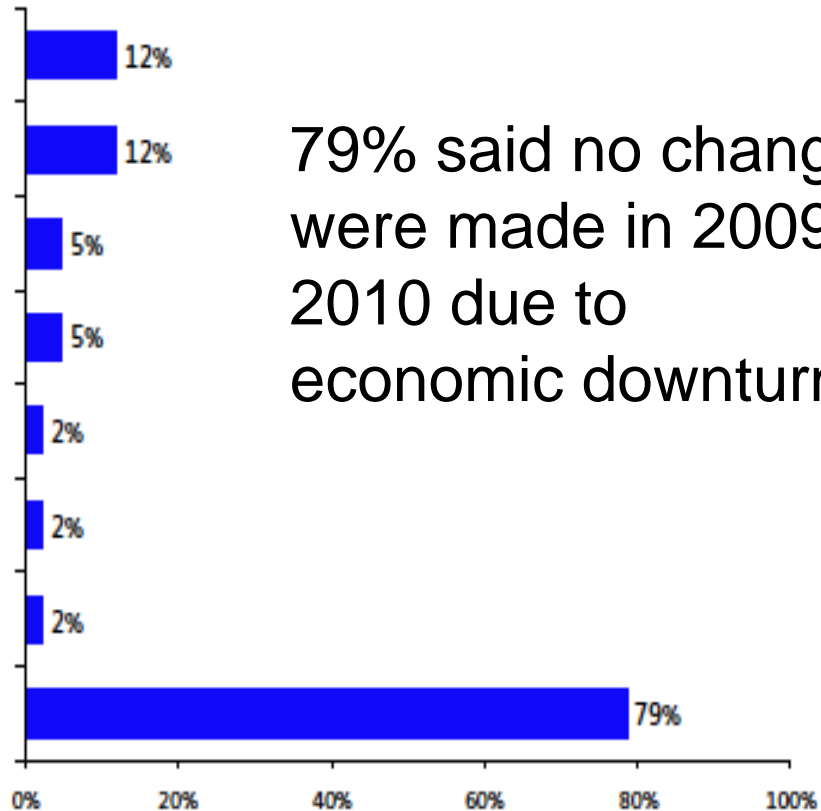
Mandatory enrollment in disease management programs in order to obtain lower costs of drugs/care

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 Are Economically Sustainable

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

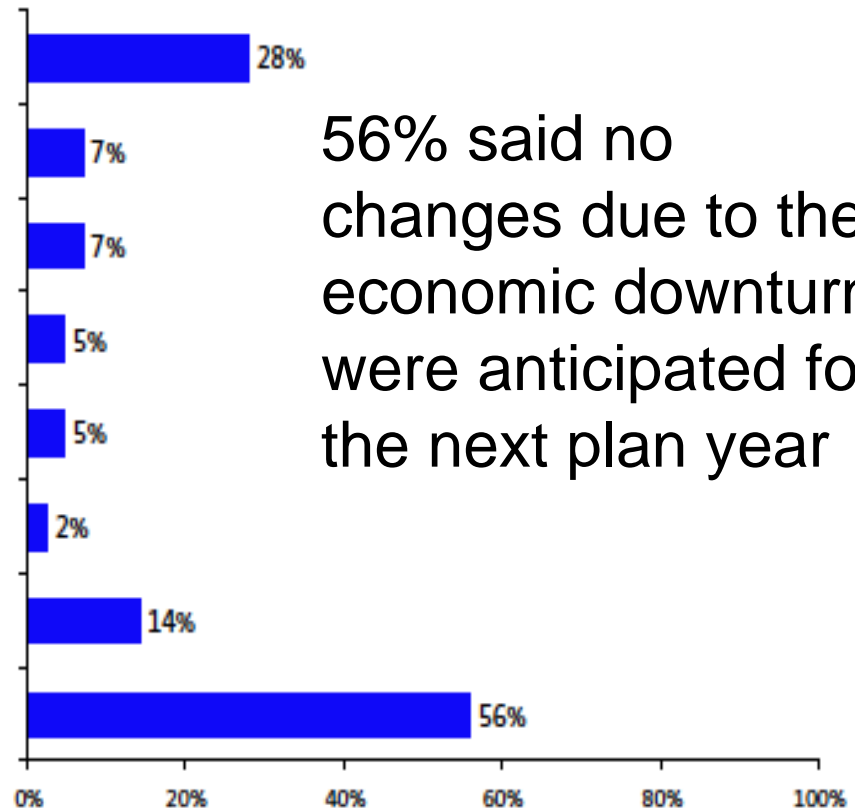
Optional enrollment in disease management programs

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



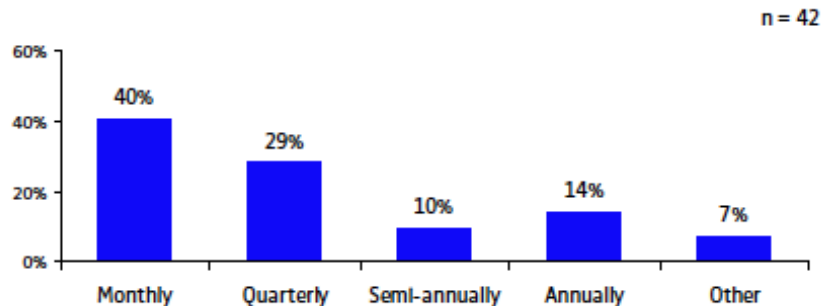
56% said no changes due to the economic downturn were anticipated for the next plan year

n = 43

*Respondents were allowed to select more than one answer.

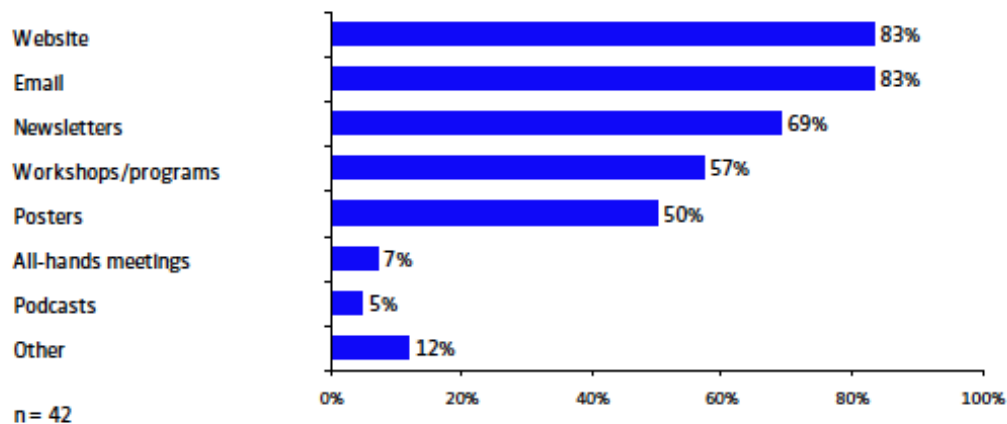
Communication is Key to Behavior Change and Better Utilization

COMPANY COMMUNICATES WITH WORKFORCE REGARDING HEALTH BENEFITS



69% of companies communicate at least quarterly

MEANS OF COMMUNICATION UTILIZED BY COMPANY*

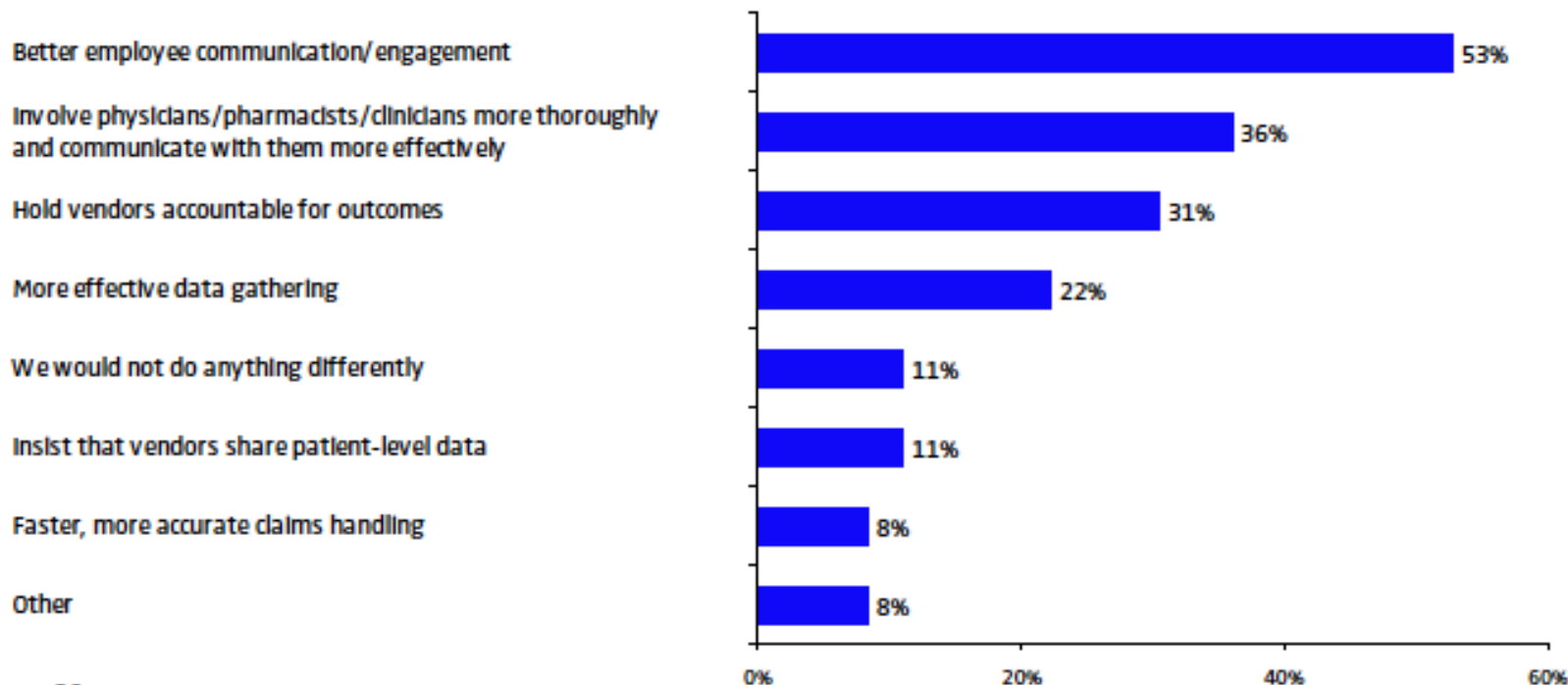


Most use a variety of media to reach and retain “stickiness”

What Could They Have Done Better?

Better Member 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

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

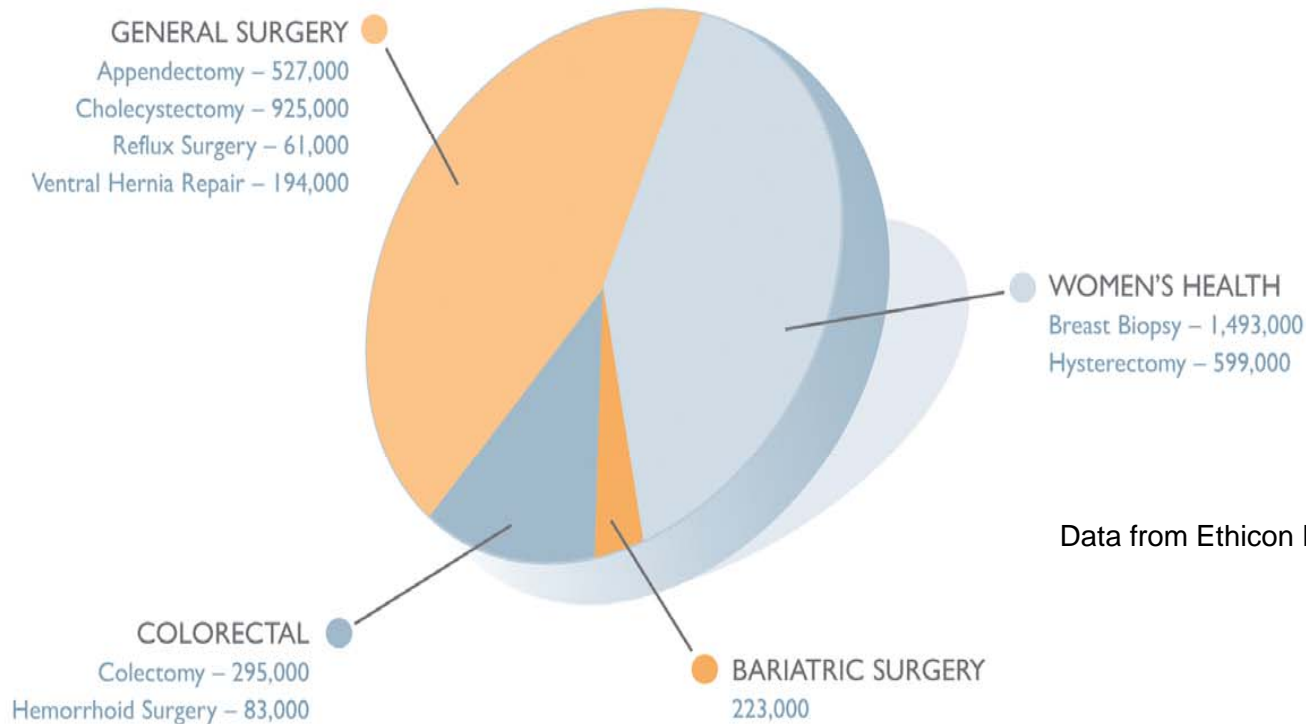
Alignment: If Value Is Built on Outcomes, then Purchasing Must Be Built on Outcomes

- 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

Scope of Procedures

Representing 4.4 Million Patients



Data from Ethicon Endo-Surgery a division of Johnson and Johnson

Tomson (Solucient). New Procedure Volumes 2006

Considerations in Value-Based Benefit Designs: MIP

- Reduced inpatient days
- Reduced infection rates
- Faster healing/return to work
- Reduced complications
- Appropriate use of resources: cost, absenteeism, etc.
- Time to Dividend
- Reimbursement structure? Incentive structure?
- Evidence-based application

Innovator DNA



- Innovators embrace a mission for change.
 - Make mistakes
 - Take risks
 - Display courage
 - Transform ideas into powerful impact
 - Provide to the general community in order to change the ecosystem

Cyndy Nayer

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INFORMATION EXCHANGE FOR
VALUE-BASED DESIGN



Implementing a Minimally Invasive Procedure Benefit



- **Currently Ranked as the 5th Largest Third-Party Administrator in the United States by Business Insurance Magazine**
 - 7 Locations
 - Based in Little Rock, Arkansas
 - 200+ Clients Representing Over 350,000 Covered Participants
- **Independent and Privately Held**
- **Data-Oriented Partnership**

The Client

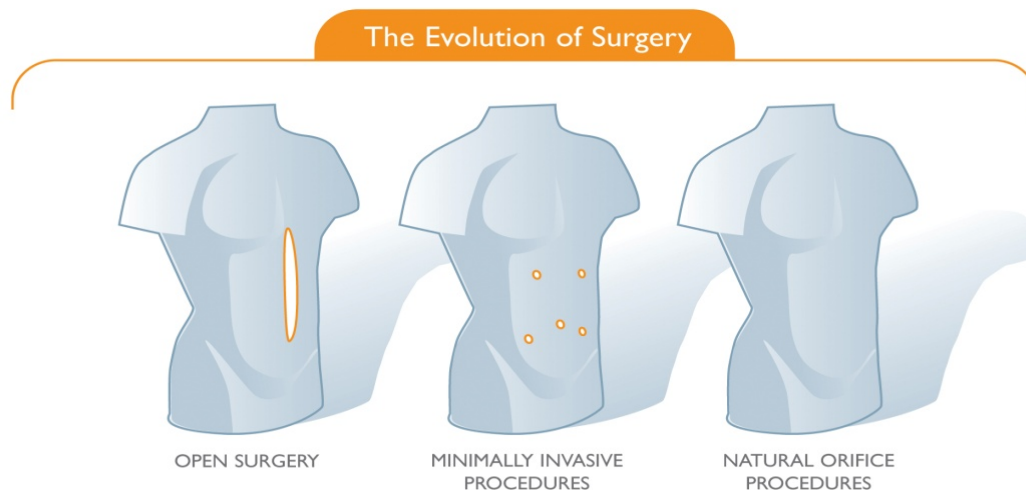
**Large Manufacturer with
20,000 employees
in 11 locations around the United States**



- Analyze the opportunity for the employer
- Review of the data to determine the procedures to include/exclude
- Develop a Business Plan and create the strategic business objective
 - Who should be involved from the employer, TPA, other vendors
 - Creating the communication plan
 - Integration with Medical Management
- Determine the procedure and design the benefit plan
 - The penalty for non-compliance versus incentives for compliance
 - Creating processes for those who require surgery by traditional means

Surgery performed through small incisions or the natural orifice using video cameras and specialized instrumentation

This approach is often referred to as Laparoscopic



- Minimally invasive surgery utilizes small surgical incisions and state-of-the-art technology
 - Considered safe and recommended by the American College of Surgeons
 - Shortens hospital stays, reduces recovery time, risk of infection, scarring as well as pain



Analyze Opportunity

- Looking at the client's data and using other national studies
- Looking at the data to determine which procedures to target and implement
 - Cost variations between MIP vs. Open by procedure
 - Looking at the data by manufacturing site
 - Breaking the data down by active employees, retirees, unions etc..
 - Narrow your focus so you can create specific objectives and goals to achieve success.



- Presenting the idea to every member of the plan that they need to ask their physician if there is a minimally invasive way to do certain surgeries
- Teaching members to talk to their physicians about recovery times and infection rates
- Driving home the ability to return to normal activities and work faster



Meet Susan

Susan is a 38-year-old female who is having Gall Bladder surgery. She's evaluating the differences in having a traditional and a minimally invasive procedure.

	MINIMALLY INVASIVE PROCEDURE	TRADITIONAL OPEN SURGERY
COST	\$14,800	\$25,300
TIME IN HOSPITAL	0 days	2-3 days
RECOVERY TIME	2-6 weeks	6 weeks

Meet Sue

Sue and Dave are empty-nesters in their late 40s and early 50s. They are moderate users of the health plan.

	PLAN 1	PLAN 2	PLAN 3
1/4-Dave ▪Doctor visit-high blood pressure and cholesterol	\$250	\$15 copay	\$250
3/10-Sue ▪Annual well woman exam	\$0	\$0	\$325
6/1-Dave ▪Doctor visit-high blood pressure and cholesterol	\$250	\$15 copay	\$250
8/1-Dave ▪Emergency room-chest pains	\$1,520	\$1,260	\$2,300
Aug-Dec-Dave ▪High cholesterol and blood pressure medication - Tier 0	\$0	\$0	\$0
10/1-Sue ▪Hysterectomy using Minimally Invasive Procedure (Hospital and Surgical)	\$7,320	\$3,600	\$3,444
Employee paid:	\$9,340	\$4,890	\$6,569
Maximum wellness incentive if you participate:	\$800	\$800	\$2,000
Elect to use your incentive and your costs would reduce to:	\$8,540	\$4,090	\$4,569
2011 carry over incentive:	\$0	\$0	\$0



Sue's best choice prior to factoring in her premium contribution is to enroll herself and her husband Plan 2.

- For 2010, selected procedures must be performed using MIP unless there is medical documentation that would require the surgery be done by traditional means...
 - Colon Surgery
 - Gall Bladder Surgery
 - Breast Biopsy
 - Hysterectomy
 - Reflux/Gastrointestinal Surgery



Penalty for Non-compliance



- If a member chooses to have an open procedure, instead of the preferred minimally invasive surgery, the member would be responsible for an **additional \$1,000 toward the cost of surgery**
- Claims system automatically identifies the procedures that should have been done minimally invasively

- HealthSCOPE Benefits' Customer Care Representatives were trained by J&J to counsel members on their choices
- Members are required to call and pre-certify
- Members are walked through options and assisted with finding a provider who can do MIP



- Provider precertification required for inpatient procedures
- Member precertification required for all MIP services
- Provider submission of documentation to support use of non-MIP
- Integration with onsite health coaches, EAP and disability partners

- Provider Education is Key
- Including information on the ID card is a best practice
- A significant financial penalty motivates members to pay attention to MIP
- Member precertification is needed for discussion of options
- Ongoing member education is essential

- Surgeon Designation
- Tracking of data to determine cost savings by location
- Tracking of data to determine areas that may require additional resources
 - Training of surgeons
 - Hospital meetings
 - Education to employees

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Q&A