

Back to the Future: Reconsidering the Role of the Company Clinic in US Healthcare

May 8th 2007

presented by

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Our Agenda Today

- **Introduction - Declare my Bias**
- **The Trusted Clinician at the Workplace**
- **The Emerging Health & Productivity Space**
- **Overview of Workplace Healthcare**
 - **How it works**
 - **Outcomes**
- **Best Practice Examples of Integration at Goodyear**
 - **Primary Care & Disease Management**
 - **Primary Care & Pharmacy**
- **Total Population Management**

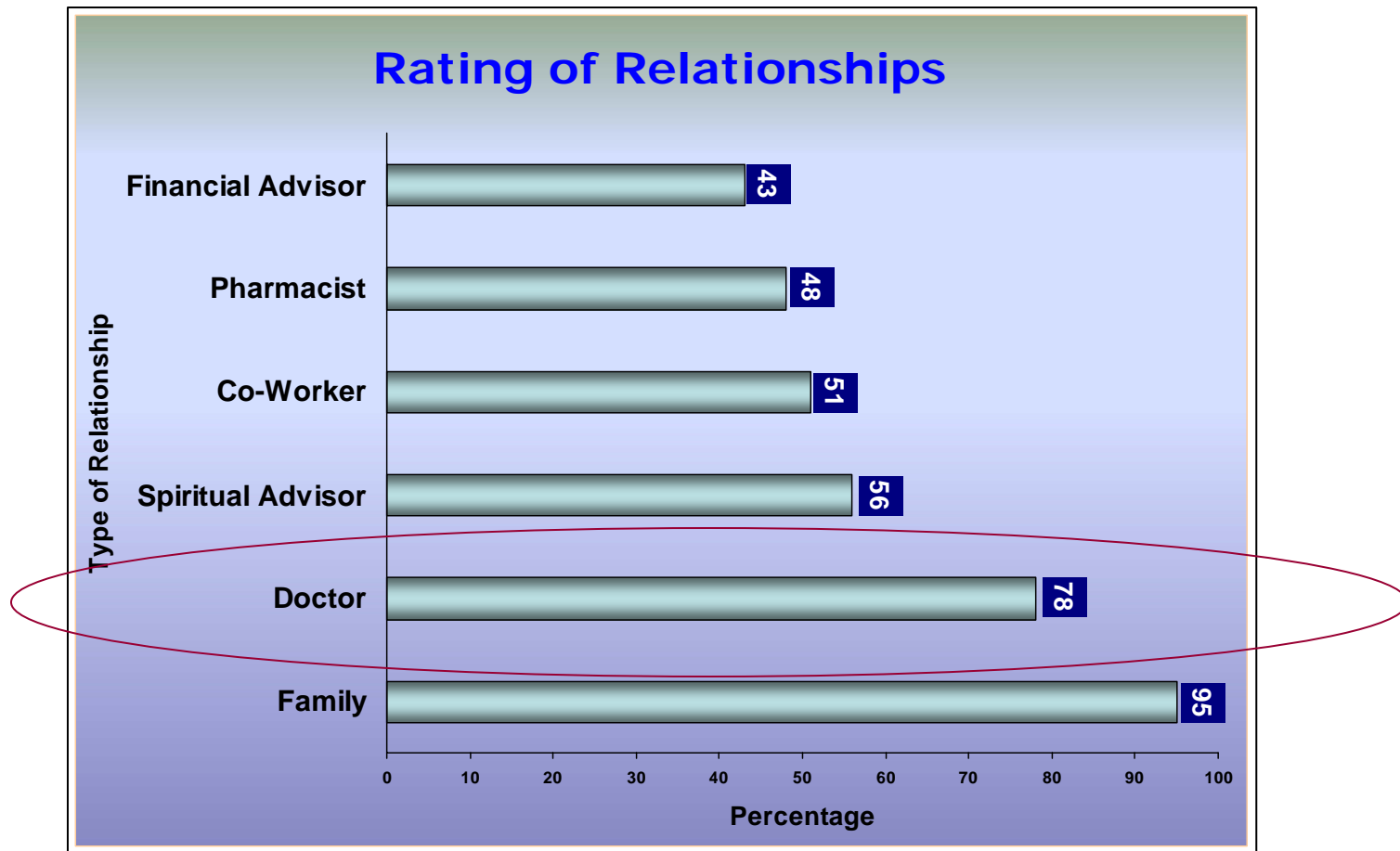
In The Spirit of Full Disclosure

My Background, My Bias

- Inner City Academic Pediatrician – 2 years
- Frontline Primary Care Provider – 10 years
- Local, Regional & Corporate Medical Director for Managed Care & Health Insurance Industry – 10 years
- Early framer of Utilization, Disease & Quality Management – written 2 books, many articles & book chapters
- Global Medical Leader of GE – 3 years – 230 health centers in 28 countries
- President & CMO of I-trax / CHD Meridian since May 2005

1. Nothing, Nothing supersedes the
Trusted Clinician – Patient Relationship
2. Telephonic and Web-based programs can augment the
Trusted Clinician – Patient Relationship
3. The Workplace is an excellent location to promote health

The Trusted Clinician Can be a Powerful Resource



Source: Magee, J., *Relationship Based health Care in the United States, United Kingdom, Canada, Germany, South Africa and Japan*. 2003

**The Trusted Clinician at the
Workplace™ Can be a
Powerful Resource
for Behavior Change**



The Foundation of our Value Proposition: Leveraging the Trusted Clinician at the Workplace

The Doctor, Pharmacist, Therapist or Nurse who goes to work with you

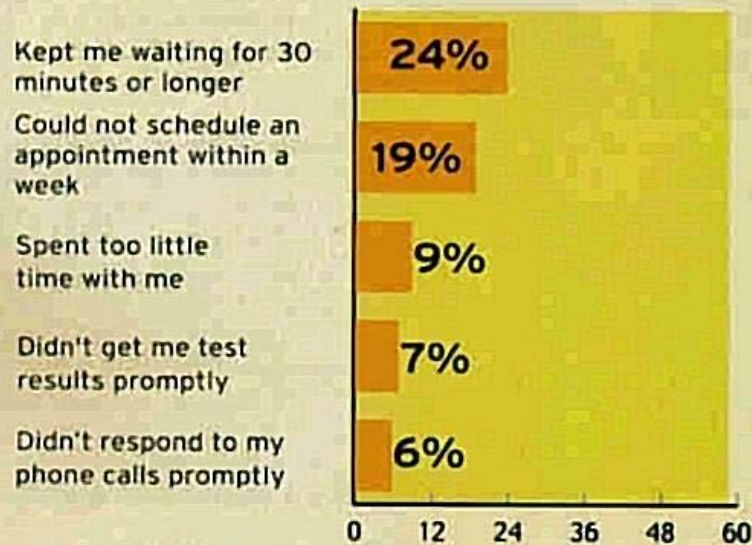


Best Positioned to Influence Behavior Change

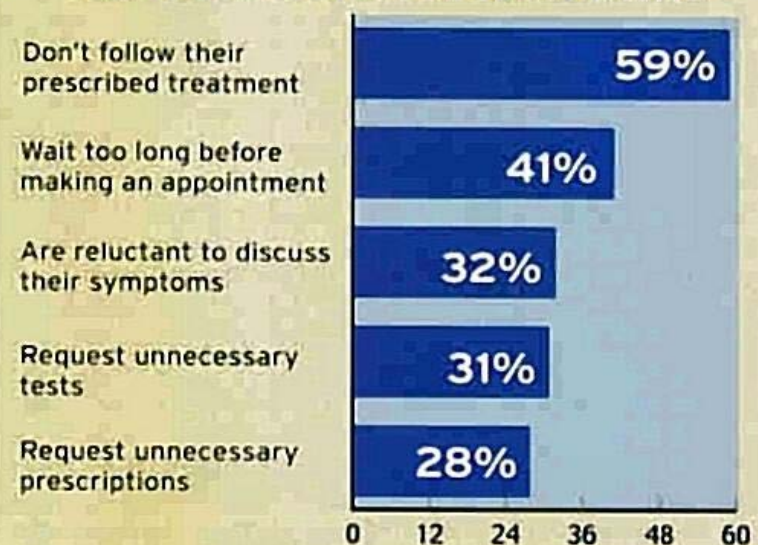
Patients Complain About Access Doctors Complain About Compliance

Patients and doctors sound off

WHAT BUGS PATIENTS ABOUT DOCTORS



WHAT BUGS DOCTORS ABOUT PATIENTS



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Trusted Clinician's Focus: 3 Levels of Prevention

- **Primary**
 - **Lifestyle Change**
 - Immunizations
 - Seat Belts
- **Secondary**
 - **Compliance with guidelines**
 - Screenings
 - cancer
 - blood pressure
 - cholesterol
- **Tertiary**
 - **Compliance with Care**
 - Disease Management



Trusted Clinicians Improve Outcomes – Smoking Cessation

“An early meta-analysis showed an overall cessation rate of 8.4% at 6 months with brief(<5 min) **physician advice**.”

“Since then, there have been several large studies of physician advice that have shown quit rates of up to **10%**”.

New Developments in Smoking Cessation

Allan V. Prochazka, MD, MSc
Chest. 2000;117:169S-175S.



Trusted Clinicians Improve Outcomes - Mammography Screening

Analyses showed that the **most important variable** that predicted whether women of all racial groups had mammogram, at any time or within the last year, was whether their **doctors had discussed mammography** with them.

The effect of physician-patient communication on mammography utilization by different ethnic groups.

Fox SA, Stein JA

Division of Family Medicine, School of Medicine,
University of California, Los Angeles.

Med Care. 1991 Nov; 29(11):1065-82



Trusted Clinicians Improve Outcomes – Diabetic Care

“Periodic **primary care sessions** organized to meet the complex needs of diabetic patients improved the process of diabetes care and were associated with **better outcomes**”.

*Chronic care clinics for diabetes
in primary care: a system-wide
randomized trial.*

Wagner EH, Grothaus LC, Sandhu N, Galvin MS,
McGregor M, Artz K, Coleman EA
W.A. MacColl Institute for Healthcare Innovation,
Center for Health Studies, Group Health Cooperative of Puget Sound,
Seattle, Washington 98101
Diabetes Care. 2001 Apr; 24(4):695-700



HHS - The Workplace is a great location for preventive programs

“Employers are becoming more aware that obesity, lack of physical activity, and tobacco use are adversely **affecting the health and productivity** of their employees and ultimately, the businesses’ **bottom line.**”

As a result:

- Innovative employers are providing a variety of work-site-based health promotion & disease prevention programs
- Significant return on investment for the employer (**median ROI of \$3.14**)



The Trusted Clinician can reduce an employee community's random access of care

Studies show:

- half or more employees believe all doctors and hospitals provide the same care
- half or more employees are not aware of guidelines of care
- physicians referral patterns are based on consanguinity, friendship, financial ties and proximity.

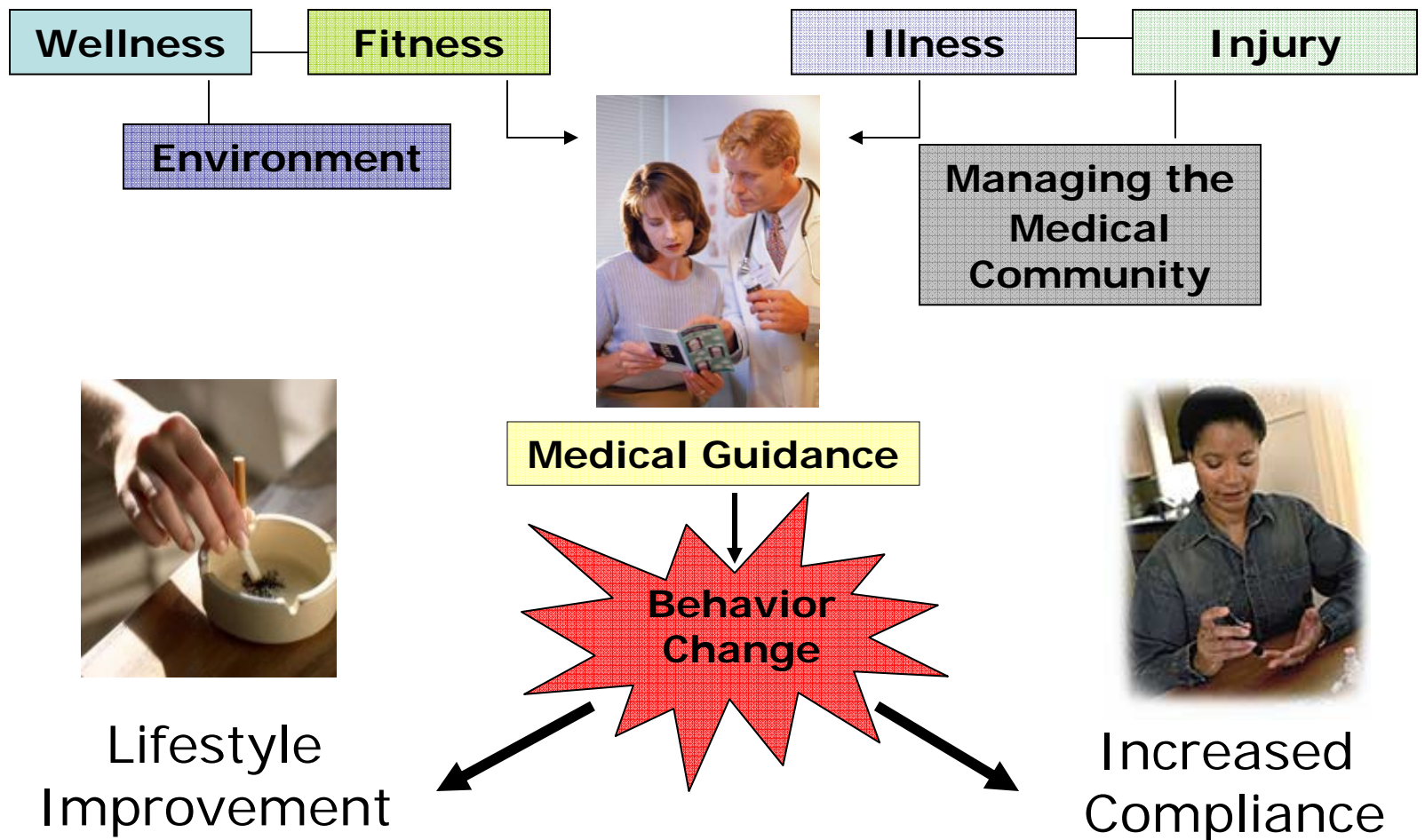


The majority of an employee community seek validation from their trusted clinician before proceeding with a treatment decision.

Leveraging the Trusted Clinician

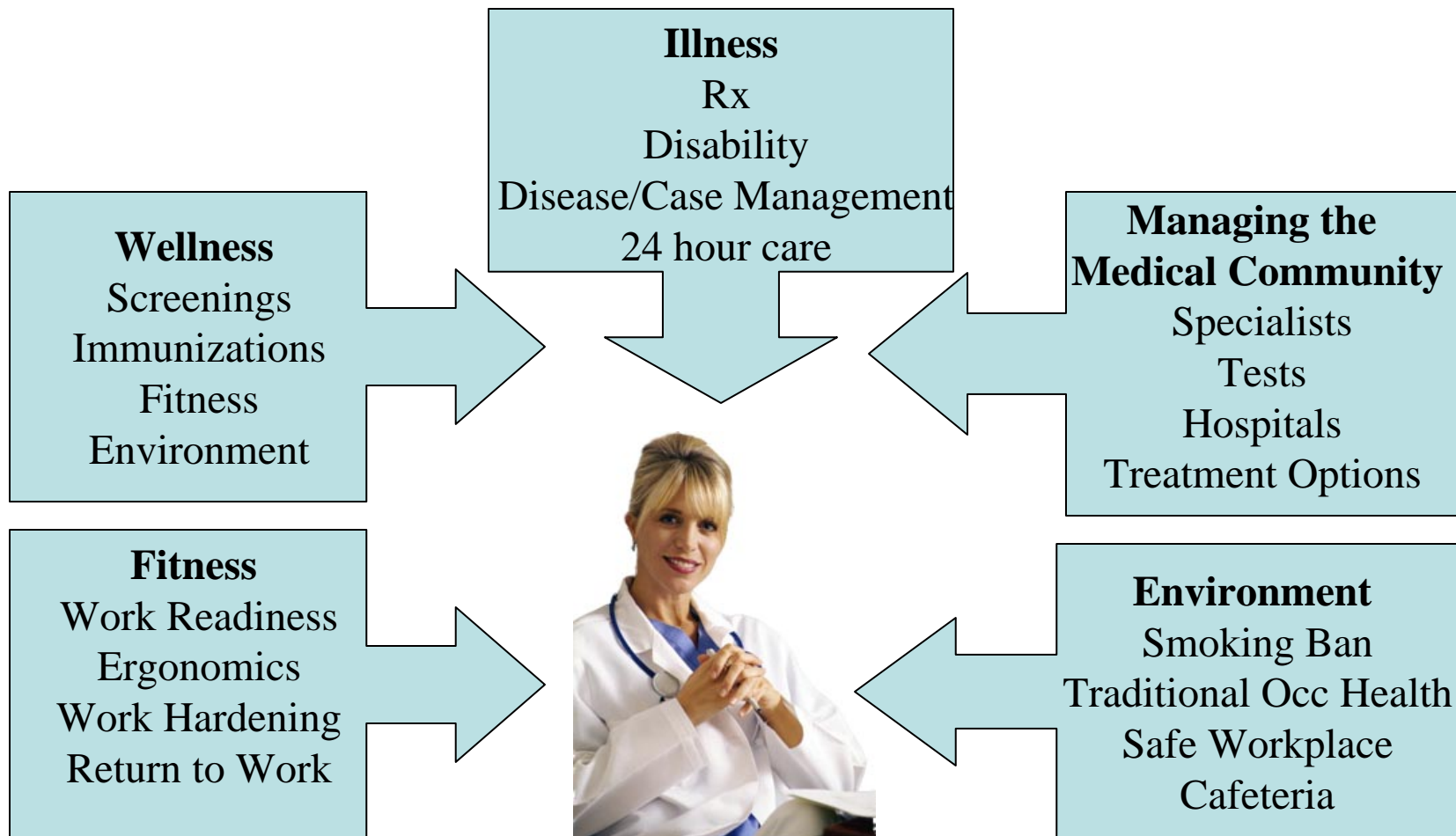
Creating Value thru Behavior Change

One Patient at a Time



Leveraging the Trusted Clinician

Creating value – integrating care at the workplace



The Emerging Health & Productivity Space



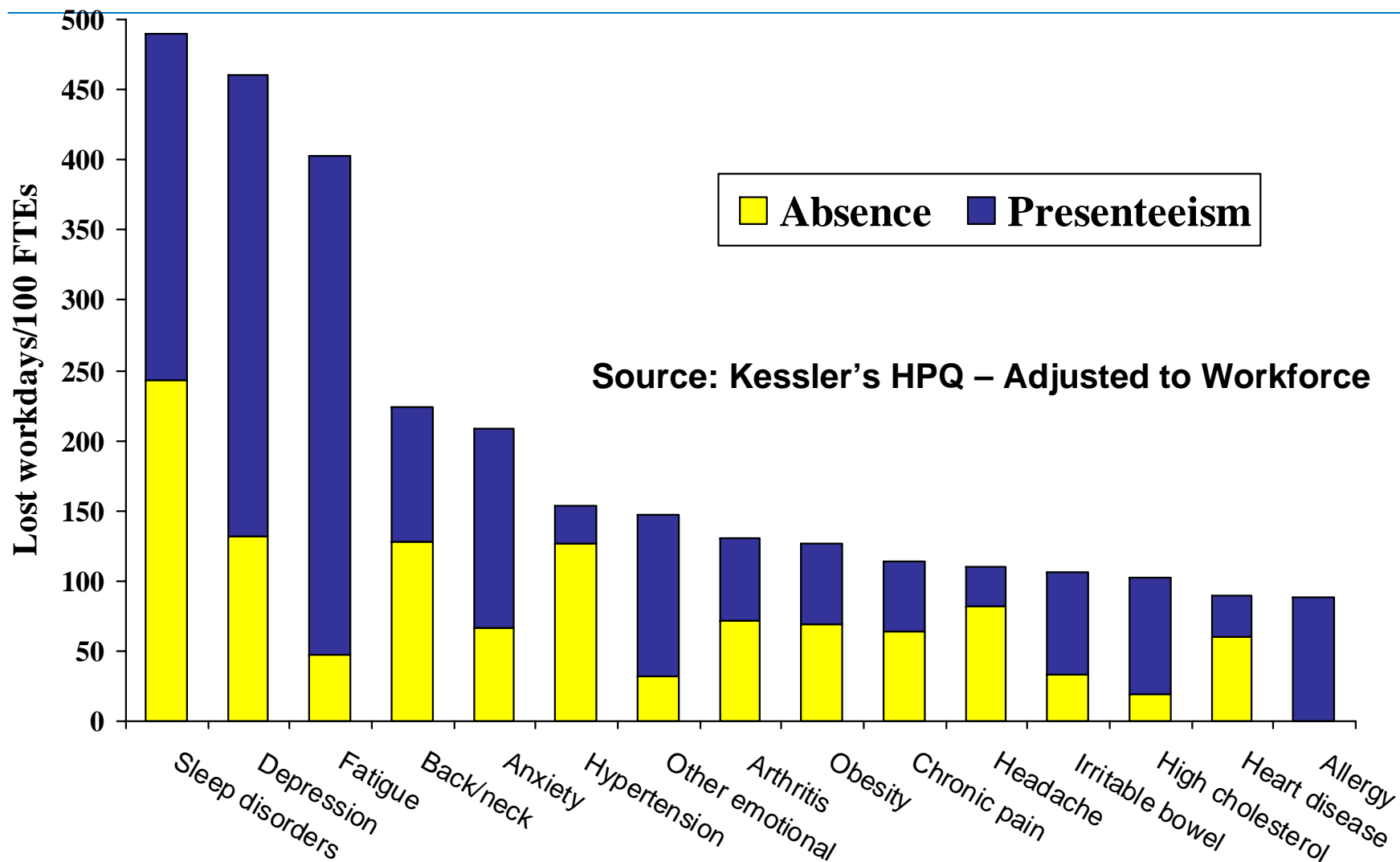
Totality of Employee Health Related Costs



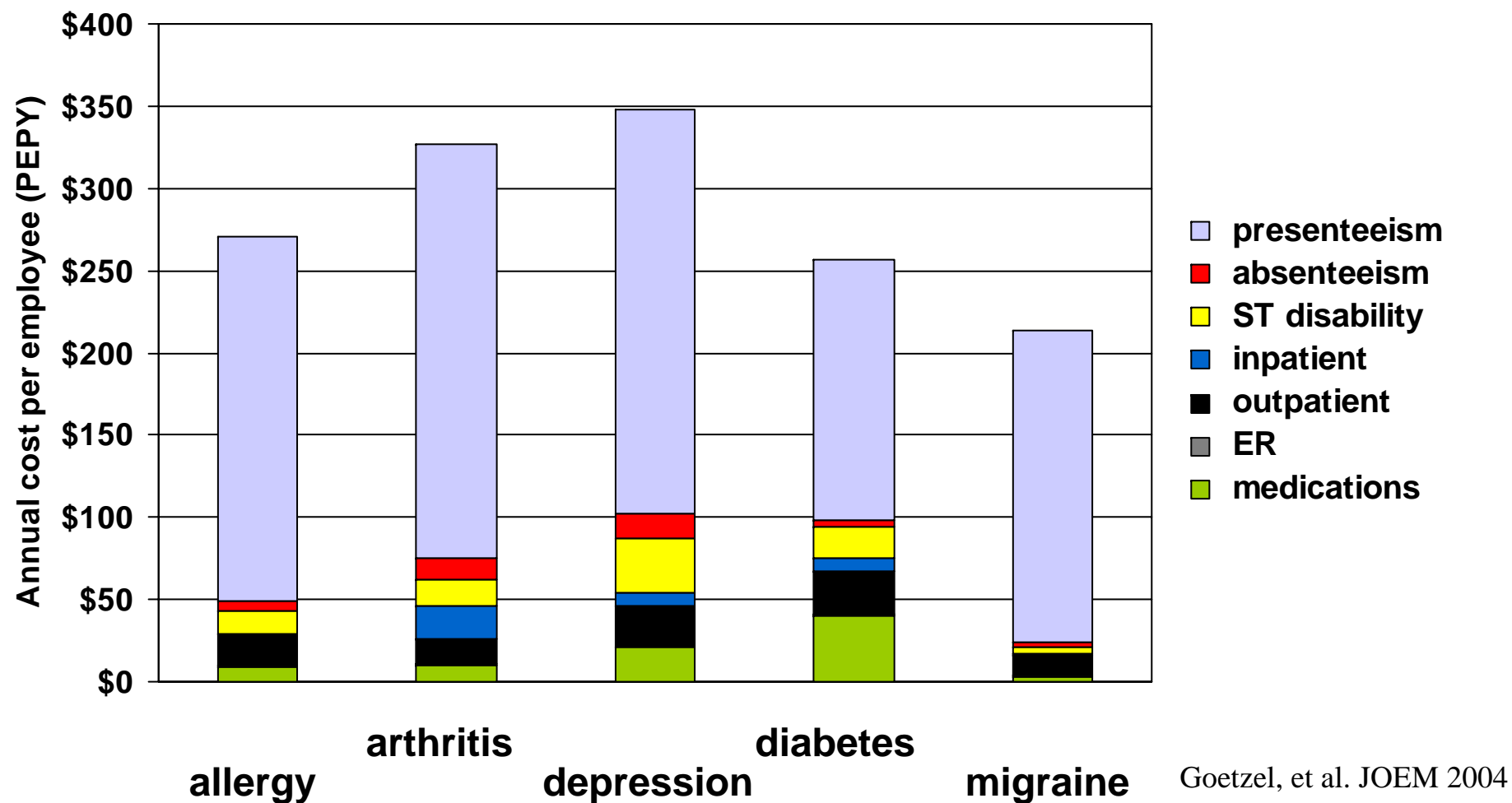
The Connection Between Health and Human Capital is Significant

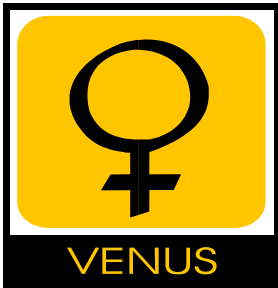
- Over 22% of working age adults report health-related work impairment in the past 30 days from **chronic illness**. Those with impairment average 6.7 lost days. Equivalent to 2.5 billion impaired days/year. -Kessler
- American Productivity Audit: Top 5 reasons for **productivity loss** result in \$180 billion in lost time. -Stewart
- **Illness and disability** reduced total work hours by approximately 8.6%. Nearly 8.7 million Americans were completely unable to work. The loss to the U.S. economy represented about \$468 billion. -Berger

Top 15 Drivers of Lost Work Time

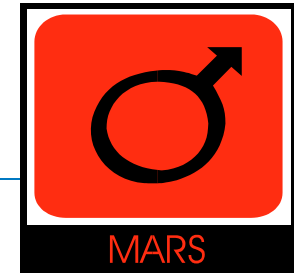


The Total Cost of Illness





Factors Affecting Health & Productivity



Health-related factors

Physical health issues

- Chronic disease

- Acute illness

Lifestyle issues

- Health risks

- Preventive care compliance

Behavioral health

Other factors:

- Demographics

- Caregiving

- Work/life imbalance

- Financial concerns

- Employer health benefits

Productivity-related factors

Absenteeism

- STD and LTD programs

- FMLA policies

- Sick leave policy

- Effect on team morale

- Value of time in production

- Workers' Compensation

Presenteeism

- Work relationships

- Job security and control

- Health issues

Work issues

- Ergonomic issues

- Safety concerns

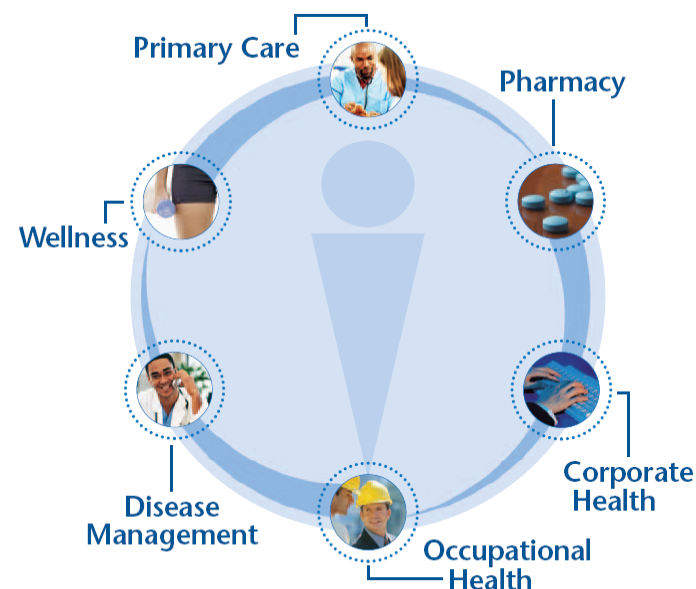
Overview of Workplace Healthcare



CHD Meridian Healthcare

As The Workplace Healthcare Leader, We...

- Offer a Comprehensive portfolio of on-site health services
 - **Health Center & Pharmacy Services – 215 locations in 34 states**
 - **Integrated Programs**
 - Wellness & Health Advocacy
 - Disease/Case Management
 - Disability Management
- Leverage a 40-year Proven Track Record
- Produce Industry-leading Research
- Share Best Practices Across a National Clinical Community
- Provide Flexible Customized Solutions
- Focus on the Patient Experience



CHD Meridian Diverse Customer Base:

Providing Workplace Health to Fortune 500



The Workplace Health Value Proposition

Quality Care

- Metric Driven
- Clinical Excellence
- Operational Excellence
- External Accreditation

Cost Savings

- Direct Medical
- Reduced Lost Time
- Health Advocacy
- Measurable ROI

Employer of Choice

- Patient Satisfaction
- Access
- Availability
- Health Effects
- Trusted Relationship

Workplace Safety

- Travel Medicine
- Injury & Illness
- Return to Work
- Occupational Health
- Emergency Preparedness

Fortune Magazine Identified Workplace Health as a Great Benefit for Employees

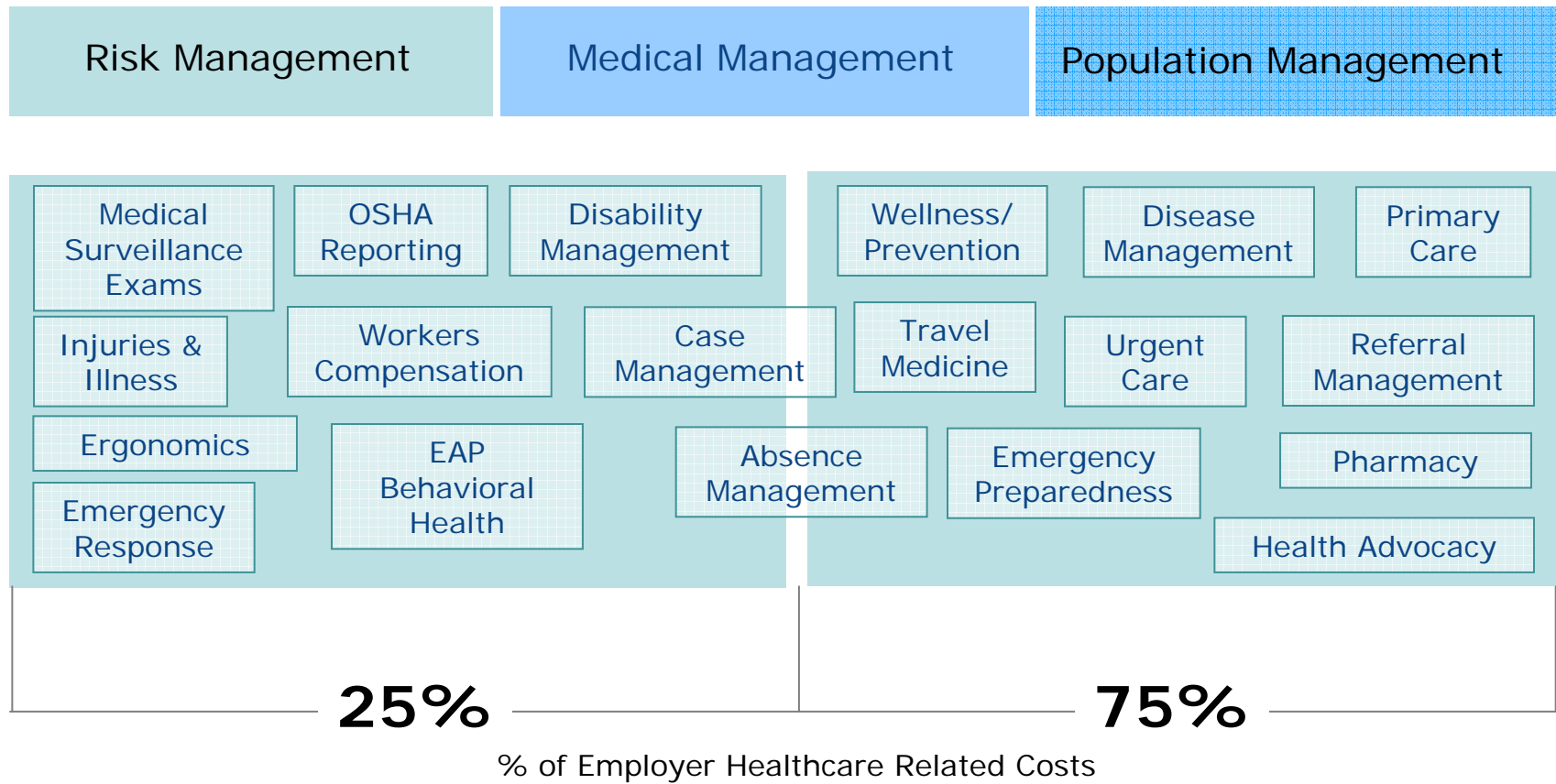
**One of our clients was recognized
Because:**

"Healthy workers produce healthier profits at this investment bank, which is on our list for the ninth straight year. An unusually extensive onsite medical center provides consults and case management for employees and their families."

**Workplace health services was mentioned
several times as the reason why a
company achieved "Employer of
Choice" status**



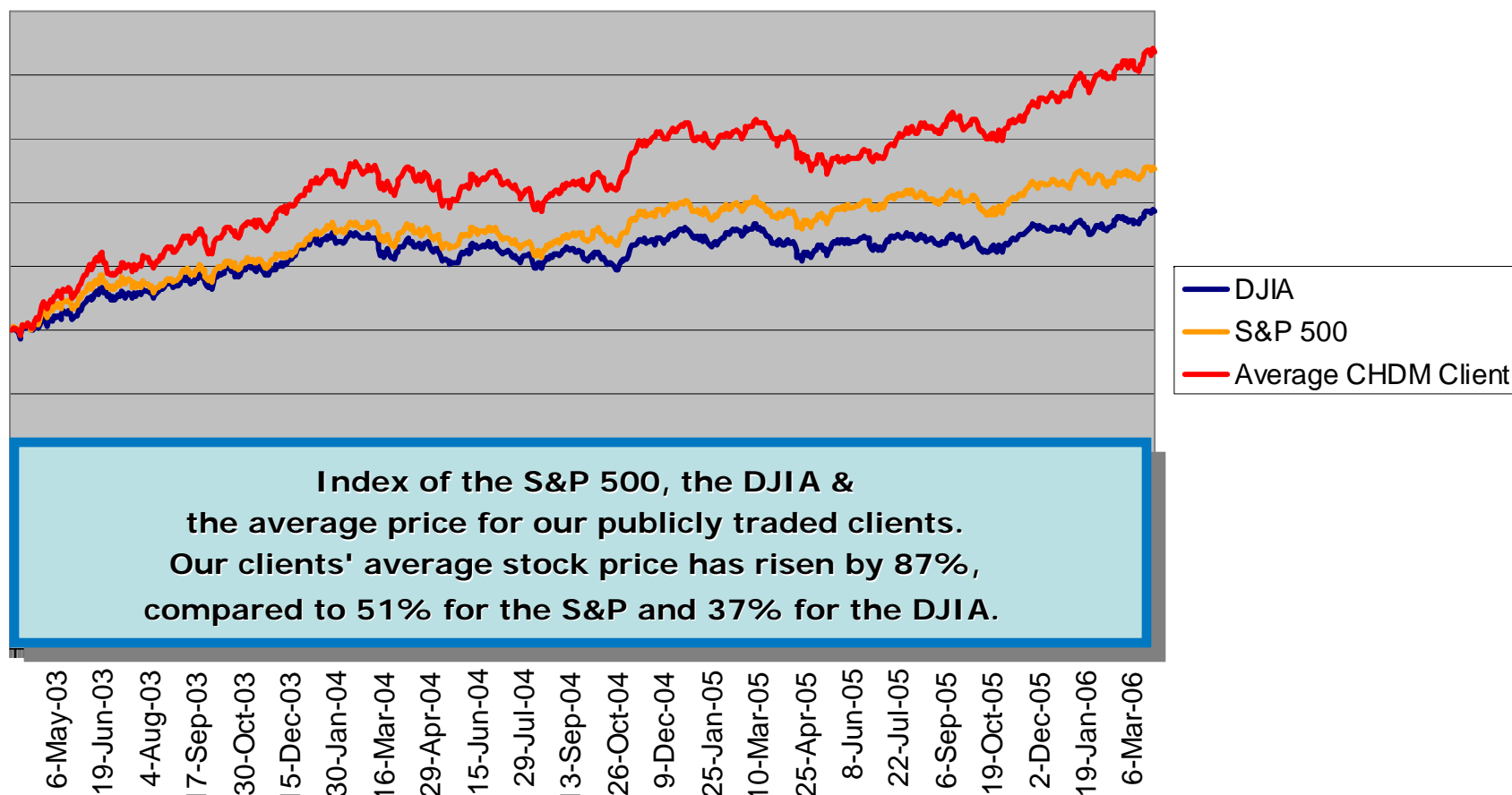
Corporate Health Services: The Challenge of Integration



Integrated Health and Productivity Management yields maximum ROI for employers.

Successful Companies Utilize Our Workplace Health Solutions

CHD Meridian Clients Compared to Major Stock Indices



The Basics of Workplace Health:

How (and Where) it Works



Leveraging the Trusted Clinician at the Workplace

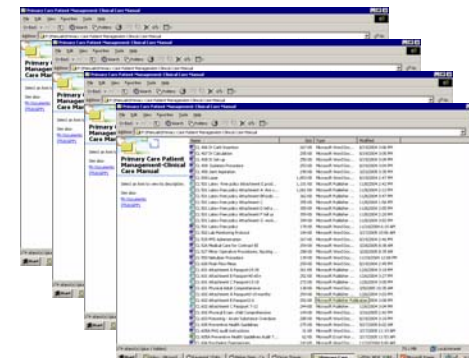
Supported by a Robust Clinical Community and Infrastructure



Clinical Community of 1,400 professionals with varying skill sets and interests linked via web

Item Number	Performance Criteria	CHD Meridian	CHD Meridian TX	CHD Meridian GA	CHD Meridian NC	CHD Meridian OH	CHD Meridian NJ
ORG 1.0	Organizational Issues						
ORG 1.1	Medical Department Organization						
ORG 1.2	Current performance metrics and action plans (achievement)						
ORG 1.3	Goals are being met and/or methods by which progress will be obtained						
ORG 1.4	Reference books are available in medical department						
ORG 2.0	Medical Records						
ORG 2.1	Medical records kept in safe and secure place						
ORG 2.2	Medical records are organized without loose items or non-medical items						
ORG 2.3	Medical record access limited to medical personnel						
ORG 2.4	Records retained until stated						
ORG 3.0	Security						
ORG 3.1	CHD Meridian policies and procedures to maintain confidentiality						
ORG 3.2	Medical Record Documentation						
ORG 3.3	Procedures are recorded in patient chart						
ORG 3.4	Procedures of emergency resuscitation						
ORG 3.5	Procedures written in SOAP-2 format						
ORG 3.6	Subjective history in concise						
ORG 3.7	Objective findings noted						
ORG 3.8	Planning diagnostic/medical diagnosis as appropriate						
ORG 3.9	Procedures past history						
ORG 3.10	Procedures past history patient education as indicated						
ORG 3.11	Procedures noted						
ORG 3.12	Procedures past history patient education as indicated						

Robust Clinical Audits and Best Practice Benchmarking



Policies and Procedures cultivated over 25+ years by highly trained and experienced medical and administrative staff dedicated to Workplace health.

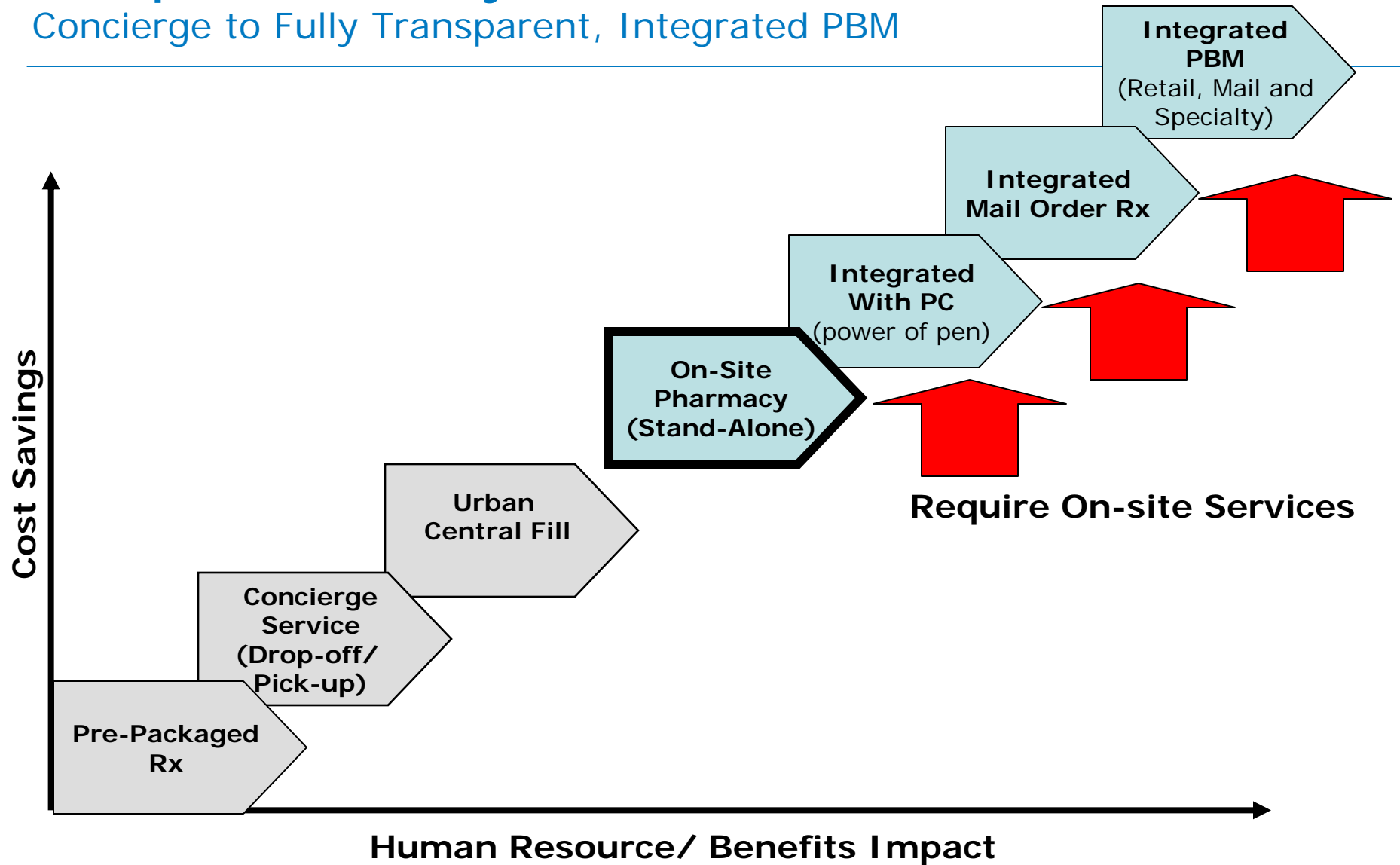
Workplace Health Services Portfolio

Mutually determined based upon drivers and needs

- ☒ Primary Care (EEs, dependents and retirees)
- ☐ Acute Care/ Urgent Care/ "Extended Episodic Care"
- ☐ Emergency Care
- ☒ Onsite Pharmacy Dispensing and Counseling
- ☐ Occupational Illness and Injury Treatment
- ☐ Arrange Transportation for Ill or Injured
- ☐ Ergonomics
- ☒ Onsite Health Education / Wellness Programs
- ☒ Disease Management
- ☐ National Influenza Program
- ☐ Assist with Self Monitoring Programs
- ☐ Administer Approved Injectables
- ☐ Blood Pressure Monitoring
- ☐ International Travel Health Services
- ☒ Disability Management, Including STD, LTD, & FMLA
- ☐ Pre and Post Natal Support
- ☐ Lactation Support
- ☐ Laboratory Services
- ☐ Specialty Care (Women's Health, Cardiology, etc)
- ☐ Medical Surveillance
- ☐ Global / National Drug Screen Testing
- ☐ Counseling & Crisis Intervention
- ☐ Employee Advocacy
- ☐ Disaster Preparedness
- ☐ Pharmacy Concierge
- ☐ Return to Work Examinations
- ☐ Schedule Annual Physicals
- ☒ Physical Therapy/Rehabilitation
- ☐ Compliance: OSHA , AED, CLIA and VIS
- ☐ Develop / Contract with Referral Network
- ☐ Maintain Health & Safety Records
- ☒ Maintain Emergency Equipment
- ☐ Corporate Medical Director Oversight and Standing orders
- ☐ Medical Emergency Planning

Workplace Pharmacy:

Concierge to Fully Transparent, Integrated PBM



Determining WHERE Workplace Health “Fits”

Geographic Sizing Guidelines

- **Optimal Environments Defined by Scope of Service:**
 - On-Site Primary Care – ~1,750+ EE's in geographic area,
 - especially where retirees and dependents are proximate
 - On-Site Rx – ~1,750+ EE's in geographic area (~30,000 scripts/yr)
 - On-Site Occupational Health – ~500+ EE's but more a function of worksite environment
 - On-Site “Corporate Health” – ~1,000+ EE's but more a function of corporate culture
 - On-Site Wellness Coach / Disease Management Care – 250+ EE's often coupled with Health Informatics & HRA data
- **Coalition Model leverages multiple employers for critical mass and purchasing leverage**

Outcomes



Independent Assessment:

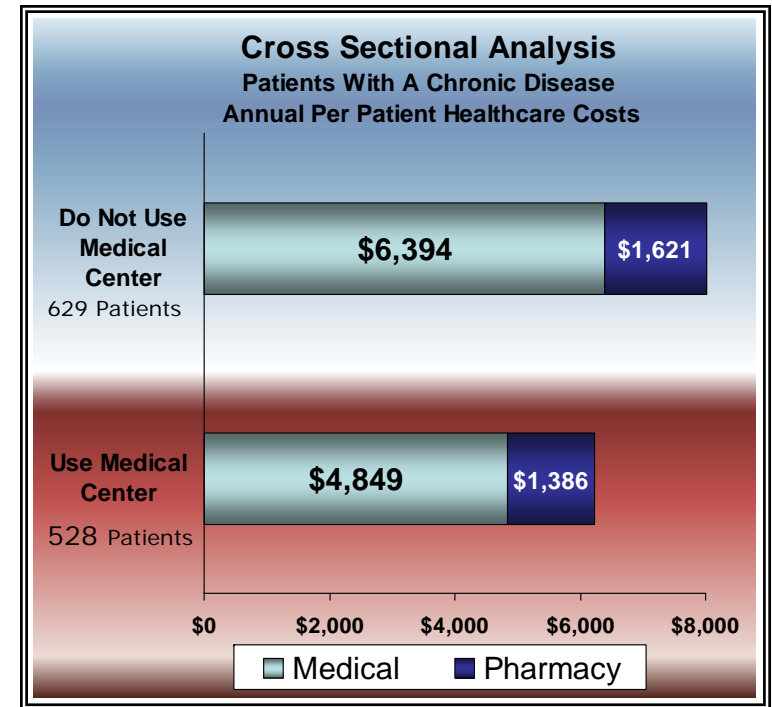
Primary Care / Pharmacy Health Center: Large Southeast Paper Company

- When comparing the CHD Meridian health center's performance to the client's experience with their national PPO plan:
 - The primary health care was **12% less expensive**
 - There were **30% less hospitalizations**
 - There were **42% less days spent in the hospital**
 - The length of stay in the hospital was **17% shorter**
 - The pharmacy costs are two times greater than expected
 - o **Improved Compliance (72% higher utilization)**
- CHD Meridian management charges were reasonable
- Very high patient satisfaction with providers and the benefit offering

Study #1:

Saving Money Managing Chronic Illness within a Mining Community – CHD Meridian Care vs. Community Care

- ❑ Study Design – Control vs. Study Groups
- ❑ Primary Care/ Rx Site
- 1. Chronically ill patients 4X more likely to use CHD Meridian for primary medical care
- 2. Chronically ill patients who utilize the Medical Center for primary care exhibit:
 - **More Primary Care Visits** - 24% more total office visits per year
 - **Less Hospitalization** - Inpatient admission rate **reduced by 50%**
 - **Less ER/Hospital Use** - Hospital outpatient visits **reduced by 42%**
 - **Less need for referral** - Community office visits are **reduced by 36%**
 - **Less prescriptions / More Use of Mail Order** - PBM scripts are **reduced by 61%**

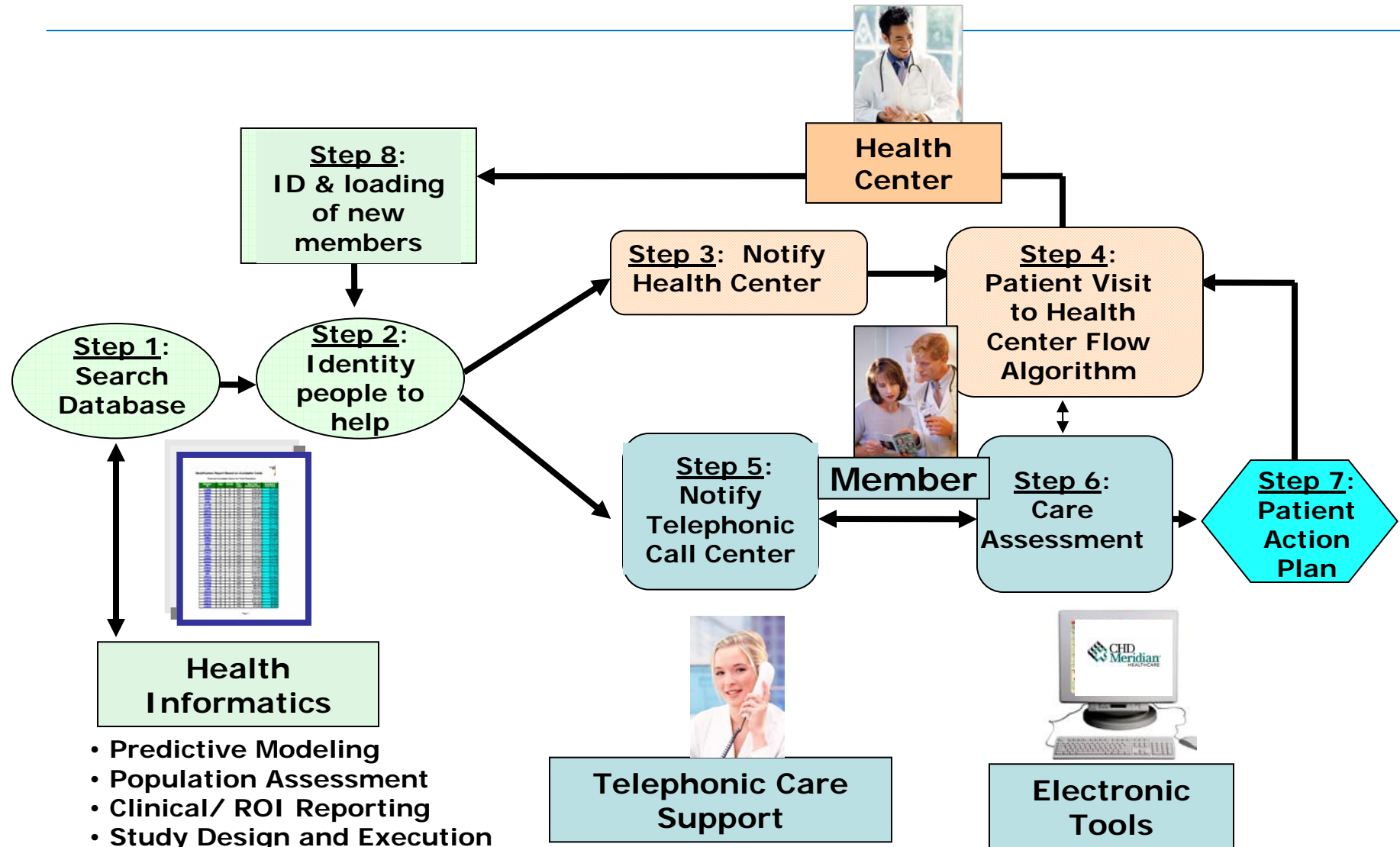


Medical claims costs reduced by 32%
Pharmacy claims costs reduced by 17%
Total medical and Rx costs reduced by 29%

Integration of Primary Care with other Benefits & Services

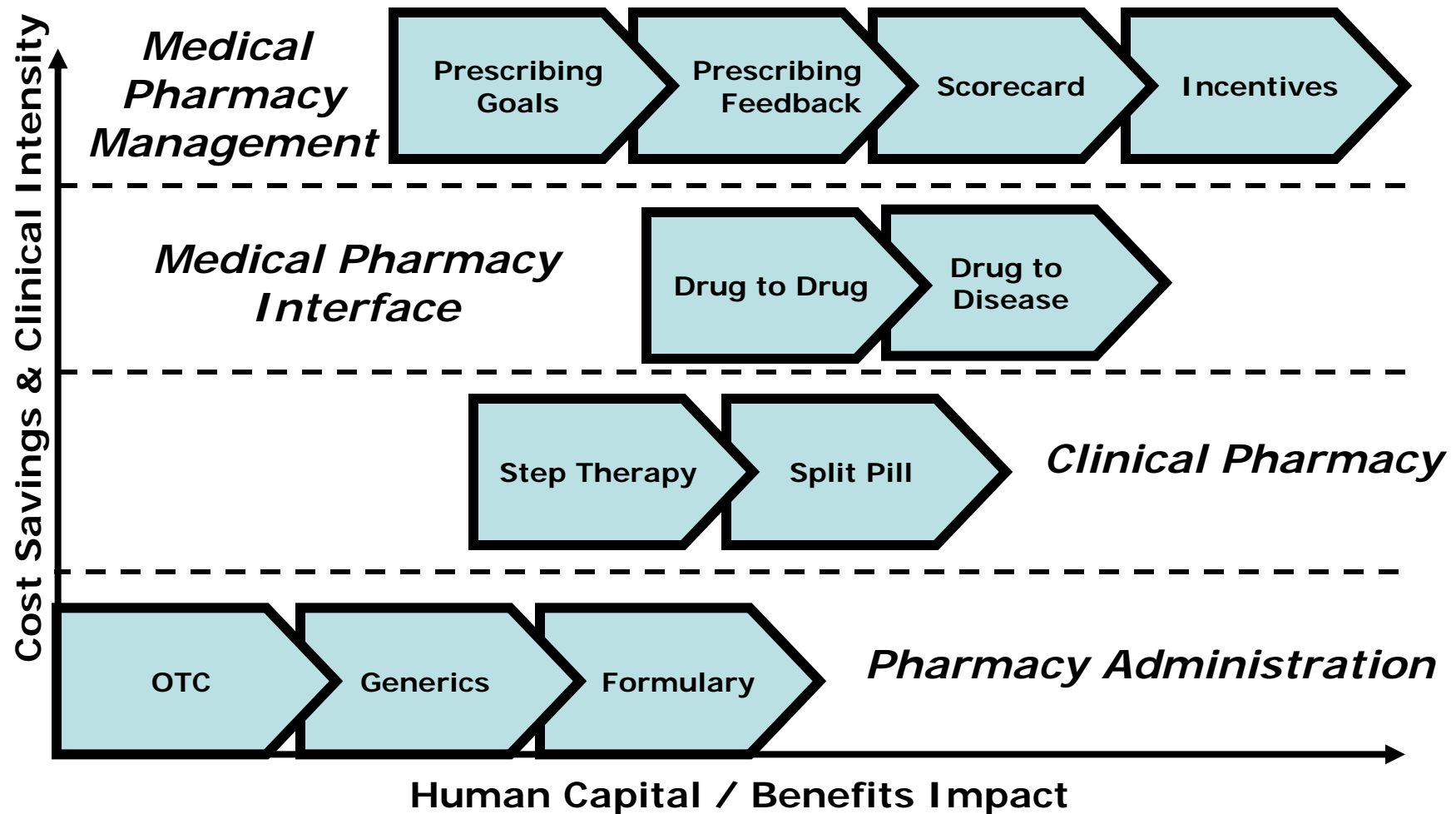


Integrated Disease Management Process



The Integration of Primary Care & Pharmacy:

The Power is in the Prescribing – Dispensing Collaboration



Best Demonstrated Employer Programs in Health Management:

Bruce Sherman MD, FCCP
Medical Director, Global Services
The Goodyear Tire & Rubber Company



In The Spirit of Full Disclosure

My Background, My Bias

- Inner city emergency physician – 3 years
- Urban academic intensivist/pulmonologist – 9 years
- Corporate medical director and consultant in workplace health – 9 years
- Areas of focus include disability management & workforce health management strategies – many publications and presentations
- Medical Director, Global Services at Goodyear – recent appointment

1. Employer-driven health initiatives must be better integrated
2. One way to do that is by leveraging the trusted clinician – patient relationship to engage employees
3. The workplace is an excellent location to promote health

Integration of Primary Care & Disease Management

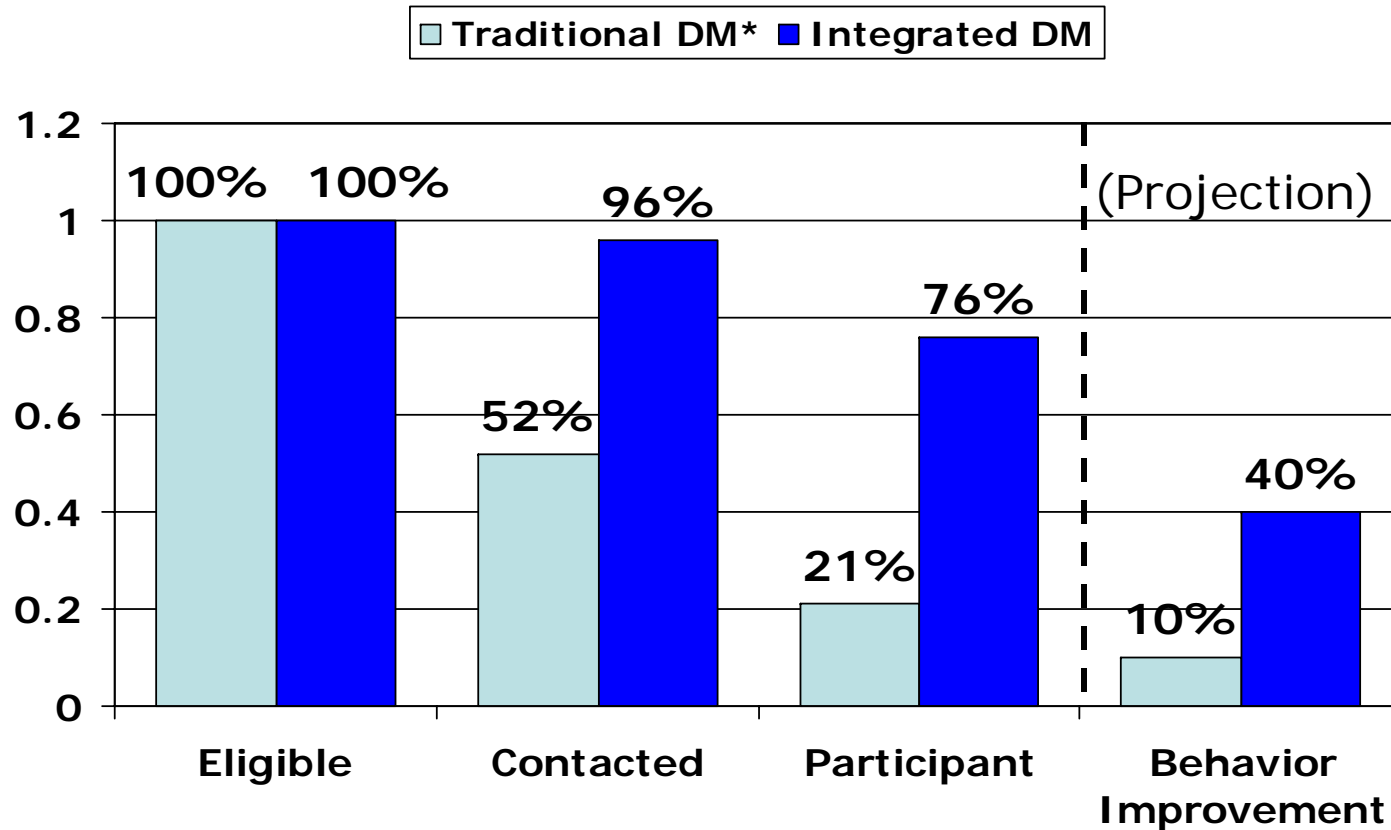
GOODYEAR



Integration of Primary Care & Disease Management:

Workplace Health Center Drives Improved DM Engagement Rates

N=320 patients enrolled in IDM at Gadsden (recently published in Journal of Disease Management¹)



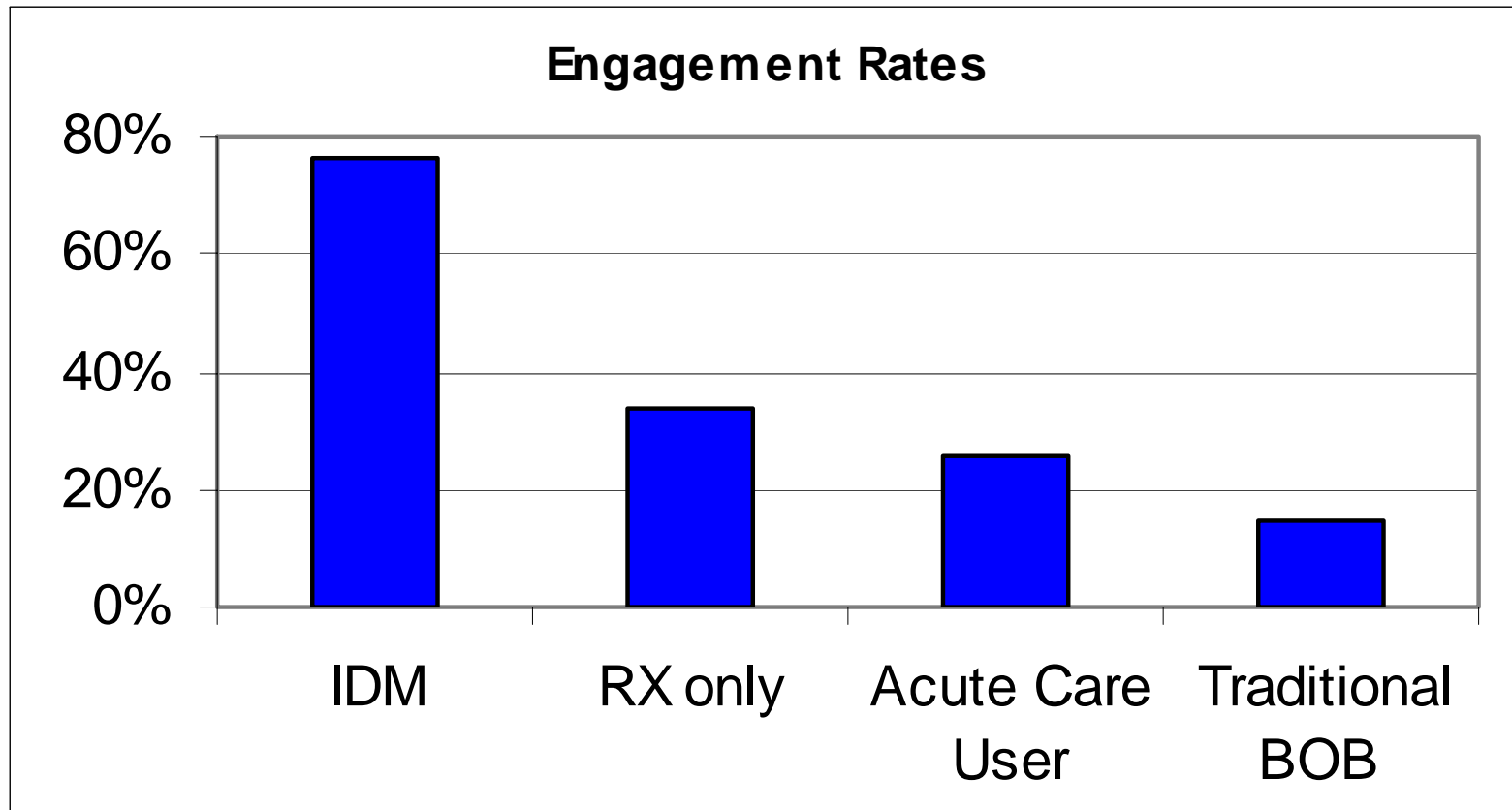
* Lynch et al. Documenting Participation in a DM Program. JOEM 2006; 48(5)

¹ Frazee et al. Leveraging the Trusted Clinician: Documenting Disease Management Program Enrollment. Disease Mgmt 2007; 10:16-29

Engagement Correlates to Depth of Relationship:

Our Doctors, Pharmacists & Nurses Enhance Engagement

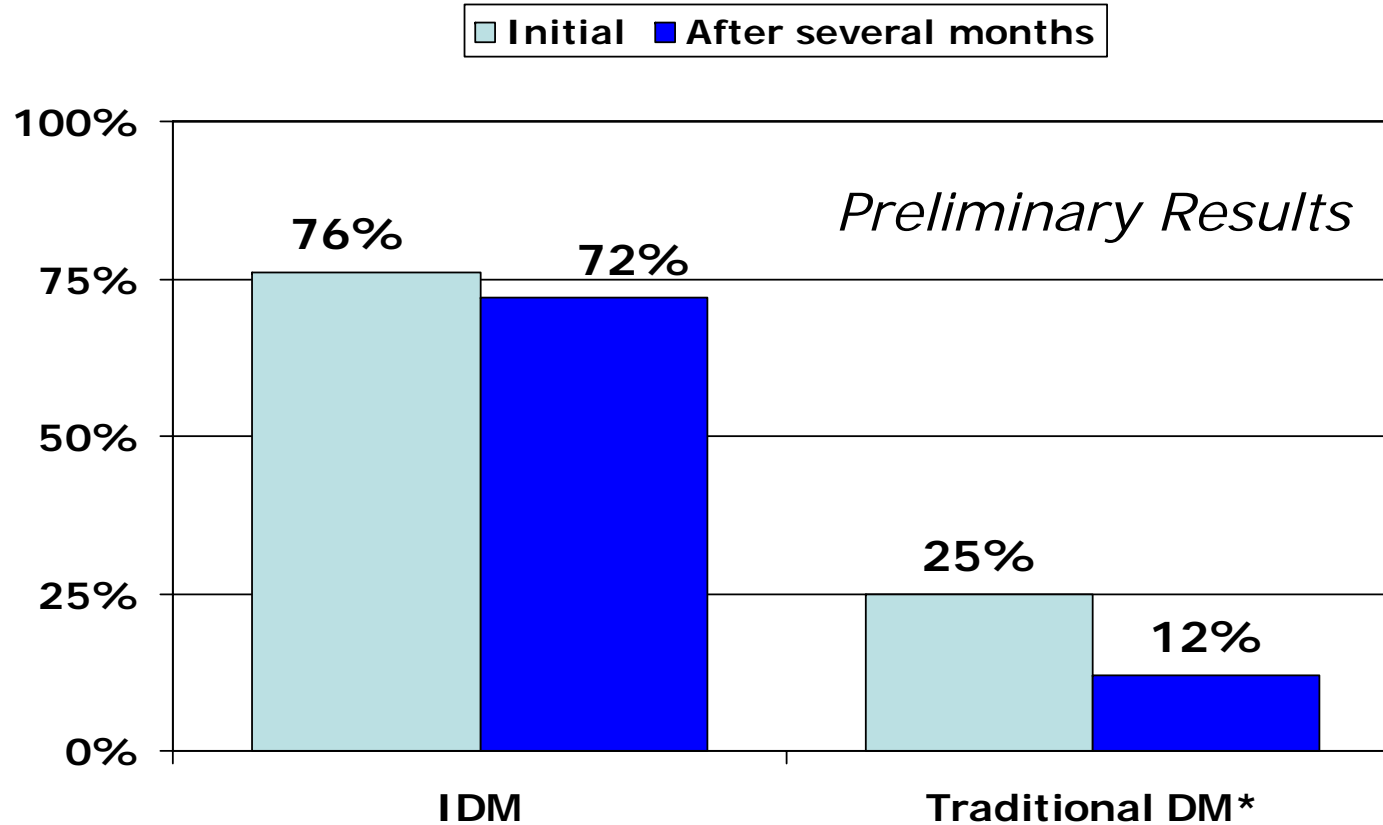
N=693 patients enrolled in DM at Gadsden (recently published in Journal of Disease Management)



Integration of Primary Care & Disease Management:

Workplace Health Center Drives Improved Retention Rates

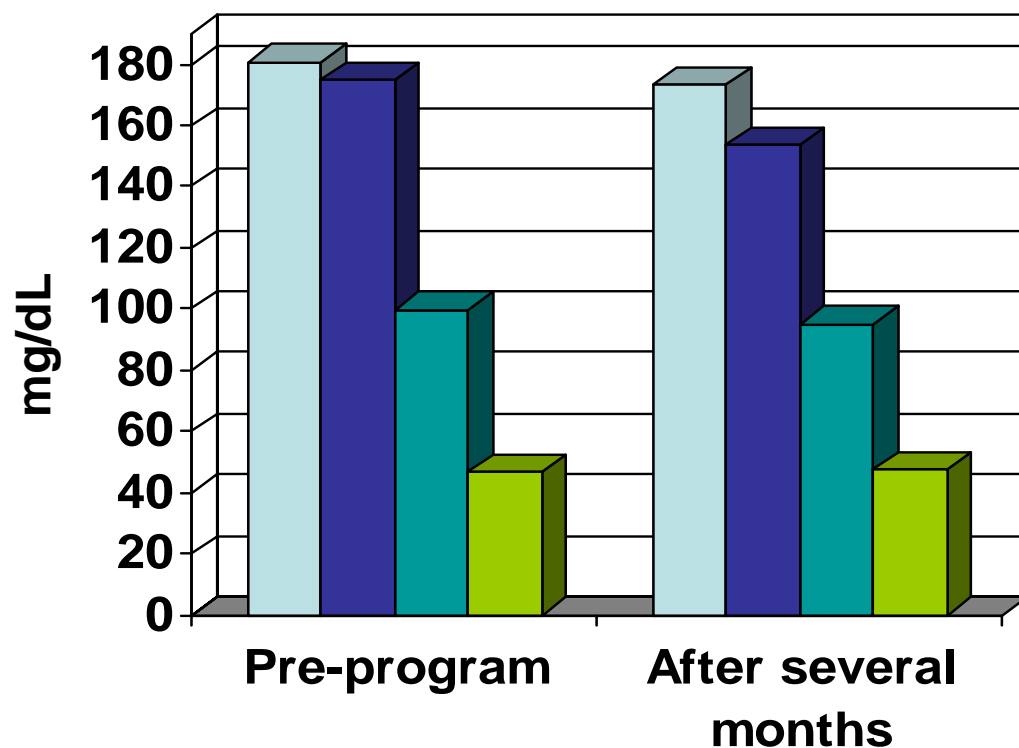
N=684 patients retained in IDM at Gadsden for several months



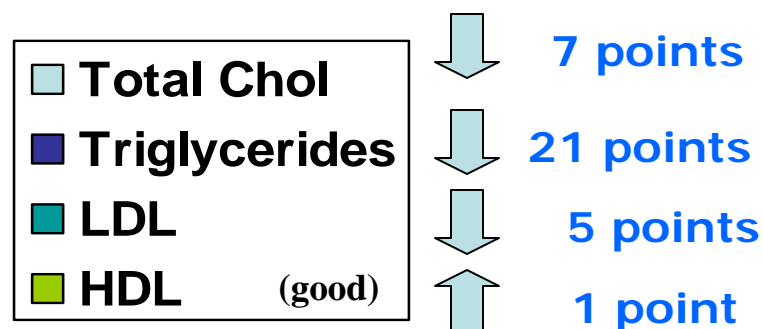
* Lynch et al. Documenting Participation in a DM Program. JOEM 2006; 48(5)

Early Signs of Clinical Outcome Improvements:

IDM Coronary Artery Disease Patients Reduce Cholesterol Levels



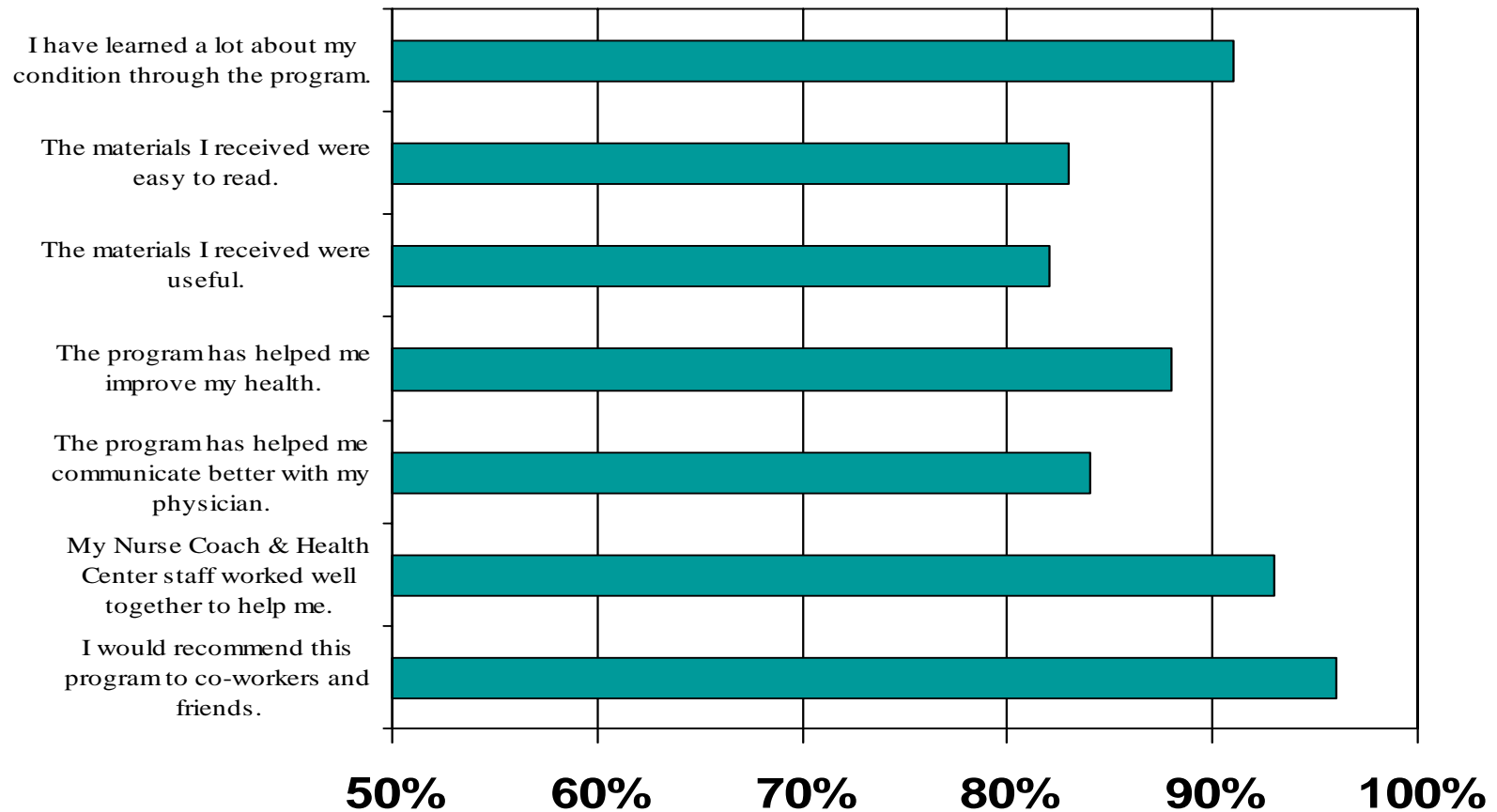
Preliminary Results



96% Would Recommend Program!

N=141

Preliminary Results



"Talking to the nurse is like therapy. Always has an encouraging word.."

Cost Trend Improvement for IDM Enrollees

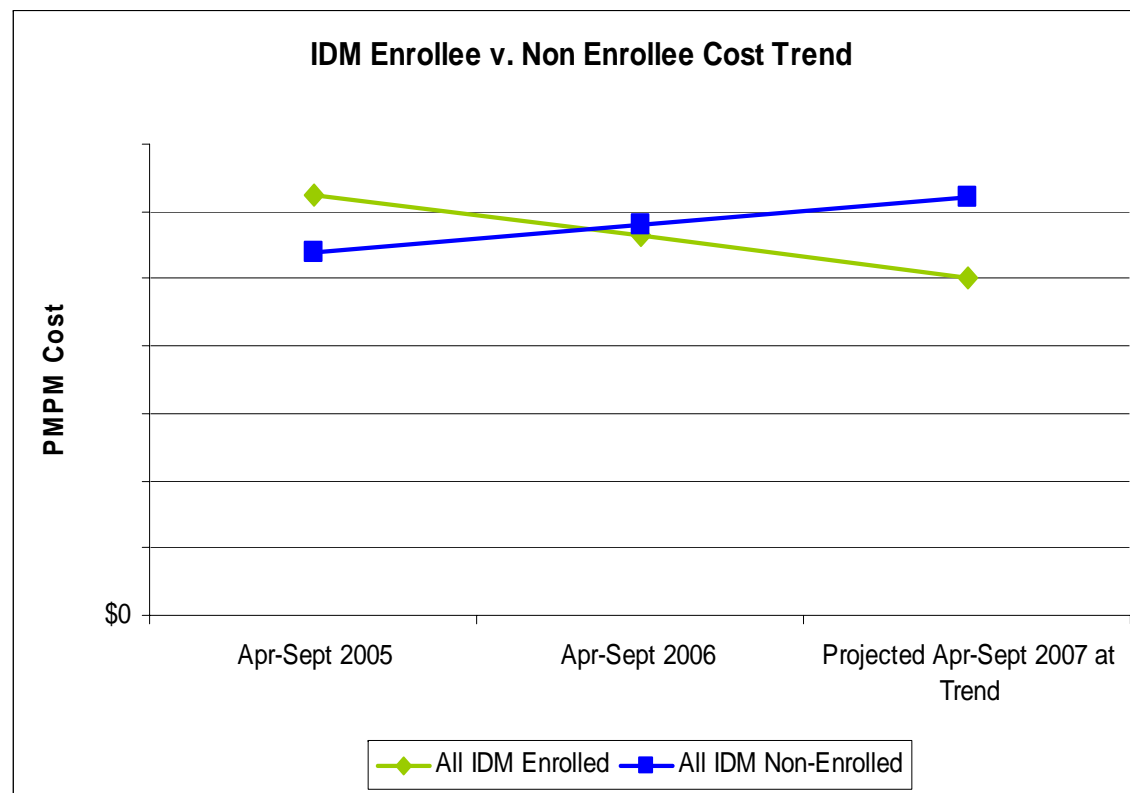
Comparing Apr-Sept 2005 to Apr-Sept 2006

Preliminary Results

- IDM Enrollee Costs *decreased by double digits*

- Non Enrollee Costs *increased by 1/2* general trend

(All invitees considered to be in top 30% of avoidable cost patients and receiving primary care at workplace)



Integration of Primary Care & Pharmacy

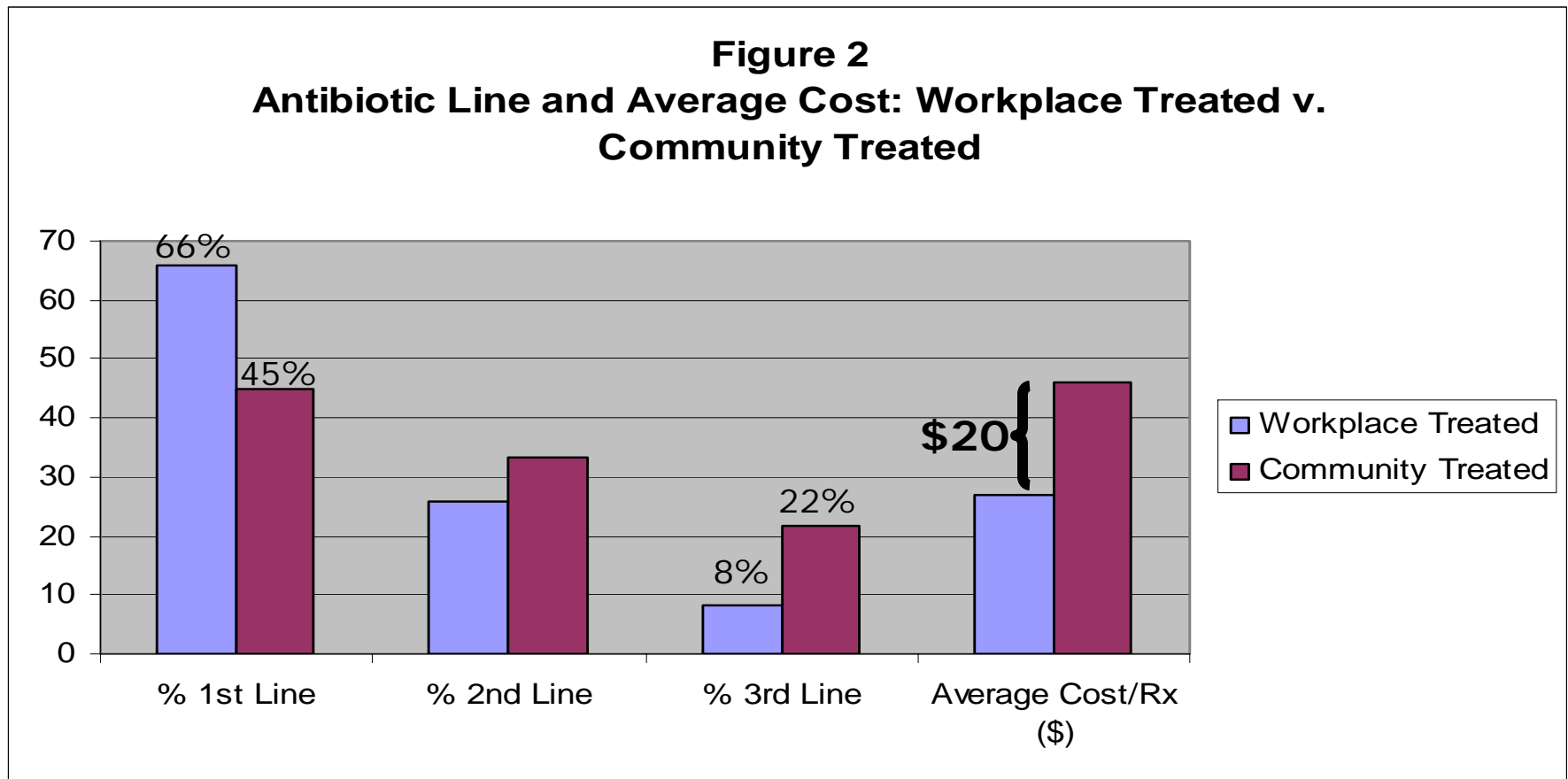
GOODYEAR



Integration of Primary Care & Pharmacy:

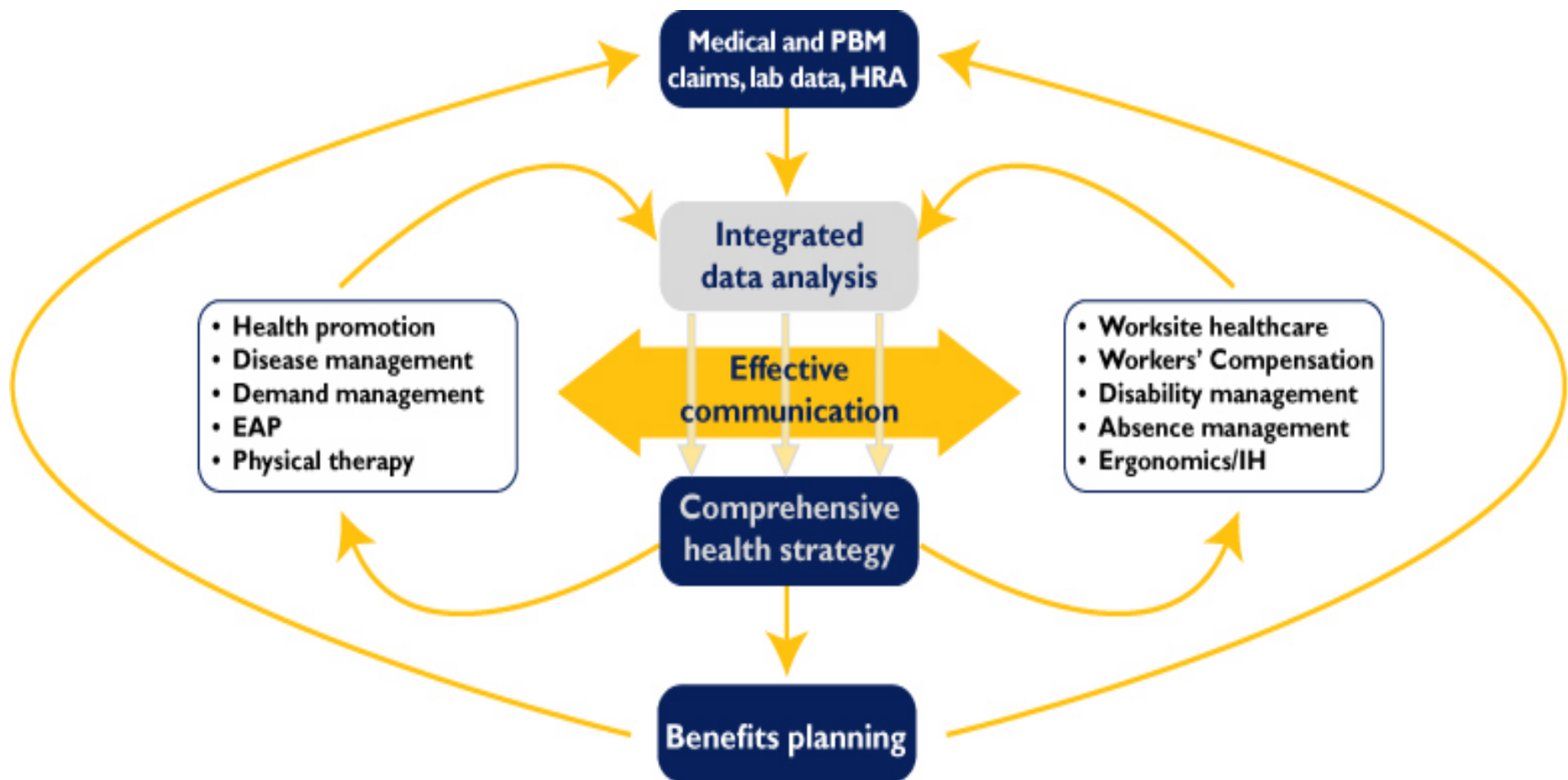
Evidence-based prescribing practices generate value

(published this month in the Journal of Health & Productivity)



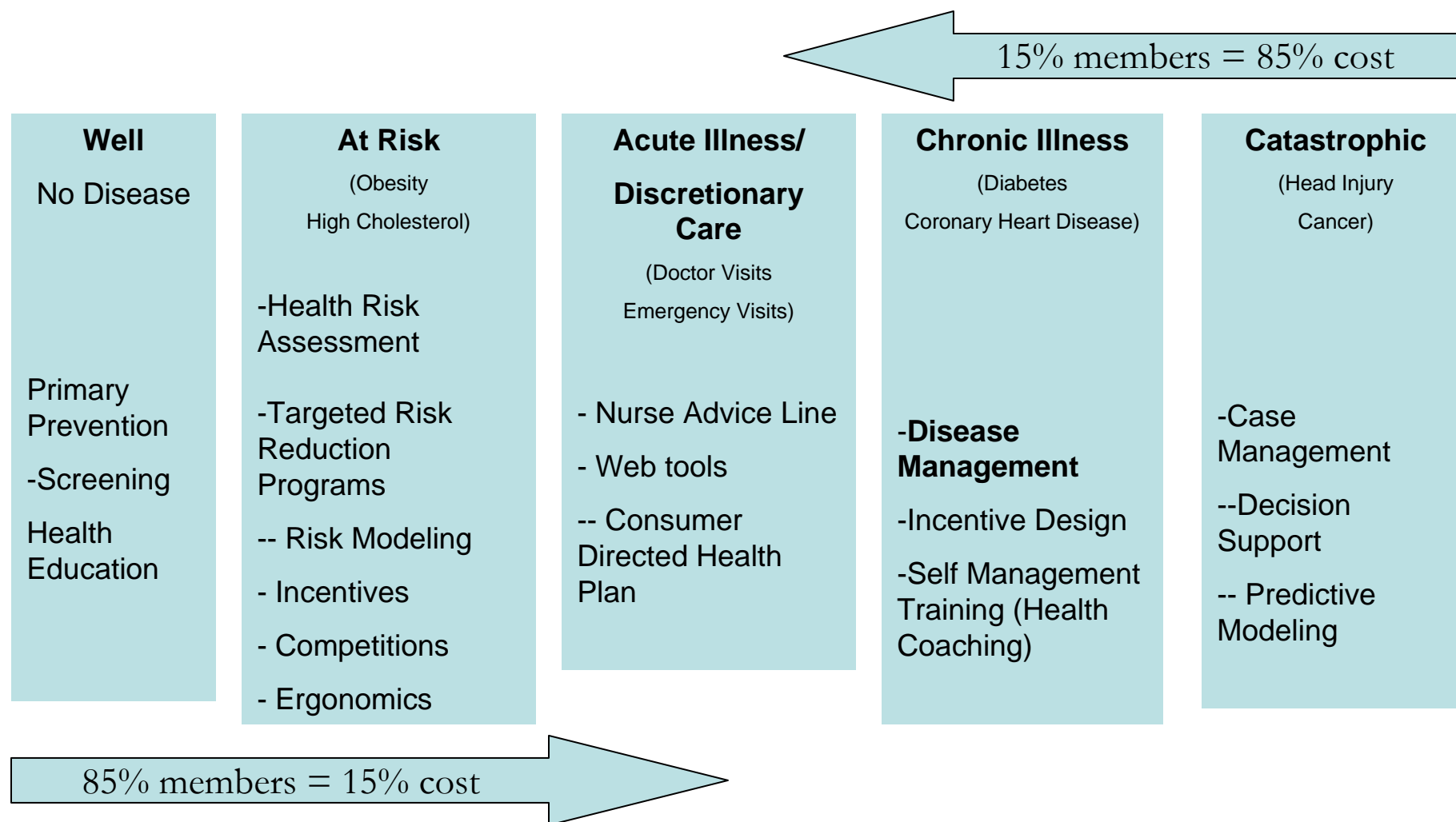
Better Care – and a Potential Savings of \$1.5 Million for Antibiotics Alone

A vision of integration



Population Health Management

Application Tools



In Summary

- **The Trusted Clinician at the workplace is a key member of the health care team**
- **While individual health-related programs may provide benefit, integration maximizes value**
- **Trusted Clinicians can facilitate integration of health benefits programs to optimize use**
- **Workplace healthcare can generate significant value for employers**

Back to the Future: Reconsidering the Role of the Company clinic in US Healthcare

May 8th 2007

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