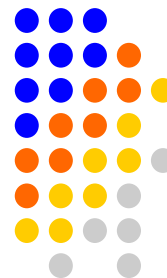




# Hawaii Business Health Council



## Case Study

### HBHC Deploys Model for Corporate Diabetes Management

May 2006

#### Gary Allen has the facts on the impact of Diabetes in America's paradise.

"According to 2003 data, 110,000 people in Hawaii have diabetes, which drove costs for people with diabetes to \$964million [in 2002.] This is not sustainable, not in a corporate model, not in a government model."

So Gary, the Executive Director of HBHC, used the power of the Health Council to rally companies to enter the Diabetes Ten Cities Challenge, which is sponsored by the American Pharmacists Association (AphA) Foundation, and modeled after the Asheville, NC, Project.

Since Hawaii is the only state that mandates employers to provide employees health insurance, the Ten Cities Diabetes Challenge is even more compelling for Hawaii businesses.

The plan:

1. Create teams of employees, employers, pharmacists, physicians, and nurse educators to council and monitor persons diagnosed with diabetes.
2. Provide incentives to the participants by reducing or eliminating costs of supplies for treatment.
3. Enhance self-management through goal setting, proper use of medication, reduced copays for medication, counseling, and foot/eye exams.
4. Accumulate a data base that is community-wide (based upon employer participation) that can be measured against the Asheville results as a benchmark.
5. Publish the data and keep the community, the employees, and the employers informed of progress.

While hard data is not ready to be revealed (publication date is 2007), HBHC is measuring trend lines against the Asheville project's results.

#### Value-based health delivers to HBHC and its employer participants:

According to the AphA Foundation, results from organizations that have implemented the Asheville Project include:

- Employer savings of \$918 per participant, the first year, in total healthcare costs (overall annual medical costs per patient decreased \$1,622 to \$3,356 each year in Asheville)
- Absenteeism went down by 50 percent and workers' compensation claims were reduced or eliminated
- High employee satisfaction: 95 percent were satisfied with pharmacist care
- Patients saved an average of \$400 to \$600 a year with incentives such as waived co-payments
- Employers indicated a Return on Investment (ROI) of at least 4:1 beginning in the second year
- In Asheville, after eight years, employers paid less to insure program participants than people without diabetes

#### Who is HBHC?

44 companies

200,000 Employees represented

5 companies are participating in the Diabetes Ten Cities Challenge

Approximately 7000 employees are participating in the Challenge

HBHC has created a proprietary data base for aggregate reporting

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#### Quick glance:



PUNAHOU SCHOOL

#### Punahou School

\$53,066 Total Gross Savings  
 \$26,600 Cost outlay to date  
 \$26,466 Total net savings

These are numbers that impress Pauline Lo Bailey, president of HBHC and the head of Human Resources for Hawaii's Punahou School, among the nation's largest independent schools

Punahou School is one of 3 companies deploying the AphA model for diabetes management through HBHC.

"We've added some innovations to our model," Bailey says. These include:

1. Added a depression-management component.
2. Invited the community to participate.
3. Partnered with the Kidney Foundation for health screenings.
4. Engaged EAP counselors at their expense.

**Pauline Lo Bailey, director of Human Resources, says the program emphasizes the economic imperative for health and sustainability.**

**"If we can reduce the health care costs, we will all have more wealth for pleasure, for retirement, and for community improvement."**