

2/17/09

U.S.

**PREVEN-
TATIVE
MEDICINE**

USPM

***Prevention - a Concept for State Medicaid
Programs***

Frederic S. Goldstein

President

U.S. Preventive Medicine

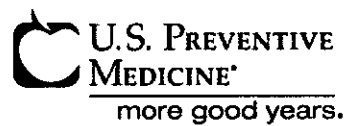
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USPM

Agenda

- ◆ USPM Background
- ◆ The Current Health Care System
- ◆ How Prevention Works
- ◆ Ideas for Alaska



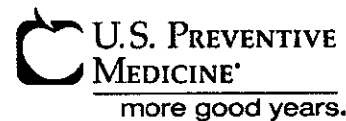
USPM

USPM Background

- ◆ Extensive experience in Health Plans, Hospitals, Chronic Care Management, Medicaid and Commercial

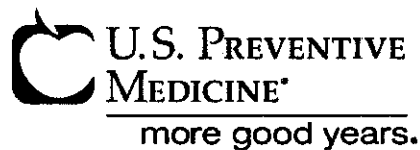
- ◆ Over 10 years of Medicaid Care Management experience
 - ◆ Rural States
 - ◆ Diverse populations
 - ◆ Experience with NA/AI and IHS

- ◆ National and International Services



CREATING NEW PARADIGM

- ◆ Prevention is our only business
- ◆ From the top down, we have all lost family members too soon...we “walk the talk”
- ◆ Every USPM employee is on a mission to create real change in the healthcare system and to help individuals’ improve their long-term health



WHY PREVENTION?

U.S. Preventive Medicine believes the answer is:

- ◆ A systematic approach that identifies those at risk now or in the future based on key clinical indicators
- ◆ Intervention with effective programs of education, behavior modification and care management
- ◆ Periodic measurement of clinical results to improve outcomes and reduce overall health care costs



U.S. PREVENTIVE
MEDICINE*

more good years.

Gov. Tommy Thompson joins as National Policy Advisor

**“THE PREVENTION PLAN
COULD BE THE BIGGEST
INNOVATION IN
HEALTH CARE IN THE
LAST 30 YEARS.”**

Gov. Tommy Thompson
Former Secretary of the U.S. Department of
Health and Human Services
National Policy Advisor, U.S. Preventive Medicine

INTRODUCING AN EXCITING NEW PRESCRIPTION FOR WELLNESS.

The Prevention Plan™ is a revolutionary new health care concept for employers. Using robust technology and thorough lab work, The Prevention Plan™ identifies the top five risks for an employee and then provides a customized, step-by-step plan to help them lower their personal risks. It's private, secure and completely portable.

The Prevention Plan™ is supported with RN coaching, web tutorials, reminders and reward programs designed to change behavior to improve health. Your prescription for a healthier and more productive work force has arrived. Prevention is powerful medicine, and it's backed by U.S. Preventive Medicine® - the world leader in prevention.

Call 856-713-1180 or visit ThePreventionPlan.com to learn more.



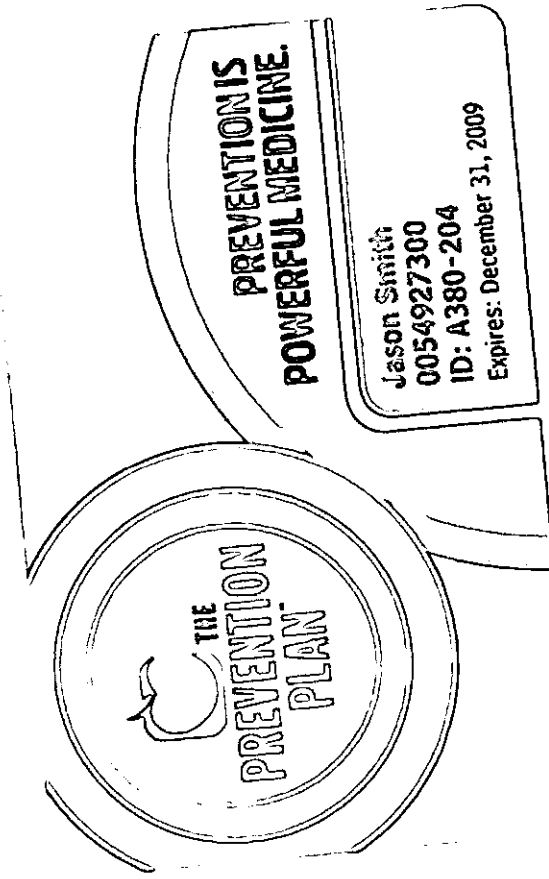
Gov. Tommy Thompson
Former Secretary of HHS

 **U.S. PREVENTIVE
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Clinical Definition

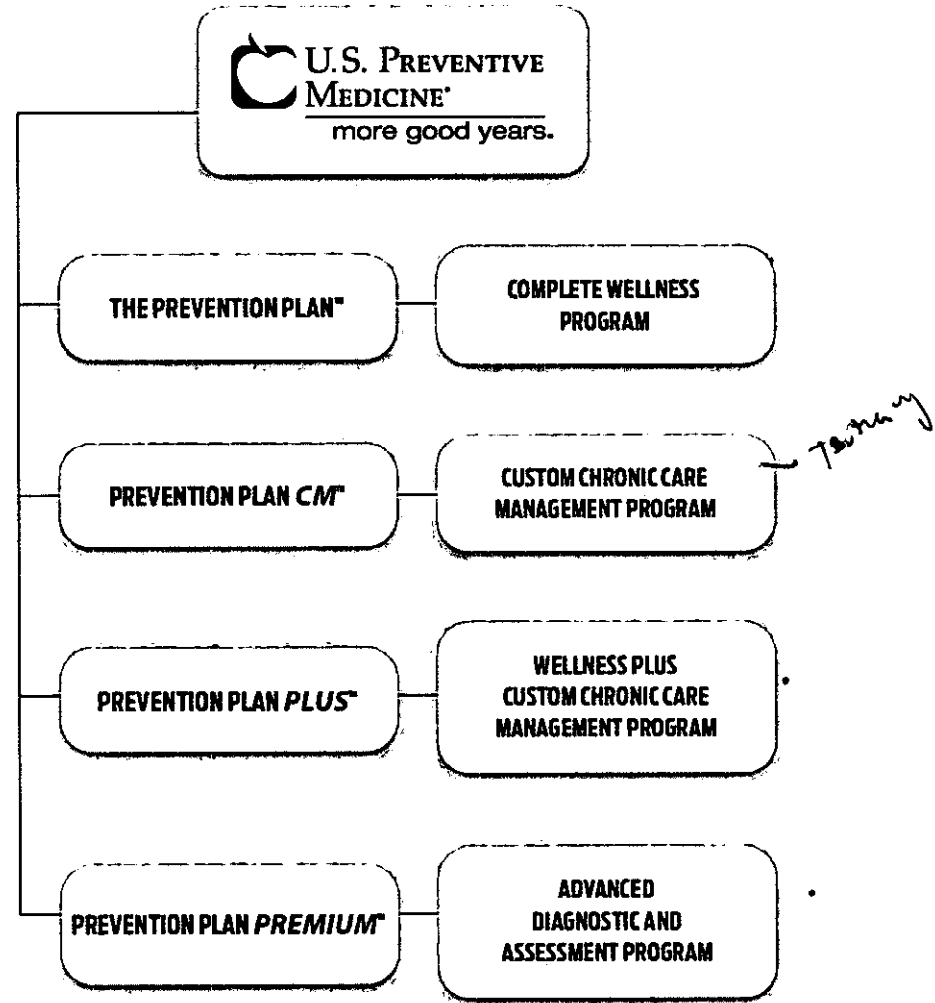
- ◆ Primary
- ◆ Secondary
- ◆ Tertiary - *chronic*

The Prevention Plan™ The Next Generation of Health & Lifestyle Management



Reduce expenses. Increase productivity.

OUR PRODUCT SUITE



MANAGING THOSE USING
THE MOST RESOURCES

The Prevention Plan CM

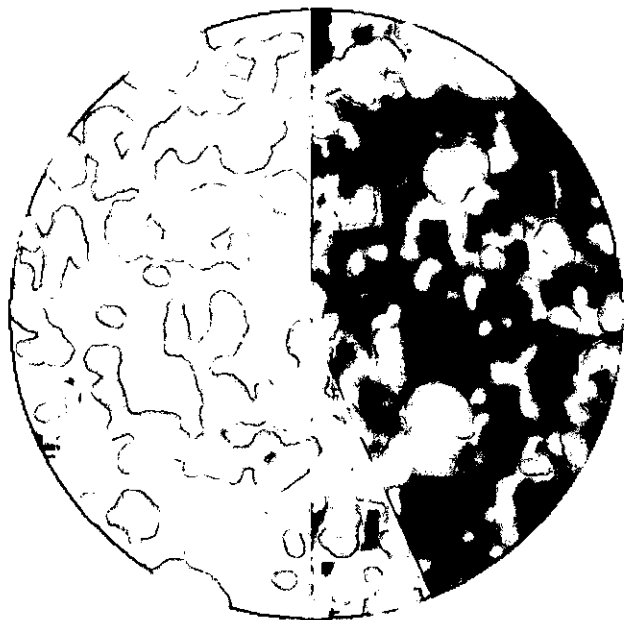
- ◆ Heart Failures
- ◆ Diabetes
- ◆ Asthma
- ◆ COPD
- ◆ CAD
- ◆ Schizophrenia
- ◆ Bipolar disorders
- ◆ High risk maternity
- ◆ Sickle Cell
- ◆ Depression
- ◆ Hepatitis C
- ◆ HIV/AIDS
- ◆ Cancers
 - Breast
 - Cervical
 - Colon
 - Prostate



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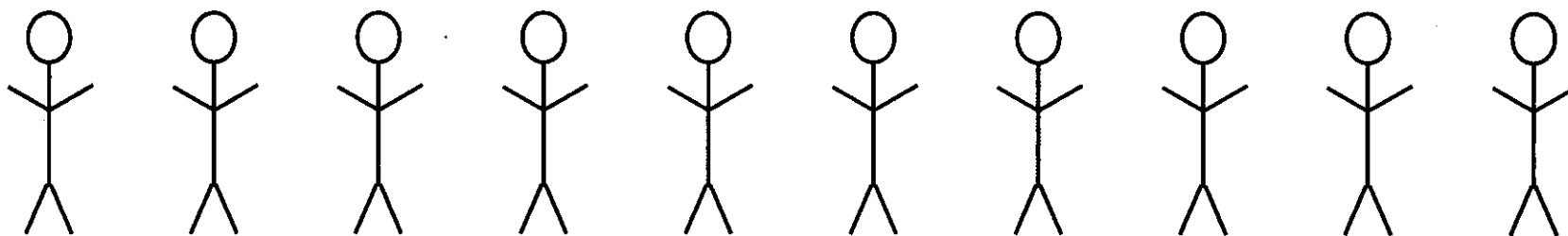
Health Cost Background

Chronic diseases are the #1 cause of death and disability in the U.S.



133 million Americans, representing 45% of the total population, have at least one chronic disease

Chronic diseases kill more than 1.7 million Americans per year, and are responsible for 7 of 10 deaths in the U.S.



Patients with chronic diseases account for 75% of the nation's health care spending

During 2005, the U.S. spent almost \$2 trillion on health care

Of every dollar spent...



...75 cents went towards treating patients with one or more chronic diseases

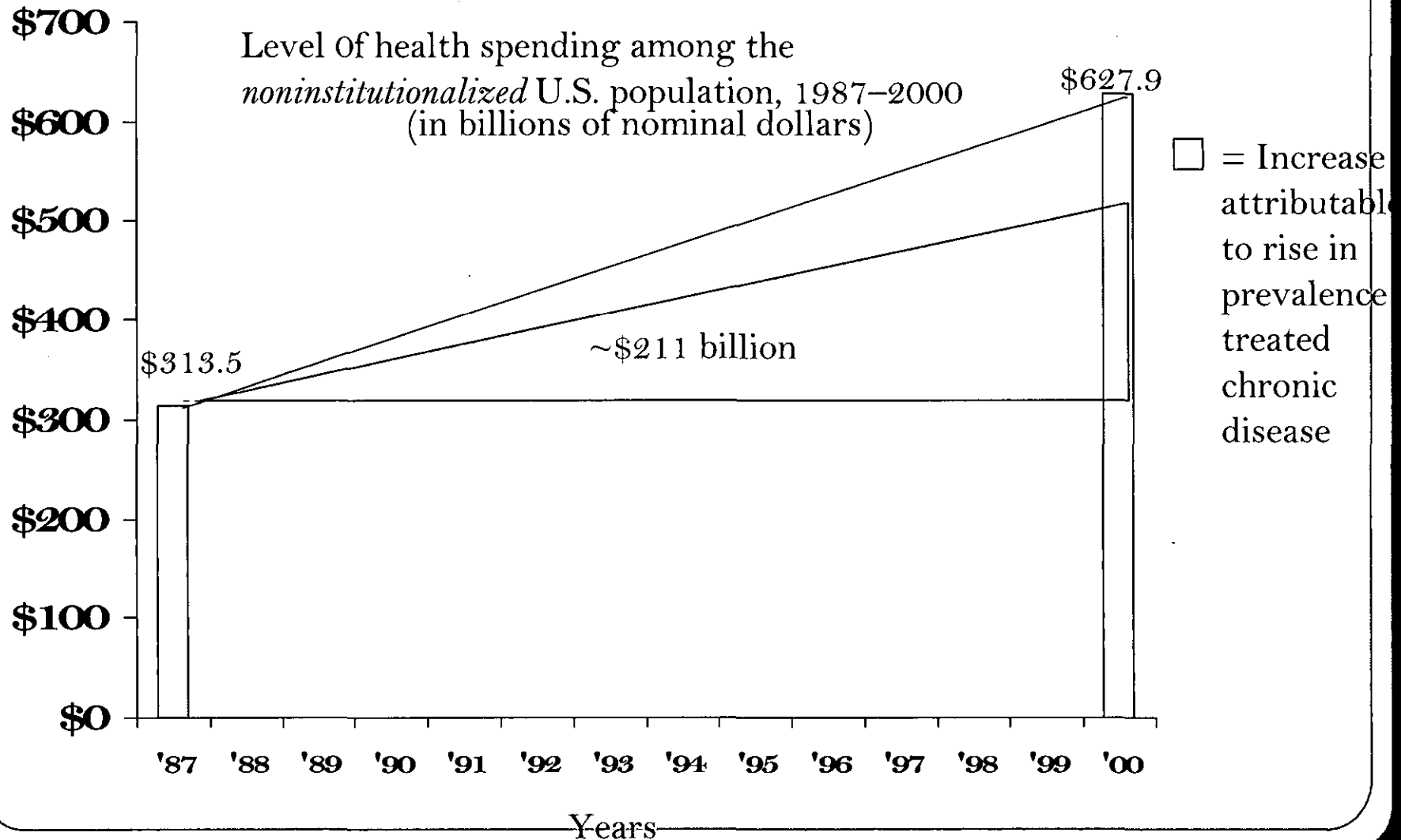
In public programs, treatment of chronic diseases constitute an even higher portion of spending:

More than 96 cents in Medicare... ...and 83 cents in Medicaid

"The United States cannot effectively address escalating health care costs without addressing the problem of chronic diseases."

-- Centers for Disease Control and Prevention

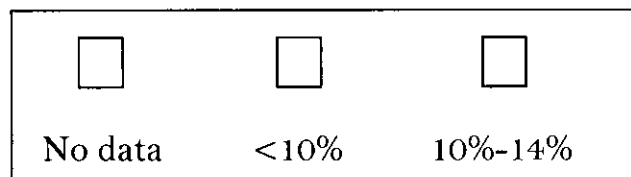
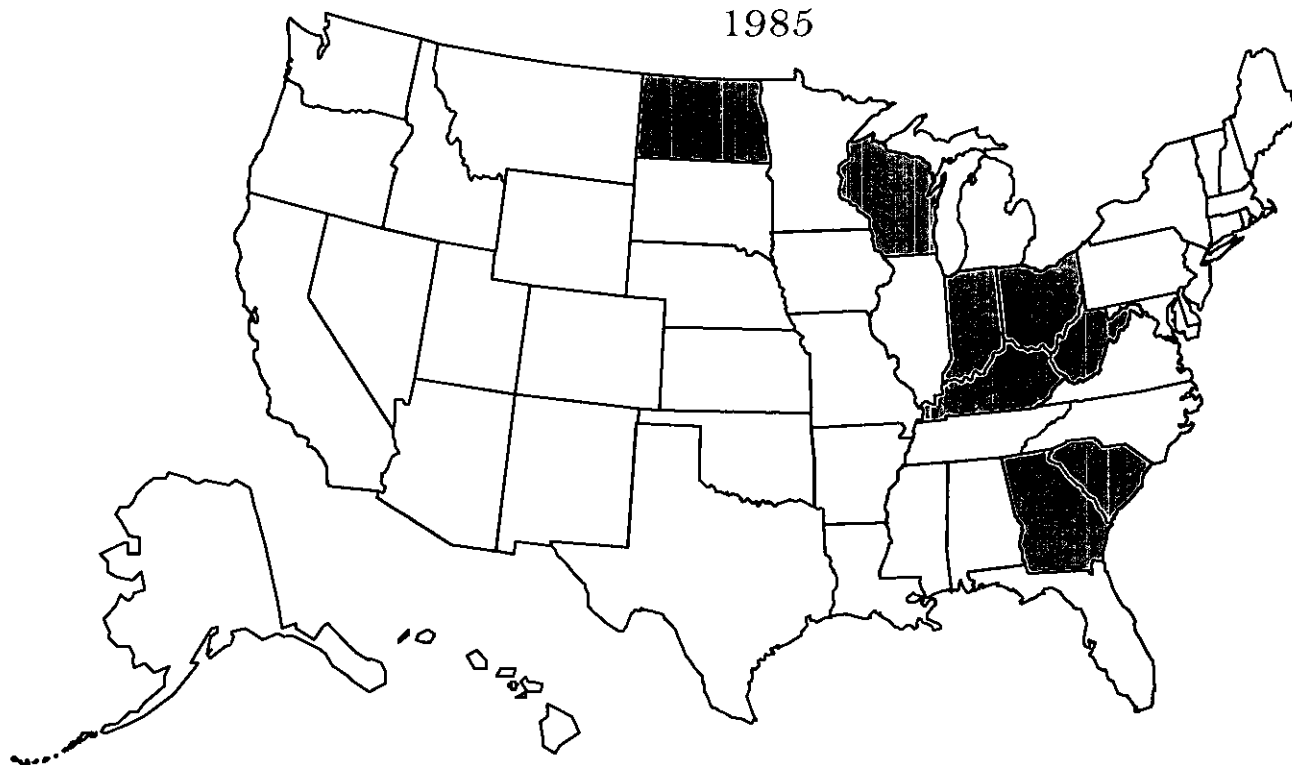
Two-thirds of the increase in health care spending is due to increased prevalence of treated chronic disease



The doubling of obesity between 1987 and today accounts for nearly 30% of the rise in health care spending

Percent of U.S. Adults Who are Obese*

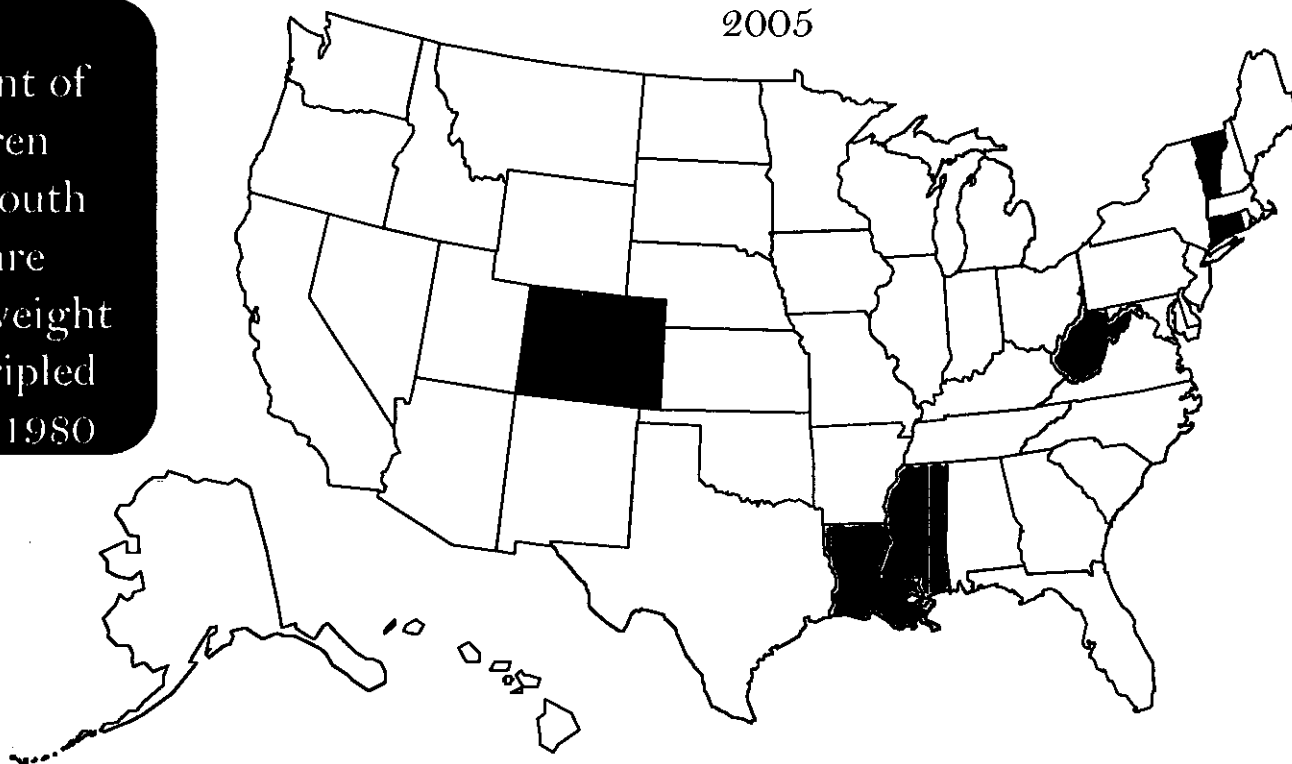
1985



*Data for 1985 based on self-reported weight for 6' 1" person

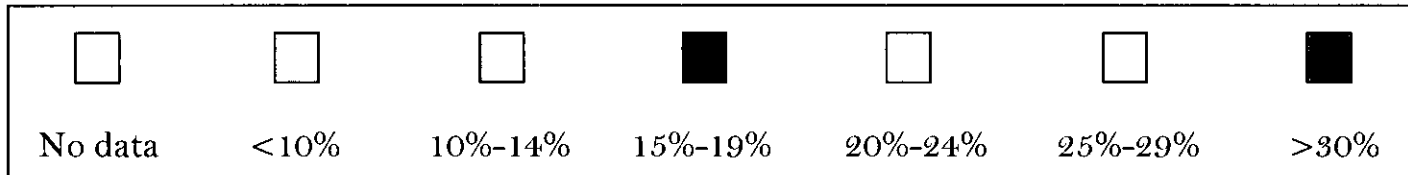
The doubling of obesity between 1987 and today accounts for nearly 30% of the rise in health care spending

Percent of U.S. Adults Who are Obese*
2005



The percent of children and youth who are overweight has tripled since 1980

If the prevalence of obesity was the same today as 1987, health care spending in the US would be 10 percent lower per person—about \$200 billion less



* Data from the Behavioral Risk Factor Surveillance System (BRFSS) for 2005.

The vast majority of cases of chronic disease could be better prevented or managed

The Centers for Disease Control and Prevention (CDC) estimates...

- 80% of heart disease and stroke
- 80% of type 2 diabetes
- 40% of cancer

...could be prevented if only Americans were to do three things:

- ✓ Stop smoking
- ✓ Start eating healthy
- ✓ Get in shape

Management of chronic disease could also be significantly improved: Chronically ill patients receive only 56% of the clinically recommended preventive health care services

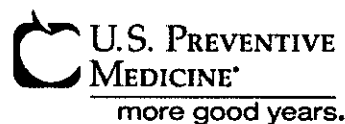


THE CAUSE

HEALTHCARE 1.0 and 2.0

Business as usual *doesn't* work and Current solutions are *ineffective*:

- ◆ System set up to treat illness instead of prevent it
- ◆ Fragmented and superficial programs don't engage eligible population: 7-12% is the norm
- ◆ Unsuccessful in changing behavior
- ◆ No meaningful incentive for individuals to participate

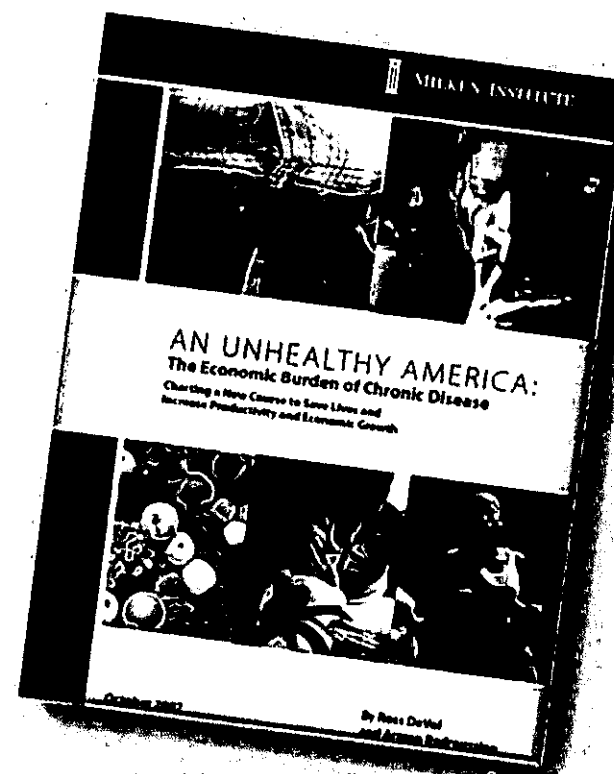


One solution in sight:

Milken Institute study finds

- ◆ Prevention
- ◆ Early detection
- ◆ Chronic condition management

could save U.S. \$1 trillion annually...



"An Unhealthy America" 2007 study
Nonprofit, nonpartisan economic think tank

Reforming the Medicaid Program

- ◆ Alaska is unique
- ◆ What has Alaska said they were looking towards
- ◆ Why Reform versus expansion
- ◆ Implementing a Prevention Based Model

ALASKA IS UNIQUE

Alaska's Unique Features

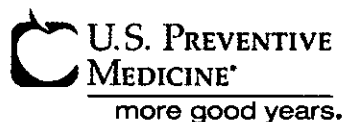
- ♦ Rural to the extreme which is affected by infrastructure (roads, facilities, etc.)
- ♦ Diverse population, AN/AI
- ♦ Issues must be overcome through innovative uses of people, systems and technology.



STATE PRIORITIES

Alaska Dept. of Health and Social Services – 2009 Priorities

- “• **Care Management: Improve care coordination; implement** disease management program for chronic diseases and explore use of primary care case management strategy for most disabled populations; complete planning for the Bring the Kids Home Initiative.
- **Medicaid Reform: Develop legislative and systemic** recommendations for reforming Medicaid aimed at improving Medicaid sustainability.”

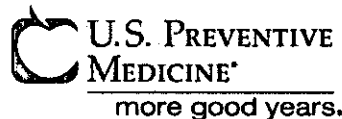


Alaska Health Care Strategies Planning Council

Making Alaskans the healthiest people in the nation...

Goal Five – Prevention and Personal responsibility

The Council believes that government has an obligation to “jump start” healthy choices through incentives, and in addition build the necessary incentive structures for the future.



Reform Versus Expansion

- ◆ The current system is flawed it's a sick care system. Why expand what is not working well?

- ◆ To maximize value, must change incentives for all players

- ◆ Through appropriate reform, one can find savings to expand eligibility (Medicaid funds in Stimulus bill?)
 - ◆ How? Bend the trend on the health status of the Medicaid beneficiaries

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Some Issues to Understand

- ◆ Beneficiaries don't have the knowledge to manage their care
- ◆ Providers don't have the time, expertise, or systems
- ◆ Some states have tried pieces of the concept
- ◆ At the end of the day its about one person changing their behavior.

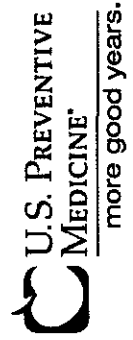
Recommendations

- ◆ Comprehensive Prevention Approach - 1^o, 2^o, 3^o
- ◆ Shared accountability – Incentives and Sticks
 - ◆ Providers
 - ◆ Beneficiaries
 - ◆ Vendors
- ◆ Reform the payment system to providers

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Shared accountability – Incentives and Sticks

- ◆ Providers
- ◆ Beneficiaries
- ◆ Vendors



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Reform the payment system to providers

- ◆ Pay for Preventive Services
- ◆ Incent outcomes
- ◆ Pay for data systems (Look to Stimulus package with funding for Heath IT.)

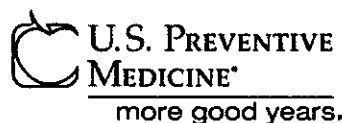
Specific Areas to Consider

- ◆ **Care Management for Persons with Severe and Persistent Mental Illness –**
 - ◆ This could address Target #3: Reduce 30-day readmission rate for Alaska Psychiatric Institute (API) to 10 percent, which was at 13.5% in 2007

- ◆ **Implement a comprehensive prevention program to address**
 - ◆ Target #1: 80 percent of all 2-year-olds are fully immunized, which was at 67.3% in 2007.

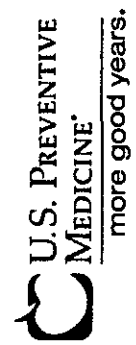
- ◆ **Implement a High Risk Maternity Care Management program**
 - ◆ Target #2: Reduce post-neonatal death rate to 2.7 per 1,000 live births by 2010.

Targets from FY 2009 DHSS
Overview



Examples of Success in Medicaid

- ◆ Program examples
- ◆ Some state ideas



MEDICAID RESULTS

High Risk Maternity

- ◆ Preterm babies cost an average of \$32,000 in Medical costs during their first year. (March of Dimes). Medicaid tends to have a higher proportion of pre-term births.
- ◆ USPM high risk mothers experienced a 9.4% preterm delivery rate versus a 14.8% county average. Program cost \$350,000, Estimated gross savings >\$900,000.
- ◆ Another State program experienced a 14.0% preterm delivery rate versus a 20% county average.

MEDICAID RESULTS

Clinical Improvements

- ◆ Mental Illness costs disproportionately fall within Medicaid, particularly for those living with Severe and Persistent Mental Illness.
- ◆ USPM members in a program for Persons with Schizophrenia experienced a 54% reduction in per member per month costs for ER visits.
- ◆ In the same program medication adherence to appropriate antipsychotics improved with fill rates going from 22.9 days per month in year 1 to 27.9 days per month in year 2. (30 days would be 100% adherence to filling medications)

MEDICAID RESULTS

Program outcomes for persons with adult and pediatric asthma, CAD, COPD, diabetes, heart failure, adult and pediatric sickle cell, and adult depression, schizophrenia, schizoaffective and bipolar disorder

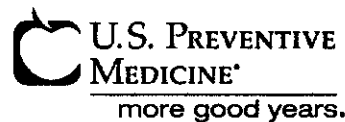
Outcome Metric	Aggregate Eligible Population 1 year prior 7/1/05-6/30/06	Cohort 1 year prior 7/01/05-6/30/06	Cohort Year 1 (Enrolled > 6mos) 7/1/06-6/30/07
Average PMPM total medical & pharmacy costs	\$953 PMPM	\$1,191 PMPM	\$892 PMPM
Hospital Admissions per thousand per yr (Adm./K/Yr)	244 Adm./K/Yr	467 Adm./K/Yr	365 Adm./K/Yr
Bed Days per thousand per yr (BD/K/Yr)	4,025 BD/K/Yr	2,955 BD/K/Yr	2,180 BD/K/Yr
ER visits per thousand per yr (ER/K/Yr)	914 Visits/K/Yr	1273 Visits/K/Yr	1007 Visits/K/Yr

MEDICAID RESULTS

Clinical Improvements

- ◆ Chronic Care costs for heart failure, COPD and diabetes are high and these conditions require extensive self management skills

Outcome Metric	Aggregate Eligible Population 2 year prior 8/01/05-7/31/07	Cohort 2 year prior 8/01/05-7/31/07	Cohort Year 1 (Enrolled > 6mos) 8/1/07-7/31/08
Average PMPM total medical & pharmacy costs	\$2,034 PMPM	\$3,252 PMPM	\$2,737 PMPM
Average PMPM inpatient costs	\$872 PMPM	\$1,087 PMPM	\$699 PMPM
Bed Days per thousand per yr (BD/K/Yr)	8,746 BD/K/Yr	12,310 BD/K/Yr	8,291 BD/K/Yr



QUALITY IMPROVEMENTS

Quality Improvements

Quality Measure	At Assessment	At 6 Months
Foot Exams (diabetes)	12%	65%
A1c tests (diabetes)	47%	100%
Monitor blood pressure (hypertension)	14%	32%
Asthma Action Plan	26%	93%

Other State Ideas:

Incentives:

- ♦ a number of States are exploring putting more control into the hands of the beneficiaries with incentives that they can earn by doing the right thing.

Telemonitoring:

- ♦ In home monitoring devices for high cost clients, data managed daily.

E prescribing:

- ♦ Better control of prescriptions, reduces inappropriate utilization, improves safety.

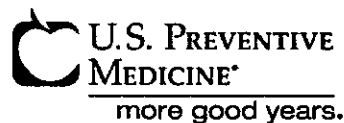


IN CLOSING

What the State says

By improving the place of prevention and personal responsibility in the health and health care decision-making rubric of Alaskans, costs of health care could be lower than they otherwise would be. With concentration on a wellness model of health care, as well as state support for the Community Health Center system and a robust public nursing program, the current access problems could be significantly reduced.

Alaska Health Care Strategies Planning
Council, December 23, 2007



Comprehensive Prevention Approach - 1^o, 2^o, 3^o

- ♦ Baseline assessment of all beneficiaries
- ♦ Shared clinical information system, statewide
- ♦ Comprehensive support/advocacy/coaching for beneficiaries across the continuum
- ♦ Individualized plan for each beneficiary