Value in Health Care:
Consumer Engagement Strategy

Employer Role and Perspective

- Employer based health insurance remains the standard in the US
- Most large employers are now self-insured, and use health plans for third party administration and care management
- Costs of health insurance, health care, and administration of programs continues to rise at rates that exceed inflation
- They are no longer tolerant of “just trust me” approach, and want consistency in management across the country
- They demand proof of value
- Small businesses are most vulnerable to dropping coverage; those who offer insurance pay for those who don’t
- Health plans’ strategies increasingly focused on consumerism
Value

- Value is function of Quality and Cost
- Examples of differing value across the continuum
  - Incurring a central line blood stream infection resulting in increased cost, morbidity, and missed work days
  - Receiving all recommended ambulatory care for a diabetic with LDL and HgbA1c at goal, avoiding hospitalizations, dialysis, blindness and amputation...

Employer Strategies to Gain Value

- Change benefit structure
- Foster transparency for price and quality
- Differential pay for better performance
- Emphasis on wellness and prevention with consumer incentives
- Tiered networks
- Continued demand for integrated care management
- Absence management
- Realign incentives (e.g., “never events”)
- Work as coalitions to drive change (e.g. Leapfrog Group)
- Reliance on an increasing number of specialized vendors who “carve out” management functions
- Shift responsibility to unions
改善质量与价值

1. 鼓励研究什么是有效的
   美国需要一个独立的研究所来支持研究比较新旧医疗程序、药物、设备和生物制品的有效性。我们也必须提供激励措施来提供安全、高质量的护理。

2. 改变激励措施来促进更好的护理
   我们系统的激励措施必须改变，以推动最佳护理，而不是支付可能无效、重复或有害的服务。

3. 授权消费者和提供者
   我们必须给消费者和提供者他们需要的信息和工具来做出知情的决定。这包括管理系统来管理个人健康记录。此外，消费者需要知道他们在支付什么，以及他们得到了什么。

4. 促进健康和福祉
   我们必须促进健康的生活方式来预防慢性疾病，并积极帮助慢性疾病的患者管理自己的健康。

扩大覆盖

5. 鼓励公私合营的保障解决方案
   我们需要调整我们的保障计划以捕捉未保险人口的多样性，确保没有人“被挤出”成本，“错过”可用的政府援助或“选择退出”因为他们认为他们不需要保障。

消费者参与策略

- 临床联系
  - 健康指导
  - 共享决策制定
  - 案例管理
  - 疾病管理

- 透明度，质量与价格
- 保障设计变更
  - 共付和共保险
  - 消费者导向的健康计划
  - 健康储蓄账户
  - 基于价值的保障

- 工作场所健康项目
- 消费者激励计划
Federal Imperative: Four Cornerstones

- Interoperable Health Information Technology
- Transparency for Quality
- Transparency for Cost
- Incentives for High Quality Healthcare
  - Encourage use of high quality, low cost providers
  - Provide incentives to high value providers
  - Provide incentives for prevention, wellness and self-management
  - Consumer directed health plans

Transparency

- Goals:
  - Aid members in making wise decisions about using high quality physicians and facilities
  - Aid members in making wise decisions about obtaining value for their expenditures from health savings account
  - Provide real time calculator for liability at point of care

- Barriers to valid transparency data
  - Quality
  - Price
Change Benefit Structure

- Differential Copayments
  - Tiered formularies
  - Value based formularies
- Increased Coinsurance: approach to specialty pharmaceuticals
- High Deductible Health Plans with Health Savings Accounts
- Move to benefit limit rather than determining medical necessity
- Differential premiums based on health behaviors
- Worksite Clinics

Prevention and Wellness

- Business case has been made that prevention has a return on investment
- Employers are contracting with healthplans and independent vendors to manage worksite wellness programs
- Link to other categories of health related costs is next target (workers’ comp, disability, productivity, etc.)
Growth Comparison of Health Care Costs for Employees of Highmark Clients

Impact on Customer Cost

3-Year Trend Differences in Types of Health Care Costs
between HRA participants & matched controls

<table>
<thead>
<tr>
<th>Health Risk Assessment Study</th>
<th>Total</th>
<th>Inpatient</th>
<th>Outpatient</th>
<th>Pharmacy</th>
<th>Professional</th>
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</thead>
<tbody>
<tr>
<td>N=3,392</td>
<td>-13.5%</td>
<td>-40.5%</td>
<td>-3.3%</td>
<td>+26.4%</td>
<td>-16.9%</td>
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</tbody>
</table>

While health care costs increased for both groups, HRA participants' health care costs increased at a slower rate than non-participants (excluding pharmacy) after accounting for inflation, baseline costs, co-morbidity and demographic differences.
Highmark Employee Wellness – ROI

Annual Growth in Inpatient Payments

- Study published in the February 2008 Journal of Occupational and Environmental Medicine (JOEM), a peer-reviewed journal
- Comprehensive Worksite Health Promotion Program with proven methodology was analyzed
- Rigorous financial methodology included deduction of full cost of the program and incentives from the ROI
- Solid ROI -$1.65 was saved for every dollar spent. $1.3 million was saved over four years

Wellness Programs

Return On Investment Study
Highmark’s *Lifestyle Returns*

Member responsibilities:
- Take online pledge
- Take Health Risk Assessment
- Obtain preventive exam and screenings
- Complete in two wellness or condition management programs
- Access online educational materials

Employer responsibility
- Provide incentive for completing 5 steps

### Highmark Lifestyle Returns Participation

**Highmark Account employees**

<table>
<thead>
<tr>
<th>Year</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>9%</td>
<td>60%</td>
<td>66%</td>
<td>66%</td>
<td>66%</td>
</tr>
<tr>
<td></td>
<td>took the pledge</td>
<td>took the pledge</td>
<td>took the pledge</td>
<td>took the pledge</td>
</tr>
<tr>
<td></td>
<td>completed preventive exams</td>
<td>64% completed the wellness profile</td>
<td>65% completed the wellness profile</td>
<td>65% completed the wellness profile</td>
</tr>
<tr>
<td></td>
<td>59% fulfilled exam and screening requirements</td>
<td>59% fulfilled exam and screening requirements</td>
<td>61% fulfilled exam and screening requirements</td>
<td>61% fulfilled exam and screening requirements</td>
</tr>
<tr>
<td></td>
<td>56% participated in programs</td>
<td>56% participated in programs</td>
<td>60% participated in programs</td>
<td>60% participated in programs</td>
</tr>
<tr>
<td></td>
<td>58% utilized self-care guides</td>
<td>58% utilized self-care guides</td>
<td>61% utilized self-care guides</td>
<td>61% utilized self-care guides</td>
</tr>
<tr>
<td></td>
<td>46% Completed all five steps</td>
<td>46% Completed all five steps</td>
<td>56% Completed all five steps</td>
<td>59% Completed all five steps</td>
</tr>
</tbody>
</table>

*Note: 2005 data for preventive exams.*
Lifestyle Returns expansion

Highmark Customer participation in 2008

- 383 Accounts
- 133,000 Eligible Individuals

Questions