

The Employer's Perspective

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- Rich Williams – Advanced Plan for Health

Houston Business Coalition on Health

March 10, 2015



Advanced Plan for Health

Population health management group using technology, information and experience to lower cost and improve quality of care.

Use already existing data to create actionable information.

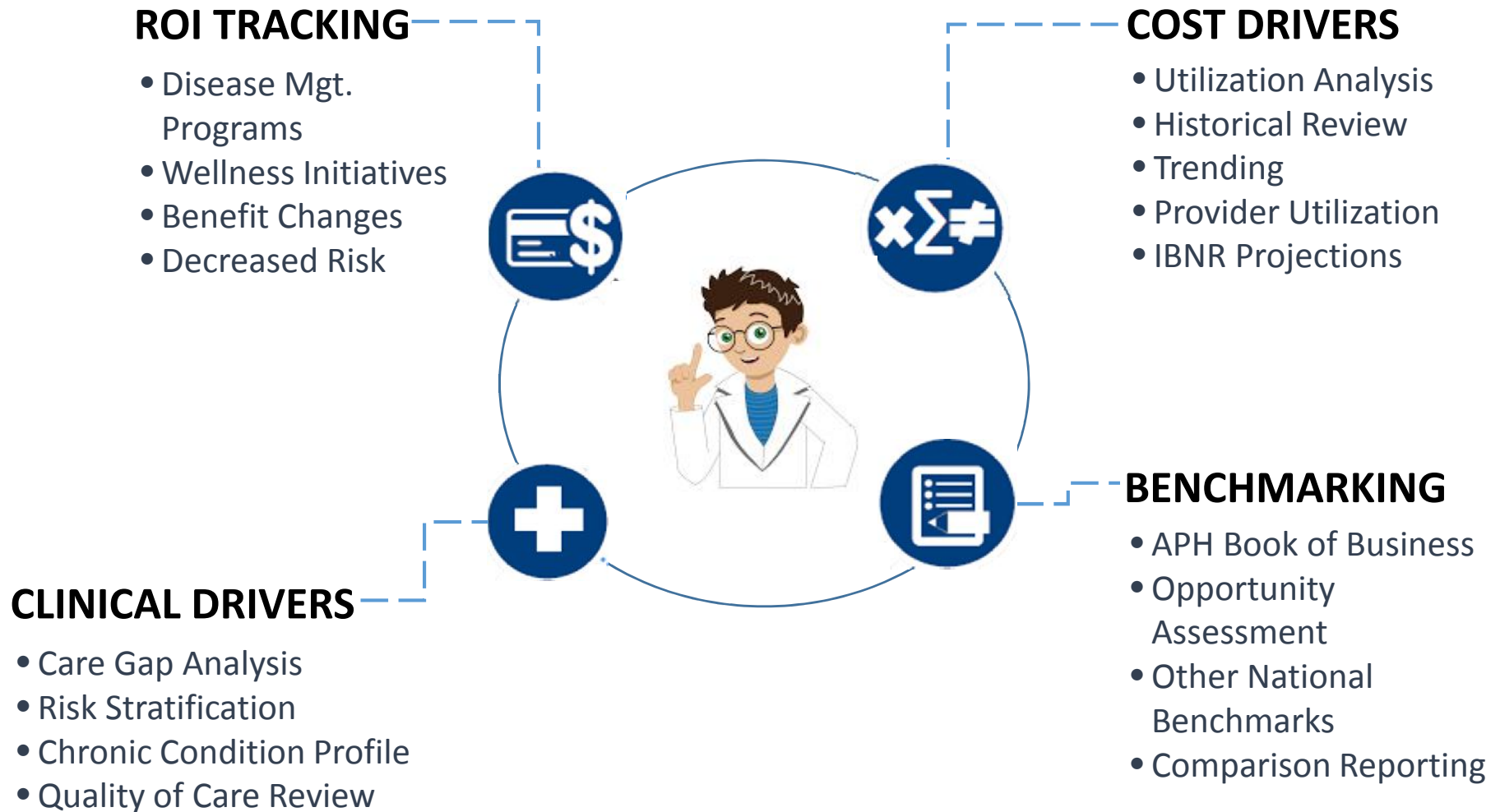
Advanced Plan for Health

- 24 states
- 1,200,000 lives
- 10+ years

Making Big Data into Something Useful

- Identify individual risk (not just diagnosis or cost)
- Predict future risk, including risk of hospital admission
- Mitigate that risk through available/developed resources

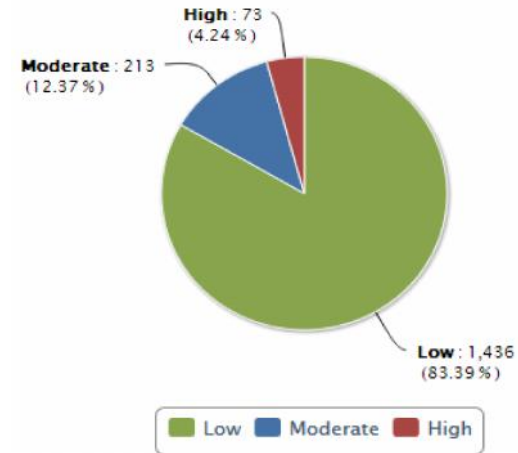
Need Robust Tracking and Predictive Modeling



Risk Analysis

RISK MEASURE	NUMBER OF MEMBERS	% OF POPULATION
12+ Unique Provider Interactions	22	1.26%
9+ Unique Providers Interactions	67	3.83%
5+ Unique Providers Interactions	240	13.71%
12+ Unique Prescribing Providers	3	0.17%
9+ Unique Prescribing Providers	17	0.97%
5+ Unique Prescribing Providers	143	8.17%
3+ Pharmacies	104	5.94%
3+ Admits	12	0.69%
3+ ER Visits	25	1.43%
Member spent over \$10,000 in Medical Claims	170	9.71%
Member spent over \$5,000 in Pharmacy Claims	48	2.74%
Asthma	61	3.49%
Coronary Artery Disease	24	1.37%
Chronic Renal Failure	1	0.06%
Depression	24	1.37%
Diabetes	80	4.57%
Hyperlipidemia	190	10.86%
Hypertension	165	9.43%
Lower Back Pain	171	9.77%

Risk Level as of December 2014



Recommendations:

1. Set up communication with Large Case Manager to review High Risk Members
2. Engage Primary Care Physicians for members with 12+ and 9+ Prescribing Physicians
3. Identify chronic condition claimants and target with management programs
4. Ensure members with high probability for future hospital admissions/readmissions are being managed
5. Future Predicted Admissions equates to **\$409K**

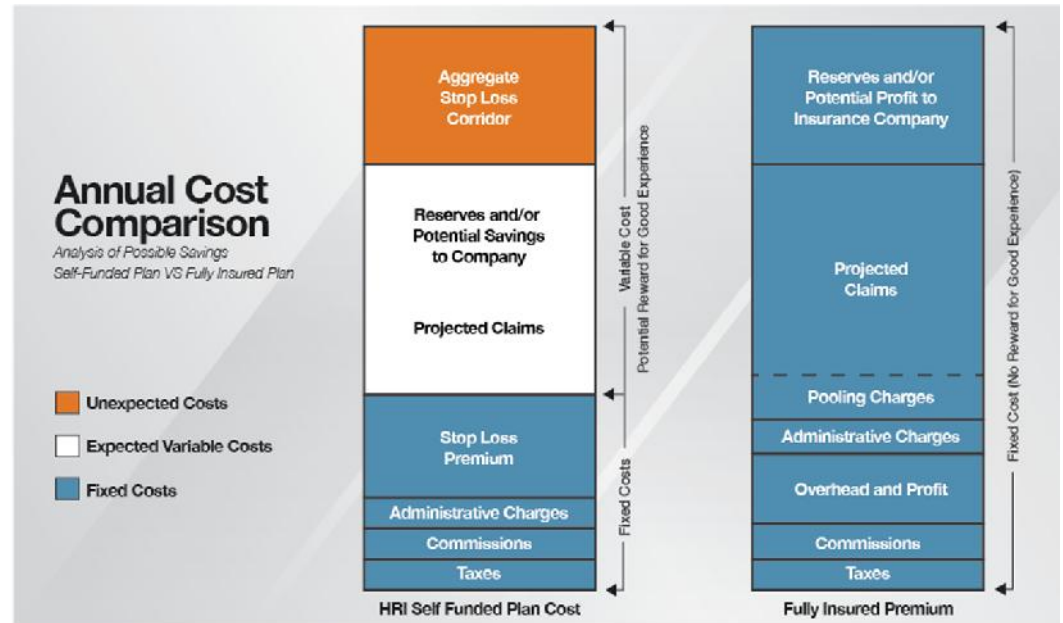
Predicted Events/Cost – As of December 31, 2014

Predicted Events		
Predicted Events	Total # of Members	% of Total Members
Likelihood of an Admission in the next 12 months > 20%	21	1.22%
Likelihood of a Re-Admission in the next 30 days > 20%	07	0.41%

Predicted Cost		
Predicted Cost	Total # of Members	% of Total Members
Members Predicted to spend >= 10,000	132	7.67%

Self Insured Employers

- Take and manage their own risk
- Can make quick decisions
- Savings drop to their bottom line



Employer Challenges

- Labor market tightening; war for talent
- Employers exploring new avenues to recruit employees to meet demand
- Increase in average age of employees
- Unknown health risks
- Absenteeism, Presenteeism
- Safety concerns

Turner Average Age

All employees: 40.5 years of age

Insured employees: 43.25 years of age

Uninsured employees: 37.5 years of age

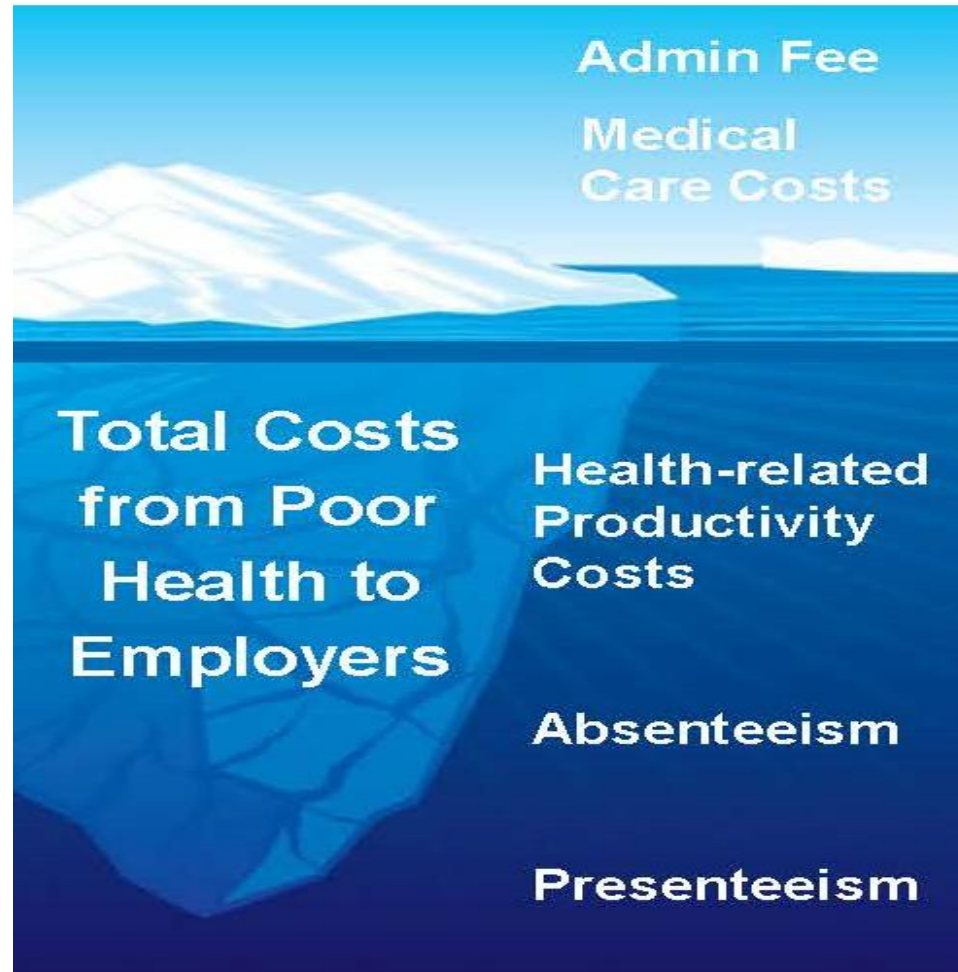
More Cost Drivers

Average medical costs rise an estimated 25% between ages 40-50.

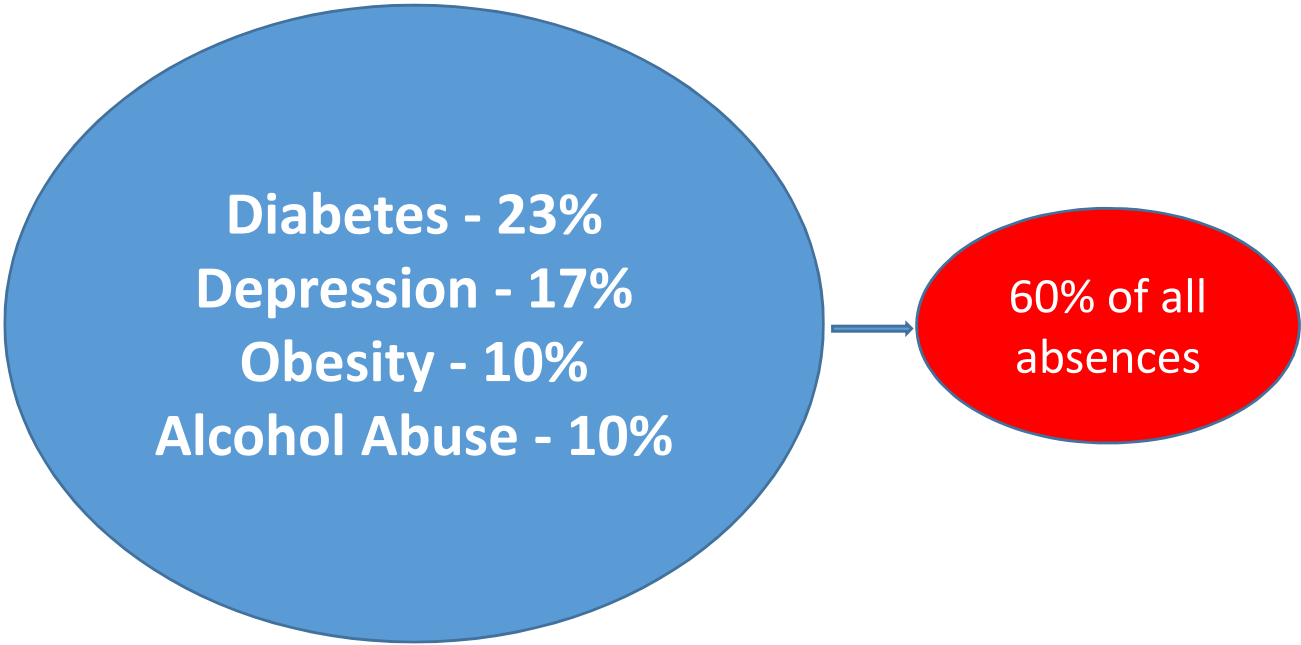
Average medical costs rise an additional 35% from ages 50-60.

High risk workers between ages 40-60 incur 3X the medical costs than low risk workers in the same age group.

What Is The Impact?

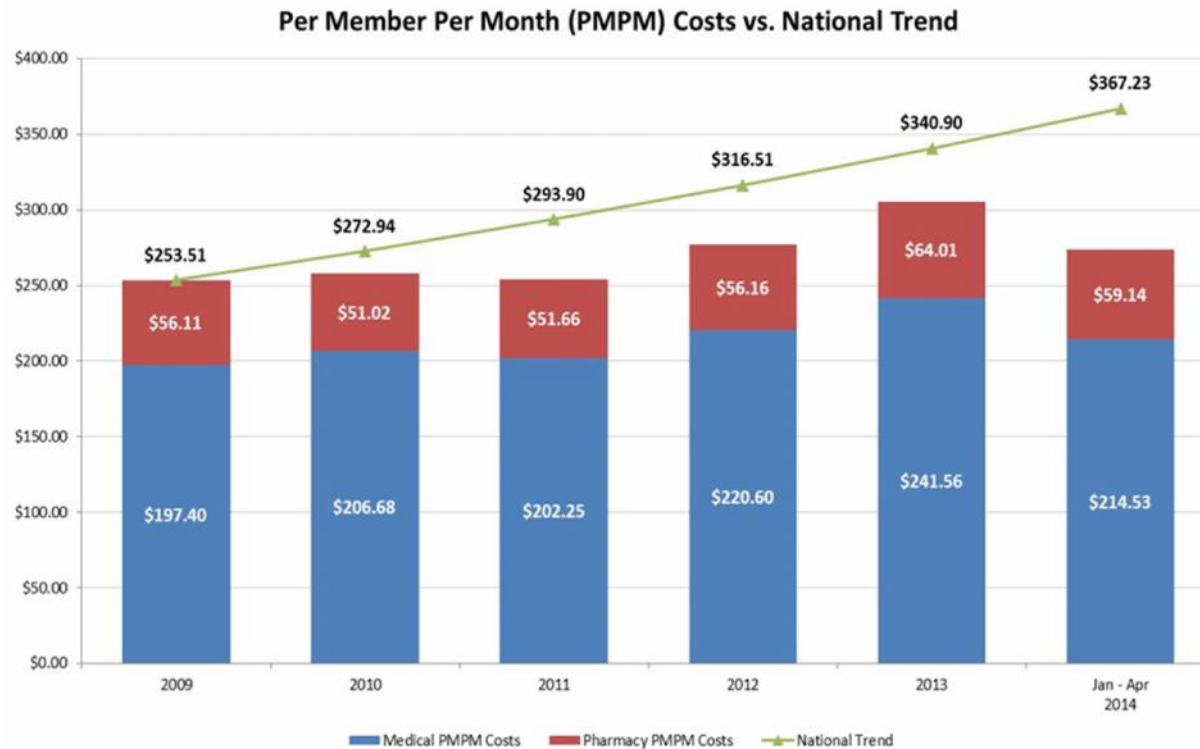


Leading Causes of Absenteeism



What Actions Are We Taking?

- In 2009 we implemented a Population Health Management Program to analyze our claims and address most pertinent risks.



What Actions Are We Taking?

- Partnering with healthcare providers at local level to deliver nurse navigator services.
 - Beaumont (CHRISTUS of Southeast Texas)
 - Paris (Paris Regional Medical)
 - Lake Charles (CHRISTUS St. Patrick Hospital)
 - Port Allen (Baton Rouge Clinic)
 - Baton Rouge (Pennington Biomedical)
 - Houston (Memorial Hermann)
- Compelling results – medical trend (inflation) under 5% for those under management in nurse navigator programs.

Lake Charles Program Results

	Before	After	Trend		Before	After	Trend
# Participants	156	156					
Age/Gender Mix	2.02	2.02					
Medical Utilization				Pharmacy Utilization			
Total Medical Claims Paid	\$762,916	\$589,906	-22.68%	Total Pharmacy Claims Paid	\$314,161	\$357,176	13.69%
Per Employee Per Month (PEPM)	\$469.49	\$361.02	-23.10%	\$0-10	73.64%	78.03%	5.96%
Per Member Per Month (PMPM)	\$417.81	\$321.47	-23.06%	\$10.01-25	14.73%	12.06%	-18.11%
Avg. claims/member	17.72	14.89	-15.96%	\$25.01-50	8.63%	7.09%	-17.89%
% of claimants to members	0.93	0.9	-2.76%	\$50.01 +	2.08%	2.57%	23.59%
Avg. Claim Cost	\$276.02	\$253.94	-8.00%	Per Employee Per Month (PEPM)	\$193.33	\$218.59	13.07%
Claims	2764	2323	-15.96%	Per Member Per Month (PMPM)	\$172.05	\$194.65	13.13%
E & M visits	1000	883	-11.70%	# Claimants	141	141	0.00%
Preventive Office Visits	24	25	4.17%	# Scripts	3,580.00	3,671.00	2.54%
Procedures	407	349	-14.25%	Average Scripts per Claimant	25.39	26.04	2.54%
Hospital admits	29	14	-51.72%	Average Scripts per Member	22.95	23.53	2.54%
Hospital days	160	77	-51.88%	Average Script Cost	\$87.75	\$97.30	10.87%
ALOS/hospital visit	5.52	5.5	-0.31%	Generic % of Dollars	46.94%	49.29%	5.00%
ER visits	55.0	38.0	-30.91%	Generic % of Scripts	73.03%	76.52%	4.79%
Urgent Care Visits	0	2	0.00%	90 Day Supply % of Dollars	7.88%	7.65%	-2.98%
% Paid In-Network (Total)	99.77%	99.96%	0.19%	90 Day Supply % of Scripts	5.03%	5.45%	8.46%

How Can Providers Help?

- Working directly with employer community to develop innovative solutions to manage cost and quality of care.
- Assist in the move away from the Fee-for-service payment model.
- Be nimble enough to move quickly when a good idea surfaces.

What are Employers Not Getting From Providers?

- Acknowledgement that businesses have paid freight of health care system for decades.
- A commitment to move away from Fee-for-service.
- Flexibility as TPA's and insurers determine how pay for performance will work.
- Understanding of alternate plan designs, steerage toward high performing providers.

It's Complicated



Thank You

