

HEALTHCARE ADVISORY COMMITTEE

BENEFITS TEAM SUBCOMMITTEE EXECUTIVE SUMMARY

December 11, 2007

The Mission

- Determine current best practices for healthcare plan design by conducting a survey of organizations with an Ohio presence and reviewing national survey data
- Recommend components (not details) for best practice health plans to serve the uninsured
- Focus on maximizing the participant's health in a cost effective manner

Benefits Team Members

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Action Steps

Conduct Survey

- Survey Ohio-presence organizations known for innovative benefit programs
- Survey participation encouraged by Director Mary Jo Hudson

Review National Surveys

- Review national surveys and reports to further validate findings from the Ohio-presence organizations

Health Management Terms

- Biometric Screenings
- Case Management
- Chronic Disease Management
- Health Advocacy Services
- Health Coaching
- Health Risk Assessment
- Lifestyle Behavioral Change Programs
- Return on Investment
- Value Based Plan Design

Best Practices Identified

- Health risk assessments
 - With biometric screenings
- Health coaching
 - For moderate- and high-risk participants
- Chronic disease management
 - For conditions such as asthma, diabetes, COPD, and coronary artery disease
 - Value based plan design (i.e., pharmacy discounts) becoming more prevalent
- Lifestyle behavioral change programs
 - For weight management and smoking cessation

Other Best Practices

- Preventive care reminders
- Web-based tools
 - For educational purposes
- 24 hour nurse line
- On-site clinic, pharmacy, or fitness facility
- Incentives
 - To motivate engagement
 - Primarily a “carrot” approach, with the “stick” approach gaining traction

Why is Corporate America investing in these programs?

- Positive Return on investment (ROI)
- ROIs range from 2 to 1 up to 10 to 1
- Programs with the highest ROI include chronic disease management, case management, and lifestyle behavioral change programs.
- Not only do these programs reduce healthcare costs, but more importantly they improve the health of the individuals which can lead to greater productivity and an improved quality of life.

Health Management Programs

Recommended for the uninsured population

• **Health risk assessments**

- Portal for the engagement of the individual; catalyst for the additional programs

• **Lifestyle behavioral change programs**

- Include at least smoking cessation and weight management; should be behavioral based not just drug therapy
- Has positive ROI

• **Case management**

- Case management for participants requiring high-cost services. For example, used for extended hospital stays, transition from hospital to home
- Has positive ROI

• **Chronic disease management**

- Generally has the best ROI due to management of high claims expense
- Include at least asthma, diabetes, COPD and coronary artery disease

Other Recommended Programs

- ◉ **Advocacy services**

- Help individuals navigate through the healthcare maze; provide financial assistance for drug therapy

- ◉ **24 hour nurse line**

- Relatively inexpensive
- May be well utilized by this population

- ◉ **Preventive reminders**

- Use if plan benefits cover preventive care services at no or low cost
- Reminders increase usage of preventive services and decrease costs over time

Plan Design Recommendations

- **Value based plan design**

- Eliminate or reduce copays (pharmacy, physician visits) for chronic conditions to increase compliance

- **Primary care**

- Promote primary care in concert with preventive care
- Discourage inappropriate use of ER, urgent care, and specialists

- **Preventive services**

- Cover at no or low cost to individuals
- Preventive services have positive ROI over time

Plan Design Recommendations

- **Quality providers**

- Encourage members to use quality providers, particularly Centers of Excellence with proven quality

- **Drug plan design**

- Design plans that incorporate value and choice
- Promote generic utilization, step therapy, and prior authorization

- **Dental services**

- Require this service as a condition of health coverage
- Offer 100% coverage for preventive services

Participant Engagement Recommendations

Include participant responsibilities and incentives

• Participant Responsibilities

- Complete a Health Risk Assessment
- Have a primary care physician
- Receive all recommended preventive services annually
- Participate in a disease management program for those with a chronic condition
- Participate in lifestyle behavioral program if risk exists (i.e. is a smoker or over weight)

Participant Engagement Recommendations

● Participant Incentives

- Low or no co-pay for preventive care
- Lower co-pays for primary care than specialist care
- Low or no cost for chronic disease management participation
- Free health assessments, nurse line, and preventive care reminders
- Free advocacy services

Summary of Recommendations

• Services

- Health Management
- Health Assessment
- Lifestyle Behavior Change
- Case Management
- Disease Management
- Advocacy Services
- 24 Hour Nurse Line
- Preventive Reminders

• Plan Design

- Value Based Plan
- Primary Care
- Preventive Services
- Quality Providers
- Drug Plan Design
- Dental Services

• Participant Responsibilities & Incentives

National Surveys and Reports Reviewed

- Business Roundtable 2006-07 Survey of Wellness Programs
- Welcoa's 2006 Annual Membership Survey
- Welcoa's ROI Bullseye
- 12th Annual National Business Group on Health: 2007
- Watson Wyatt Employee Perspectives on Health Care (2007)
- Mercer Annual Healthcare Survey (2007)
- Numerous articles

Thank You!

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