Still Searching for a Way to Engage Your Employees in Health and Wellness Programs?

Follow the road map to success…

1. Determine Your Core Beliefs

2. Get Data, Lots of It

3. Use the Data to Make Informed Decisions!
Wellness Roadmap

Overcoming the Barriers

<table>
<thead>
<tr>
<th>Concerns</th>
<th>Options</th>
</tr>
</thead>
<tbody>
<tr>
<td>Data issues (identification of condition or disease state, integration across vendors)</td>
<td>Start with disease states that are easy to identify from claims data (i.e., diabetes); coordinate with PBM vendor</td>
</tr>
<tr>
<td>Cost of program implementation</td>
<td>Start with less data-intensive programs</td>
</tr>
<tr>
<td>Insufficient clinical support</td>
<td>Focus on conditions with extensive clinical support (i.e., diabetes, smoking, cholesterol)</td>
</tr>
<tr>
<td>Human resource concerns</td>
<td>Commitment to protecting employee privacy; ongoing communication about program approach and objectives to all stakeholders</td>
</tr>
<tr>
<td>Barriers with insurance structures, such as high-deductible plans</td>
<td>Existing programs show that regulatory issues can be successfully addressed</td>
</tr>
</tbody>
</table>
Determine Your Core Beliefs

Believe Strongly

Neutral

Believe Strongly

The limit of our Company’s role is to provide access to market competitive health insurance and to share in paying the cost

As a provider of health benefits, it is the Company’s responsibility to influence personal behavior and medical outcomes

How Should You Influence Behavior?

Believe Strongly

Neutral

Believe Strongly

Positive incentives can effectively influence behavior in our culture

Penalties and restrictions can effectively influence behavior in our culture
What Do You Have the Ability to Change?

Value-Based Design

Pharmacy  Network  Wellness  Screening  Disease Mgmt.

Gather Data....

• Pharmacy Claims Data
  – Generic utilization stats, # of members taking prescriptions for chronic diseases

• Medical Claims Data
  – Utilization stats, chronic disease in the population, top cost drivers

• Biometric Data
  – Total Cholesterol, LDL & HDL, Fasting Blood Glucose, Blood Pressure and Waist Circumference
Then Do Something With It!

Value-Based Design

Pharmacy  Network  Wellness  Screening  Disease Mgmt.

Lower Rx Adherence Rates = Increased Medical Costs in Diabetic Patients

- Patients who were most adherent had total costs 49% lower than patients who were least adherent
- Similar findings were reported for hypertension and hyperlipidemia

*P < .05 compared with medical costs for least adherent.
Retrospective cohort study of 137,277 patients aged <65 years.

Potential Rx Intervention

**Old Rx Structure**
- 10% Coinsurance: Most generic drugs
- 30% Coinsurance: Most preferred brand-name drugs, incl. Asthma, Diabetes, Hypertension
- 50% Coinsurance: Non-preferred brand-name drugs, incl. Asthma, Diabetes, Hypertension

**New Rx Structure**
- Most generic drugs and all brand-name drugs for: Asthma, Diabetes, Hypertension
- Most preferred brand-name drugs
- Non-preferred brand-name drugs

Rx Outcomes Based on Change

- Insulin Adherence: 67%
  - Short-term Disability Days: -50%
- Test Strip Usage: 28% to 55%
  - ER visits for diabetic patients: -26%
- Asthma Compliance: 33% to 62%
  - Hospital admissions for those with asthma: -38%
Value-Based Design

Variability in the Market

<table>
<thead>
<tr>
<th>Service</th>
<th>Network Facility 1</th>
<th>Network Facility 2</th>
<th>Network Facility 1</th>
<th>Network Facility 2</th>
<th>Network Facility 1</th>
<th>Network Facility 2</th>
</tr>
</thead>
<tbody>
<tr>
<td>CT Scan</td>
<td>$2,580</td>
<td>$544</td>
<td>$2,036 wasted</td>
<td>$2,036 wasted</td>
<td>$1,240</td>
<td>$527</td>
</tr>
<tr>
<td>GI Scan</td>
<td>$1,240</td>
<td>$713 wasted</td>
<td>$57,504</td>
<td>$57,504</td>
<td>$57,504</td>
<td>$57,504</td>
</tr>
<tr>
<td>Knee Surgery</td>
<td>$57,504</td>
<td>$20,127 wasted</td>
<td>$29,377</td>
<td>$29,377</td>
<td>$29,377</td>
<td>$29,377</td>
</tr>
</tbody>
</table>
Expensive vs. Quality
Coronary Artery Bypass Graft Example

<table>
<thead>
<tr>
<th>Facility</th>
<th>System</th>
<th>Quality Index</th>
<th>Total Spend</th>
<th>% of Total Spend</th>
<th>Admits</th>
<th>Days</th>
<th>ALOS</th>
<th>Cost Per Admit</th>
<th>Cost Per Day</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hospital 33</td>
<td>D</td>
<td>0.59</td>
<td>$14,699,360</td>
<td>7%</td>
<td>185</td>
<td>3.946</td>
<td>10.6</td>
<td>$79,456</td>
<td>$7,553</td>
</tr>
<tr>
<td>Hospital 45</td>
<td>D</td>
<td>1.04</td>
<td>$9,874</td>
<td>5%</td>
<td>181</td>
<td>7.82</td>
<td>11.5</td>
<td>$59,462</td>
<td>$6,044</td>
</tr>
<tr>
<td>Hospital 3</td>
<td>A</td>
<td>0.78</td>
<td>$10,015,039</td>
<td>5%</td>
<td>233</td>
<td>2,013</td>
<td>8.6</td>
<td>$42,963</td>
<td>$4,975</td>
</tr>
<tr>
<td>Hospital 9</td>
<td>A</td>
<td>0.57</td>
<td>$51,824,904</td>
<td>26%</td>
<td>802</td>
<td>7.183</td>
<td>9.0</td>
<td>$64,170</td>
<td>$7,214</td>
</tr>
<tr>
<td>Hospital 14</td>
<td>B</td>
<td>0.69</td>
<td>$10,015,039</td>
<td>5%</td>
<td>233</td>
<td>2,013</td>
<td>8.6</td>
<td>$42,963</td>
<td>$4,975</td>
</tr>
<tr>
<td>Hospital 29</td>
<td>B</td>
<td>1.08</td>
<td>$9,753,366</td>
<td>5%</td>
<td>181</td>
<td>1,969</td>
<td>10.9</td>
<td>$53,886</td>
<td>$4,953</td>
</tr>
<tr>
<td>Hospital 30</td>
<td>B</td>
<td>0.65</td>
<td>$12,537,630</td>
<td>6%</td>
<td>294</td>
<td>3,333</td>
<td>10.2</td>
<td>$43,265</td>
<td>$4,052</td>
</tr>
<tr>
<td>Hospital 37</td>
<td>B</td>
<td>1.13</td>
<td>$10,015,039</td>
<td>5%</td>
<td>233</td>
<td>2,013</td>
<td>8.6</td>
<td>$42,963</td>
<td>$4,975</td>
</tr>
<tr>
<td>Hospital 1</td>
<td>C</td>
<td>0.71</td>
<td>$13,595,667</td>
<td>7%</td>
<td>160</td>
<td>4.10</td>
<td>12.9</td>
<td>$80,635</td>
<td>$5,513</td>
</tr>
<tr>
<td>Hospital 18</td>
<td>C</td>
<td>0.92</td>
<td>$22,972,416</td>
<td>11%</td>
<td>384</td>
<td>3.963</td>
<td>10.3</td>
<td>$59,824</td>
<td>$5,797</td>
</tr>
<tr>
<td>Hospital 19</td>
<td>C</td>
<td>1.09</td>
<td>$10,700,640</td>
<td>5%</td>
<td>160</td>
<td>1.595</td>
<td>10.0</td>
<td>$66,879</td>
<td>$6,708</td>
</tr>
<tr>
<td>Hospital 39</td>
<td>C</td>
<td>0.92</td>
<td>$15,222,753</td>
<td>8%</td>
<td>273</td>
<td>2.525</td>
<td>9.3</td>
<td>$55,761</td>
<td>$6,028</td>
</tr>
<tr>
<td>Grand Total</td>
<td></td>
<td>0.81</td>
<td>$200,606,433</td>
<td>100%</td>
<td>3,465</td>
<td>33,919</td>
<td>9.8</td>
<td>$14,699,360</td>
<td>$1,744</td>
</tr>
</tbody>
</table>

The lowest quality hospitals had the highest cost per day and per admission.
The highest quality hospital was in the lowest cost quartile.

Increase Transparency

Build a Network based on Quality

Steps to Take:
- Determine who are the quality providers
- Narrow the network or build a plan design to focus on those physicians and facilities
- Have those providers compete on cost

Utilize Transparency Tools and Resources
- Carrier Treatment Cost Estimators
- 3rd Party Vendor – Cost Estimator

Benefits and Risk Advisors 15

4/30/2012
Getting the Right Biometric Data

**What to capture?**
- Blood Pressure
- HDL Cholesterol
- Triglycerides
- Blood Glucose
- Waist Circumference vs. BMI

**Ways to capture it?**
- Venipuncture
- Finger stick
- Fasting
- Non-Fasting
Putting the Biometric Data to Work

Get the information to your insurance carrier!
– Via file feed
– Through the Online Health Assessment

Benefits...
– Added to the Predictive Model
– Allows nurse outreach
– Builds a more complete member profile

Metabolic Syndrome Risk Cluster

<table>
<thead>
<tr>
<th>Men’s Risk Factors</th>
<th>Women’s Risk Factors</th>
</tr>
</thead>
<tbody>
<tr>
<td>HDL Cholesterol &lt;40</td>
<td>HDL Cholesterol &lt;50</td>
</tr>
<tr>
<td>Triglycerides &gt;=150</td>
<td>Triglycerides &gt;=150</td>
</tr>
<tr>
<td>Waist Circumference &gt;40 inches</td>
<td>Waist Circumference &gt;35 inches</td>
</tr>
<tr>
<td>(not pants size)</td>
<td>(not pants size)</td>
</tr>
<tr>
<td>Blood Pressure &gt;130/85</td>
<td>Blood Pressure &gt;130/85</td>
</tr>
<tr>
<td>Fasting Glucose &gt;=100</td>
<td>Fasting Glucose &gt;=100</td>
</tr>
</tbody>
</table>
**Why The Focus Should Be On “Slowing the Production” of Disease**

A consistent energy imbalance impacts the body’s ability to process energy. Excess glucose in the liver is converted into fatty acids to be stored as triglycerides.

The increased waist circumference creates additional mass making the heart pump harder to circulate blood. When the liver is saturated with glucose and fat it produces more LDL cholesterol and less HDL cholesterol.

The liver deposits its triglycerides in the midsection increasing the waist circumference.

**Metabolic Syndrome**

- **Fasting Glucose** => 100
- **Blood Pressure** => 130/85
- **Triglycerides** => 150
- **HDL Cholesterol** < 50
- **LDL Cholesterol** > 100
- **Waist Circumference** =>
  - Women => 35
  - Men => 40

**Metabolic Risk = Increased Cost**

- **Individuals with Metabolic Syndrome (MetS)** have higher medical costs.

  - With MetS = $6,528
  - Without MetS = $3,276

**Annual Cost**

- With MetS: $7,000
- Without MetS: $3,500
MetS Intervention Program Results
10 Week Program

Chart illustrates the % of participants who were at risk at the beginning versus end of the pilot program.

<table>
<thead>
<tr>
<th>Metric</th>
<th>Pre</th>
<th>Post</th>
</tr>
</thead>
<tbody>
<tr>
<td>HDL</td>
<td>73.1%</td>
<td>65.4%</td>
</tr>
<tr>
<td>Trig</td>
<td>84.6%</td>
<td>30.8%</td>
</tr>
<tr>
<td>Waist</td>
<td>98.5%</td>
<td>46.2%</td>
</tr>
<tr>
<td>Sugar</td>
<td>81.5%</td>
<td>38.6%</td>
</tr>
<tr>
<td>BP Sys</td>
<td>57.7%</td>
<td>19.2%</td>
</tr>
<tr>
<td>BP Dia</td>
<td>50.0%</td>
<td>19.2%</td>
</tr>
<tr>
<td>MetSyn</td>
<td>100.0%</td>
<td>50.0%</td>
</tr>
</tbody>
</table>

Value-Based Design

Pharmacy  Network  Wellness  Screening  Disease Mgmt.
Find, Stratify and Address Your Risk

**REVIEW THE DATA**

- Find the Top 3 claim drivers in the population
- What are the most prevalent chronic disease states?

**STRATIFY YOUR RISK**

- Determine what needs to be addressed first, second, third...
- What will have the most immediate impact to the plan vs. what is a long term strategy?

**ADDRESS YOUR RISK**

- Find or Develop programs to address the risk
- Examples – Stress, Musculoskeletal, Metabolic Syndrome, Diabetes, Hypertension, etc.

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**Diabetes Health Plan – Tie Compliance to Plan Design**

<table>
<thead>
<tr>
<th>Basic provisions</th>
<th>Current</th>
<th>Diabetes Health Plan</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>In-network</td>
<td>Out-of-network</td>
</tr>
<tr>
<td>Deductible</td>
<td>$500/$1500</td>
<td>$1000/$3000</td>
</tr>
<tr>
<td>coinsurance</td>
<td>90%</td>
<td>70%</td>
</tr>
<tr>
<td>out-of-pocket</td>
<td>$2500/$7500</td>
<td>$3000/$9000</td>
</tr>
<tr>
<td>Office visit copays</td>
<td>$25 PCP/$50</td>
<td>Specialized</td>
</tr>
<tr>
<td>Office visit copays</td>
<td>Waive co-pay on first evaluation visit</td>
<td>70% after deductible</td>
</tr>
<tr>
<td>Rx copays – retail</td>
<td>Retail $5 / 30%(Min:$30, Max:$50) / 30%(Min:$50, Max:$75)</td>
<td>No copay for specific Rx, meters, supplies related to diabetic condition; otherwise, Retail $5 / 30% (min:$30, max: $50) / 30% (min: $50, max: $75)</td>
</tr>
<tr>
<td>Rx copays – mail order</td>
<td>Mail order $10 / 30%(Min:$75, Max:$125) / 30%(Min:$125, Max:$180)</td>
<td>No copay for specific Rx, meters, supplies related to diabetic condition; otherwise, mail order $10 / 30% (min: $75, max: $125) / 30% (min: $125, max: $180)</td>
</tr>
</tbody>
</table>

**Medical management features**

- Health risk assessment | N/A | N/A | Required |
- Diabetes DM/weight mgmt (if offered) | N/A | N/A | Required |
- Online tracking and compliance | N/A | N/A | Required |

**Screening**

- Diabetes, pre-diabetes biometric screening | Optional | Required |
- Cancer | Optional | Required |
Diabetes Health Plan
Results

Health action compliance is 20% greater in most categories

<table>
<thead>
<tr>
<th></th>
<th>Diabetic</th>
<th>Pre-diabetic</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>% of enrolled confirmed</td>
<td>% of not enrolled confirmed</td>
</tr>
<tr>
<td>Retinal eye exam</td>
<td>21%</td>
<td>13%</td>
</tr>
<tr>
<td>LDL</td>
<td>28%</td>
<td>5%</td>
</tr>
<tr>
<td>A1c</td>
<td>59%</td>
<td>35%</td>
</tr>
<tr>
<td>Microalbumin/Creatinin</td>
<td>55%</td>
<td>24%</td>
</tr>
<tr>
<td>Doctor office visits</td>
<td>77%</td>
<td>57%</td>
</tr>
<tr>
<td>Mammogram</td>
<td>80%</td>
<td>57%</td>
</tr>
<tr>
<td>Colorectal cancer screening</td>
<td>59%</td>
<td>31%</td>
</tr>
</tbody>
</table>

*NOTE: Compliance year = 8/1/09 – 7/31/10*

Wellness Destination

Laser Light
Clinical Risk Reduction
Biometric Measures
Individual Intervention
Population-wide Communication
Spot Light
Health Risk Assessment Measures
“Push” Communication
Risk Factor Reductions
Activity Challenges
Voluntary Programs

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Wellness Roadmap

3 Take-Aways:

- Determine Your Core Beliefs
- Get Data, Lots of It
- Use the Data to Make Informed Decisions!

Questions?