

Healthy Solutions: An Integrated Approach to the Healthcare Continuum

THE AMERICAN HEALTHCARE SYSTEM IS IN THE MIDST OF A TRANSFORMATIONAL SHIFT. Not since the move to managed care in the mid 1980s has the industry engaged in such a fundamental rethinking about access to healthcare and delivery of services.

Today, the shift is being driven by the marketplace response to a variety of factors including skyrocketing costs, increasing prevalence of chronic disease, greater utilization of healthcare services, and the need to improve the quality of care. At the same time, advances in Information Technology (IT) have created an environment where the ability to share knowledge is bringing together systems that traditionally existed in isolated silos.

There were some early warning signs to the current market shift. In the early 1990s, disease management emerged as a potential solution to control rising health care costs by focusing on the highest-cost segment of a population. Sophisticated algorithms and IT systems enabled the identification of individuals with diagnosed chronic disease – 10% of the population responsible for 70% of the healthcare costs. In the early 2000's, healthcare costs continued an upward trend, spurring employers to find new ways to more closely link prevention-focused health improvement and wellness programs with their overall benefit plan design.

At this point, the healthcare industry is racing to create market demand for new consumer-directed products. Meanwhile, employers are grappling to understand how the new benefit options will work within the context of their populations and their organization structures.

With the array of choices, what mix of disease management, health improvement and wellness programs are best for any given population? And how do these new options fit with existing health plan and disability benefits? The answer is *integrated health and disease management* across the healthcare continuum.

\$8,424
Estimated cost employers will spend per employee on healthcare in 2006ⁱ

70%
Percent of the total healthcare bill that will be spent on just 10% people with chronic conditions

97%
Of employers believe that the healthcare system is in need of systemic reform

The Keys to Success

For integration to work effectively, there must be cooperation among vendors to achieve four primary objectives:

1 <i>Integrated Problem Identification</i>	Data sharing (respectful of personal privacy concerns and regulations) to determine the health status of the population
2 <i>Integrated Benefits Information</i>	The sharing of benefit plan information among all program vendors to ensure accurate and timely communication and encourage proper utilization of services
3 <i>Integrated Operations</i>	Collaborative and consistent partnerships to provide the right level of service, delivered by the right expertise, at the right time
4 <i>Integrated Measurements</i>	Merging absenteeism and productivity data with healthcare utilization, disability and clinical data within the standards of patient confidentiality

While there are significant barriers to overcome in achieving true integration, it is a concept whose time has come given the industry shift to consumer-directed healthcare. Distinctions between competitors, partners, providers and managers must and will continue to blur as the healthcare and insurance industries come together in unique and different ways to meet each employer's particular needs. As a best-of-breed component, disease management offers a high-touch approach that can provide insight into the highest cost segment of the healthcare continuum while encouraging an open-minded spirit of cooperation among vendors.

Employers are recognizing the direct connection between overall employee health and their ability to control healthcare costs. By shifting the focus to integration, plan sponsors can reverse the trend of rising health costs. And that's a Healthy Solution.

For more information about integration or to speak with a Cardium Health professional to assist you in developing and executing an integration plan for your employees or members, please contact us at 860-677-8900 or via email at marketing@cardiumhealth.com.

ⁱ 2006 Towers Perrin health care survey

ⁱⁱ Disease Management Association of America

ⁱⁱⁱ Statistics from Pfizer Facts, The Health Status of the United States Workforce © 2000

Understanding the New Benefit Options

Disease Management is defined as “a system of coordinated healthcare interventions and communications for populations with conditions in which patient self-care efforts are significant.” It is a highly interactive, “high-touch” service paid for by employers and plan sponsors and offered to identified individuals who need help in *Managing Health*. The goal of disease management is to provide the education, support and encouragement to help individuals better manage their health and motivate them to make positive and lasting changes in their lifestyle behaviors.

For employers, the cost of chronic disease goes far beyond the direct costs of healthcare and medical expenses. Absenteeism due to lost wages amounts to \$65 billion annually for American companies. This cost is compounded by the impact of lost productivity due to workers who are limited in the amount or kind of work they can do, which can be as high as 34% of the total workforce.ⁱⁱⁱ Disease management programs have proven to not only control health benefit costs but also improve the overall health and productivity of workplace environments.

Health Improvement is about identifying high-risk factors, stopping disease progression before it starts and encouraging individuals to begin *Living Healthier*. In many ways it resembles disease management but it takes a more “low-touch” approach with fewer intensive one-on-one interventions.

The types of behavioral-related and oftentimes preventable high-risk factors addressed by health improvement programs include high blood pressure, high cholesterol, tobacco cessation, back pain management and weight management. Individuals with known or potential health conditions may be aware of elevated risks but have not found the motivation to change their behaviors. They haven’t experienced any major hospitalization or serious complications – *yet*. However, without necessary interventions to change their lifestyle behaviors, their conditions will likely progress to a much higher-cost, productivity-limiting chronic disease.

Wellness is the starting point of prevention. It is about encouraging individuals who have demonstrated the behaviors of healthy living and providing them with the education and support they need to stay fit, manage stress and self-advocate to make good health decisions.

More and more employers are offering healthcare benefit plans that encourage and reward individuals for *Healthy Living*. Programs often include initiatives such as health risk assessments, on-site screenings, health decision support tools, preventive care reminders, health club memberships, and financial incentives. By promoting healthy behaviors, employers can reduce overall healthcare costs and absenteeism as well as support a “culture of health” and wellness.

The Healthcare Continuum

Health Stage	Health Status
<i>Healthy Living</i>	Members of a population in good health with low risk
<i>Living Healthier</i>	Members of a population with an elevated health risk and/or greater utilization
<i>Managing Health</i>	Members of a population with diagnosed chronic disease and/or catastrophic illness

Integration Across the Healthcare Continuum Simply put, integration is about bringing together health plans, disability and pharmacy benefits, disease management, and wellness and lifestyle programs under the single umbrella of an employer’s total employee benefits and insurance offerings. It is a framework for a broad-based care management program where employees and their covered dependents receive the most appropriate level of assistance and support depending on their health status and current life situation.

An integrated model encourages wellness to reduce health risks and reinforce healthy behaviors. Health improvement programs enable early identification for those at high risk and also helps detect indications of chronic disease before a costly medical event happens. For those already diagnosed, disease management helps individuals adapt healthy lifestyle changes and use their medical benefits properly.

Ultimately, the goal of integration is to coordinate access and delivery of services across an employer’s various health-related employee benefits programs. Because every employer organization has their own unique organizational profile and workplace environment, each therefore has their unique requirements when constructing an integrated benefit plan design. The need to mix and match services varies greatly and there is no “one-size-fits-all” solution.

Given the high-touch nature of disease management, it is a natural center point to connect the disparate elements of the new health benefit plan structures. It is uniquely positioned to inform and help guide the overall plan design such that it reflects needs of individuals with chronic conditions as well as those with risk factors that may lead to a chronic condition. Beyond this, the insights gained from disease management clinicians provide invaluable perspective to better understand workplace dynamics and the challenges that individuals afflicted with chronic conditions face.