

M
AEIP
B
NCCMP
O

Knut Ringen
Stoneturn Consultants
www.stoneturn.org

Issues

ISSUE 1: How did we get to the health care mess we are in now?

- How did our health care system get so fragmented?
- Why do we pay so much for health care and get so little in return?
- Is the value/investment we place in health care justified by the results?

Issues

ISSUE 2: What are prevention and wellness benefits and why should our health plans engage?

- What questions are surfacing about the provision of prevention and wellness services in the Affordable Care Act?
- Where should efforts be focused to address prevention and wellness?
- Why should our plans be interested in prevention and wellness?

Issues

ISSUE 3: Will ACA solve our problems?

- Will uncompensated care decline?
- Will prevention pay off?
- Will the exchanges spread risks or further segregate risks?
- Where is cost containment coming from?

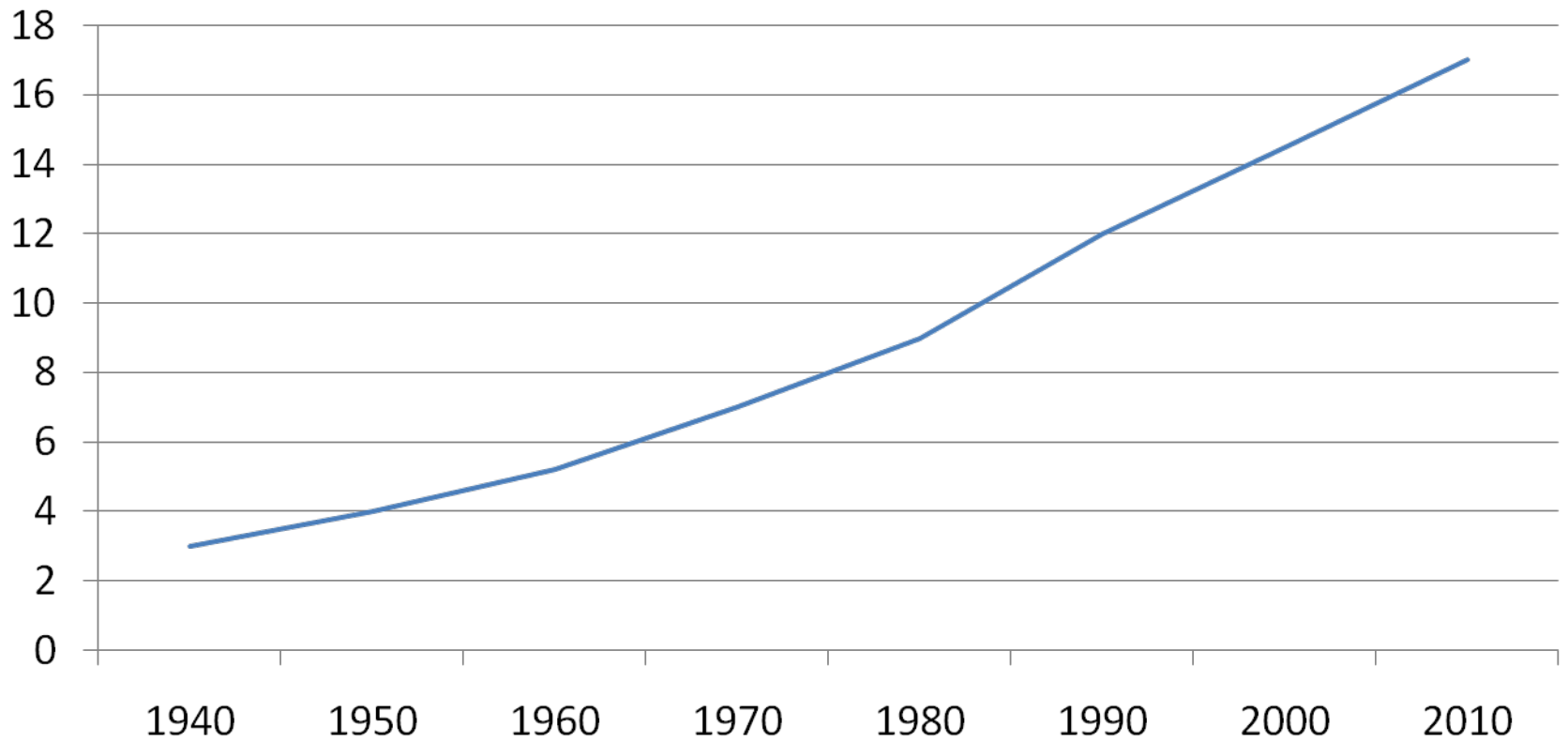
ISSUES

Issue 4: What Can our Funds Do better?

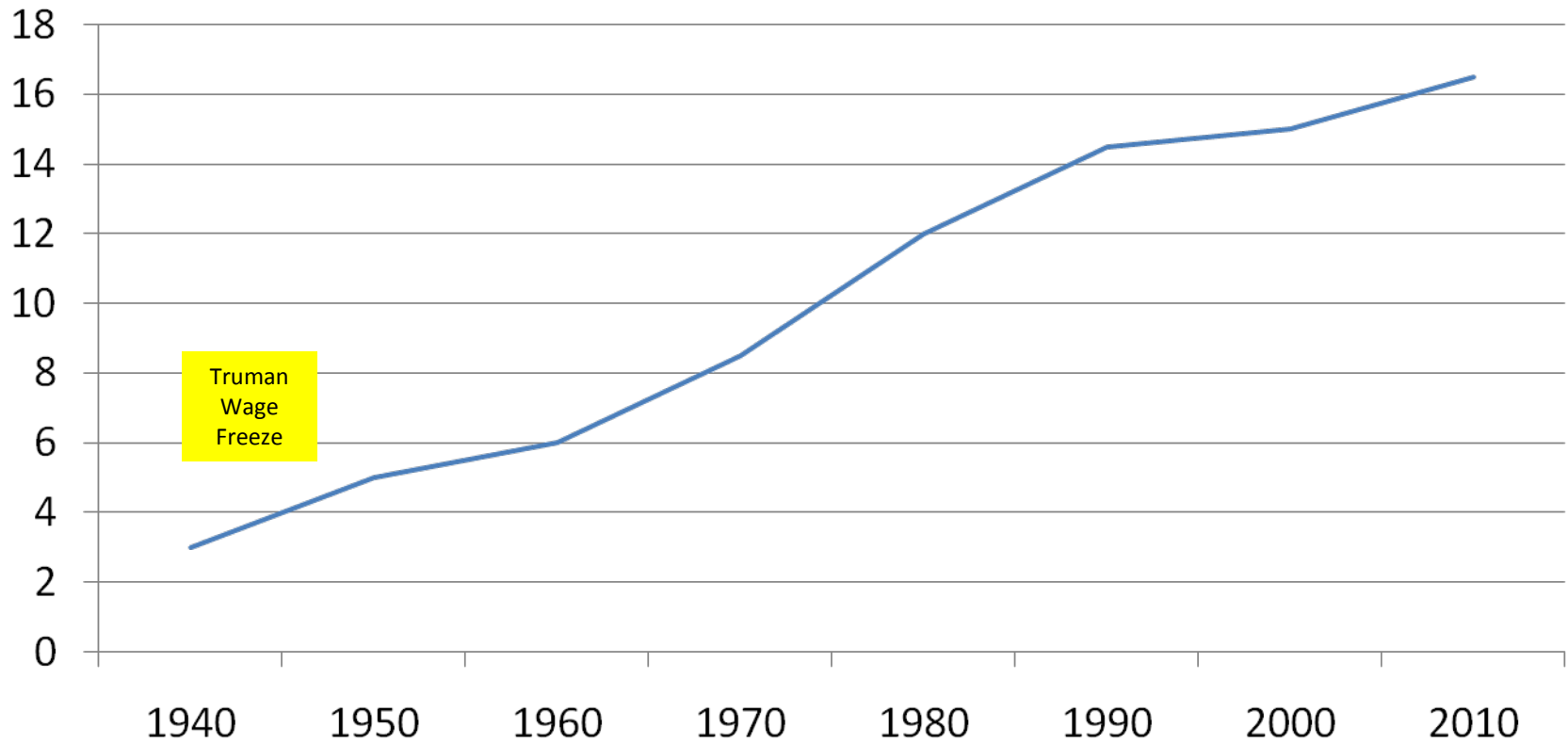
- Should our funds limit their scope to reimbursing medical care?
- Should our funds expand preventive services?
- Are funds the best vehicle to promote wellness?

ISSUE 1: THE MESS

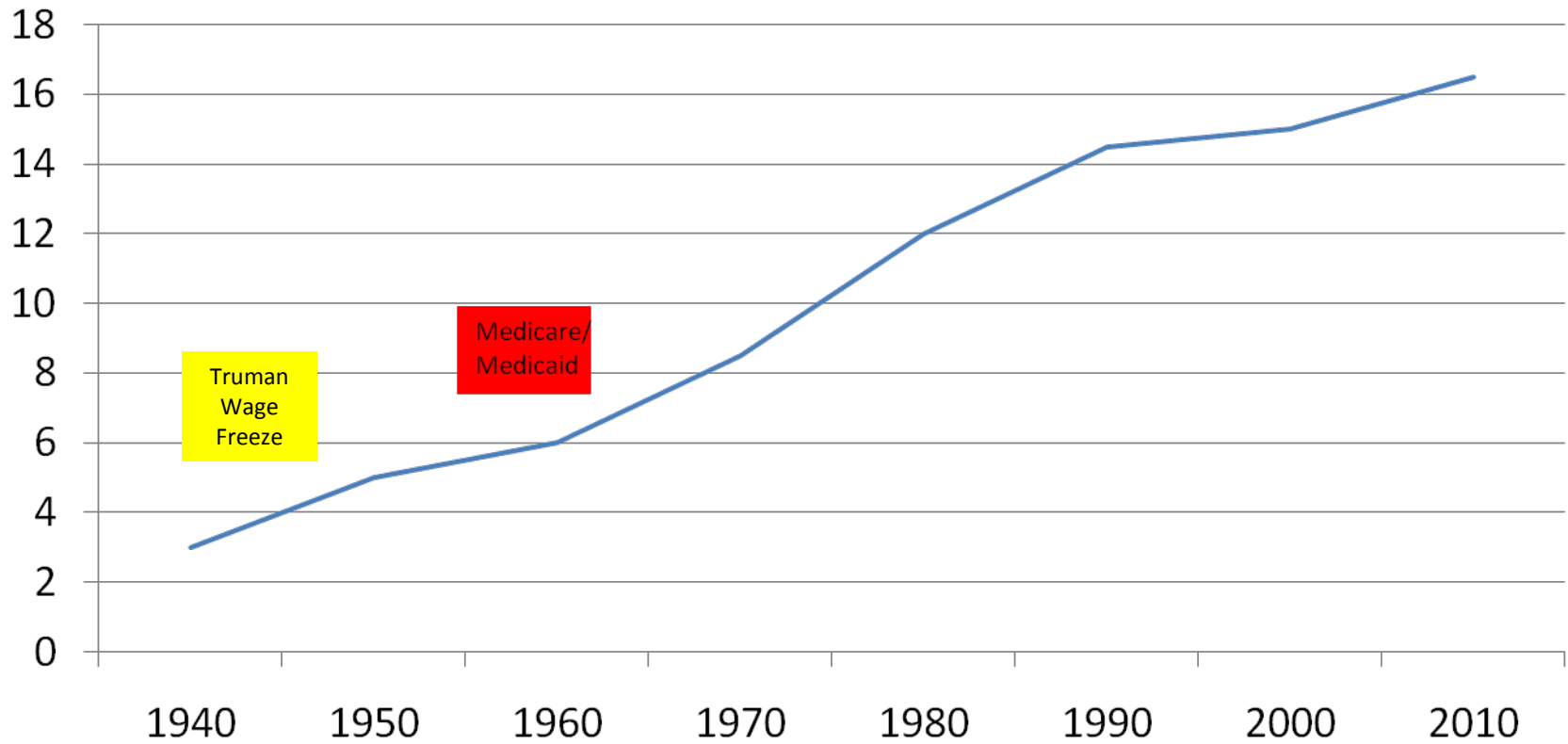
HEALTH COSTS AS % Of GDP, US



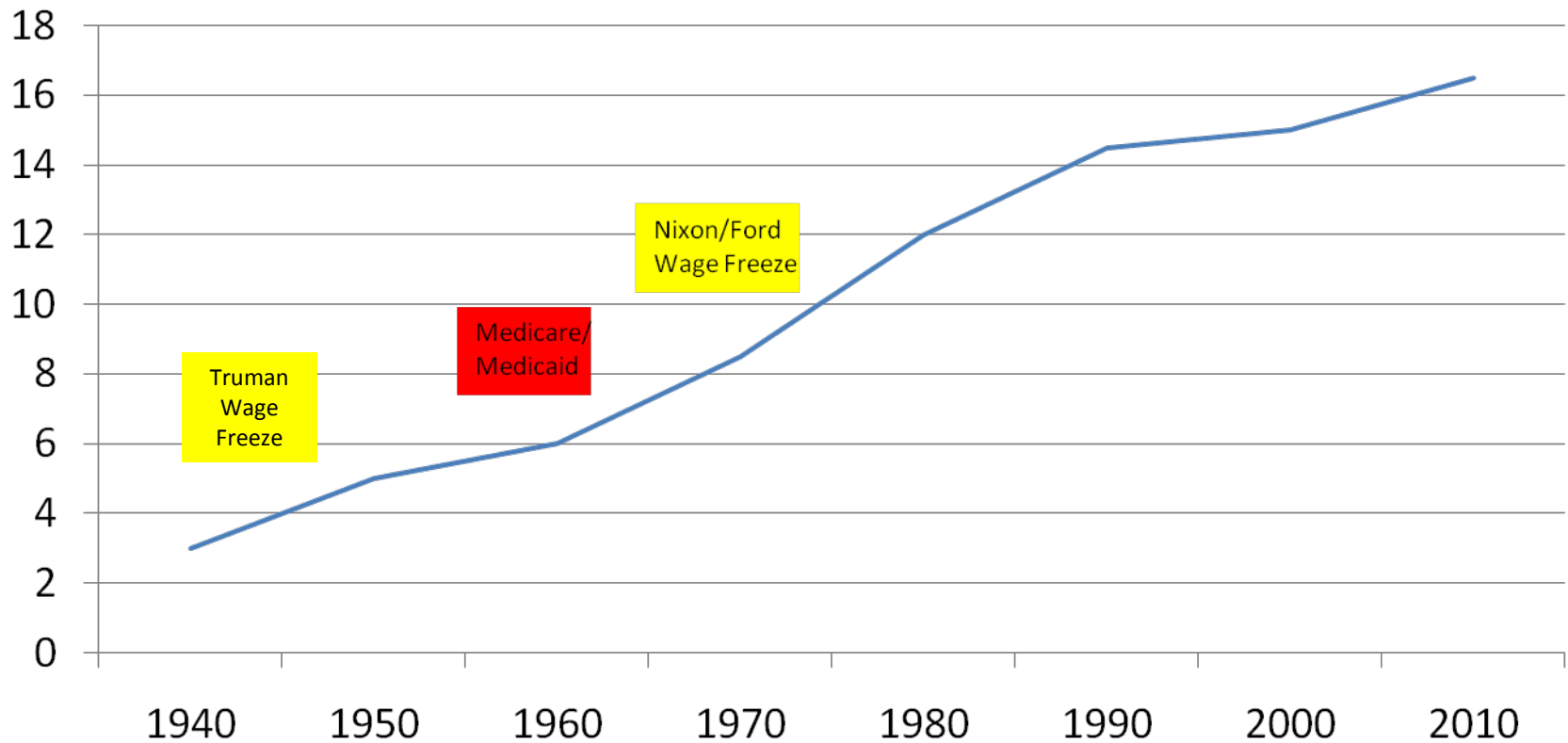
HEALTH COSTS AS % Of GDP, US



HEALTH COSTS AS % Of GDP, US

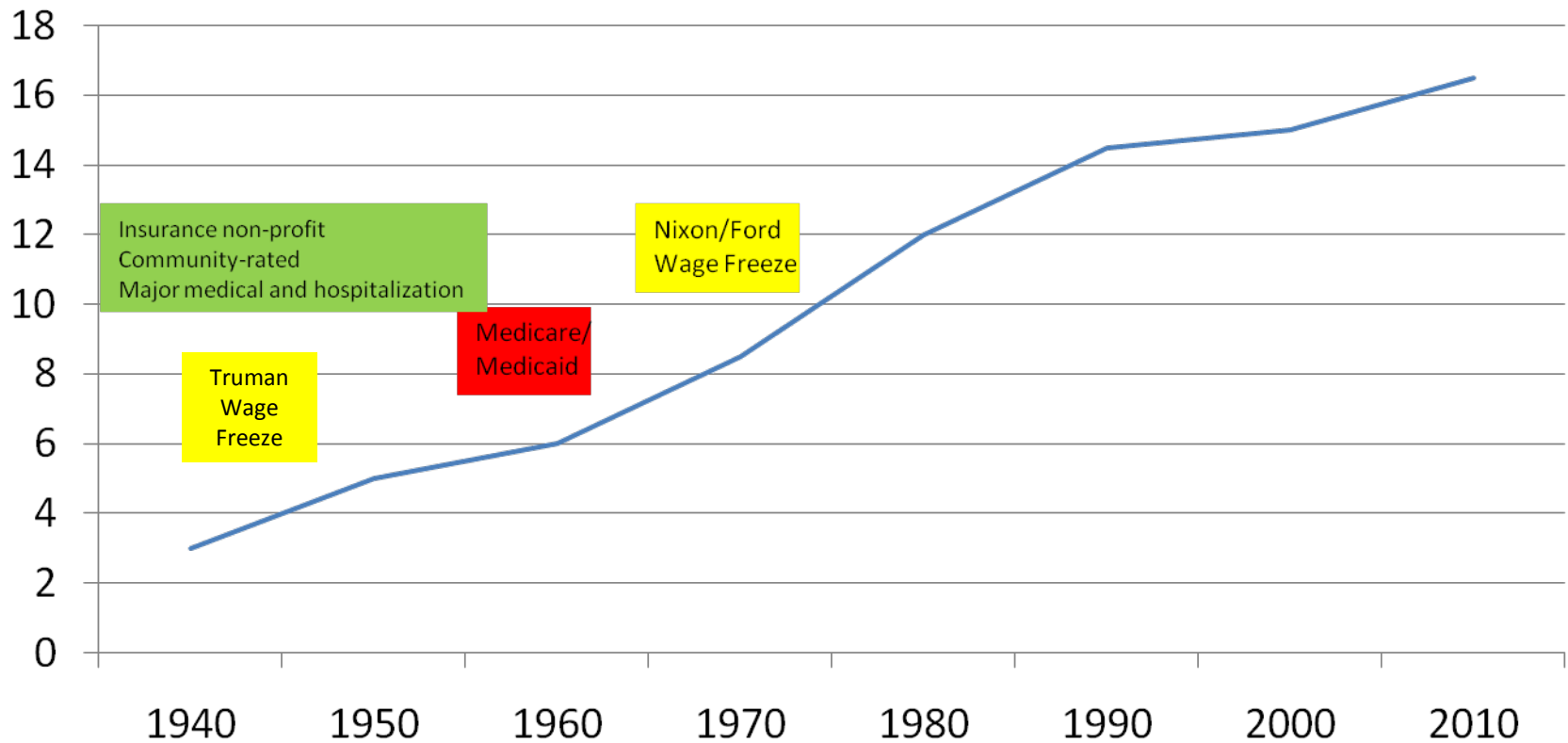


HEALTH COSTS AS % Of GDP, US



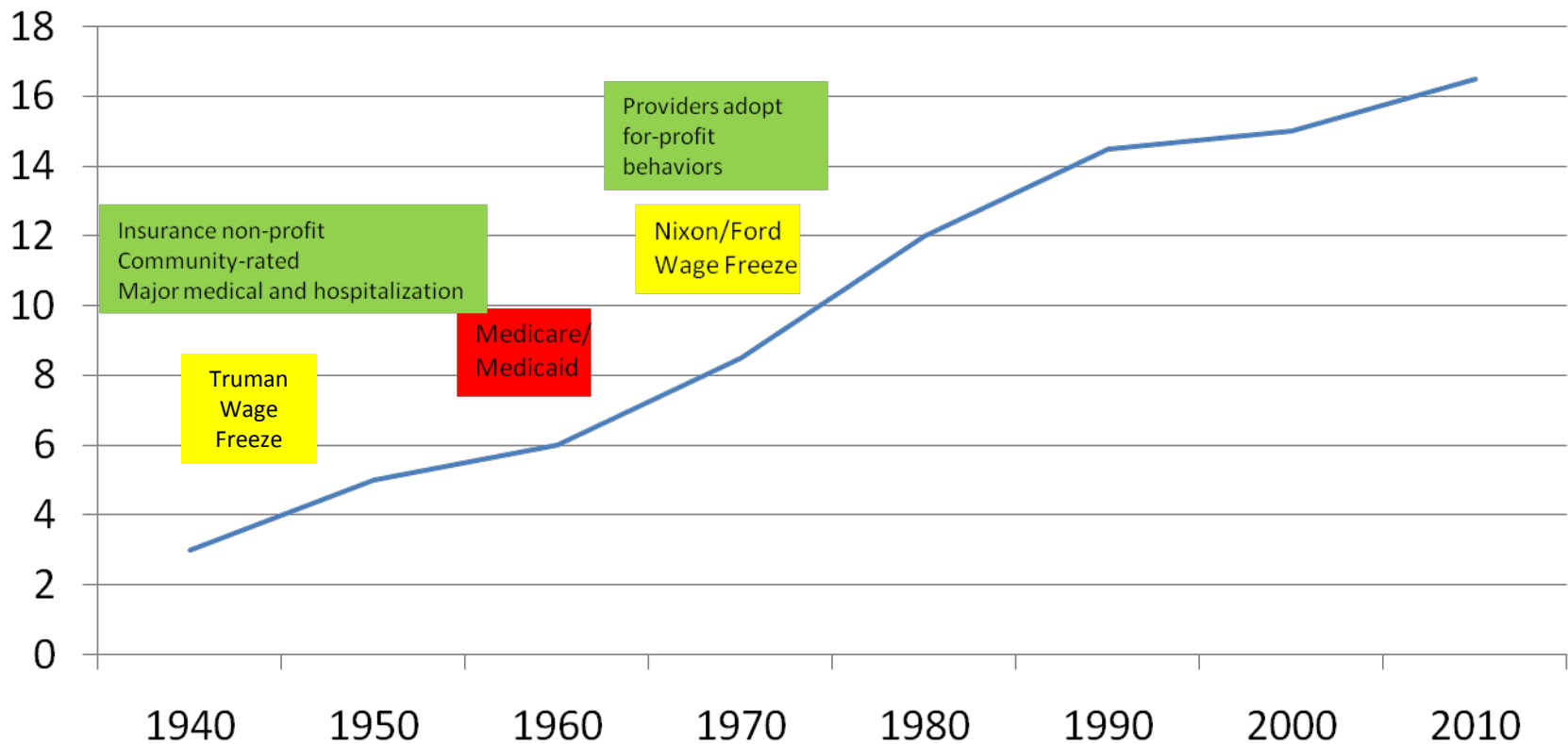
HEALTH COSTS AS % Of GDP, US

Provider/Insurer Behavior



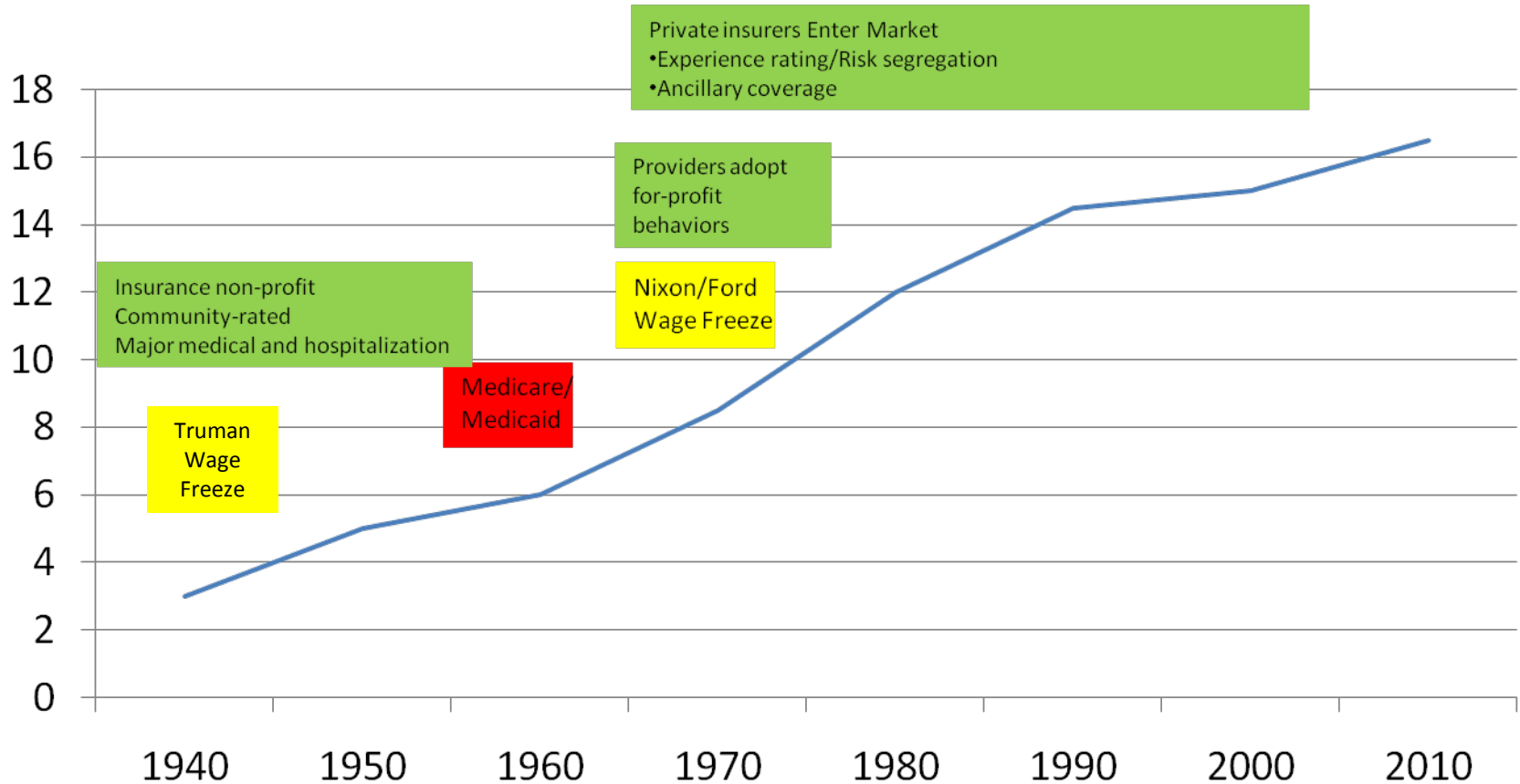
HEALTH COSTS AS % Of GDP, US

Provider/Insurer Behavior

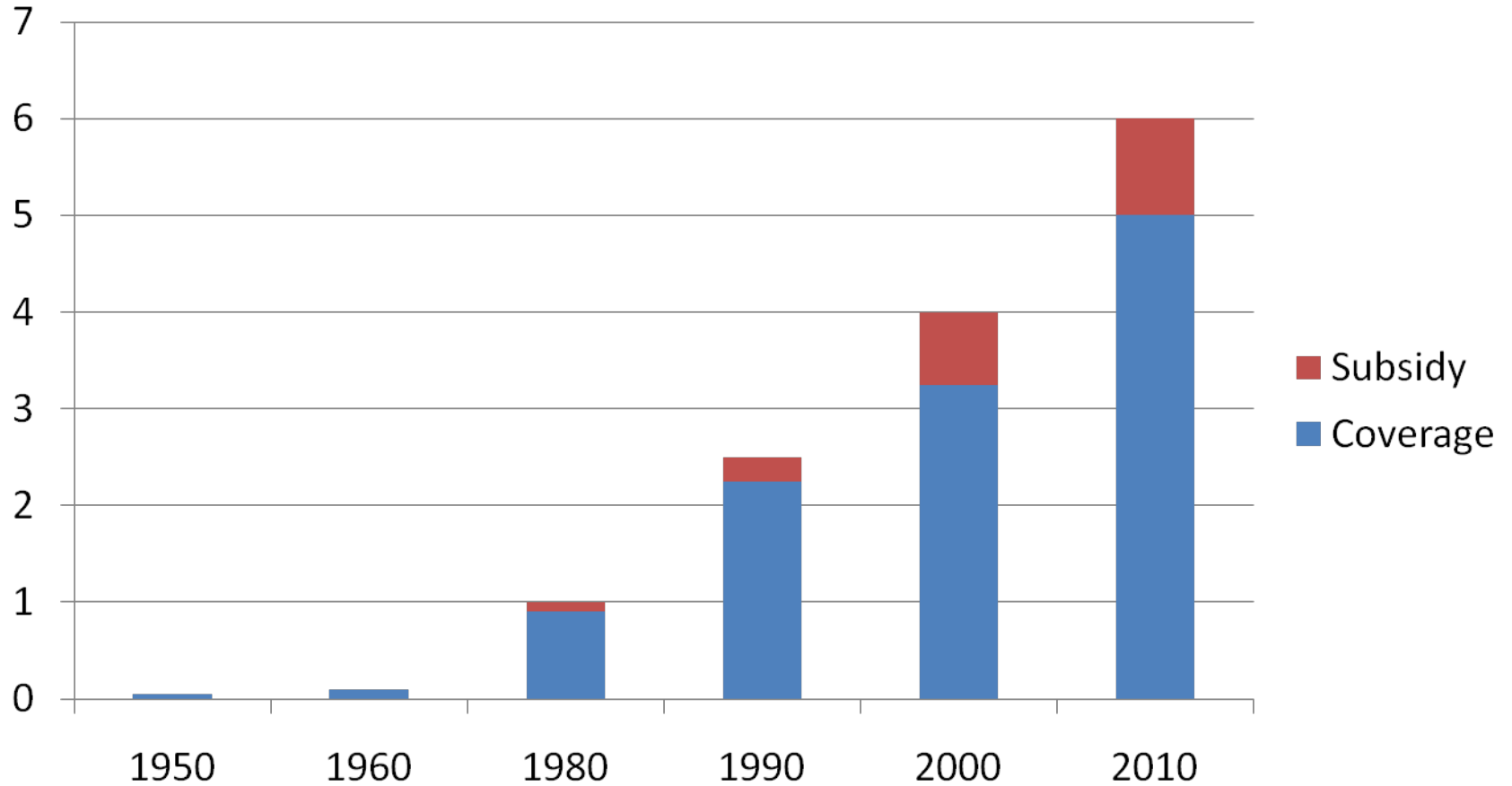


HEALTH COSTS AS % Of GDP, US

Provider/Insurer Behavior

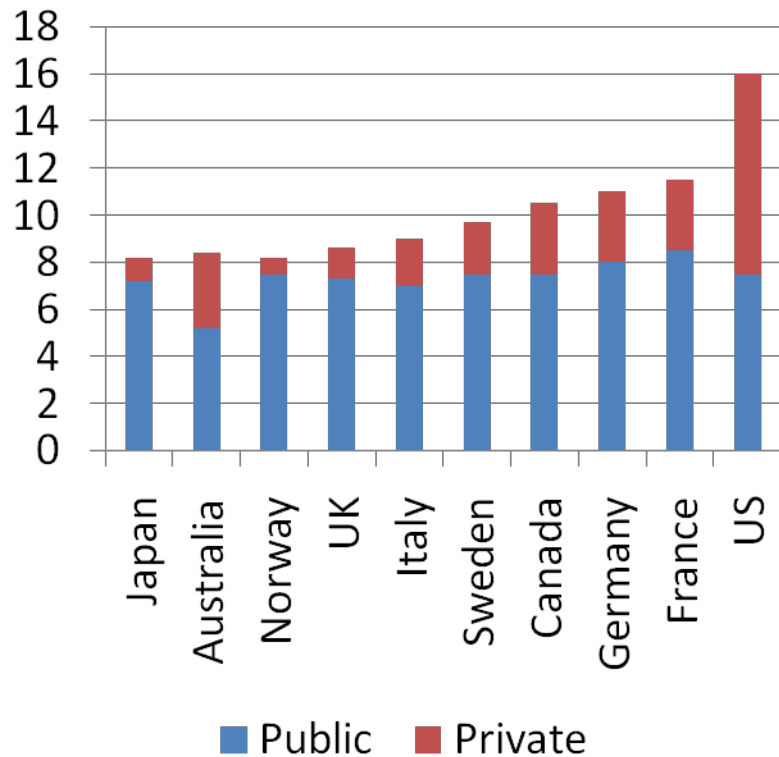


H&W Fund Contributions (\$/hr)



Health Care Expenditures Have Little Relationship to Health Status

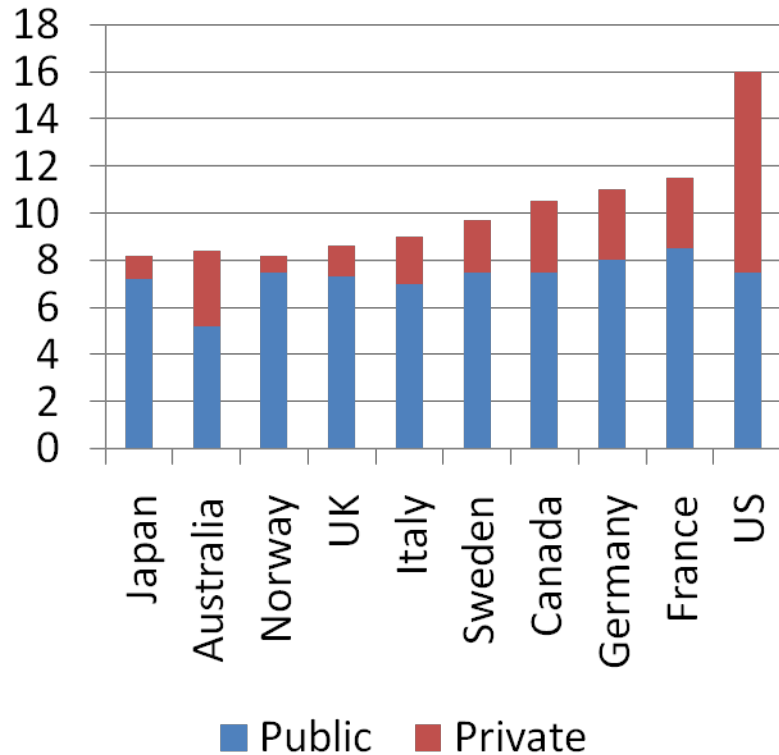
Health Care Costs as % of GDP



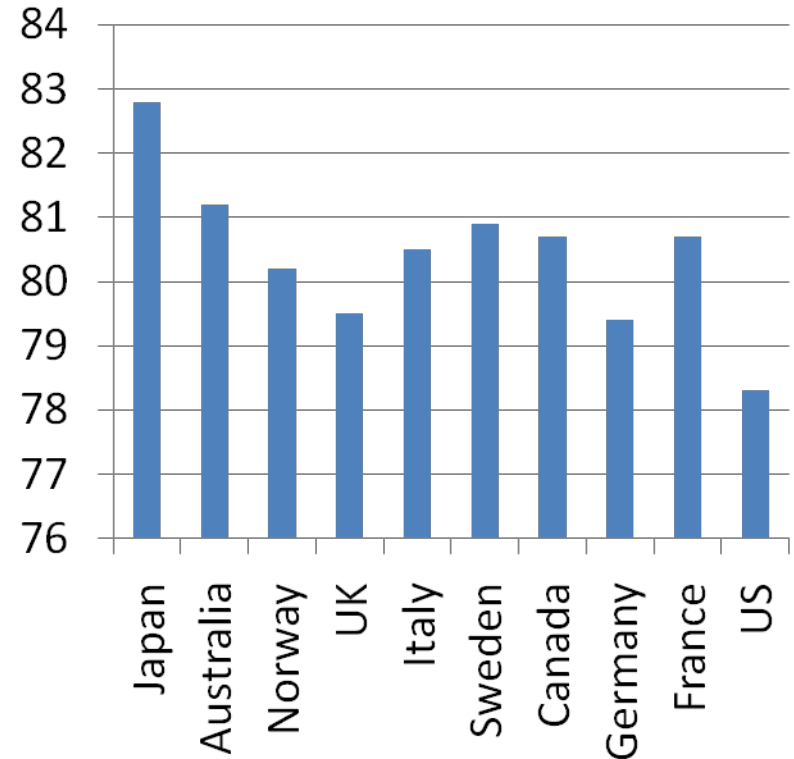
Source: OECD

Health Care Expenditures Have I Little Relationship to Health Status

Health Care Costs as % of GDP



Life expectancy (at birth)



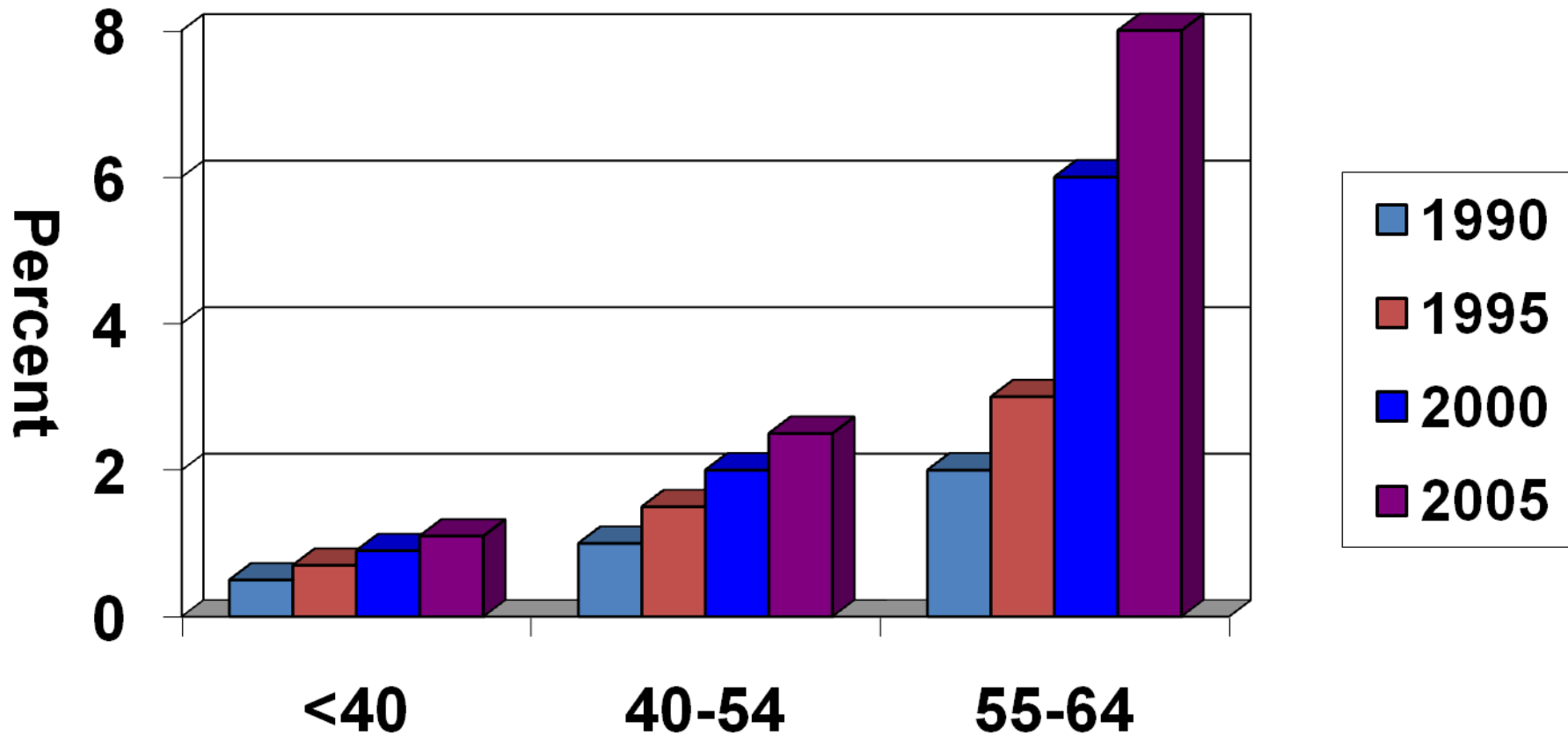
Source: OECD/UNSP

Questions?

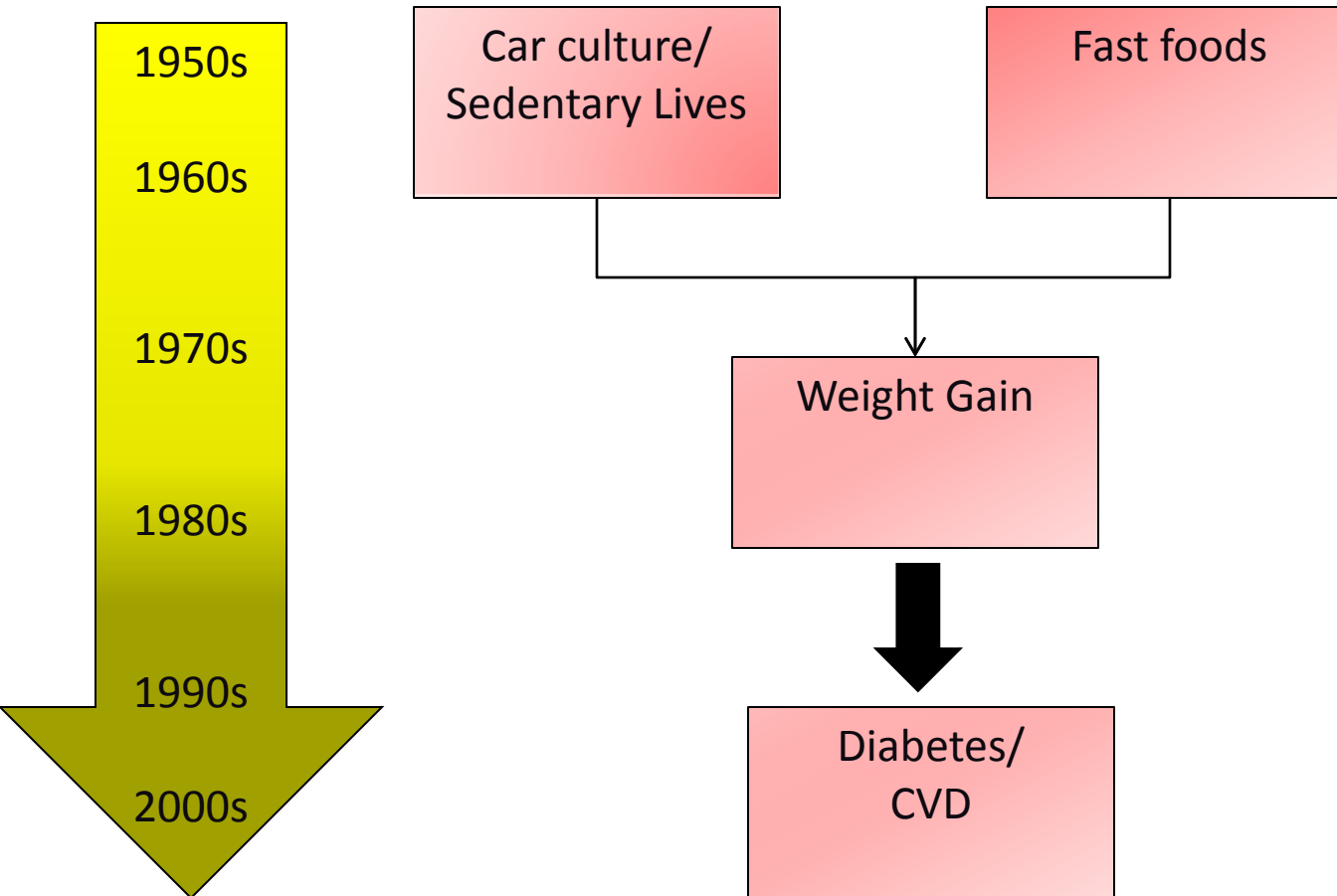
- How did our health care system get so fragmented?
- Why do we pay so much for health care and get so little in return?
- Is the value/investment we place in health care justified by the results?

**ISSUE 2: WHAT ARE
PREVENTION/WELLNESS AND QUALITY
OF CARE BENEFITS?**

Prevalence of Diagnosed Diabetes, Construction Trades Members

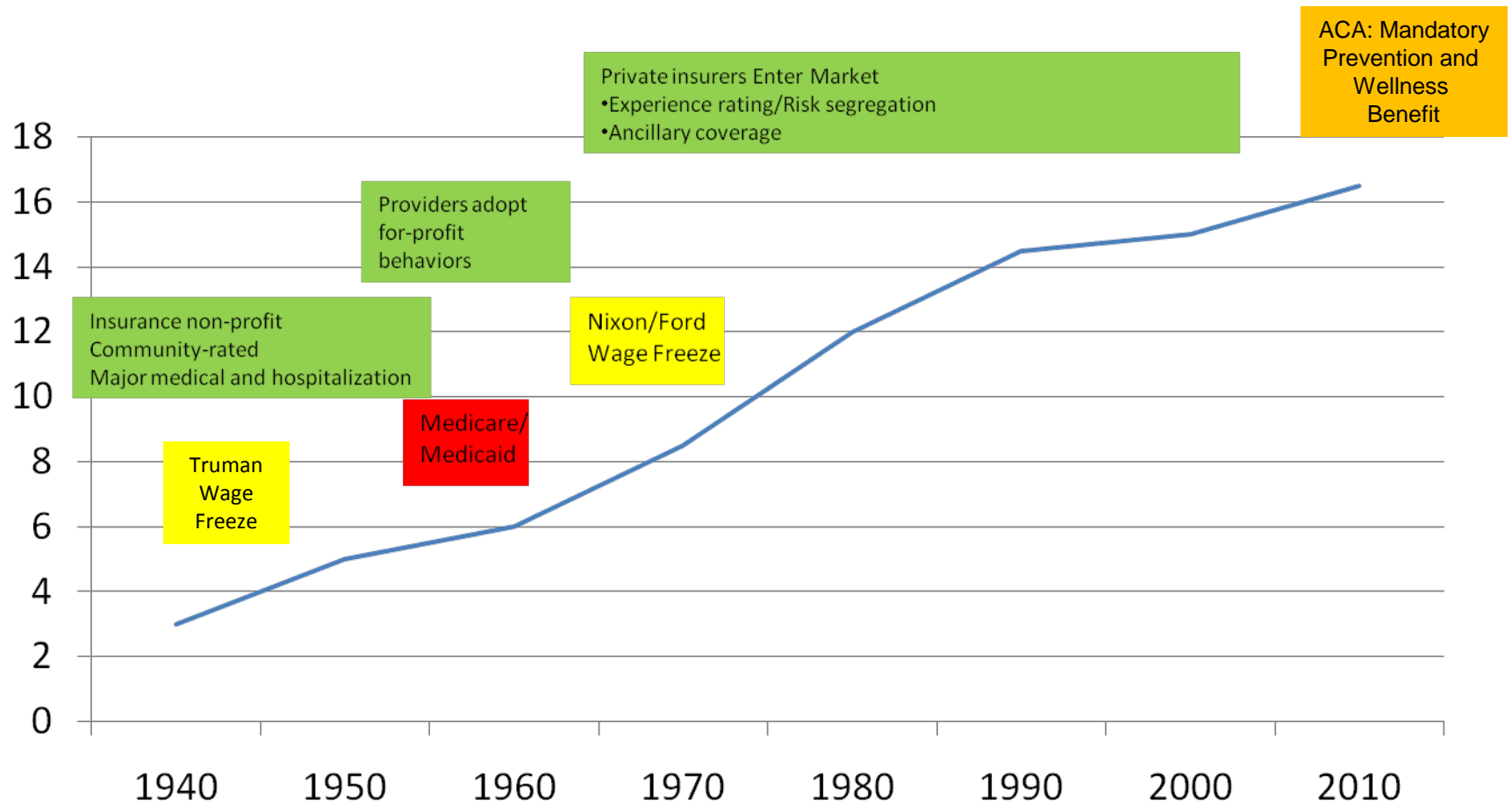


How Did We Get To This?



HEALTH COSTS AS % Of GDP, US

Provider/Insurer Behavior



SEC. 2713

COVERAGE OF PREVENTIVE HEALTH SERVICES

On the first anniversary date following Sept 23, 2010, all new health plans must cover without cost sharing:

a) Preventive services

- i. U.S. Preventive Services Task Force rated “A” or “B”
- ii. HRSA Comprehensive Guidelines
 - i. Infants, children, and adolescents,
 - ii. Women.

b) Immunizations

- i. CDC Advisory Committee on Immunization Practices

Note: Existing Health Plans have a “Grandfather” Exemption

US Preventive Services Task Force Recommendations Rated A or B

Services	Men	Women	Pregnant Women	Child
Abdominal Aortic Aneurysm, Screening	✓			
Alcohol Misuse Screening and Counseling	✓	✓	✓	
Daily Aspirin	✓	✓		
Asymptomatic Bacteriuria Screening			✓	
Breast Cancer Screening		✓		
Breast Ovarian Cancer Genetic Risk Assessment		✓		
Breastfeeding promotion/counseling		✓	✓	
Cervical Cancer Screening		✓		
Chlamydial Infection Screening		✓	✓	
Colorectal Cancer Screening	✓	✓		
Congenital Hypothyroidism Screening				✓
Dental Caries in Preschool Children Prevention				✓
Depression Screening	✓	✓		
Gonorrhea Screening		✓	✓	
Gonorrhea Prophylactic Medication				

US Preventive Services Task Force Recommendations Rated A or B

Services	Men	Women	Pregnant Women	Child
Hearing Loss in Newborns Screening				✓
Hepatitis B Virus Infection Screening			✓	
High Blood Pressure Screening	✓	✓		
HIV Screening	✓	✓	✓	✓
Iron Deficiency Anemia Prevention				✓
Iron Deficiency Anemia Screening			✓	
Lipid Disorders in Adults Screening	✓	✓	✓	
Major Depressive Disorder in Children and Adolescents Screening				✓
Obesity in Adults Screening	✓	✓		
Osteoporosis in Postmenopausal Women Screening		✓		
Phenylketonuria Screening				✓
Rh (D) Incompatibility Screening			✓	
Sexually Transmitted Infections Counseling	✓	✓		
Sickle Cell Disease Screening				✓

US Preventive Services Task Force Recommendations Rated A or B

Services	Men	Women	Pregnant Women	Child
Tobacco Use and Tobacco-Caused Disease Counseling	✓	✓	✓	
Type 2 Diabetes Mellitus in Adults Screening	✓	✓	✓	
Visual Impairment in Children Younger than Age 5 Years Screening				✓

SEC. 2717

Ensuring Quality of Care

By March 23, 2012, new health plans must report to **DHHS** on their activities to:

- (A) Improve health outcomes:** quality reporting, case management, care coordination, disease management, medication & care compliance, medical homes model
- (B) Prevent hospital readmissions:** hospital discharge planning including post discharge reinforcement by an appropriate health care professional;
- (C) Improve patient safety and reduce medical errors:** use of best clinical practices, evidence based medicine, and health information technology

SEC. 2717

Ensuring Quality of Care

By March 23, 2012, new health plans must report to **DHHS** on their activities to:

- (A) Improve health outcomes:** quality reporting, case management, care coordination, disease management, medication & care compliance, medical homes model
- (B) Prevent hospital readmissions:** hospital discharge planning including post discharge reinforcement by an appropriate health care professional;
- (C) Improve patient safety and reduce medical errors:** use of best clinical practices, evidence based medicine, and health information technology
- (D) Cover wellness and health promotion***

Examples of Wellness Benefits

- (1) Smoking cessation.*
- (2) Weight management.*
- (3) Stress management.*
- (4) Physical fitness.*
- (5) Nutrition.*
- (6) Heart disease prevention.*
- (7) Healthy lifestyle support.*
- (8) Diabetes prevention.*

Questions?

- What questions are surfacing about the provision of prevention and wellness services in the Affordable Care Act?
- Where should efforts be focused to address prevention and wellness?
- Why should our plans be interested in prevention and wellness?

ISSUE 3: WILL ACA FIX THE MESS?

Key ACA Provisions

Key Goal	Will it work?		Comment
	Yes	No	
Coverage	√	√	Subsidies/credits help Penalties too low
Risk spreading	√	√	Prohibits discrimination based on preexisting conditions Allows experience rating
Prevention, Q/A, and Wellness	√	√	Excellent provisions Too many expectations Too many exemptions Unfunded
Cost control		√	

Questions

- Will uncompensated care decline?
- Will prevention pay off?
- Will the exchanges spread risks or further segregate risks?
- Where is cost containment coming from?

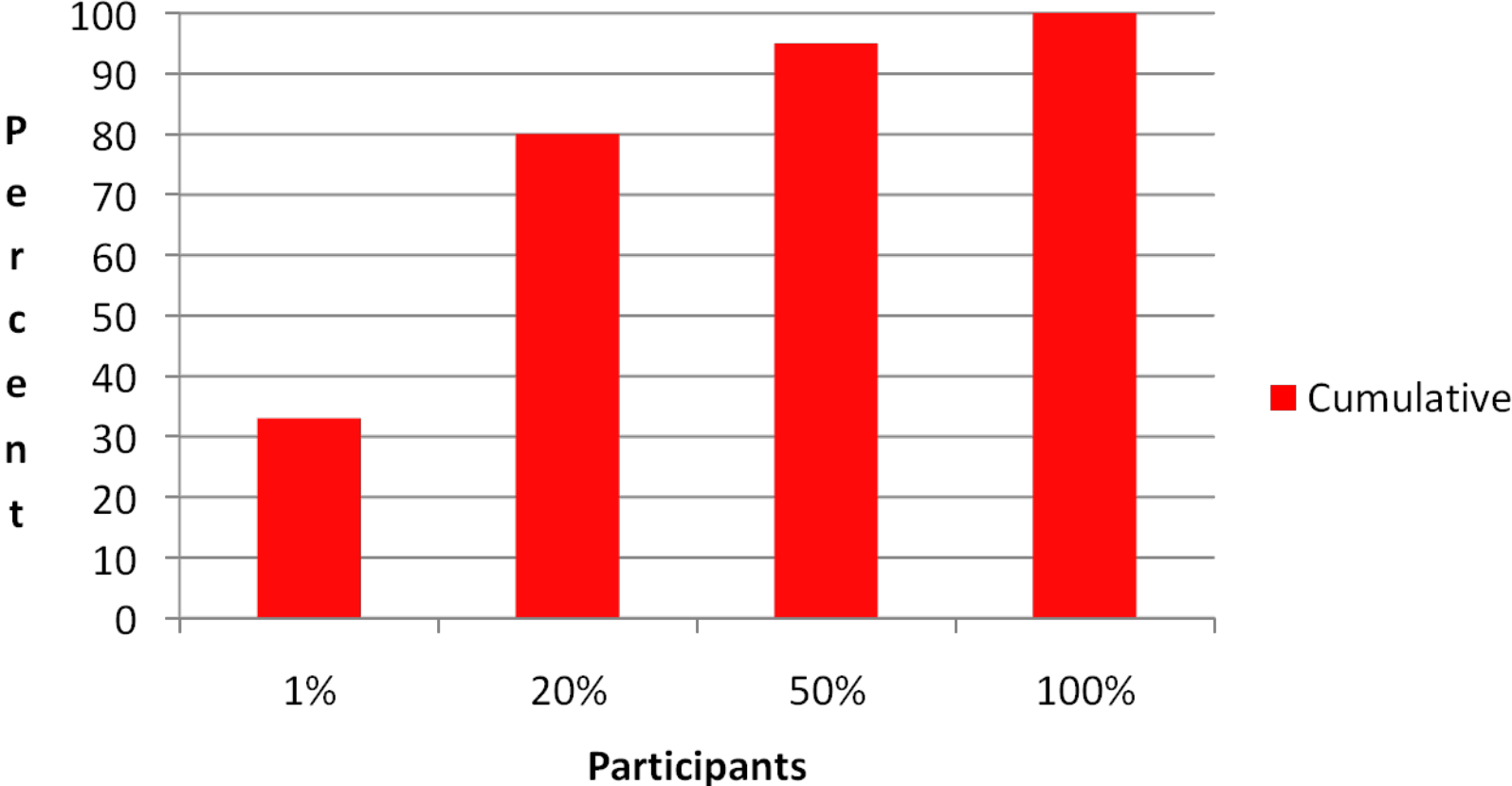
ISSUE 4: CAN OUR FUNDS DO THINGS BETTER?

Focus on High Cost Participants

Diabetes	Hypertension	Cost Rate \$/Year
No	No	\$2671
Yes	No	\$6866
No	Yes	\$6562
Yes	Yes	\$10479

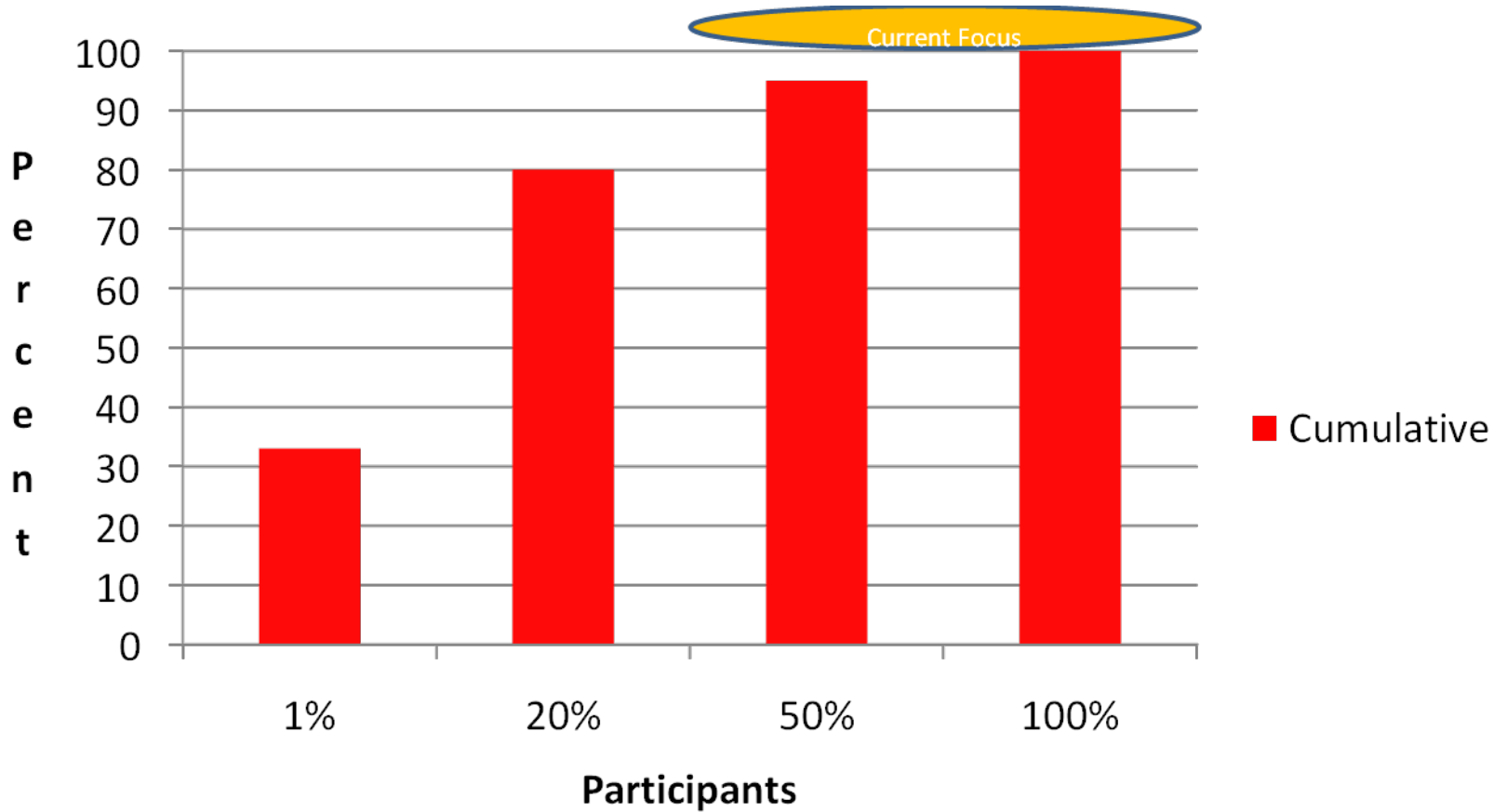
WHERE TO PLACE OUR FOCUS

National Distribution of Health Care Costs



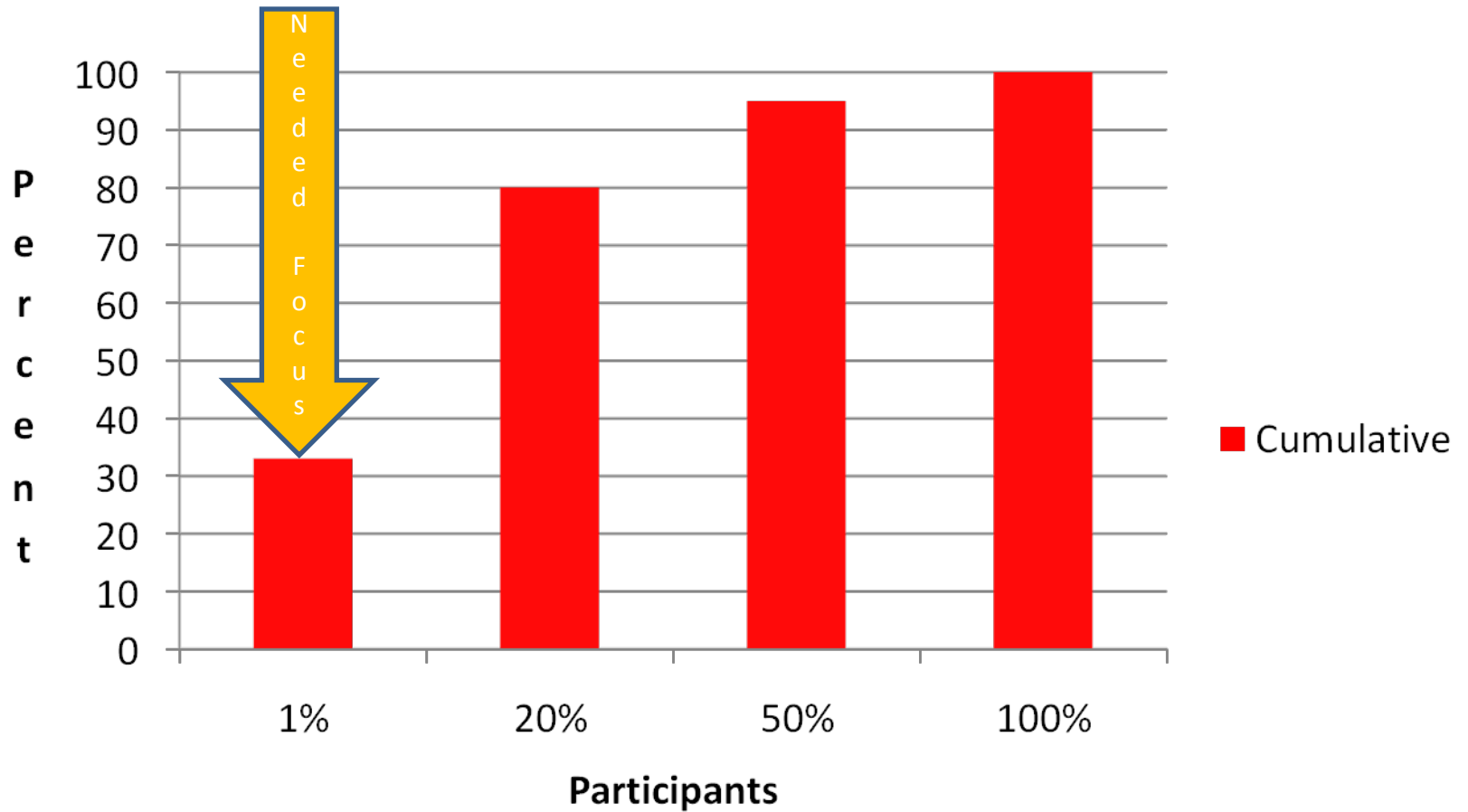
WHERE TO PLACE OUR FOCUS

National Distribution of Health Care Costs



WHERE TO PLACE OUR FOCUS

National Distribution of Health Care Costs



The Top Cost Illnesses



Diabetes

The Top Cost Illnesses

Diabetes

Patients with diabetes account for
20% of total medical costs

The Top Cost Illnesses

Diabetes

Patients with diabetes account for 20% of total medical costs

Patients with diabetes account for one-third of Medicare costs

The Top Cost Illnesses



Diabetes

Patients with diabetes account for 20% of total medical costs


Patients with diabetes account for one-third of Medicare costs

Diabetes treatment costs account for half of these costs

The Top Cost Illnesses



Diabetes



Congestive
heart failure

The Top Cost Illnesses



Diabetes

Congestive
heart failure

Coronary
Artery Disease

The Top Cost Illnesses

Diabetes

Congestive
heart failure

Coronary
Artery Disease

Hyper
tension

The Top Cost Illnesses

Diabetes

Congestive
heart failure

Coronary
Artery Disease

Hyper
tension

Asthma

The Top Cost Illnesses

Diabetes

Congestive
heart failure

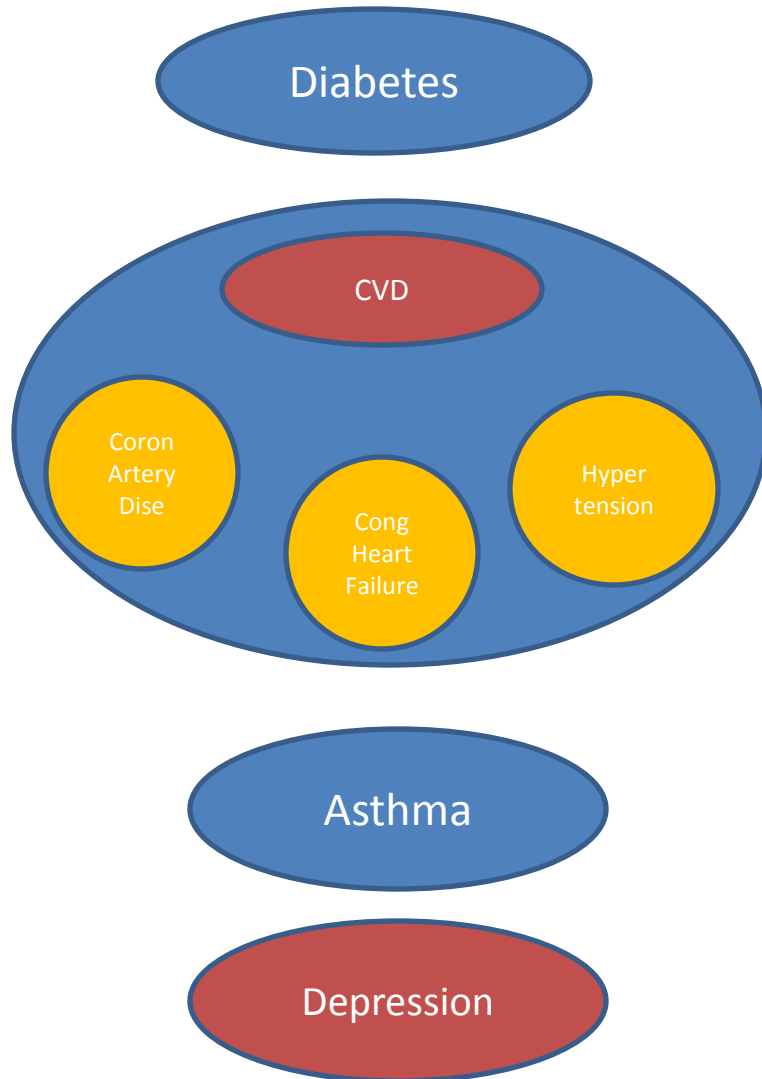
Coronary
Artery Disease

Hyper
tension

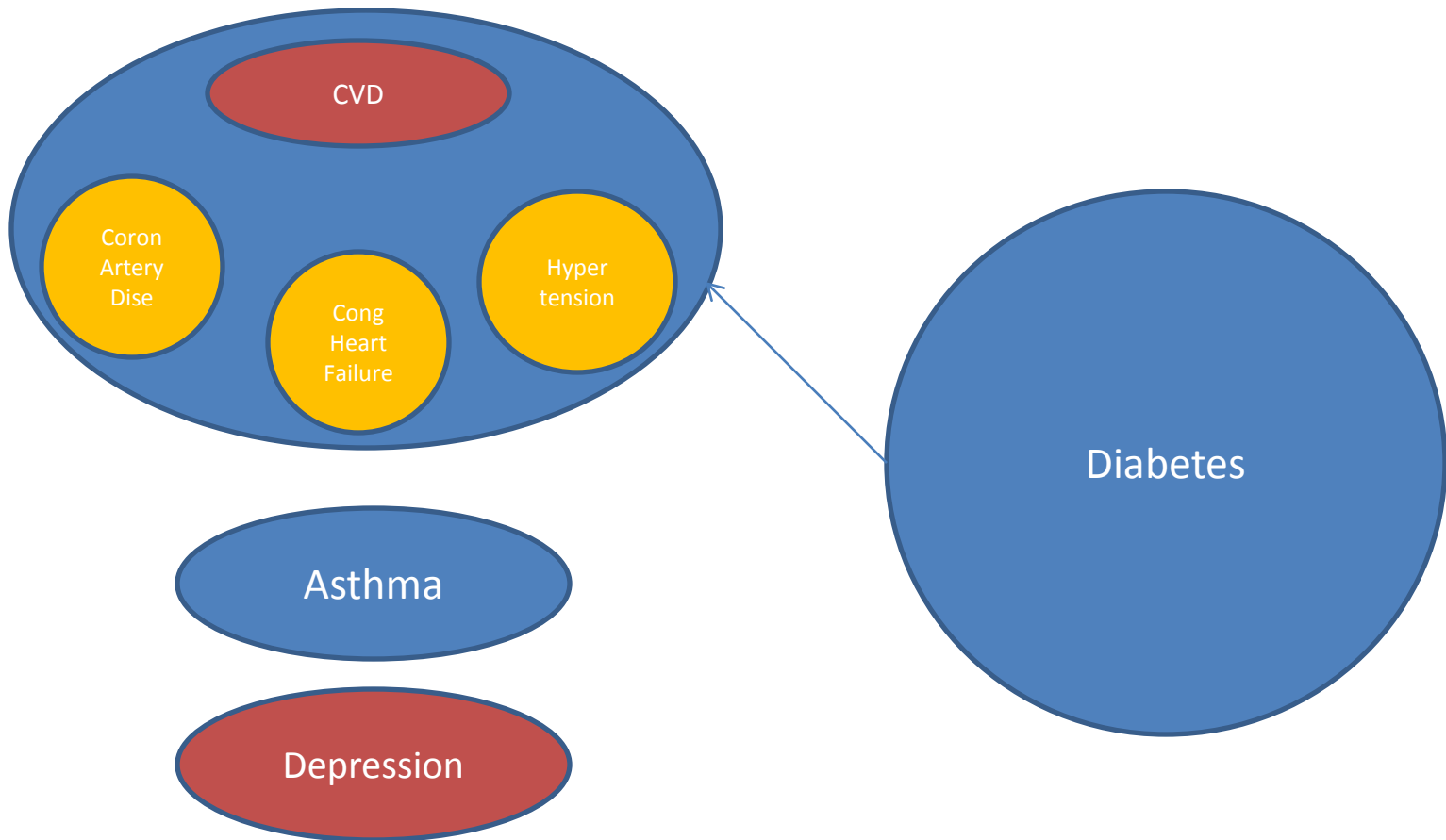
Asthma

Depression

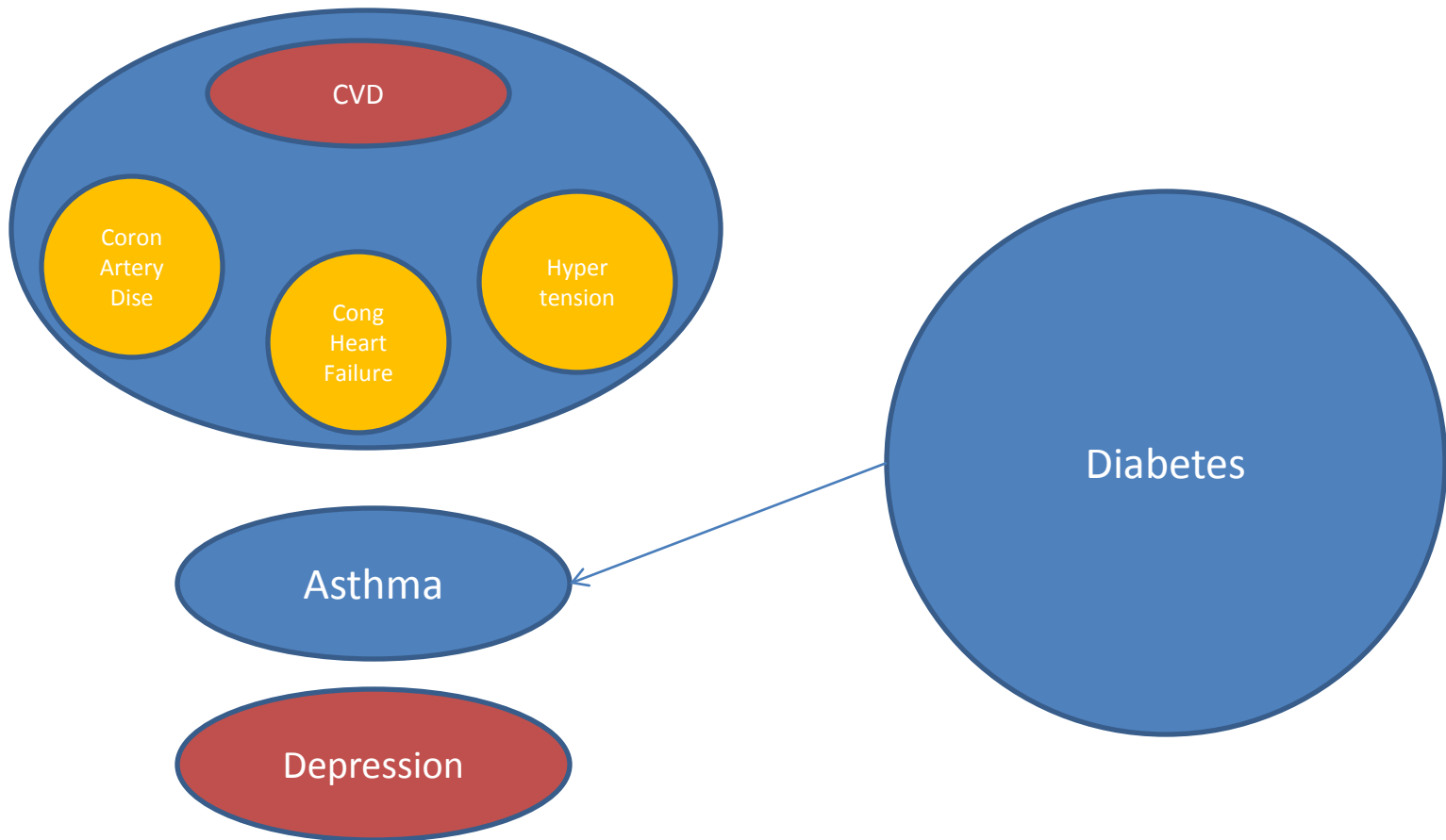
The Top Cost Illnesses



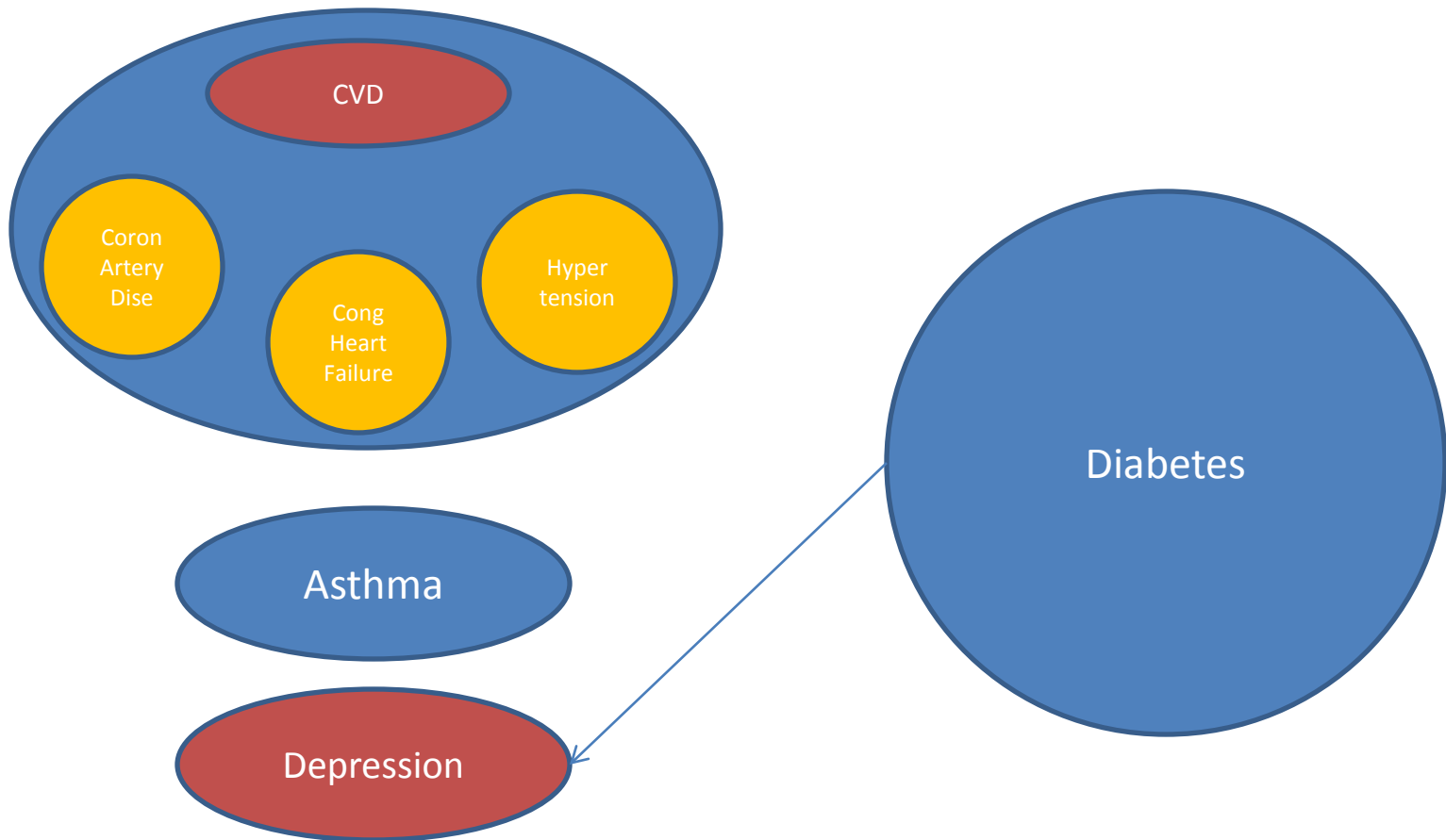
The Top Cost Driver



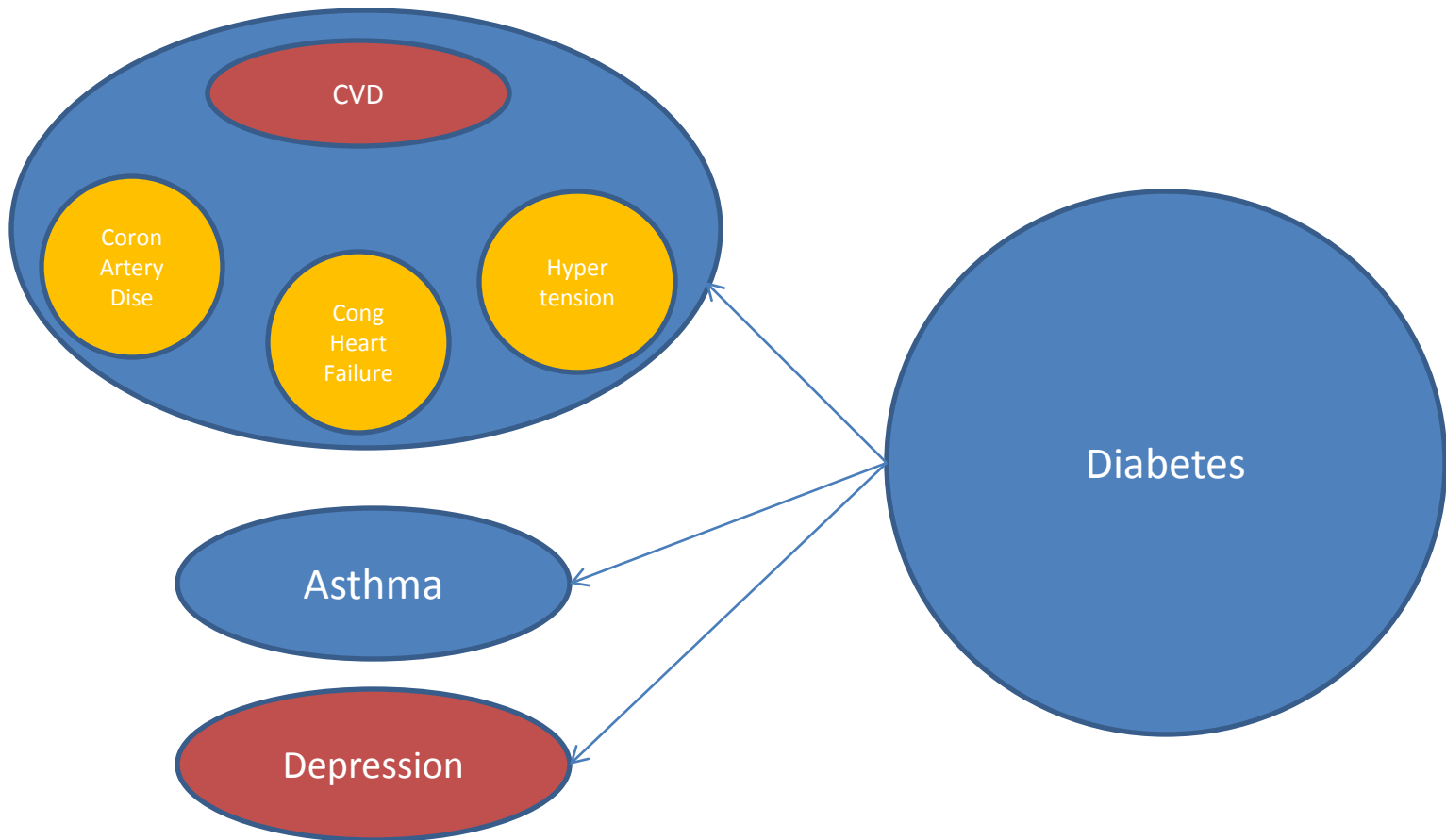
The Top Cost Driver



The Top Cost Driver



The Top Cost Driver



Disconnected Health Care

- A patient with chronic disease may have 5-10 different care givers

And/But

- No coordination

And

- Indemnity payors are hands-off

Quality is Highly Variable

- Among top 10% providers, quality measures vary by up to 50%
- We pay regardless of the quality

Our Data are Deficient

- We track charges and payments
- We don't track health or health care use

How do we Build on our Strengths

- Stable populations
- A very high degree of trust

A New Approach to Disease Management

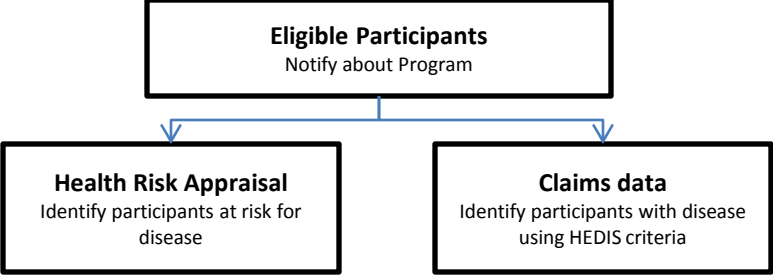
- Disease management is more about relationships than science
- Improving health care is not rocket science:
 - Surgical check lists reduce complications

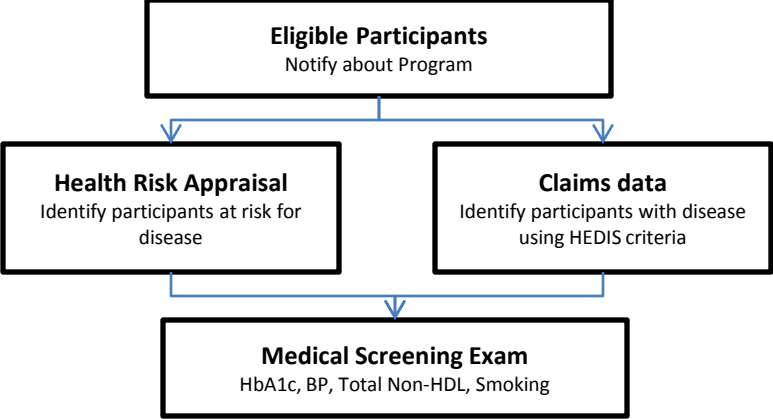
Assuring Performance

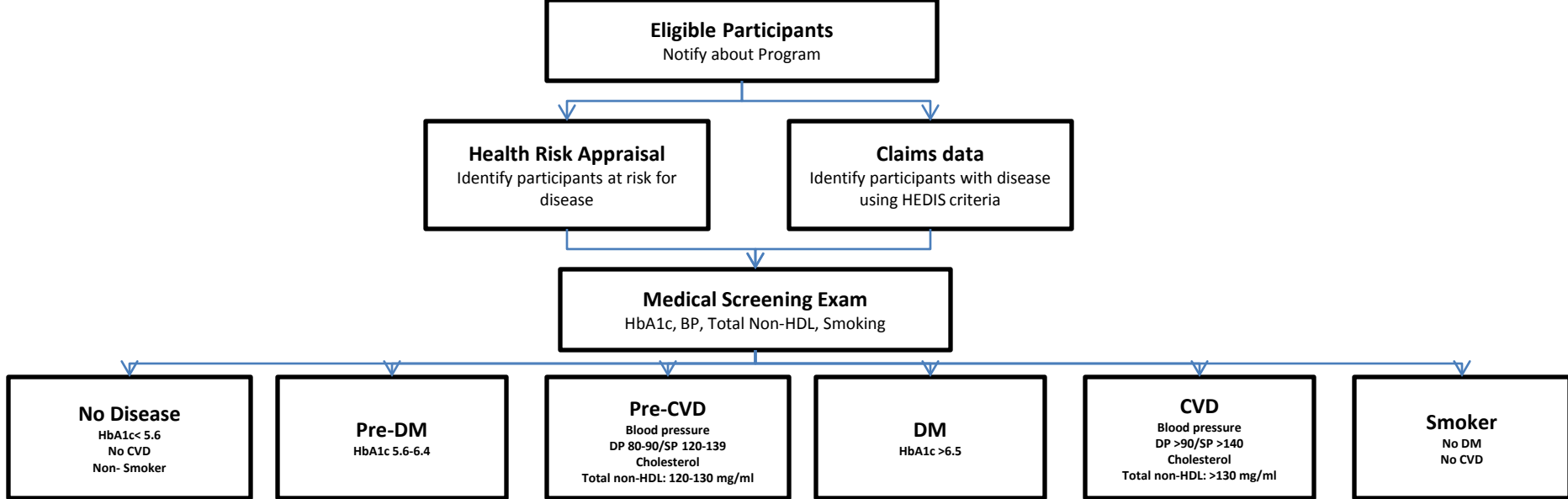
- Holding providers responsible
- Holding participants responsible

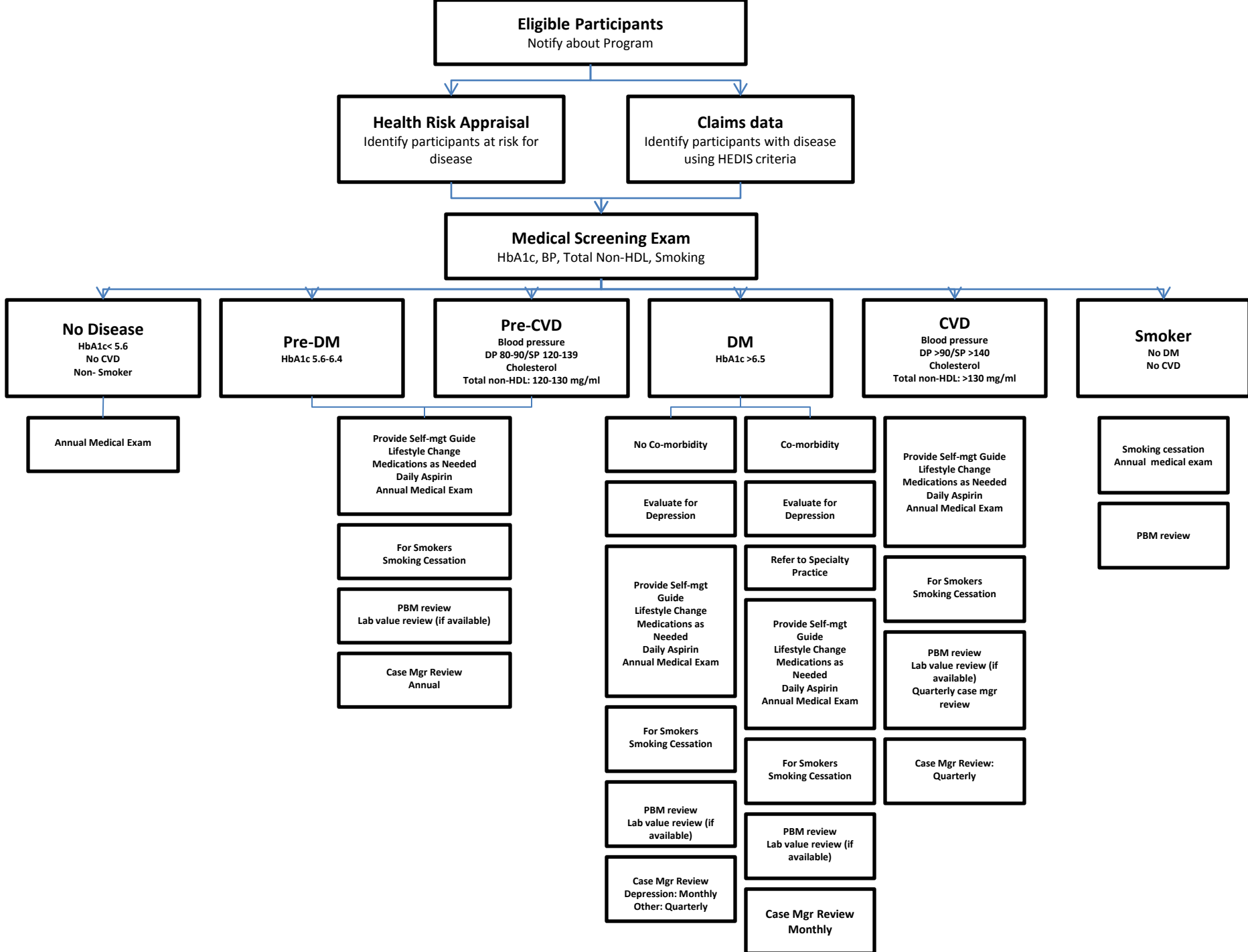
Assuring Performance

- Communicating expectations
- Offering assistance
- Monitoring care









Questions?

- Should our funds limit their scope to reimbursing medical care?
- Should our funds expand preventive services?
- Are funds the best vehicle to promote wellness?

United Against Diabetes and Cardiovascular Disease

WWW.UAD-CVD.ORG

Supported by Pfizer, Inc