



Plug n Play for Value™

DATA ■ DESIGN ■ DELIVERY ■ REFINEMENT
VALUE-BASED HEALTH

Report to the Mid-America Coalition on Health Care
Provided by
Center for Health Value Innovation

We wish to thank the Collaborative Team from the Mid-America Coalition on Health Care and from Pfizer for the time and talent in coordinating this event.

The Center for Health Value Innovation is only as good as the innovators, such as the people who comprised this team, who are committed to our mission of providing evidence of the quality and cost-efficiency of value-based health designs. Together, we can improve of the health of individuals and the financial sustainability of the providers.

To your health!
The Center for Health Value Innovation



Overview of Report

- This report highlights the key findings, small group and large group learnings, and potential next steps from the Plug n Play for Value™ presented to the Mid-America Coalition on Health Care on March 29, 2007.
- Addenda include the attendees, the email agenda sent to the registrants. Collected comments are on file at MACHC and the Center for Health Value Innovation.
- The Center wishes to thank MACHC and Pfizer for the opportunity to present the concepts of Value-Based thinking for improved health outcomes and cost efficiency.

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The Plug n Play for Value™ Engagement

- Understand the geographic and employer-centric imperatives for change
 - In KC: cardiovascular risk escalation
- Understand the employer-specific drivers for change
 - Accomplished through pre-seminar assessments by coalition and Pfizer team members, and by several conf calls with Center team
 - Data available and segmented for priorities
 - Alignment of benefits philosophy to corporate goals
 - Trends of cost/health drivers; ability/competency to make changes
 - Support of upper management
- Train for framework of investment decision-making, then understand the key pull-through strategies necessary to support the shift to VB design
 - 4 modules were guided by facilitators
 - David Hom provided feedback to the module reports
 - Additional discussion questions and steps for design change for 2008



Potential Next Steps

- Create a simple toolbox for the coalition
- Create an in-depth vendor summit training for those who requested
 - Include 2 employers with experience
 - Include 1-2 vendors to provide input on “getting to goal”
- Create white paper on the process/progress of the coalition, specifically “Value Based Design and CV control strategies”
 - Document the movement/progress/challenges of 3-5 organizations
 - Create a community of best practices and sharing on the Center website
- Develop speakers/speaking opportunities on the work of the MACHC companies in the Value-Based strategies
 - Interview key stakeholders at the companies so that “persons like me” are speaking with “employers like me”
- Document the interaction and collaborative support necessary to move a geographic region, present at national conferences

For more information, please contact the Center at <http://vbhealth.org>





Setting the Stage

Geographic, collaborative, and
survey information

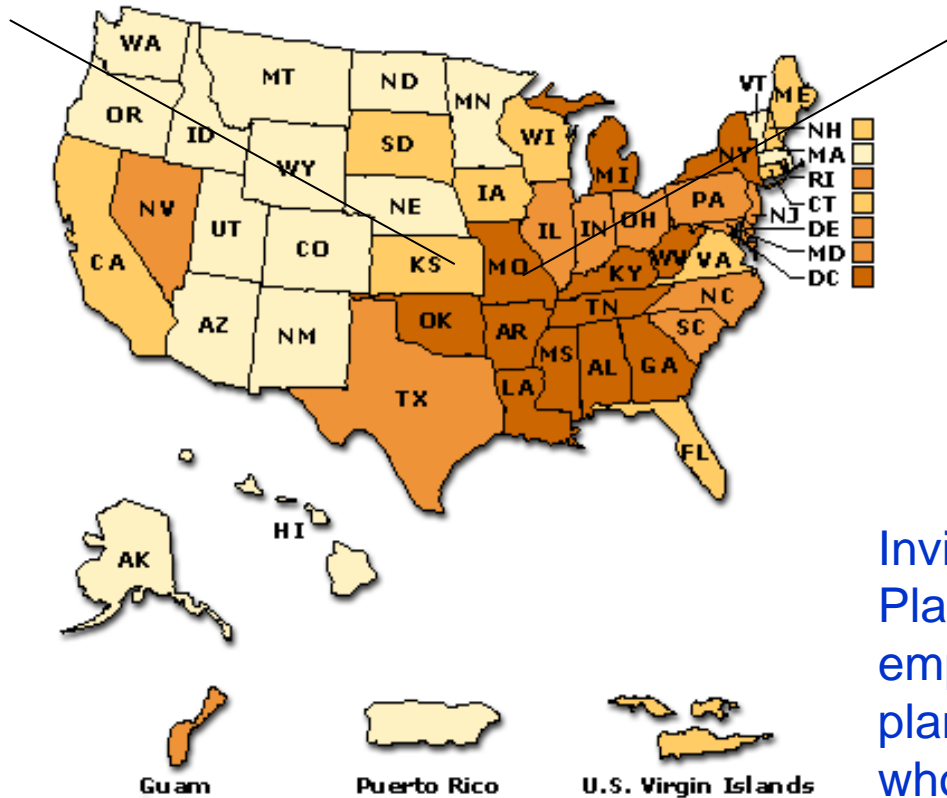
VALUE BASED HEALTH

Heart Disease Deaths in the Heartland

Kansas:
 % diagnosed with
 24% HTN
 6.9% Diabetes
 33% High Chol
 11% Asthma

 13% Smoke

 #22 in USA for
 HC Spending as
 a % of GSP
 [14%]



Missouri
 62% Obese

 #8 in USA for
 Healthcare
 Spending as % of
 GSP [16%]

Invites to the Plug n Play for Value included employers, health plans, and consultants who are part of the CICV (cardiovascular risk control model) subgroup of the MACHC

BRFSS 2001



MACHC: Employers Focus on Workforce Health

- 16 Employers
- 273,000 US Employees
- \$9,990,503,394 in Annual Revenues
- Investment-minded
 - What are you getting for the dollars you invest in health care?
- Innovative
 - What ideas make sense, and how can we implement them?
- Inquisitive
 - What help can the Center for Health Value Innovation offer?

All participants were asked to complete an online survey. This survey showed the demographics, intent and success at population health management, and the key needs/ wants/ preferences of the group for shifting to value-based decisions in health management.



Survey Answers Showed Most Employers are Self-Insured (11); 4 are Fully Insured

- Attendees:
 - 6 Benefits VP/Dir/Mgr
 - 1 HR VP/Dir/Mgr
 - 1 Health Promotion Dir
 - 9 Other (included Dir of Pharm, CMO, Dir of Marketing, Dir of Global Benefits, Consultants)
 - Employer sizes (in KC area)
 - 8 over 1000 employees
 - 4 have 101-500 employees
 - 2 have under 100 employees
 - 1 has 500-1000 employees
 - Covered Lives
 - 10 have more than 1000
 - 5 have under 500
- Health Benefits are provided by the following companies:
- Aetna (1)
 - BCBSKC (4)
 - CIGNA (3)
 - Coventry (3)
 - Humana (1)
 - UHC (3)
 - Other (6)
- PBM for benefits include
- WHI (1)
 - ESI (3)
 - Caremark (2)
 - Medco (2)
 - CIGNA (1)
 - UHC (2)
 - BCBS (3)
 - Other (2)
- Data integration is provided by:
- Medstat (4)
 - Ingenix (1)
 - U Mich (5)
 - Other (3)
 - None (2)
- NOTE: total n=16
 - Not all answers were completed by all respondents
 - Only 1 respondent per employer

Keys to Successful Change: Organization Culture and C-Suite Visibility

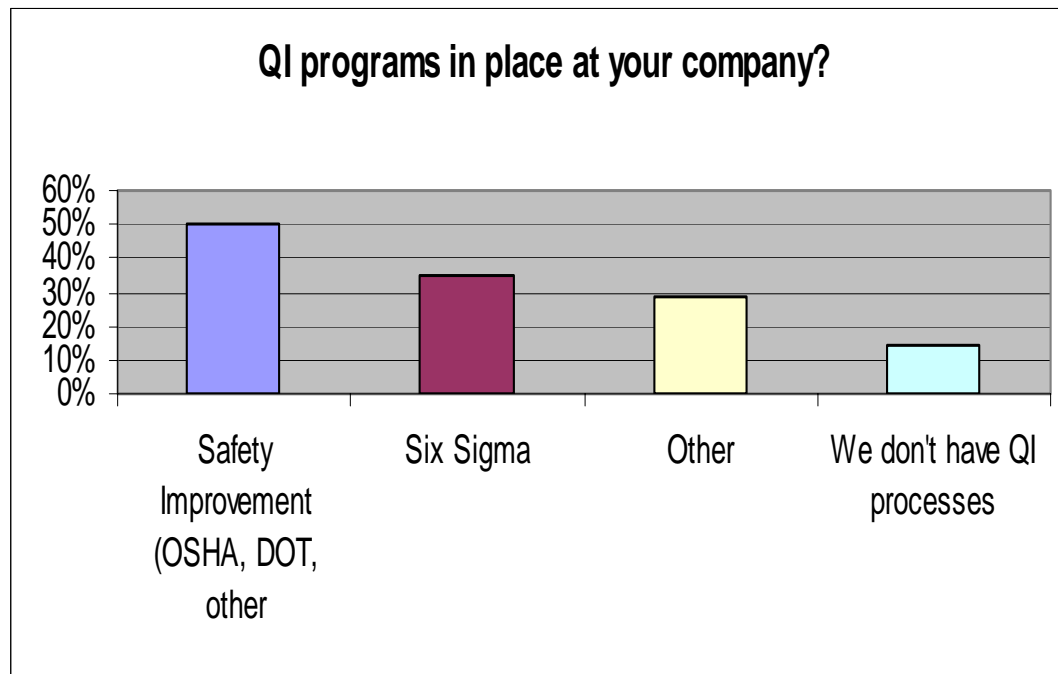
67% of the companies have C-Suite visibility in their health management efforts

Ratings of organizational culture of health showed
(1= entitlement, 5= shared accountability)

- 1 (7%) Complete entitlement mentality
- 9 (60%) Entitled but sharing cost
- 4 (27%) Accountable for personal health mgt
- 1 (7%) Accountable for personal and corporate health

The findings show an opportunity for improvement through intensive communication that links the strategic goals of the corporation (healthy, engaged workforce for optimum productivity) to the goals of the employees (benefits that enrich quality of life and better outcomes). The best cultures create a level of competency and shared responsibility for improved health.

Employers have Transferable Programs and Processes in Place

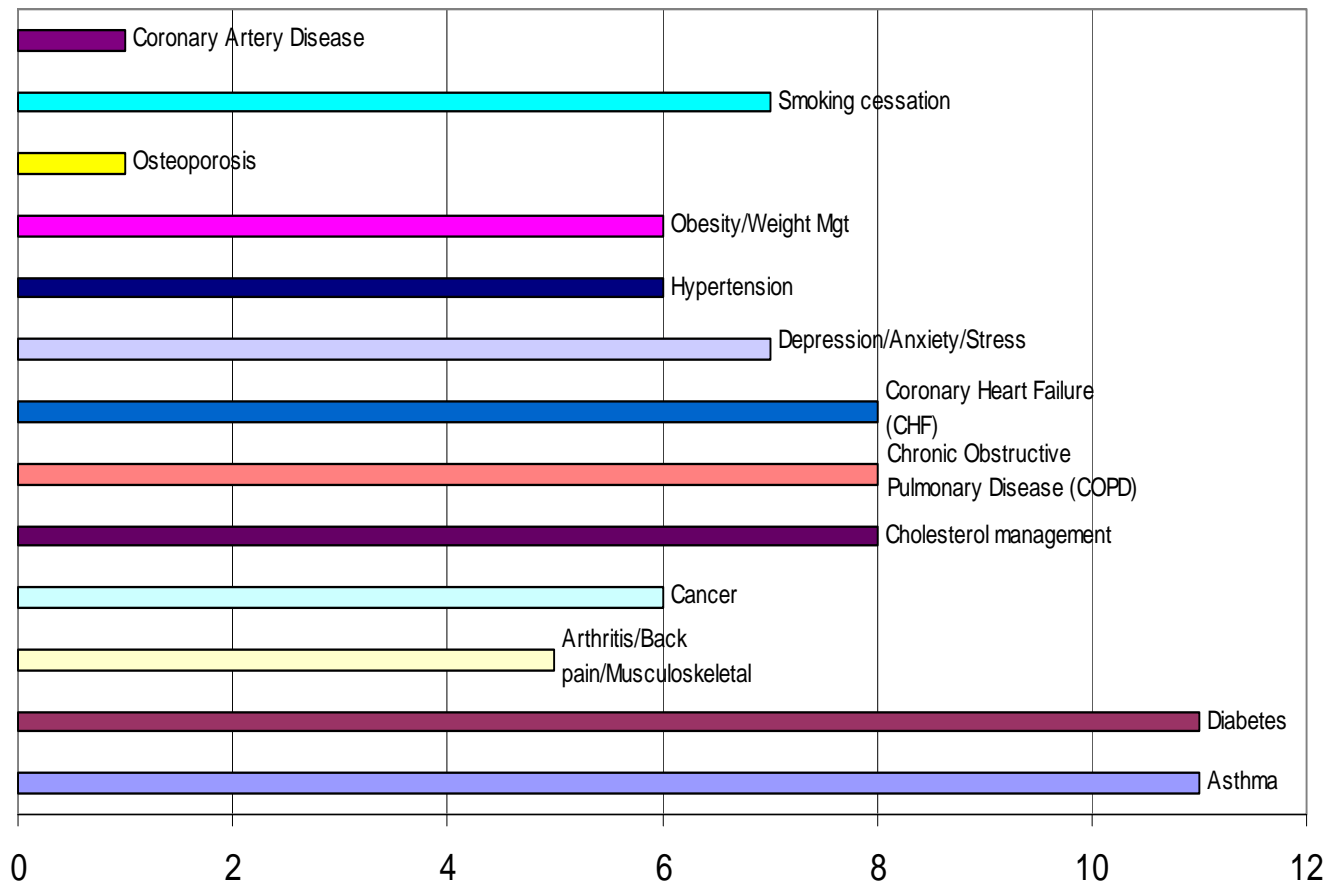


64% utilize cross-functional teams for safety, health, financial considerations within the employer.

Companies often have the processes necessary to implement value-based health designs, but they haven't "translated" their expertise to the benefits business channel. These questions showed that there is enough experience in these companies to support value-based investing in workforce health.

What do we know?

Employers Have a Variety of Condition Mgt Programs



Respondents to the survey indicated that they have a variety of condition management programs in place, yet their health indicators and costs continue to escalate...

What do we know?

Data is not easily accessed

0 2 4 6 8 10 12 14 16

Medical claims

Pharmacy

Bio-metric screenings

Short-term disability data

Long-term disability data

Workers Compensation

Managed Behavioral Health

Employee Assistance Program

Other: FMLA(2), Absenteeism(1),
Wellness Prog(1), HRA(1)

**Less than 1/2 can correlate
Medical/Rx claims to THM:**

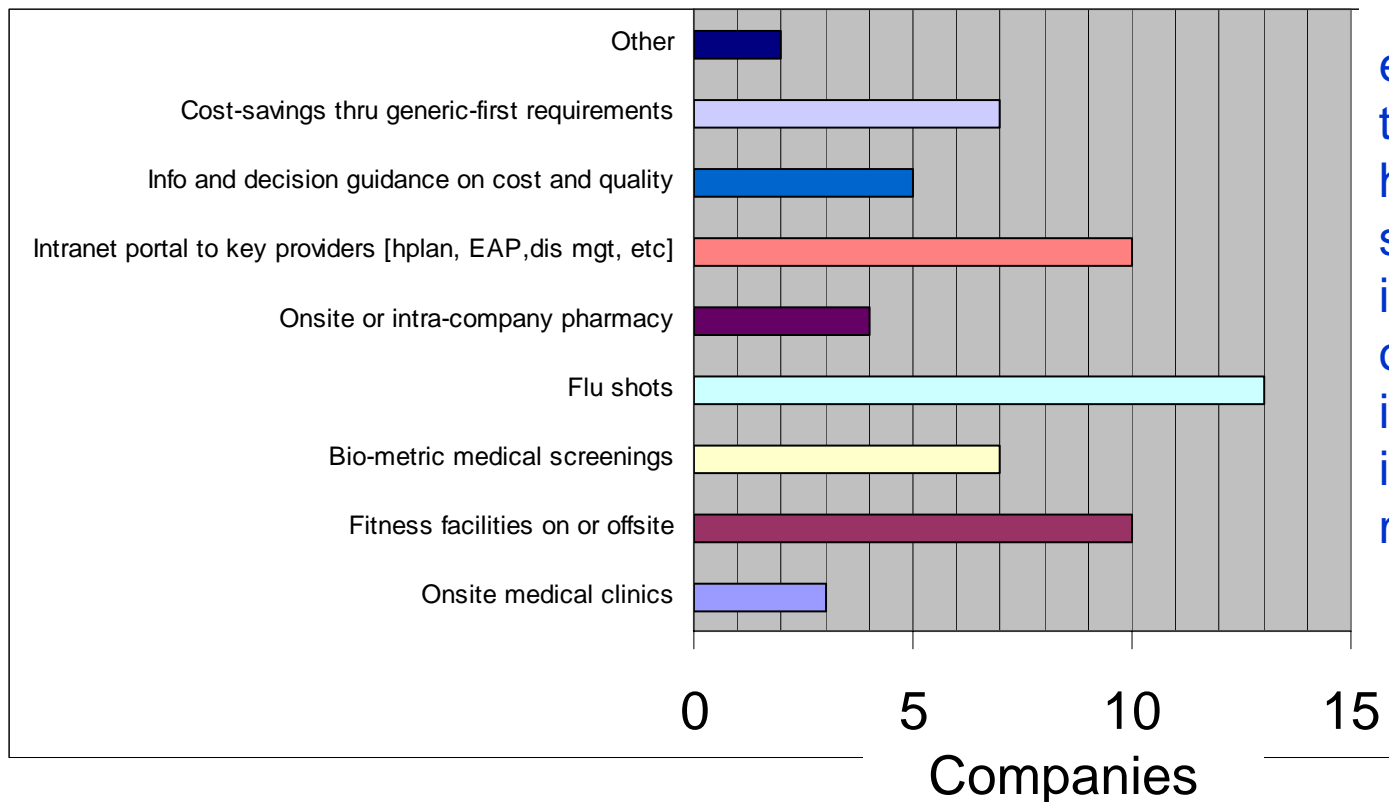
47% Disability

33% Behavioral Health

27% Workers Comp

Respondents also indicated that they struggle to integrate data in order to understand the true total cost of health management at their worksite. Private educational meetings with several of the employers confirmed this report.

Attendees have Installed Resources to Support Desirable Behaviors

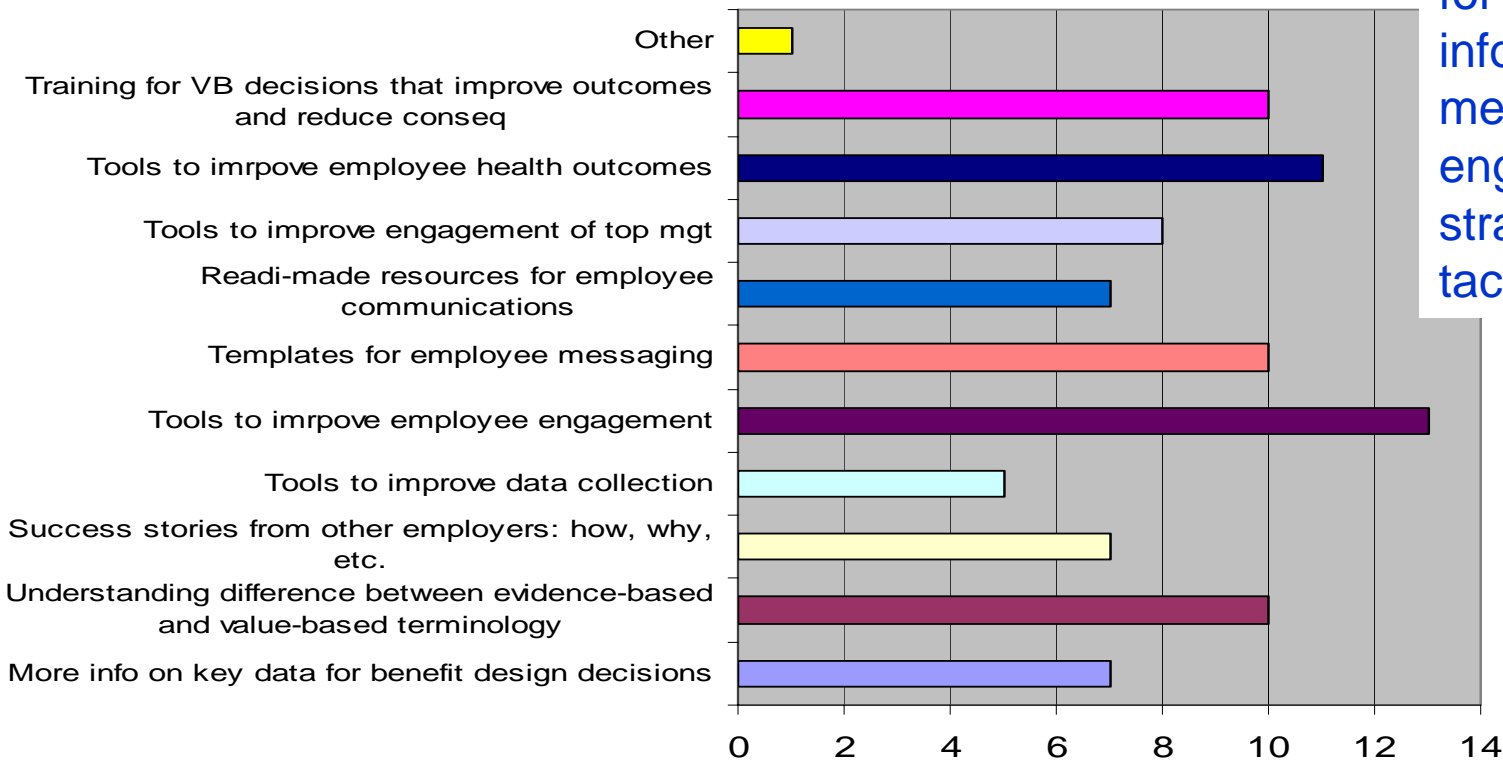


There is evidence that they do not have data to support the infrastructure or to link it to improvement in total health management

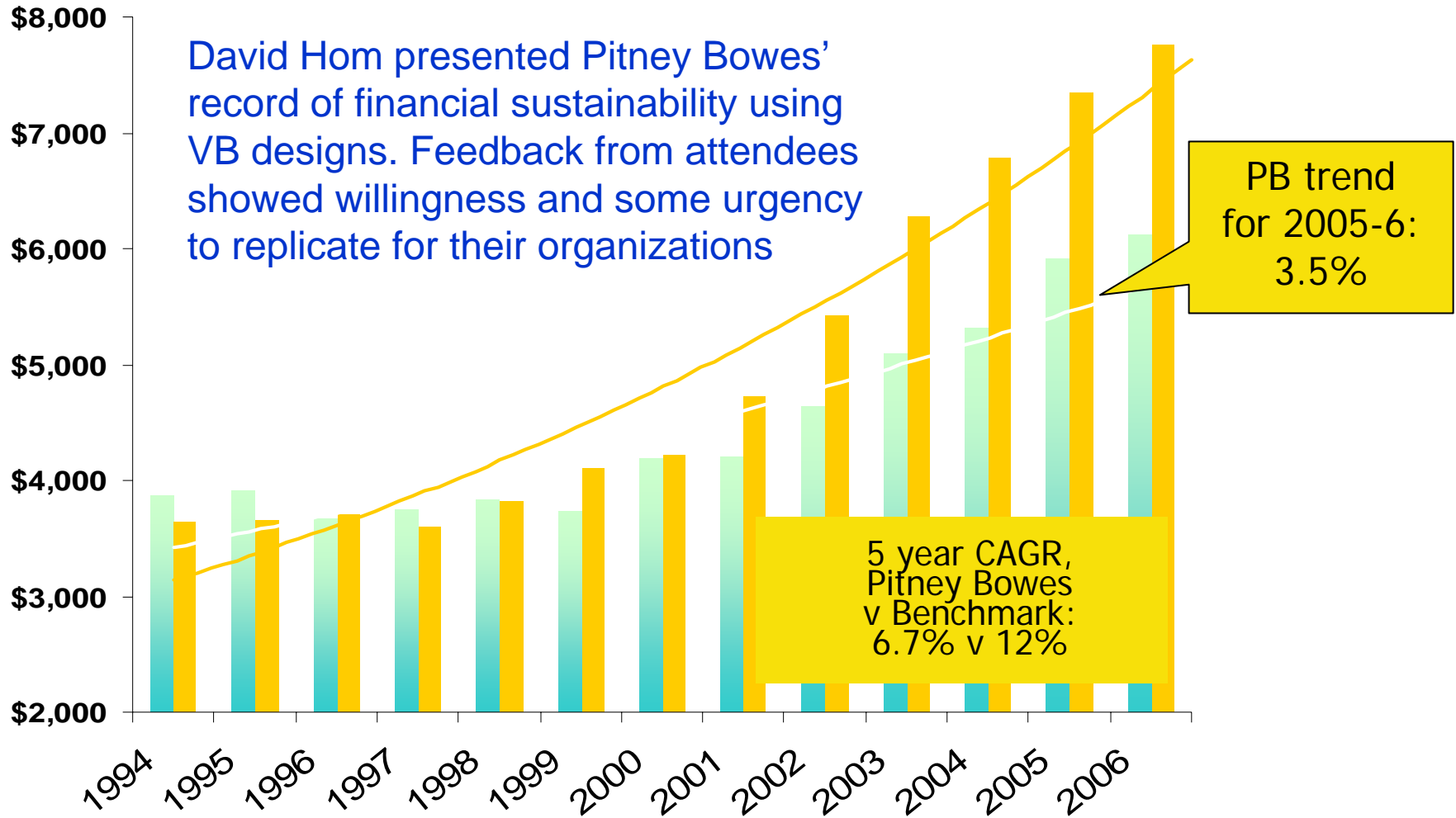
Respondents Say They Need More Support, Information, and Facilitation

What info do you need to do a better job of supporting employee health?

Respondents particularly asked for more information on messaging and engagement strategies and tactics



Evidence: Financial Sustainability

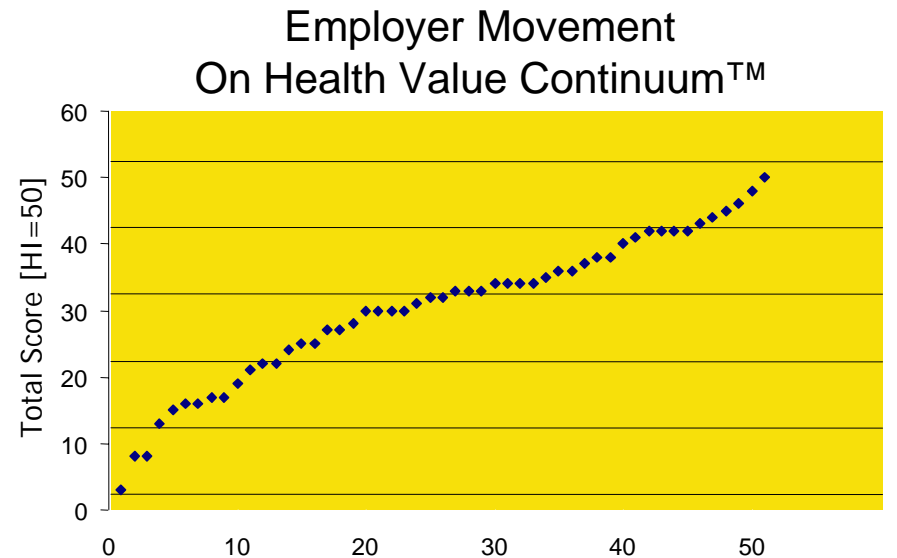


Center for Health Value Innovation showed that the evidence is replicable across US

Not dependent on size, segment, or location

Strategic Advisors to the Center Are Included in the Health Value Continuum

- Caterpillar
- Cisco
- City of Springfield, OR
- Cleveland Clinic Health Foundation
- Delphi/AIAG
- Dow
- FPL
- HEB
- Mayo
- Merrill Lynch
- P&G
- Pfizer
- Pitney Bowes
- Quad Graphics
- SCANA
- University of Colorado Health Sciences Center
- UPS



Center for Health Value Innovation framed the continuum and the concepts of value-based design for the attendees to consider: Data, Design, Delivery and Refinement [CQI]





Evaluation of the Modules and the Reports/Feedback

Small groups worked through TIME© assessment and reported back to larger group for feedback

Overview of the Day

- Bill Bruning, CEO of MACHC, welcomed attendees and set the objectives of the day
 - Learn from Pitney Bowes and each other
 - Create collaborative community for learning/sharing/doing
- Cyndy Nayer of the Center for Health Value Innovation provided context of need/change within the KC metro area based upon health indicators and results of pre-survey, plus outline of the day
- David Hom framed the Pitney Bowes story and sustainability
- Attendees broke into 4 groups. Each group considered a module, then created an action plan using the context of T.I.M.E.© [Target, Investment, Measure, Evaluation}
- Report was given to the full group
- David provided feedback on the possible improvements/considerations using the PB and other strategic advisors' experiences

Key messages: INNOVATE, IMPLEMENT, INFLUENCE



4 Modules Frame the Investment Decisions for Value-Based Design

- Data Drives Purchasing Decisions
- Aligning Benefits and Incentives with Disease Management Objectives
- Contracting with your Health Plan and PBM to Achieve Value
- Employee Engagement Promotes Positive Behavior Change

These 4 modules were chosen as potentially the most influential by the planning team in KC. The agenda was full, with little time to spare. Context for relating the modules was sent out as pre-reading, so breakouts could immediately dive into key issues and create business case ideas based upon the T.I.M.E. construct.



#1: Data Drives Purchasing Decisions

evaluation: **I found the materials for Module # 1 clear and informative.**

n = 23 Mean = 3.96 Mode = 4

Key findings from participants:

- What questions to ask
- How to manage vendors/integrate data from various sources
- Understanding claims data, unit costs v. utilization-impact, risk severity and stratification, “risk burden score,” etc.
- Normalizing data for comparison
- Is it important to target all medical conditions? Or, can an employer focus on one or two high cost drivers, then add more?
- Creating the data story into a business case for the CFO, etc., appears to be a key to shifting to the investment strategy

Feedback from the experts:

- What’s the business purpose of data? What does it mean? What do you WANT it to tell you?
- Need benchmarks – compare to insurers’ book of business, CDC, community data, etc.
- Need to be comfortable that you can translate those metrics to YOUR organization
- Can you engage a clinician to review the impact of conditions on your population? Have health plan’s medical director review with you – or with organizations that you can partner with. Good clinicians can even help tie the clinical effects to financial impact.
- Compare to an organization similar to yours (size, demographics, etc.)
- Don’t get hung up on unit costs – place more emphasis on utilization mgmt. Example of specialist services used for primary care (“I visit my cardiologist when I have the flu”)
- Use the health plan, workers comp, disability insurers to deliver the information on those issues.



#2: Aligning Benefits and Incentives with Disease Management Objectives

evaluation: **I found the materials for Module # 2 clear and informative.**

n = 23 Mean = 3.87 Mode = 4

Key feedback from participants

- What are the incentives that create the most valuable change?
- What has worked, and what hasn't worked?
- How do you link engagement and accountability to incentives?
- How do you hold business channels accountable?

Key feedback from experts

- Incentives link all of the stakeholders in improved outcomes
- They are most successful if there are some short term "wins" and they are amplified for more resources
- Actively seek out clients of your providers, and let them know you are watching ; this will drive them to do better for all of their clients
- Measure the impact of your incentives to assure that you are creating the behaviors you wanted
- PB has worked hard to shift the focus of PB's investment – to investing in health



#3: Contracting with your Health Plan and PBM to Achieve Value

evaluation: **I found the materials for Module # 3 clear and informative.**
n = 23 Mean = 3.87 Mode = 4

Feedback from participants

- What are results that can be expected from a vendor “summit”?
- What types of incentives will work across vendors?
- How did PB hold the PBM accountable?
- What results from the summit resonated with the C-Suite?

Feedback from experts

- Create an atmosphere in which all the vendors work to meet your organizational goals
- Understand what your organizational ROI is, and reinforce it with your vendors
- All of your vendors will need time to re-tool to meet your expectations; VB design is a process, not an order, so you must allow time for success
- Investing and reinvesting the savings is a continual sell to the C-suite, even if you have buy-in
- Remember that some incentives, such as lower priced food in cafeteria and vending machines, reinforce the message that you are focused on personal health management



#4: Employee Engagement Promotes Positive Behavior Change

evaluation: **I found the materials for Module # 4 clear and informative.**

n = 22 Mean = 3.86 Mode = 4

Feedback from participants

- What surveys, measures create engagement?
- What kinds of messaging re: VB purchasing resonates with employees?
- Are there engagement tools that can be used?
- Is there an accessible proxy for higher priced consultants to help?

Feedback from experts

- PB uses disability as a proxy for engagement; more disability indicates less engagement
- PB actually goes to the various departments and has informal conversations about health/engagement/ professional results
- Your vendors have experts who can guide you to engagement tools and show you how to link them to outcomes





Opportunities for Impact

Improvement strategies and
potential next steps

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Opportunities for Improvement

- Lengthen the workshop by 1 hour, allowing more interaction within the workgroups
- Remove the 10 fast facts from the back of the module as the complete NBCH white paper was handed out; this will create more room for individualized key points for the business case
- Keep the facilitation simple, guiding the participants to the business case development
- Reinforce the message that the modules can also be taken back to the workplace teams and enhanced through dialogue and data



Potential Next Steps

- Create a simple toolbox for the coalition
 - Data interview tool
 - Collaborating with your consultant for better results
 - Case studies from other employers
 - Employee health management platform and messaging/templates for engagement
- Create an in-depth vendor summit training for those who requested:
 - 2 new enterprises who have experience
 - 1-2 vendors with innovative viewpoints for value
 - Strategic health consultant to provide linkages between vendors, etc.
- Create white paper on the process/progress of the coalition, specifically “Value Based Design and CV control strategies”
 - Document the movement/progress/challenges of 3-5 organizations
 - Create a community of best practices and sharing on the Center website
 - Create mentors from the strategic advisors to guide the movement
- Develop speakers/speaking opportunities on the learnings/travels of specific organizations into the VB space
 - Interview key stakeholders at the companies so that “persons like me” are speaking with “employers like me”
- Document the interaction and collaborative support necessary to move a geographic region, present at national conferences



For further information, please contact

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<http://vbhealth.org>



Addendum I



Attendees and
Agenda for the Day

Employers and Organizations Represented at Plug n Play for Value™:

1. AAFP
2. American Century
3. Blue Cross Blue Shield of Kansas City
4. Butler
5. CBIZ
6. Center School District
7. Cerner
8. Coventry
9. Embarq
10. H&R Block
11. JE Dunn
12. Kansas City, Missouri
13. KU Med Ctr.
14. Saint Luke's
15. Sprint Nextel
16. State of Kansas
17. State of Missouri
18. Truman Med
19. UnitedHealthcare



Reminder Invitation/Agenda from Coalition to Confirmed Attendees

To: Participants in the Value-Based Plug 'n Play with David Hom, on March 29th.

From: Bill Bruning

Location: Sprint Nextel Campus, Building 6360, Room 1c619 - Parking Garage "L" ** Directions attached **

We're going to have a remarkable opportunity next Thursday morning to apply the Pitney Bowes model directly to your benefits programs. In addition, we have assembled considerable technical support for those of you who want to apply these concepts in your own organization.

Agenda for the day is as follows:

- 7:30-8:00 - Continental breakfast
- 8:00-8:30 - Introductions
- 8:30-9:25 - Small groups breakout to consider modules 1 and 2
- 9:30-10:00 - Reassemble in large room, report back and David react
- 10:15-11:10 - Small groups breakout to consider modules 3-4
- 11:15-11:45 - Reassemble in large room, report back and David react
- 11:50-12:30 - Lunch and next steps



Agenda, continued

- Attached are the four Key Concepts we will be addressing in the small group workshops.
 1. Session One
 - a. Data Drives Value-Based Decisions
 - b. Aligning Benefits and Incentives with Disease Management Objectives
 2. Session Two
 - a. Contracting with your Health Plan and PBM for Value-Based Designs
 - b. Employee Engagement Promotes Positive Behavior Change
- If possible, please take ten minutes to read these before Thursday, because they will provide the basis for the dialogue in each session.
- The workshops will start with a facilitator helping us review Key Issues under each Concept. Then we will brainstorm the Concept, using the T.I.M.E© construct:
 - Target the appropriate data
 - Invest the needed resources
 - Measure the improvement
 - Evaluate the success
- In each small group a recorder will compile the organization-specific issues identified and report them back to the entire group in the final meeting. David Hom will respond to each report in ways that should help the group better understand the value-based process and how it applies in the “real world.”

