



Community collaborative aids diabetics

Value-based benefits, medical homes combo get trial run in Battle Creek. **ELIZABETH SLOWIK**

BATTLE CREEK — A community coalition that includes Calhoun County's major employers is combining the medical home model of primary care with value-based insurance designed to impact the health of diabetics.

The innovative approach sprung out of an advisory council of businesses, an offshoot of Battle Creek's Pathways to Health. The project is gaining attention not only in West Michigan, but across the nation.

Battle Creek "was the first place where there was a model put in place to show the relationship between the patient-centered medical home, the IT that supports the patient-centered medical home and a VBID (value-based insurance design), and it's the first place where there is a community collaborative," said Cyndy Nayer, president & CEO of the St. Louis, Mo.-based Center for Health Value Innovation.

The center is advising and studying the program in Battle Creek, which also has worked with value-based benefit design experts at the University of Michigan and large companies such as Pitney Bowes, Integrated Health Partners Executive Director Ruth Clark said.

Clark said Pathways to Health is a community initiative born in 2006 of a failed attempt to secure a grant from the Robert Wood Johnson Foundation.

"The concept is that controlling a disease reduces complications and saves money by lowering the need for more expensive solutions in the future." CYNDY NAYER

Community leaders who convened under the auspices of IHP, a hospital-physician organization, wanted to retain the momentum for health care progress despite losing out on the grant, she said. IHP already was a member of Blue Cross Blue Shield's Physician Group Incentive Program, which financially rewards doctors in one of its PPO networks for strides in chronic disease management and generic drug use.

"We didn't get the grant, but what it did was pull together everybody in the community — the

employers, we have health plan representatives, physicians, other providers of care, consumers and consumer advocacy groups," Clark said.

Instead of disbanding, the group decided to stay together under IHP's umbrella to pursue other types of funding and alternatives for improving health care in Calhoun County, she said.

Dr. Mary Ellen Benzik, IHP medical director, said Pathways to Health comprises employers, insurers, patient advocates, physicians and foundations and has been meeting for three years to discuss health care in Calhoun County.

The advisory council is a group of large and small businesses and insurers, and includes Kellogg Co., the city of Battle Creek, Denso Manufacturing, Blue Cross Blue Shield of Michigan and Priority Health, she said.

The council's discussions focused on barriers to chronic disease management that are built into various coverage plans and how to overcome those, she said. Benzik said the advisory council decided to focus on value-based benefit design and chronic diseases, starting with diabetes.

In 2008, 8,600 of the estimated 135,861 people in Calhoun County had diabetes, according to the Michigan Department of Community Health's Michigan Diabetes Surveillance Table and the U.S. Census Bureau.

"We're using diabetes to change the system, and then apply it to all chronic diseases," Benzik said.

In value-based insurance design, a company's population is studied to determine chronic disease trends and status. Health benefits then are tailored to remove or lighten the employee's out-of-pocket costs for treatments aimed at controlling the disease, such as medications or blood tests. The concept is that controlling a disease reduces complications and saves money by lowering the need for more expensive solutions in the future, Nayer said.

"It's spreading across the U.S. rapidly. We no longer can quantify the number of companies that are doing it. It's that big," Nayer said.

In Calhoun County, two members of the business advisory council have implemented value-based health design pilot programs this year — Kellogg and the city of Battle Creek — and two more are in the wings, Clark said. Benzik said Battle Creek Health System, which is part of Trinity Health, is looking to try value-based benefit design as a pilot program for employees



of the 45-hospital company.

The city of Battle Creek, with 600 employees and 300 retirees, is a major part of the county's economy, Risk Manager Rick Hensley said. A total of about 2,200 employees, retirees and dependents rely on the city for health coverage, he said. City employees are represented by 10 unions.

The first step was for the city and its insurer, BCBSM, to determine exactly which chronic diseases were already affecting employees or that employees were at high risk to acquire, he said. He said the leading problems turned out to be diabetes and coronary artery disease.

"We have between 20 to 30 percent of our work force subject to one chronic disease or another," Hensley said. "What impacts our employees impacts the community (and) impacts the city's ability to perform its services to the community. That's kind of what got us into the role, because we do have such a large stake in the health game here locally."

The city decided to follow the example set by Kellogg Co. and focus on diabetes management, Hensley said.

"Our next step is to try to create an overlay of our regular health care plan, where we try to provide

some incentives to our employees if they will agree to voluntarily participate in the disease management model," he said. "It's kind of a careful mix you have to do because on the one hand, you don't want to violate their medical privacy. And at the same time, you want to engage employees who are at high risk for the disease to see the incentives, see the value."

The affected employees are allowed to choose whether to participate. In exchange for meeting some requirements, such as reporting health information through a third party, co-pays and deductibles are reduced or waived for related care.

Some larger companies have introduced those types of benefit programs, but they now are being translated into smaller businesses.

"As long as they meet the requirements of the program, we're going to waive some co-payments and some deductibles for anything directly related to the disease we're trying to impact. We're hoping to have that rolled out by September at the latest," Hensley said.

In the meantime, BCBSM is using incentives to help primary care doctors and some specialists in the Battle Creek area evolve into

DR. MARY ELLEN Benzik, left, medical director of Integrated Health Partners, said Pathways to Health comprises employers, insurers, patient advocates, physicians and foundations and has been meeting to discuss health care in Calhoun County. Benzik is pictured with IHP Executive Director Ruth Clark. Photo by Johnny Quirin

patient-centered medical homes while incorporating value-based design principles, Benzik said.

There can be glitches that need to be worked out, such as re-educating physician staffs that are used to billing certain patients who are no longer supposed to receive those bills under value-based design.

Jeff Nielson, BCBSM director of consumer solutions, said the state's largest health insurer has worked with employers to create value-based insurance design benefit packages.

"The idea is to eliminate the financial barriers to things like the insulin, diabetic supplies that go along with the administration of the medication, office visits, A1C testing or eye exams that routinely come with diabetic care," Nielson said.

Co-pays are either lowered or eliminated for those "clinically proven, evidence-based medicine" services, he said.

"Right now, it's a relatively new kind of concept. There's probably, in Michigan, a handful of employers who offer a value-based design," Nielson said.

"We're certainly open to designing these programs for employers who are interested."

Hensley said that, as is the case with wellness programs, the city expects that a payoff is three to five years away in terms of lower insurance rate increases due to reduced hospitalizations and other complicated care.

"I think the community partnership that's happening in Calhoun County is quite unique and that's why it's getting such national attention," Nielson added. "It really is bringing all of the stakeholders together with a common purpose to improve the health of the community."