

TWO YEARS OF OUTCOMES FROM A COMPREHENSIVE DM PROGRAM IN COMMERCIAL AND MEDICARE HEALTH PLAN MEMBERS

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Agenda

- ConnectionsSM Programs Overview
- ConnectionsSM Financial Outcomes: Program Years 1 and 2
- ConnectionsSM Clinical and Member Satisfaction Outcomes: Program Years 1 and 2
- Summary
- Future Challenges



Independence Blue Cross

- 1 of 4 BC plans in PA
- 3.4 million members
- PA, NJ, DE, Caribbean, Primary service area = SE PA
- Commercial HMO/PPO/POS, Medicare HMO/PPO, Traditional
- Subsidiaries: PBM, Medicare TPA, Commercial TPA, and others

Independence Blue Cross won the Disease Management Association of America's Outstanding Health Plan award in December 2006.

ConnectionsSM Programs are Broad in Scope and Fully Integrated

- Programs for 22 chronic conditions
- Fully integrated disease management and decision support
- Fully integrated with all health plan processes
 - Case management, pre-certification, member services, preventive programs, mental health
- Collaborative practice model with treating providers
- Analytics that allow efficient use of clinical resources

IBC ConnectionsSM Program History

- 1995 to 2003 – opt in insourced and outsourced programs for CHF, COPD, DM, asthma, CAD
- 2003 – Connections Health Management Program – partner is Health Dialog:
 - Asthma, Diabetes, CHF, CAD, COPD – “opt out”
 - Decision support for back/joint pain, women’s health, men’s health, cardiac revascularization
- 2004 – Connections Kidney Program – partner is RMS: ESRD
- 2005 – Connections AccordantCareTM Program – partner is Accordant Health Services:
 - Complex chronic diseases (e.g., Lupus, Parkinson’s, Seizure, MS)

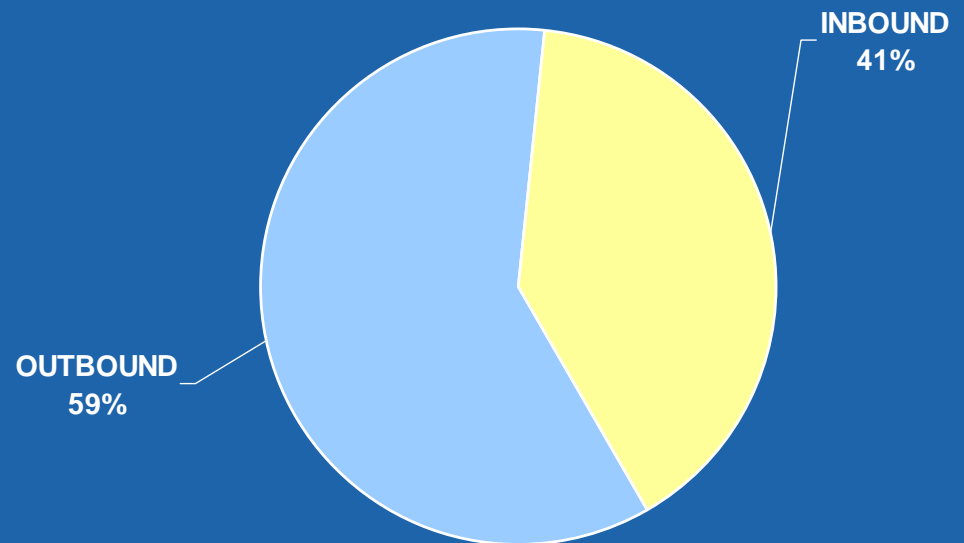
ConnectionsSM Programs: Types of Outcome Evaluation

- Levels of member engagement and usage
- Member satisfaction
- Clinical indicators
- Provider satisfaction
- And of course, utilization impact and cost savings
- Being considered: employer satisfaction, member retention impact

Who Initiates Telephone Contact PTD July 2003 – February 2007

Members place inbound calls to Health Coaches for information, education, and help in making informed medical decisions.

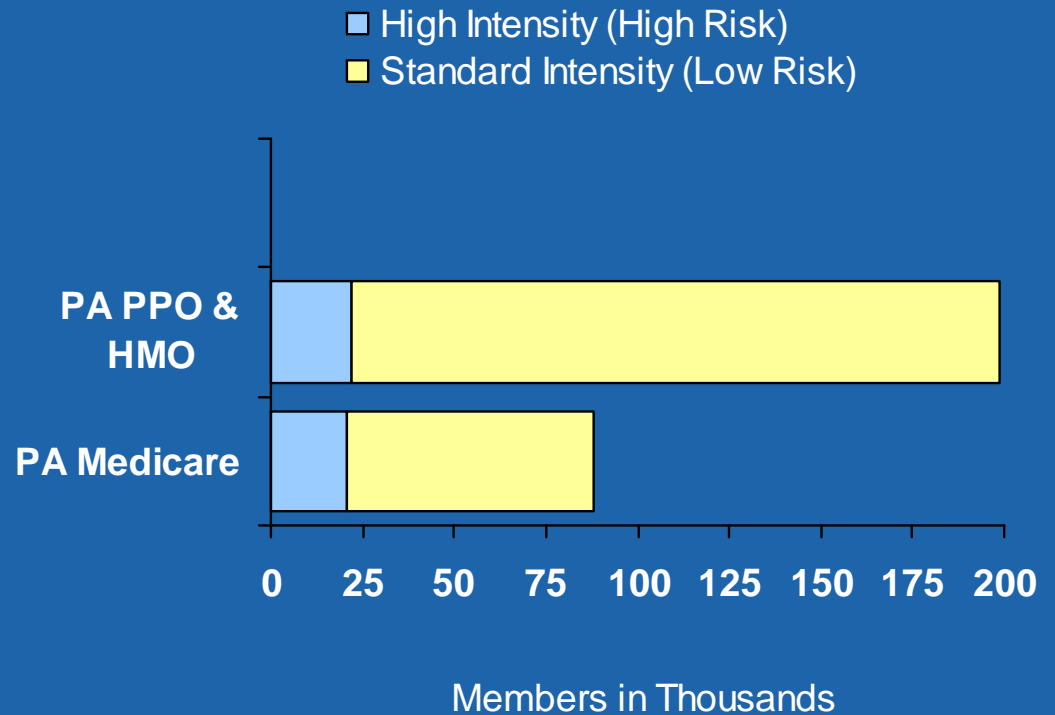
Health Coaches place outbound calls to members to offer disease management, decision support, or to follow-up with a member.



Members with Chronic Disease Identified as High Risk

22,398 (11%) of PA PPO and HMO members with chronic disease are considered “high-risk”

20,755 (24%) of PA Medicare members with chronic disease are considered “high-risk”

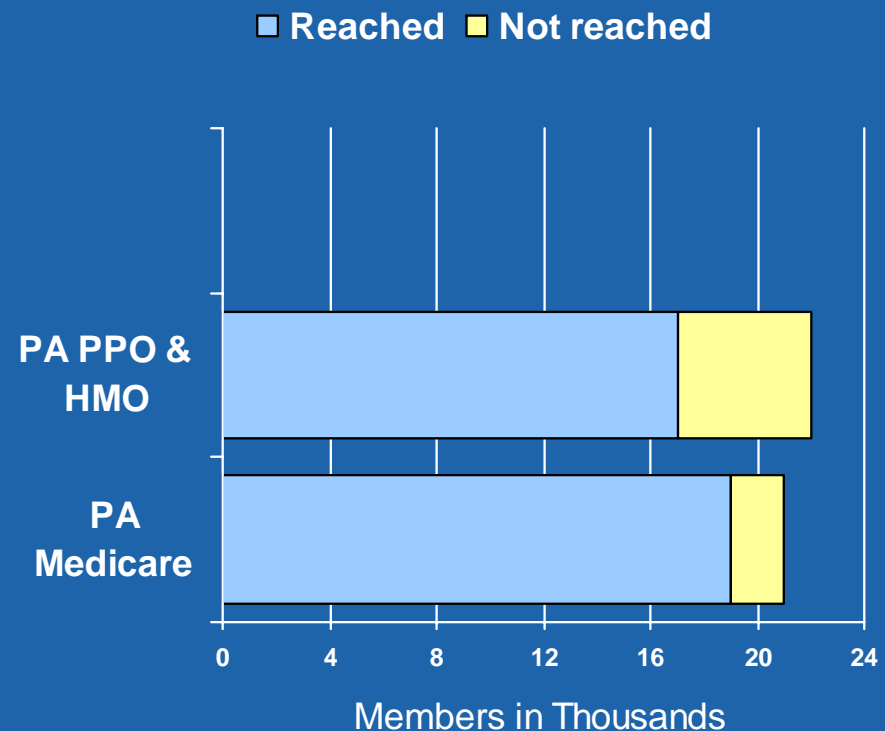


Data program to date as of February 2007

High Risk* Chronic Member Contacts

13,870 (73%) of PA PPO and HMO high-risk members were reached

15,778 (91%) of PA Medicare high-risk members were reached



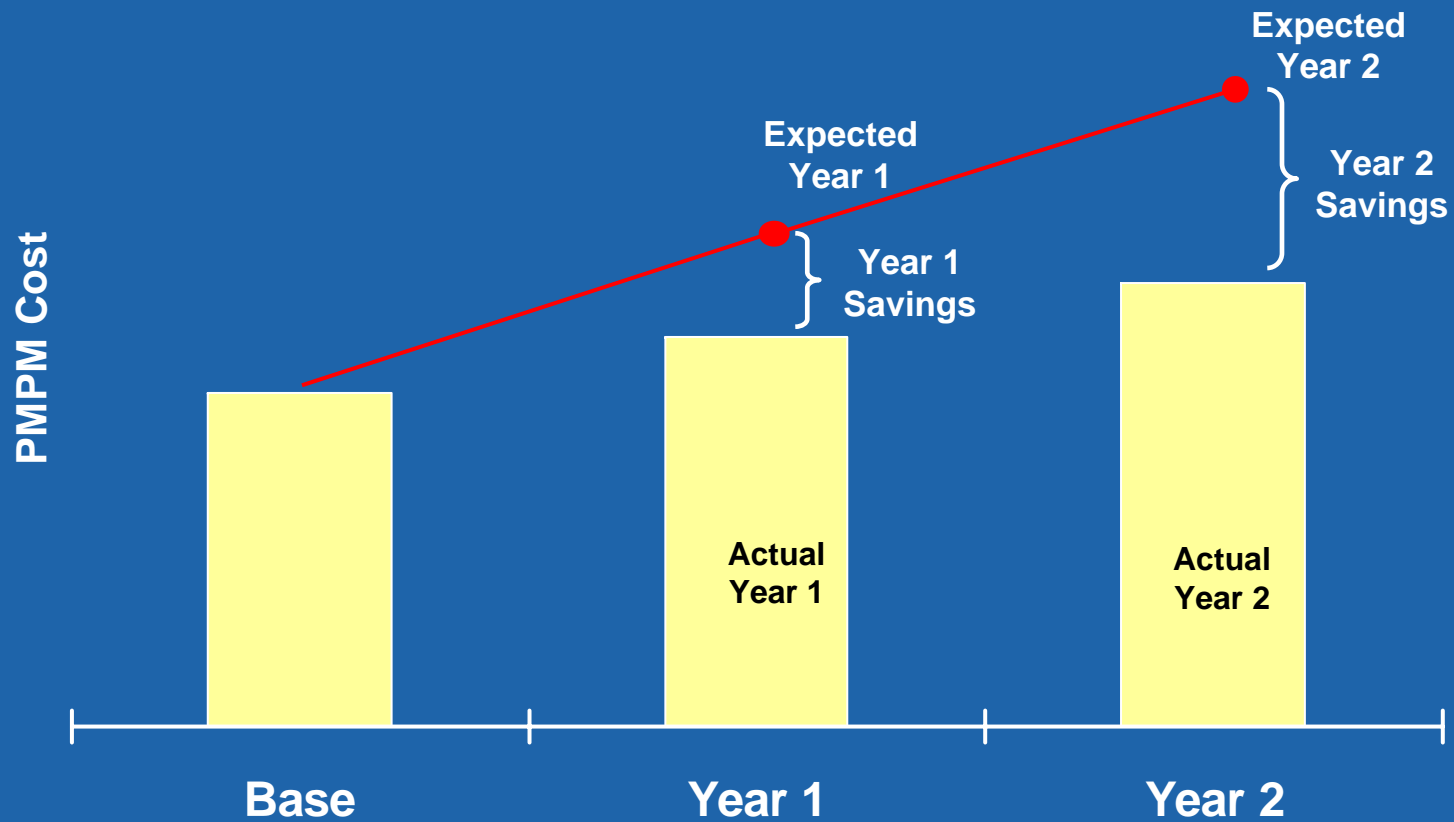
* High-Risk = members identified as having a high-predicted financial risk.

Data program to date as of February 2007

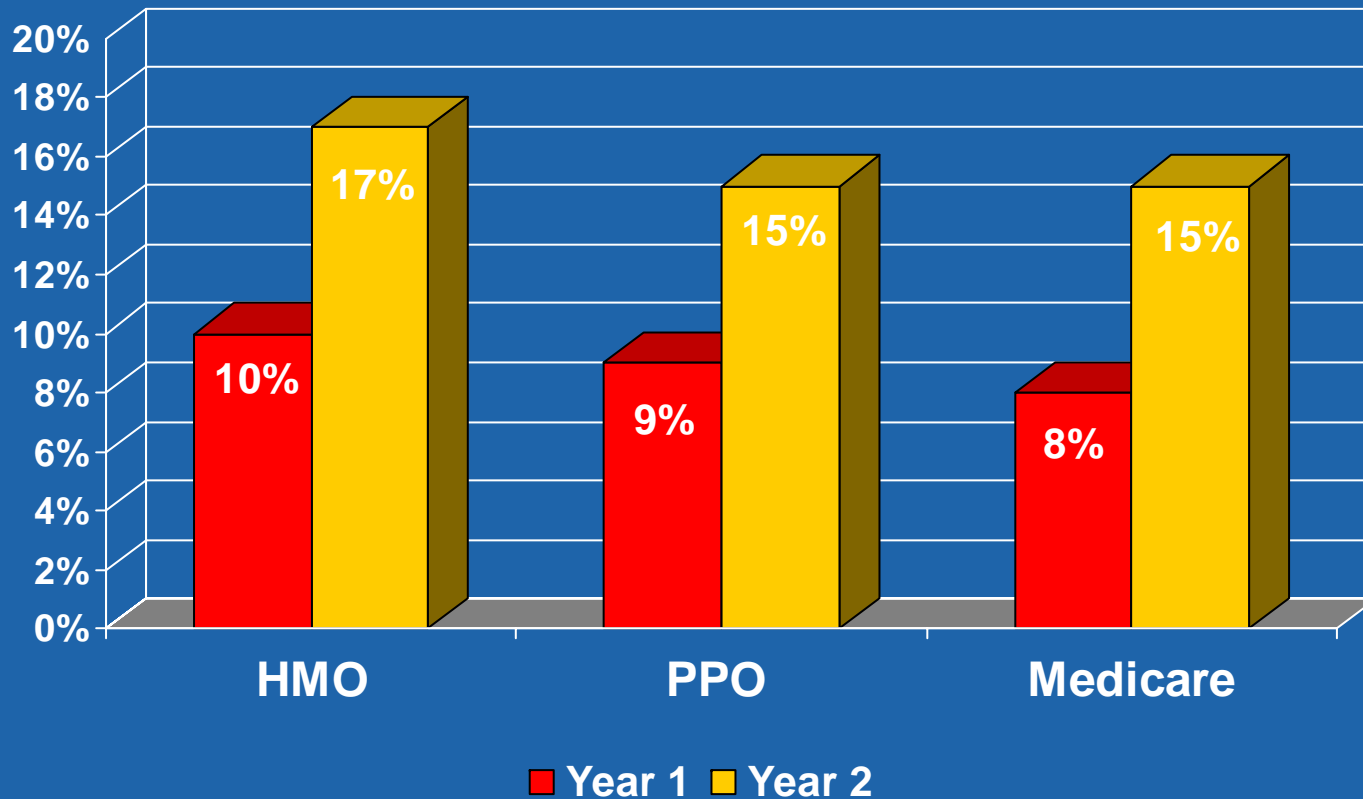
Savings Methodology Overview

- Pre/post comparison of included members, adjusting for the trend factors of the non-chronic population
- Several classes of members are excluded in the reconciliation: e.g., HIV/AIDS, institutionalized, or with hospice, psychiatric, alcoholism, or substance abuse facilities claims
- Once chronic, always chronic
- 6-month eligibility required to be included
- Regression to the mean accounted for by a 4 month non-measured period immediately following a member's chronic date
- Consistent with DMAA 2006 outcomes guidelines
- Assessed by Reden & Anders as “reasonable and appropriate”

Actual vs. Expected Costs

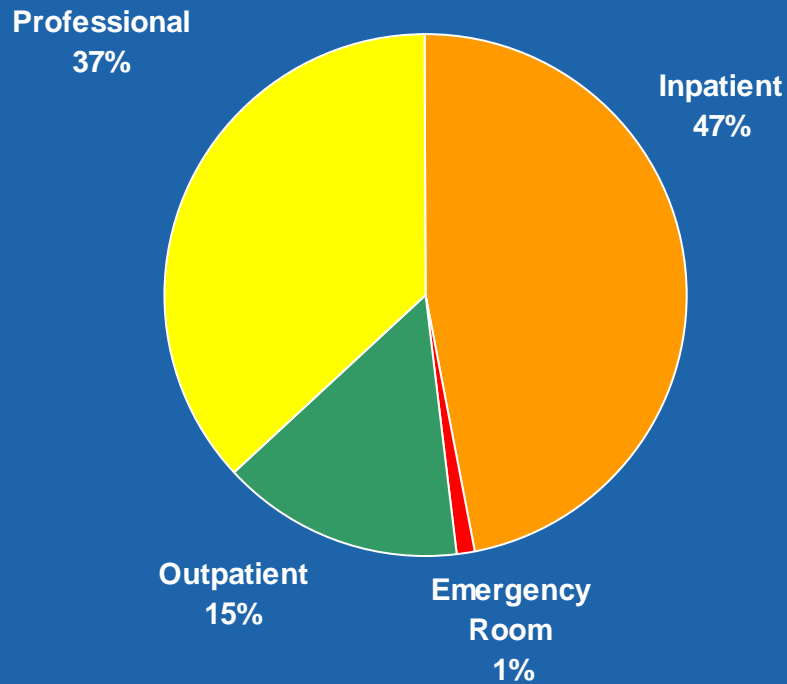


Chronic PMPM Savings Impact % Reduction from Expected

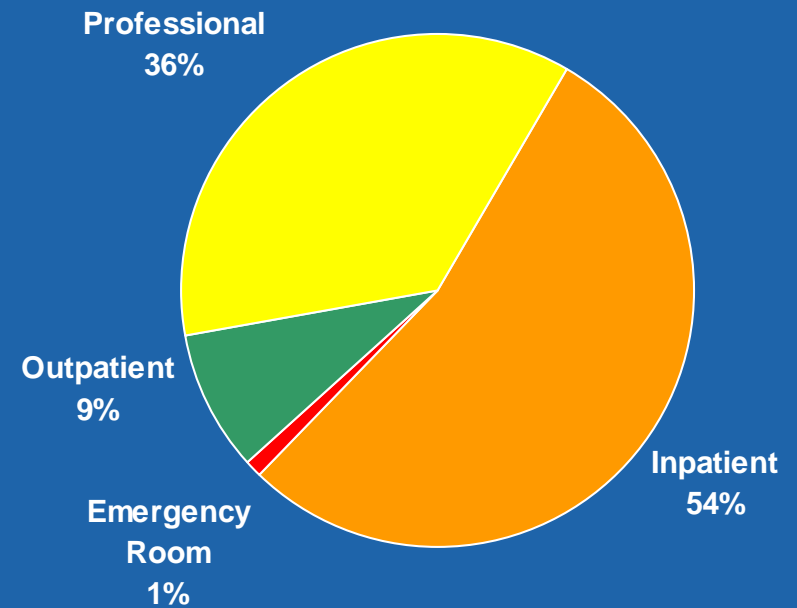


Savings by Service Type Year 2

Commercial HMO/PPO



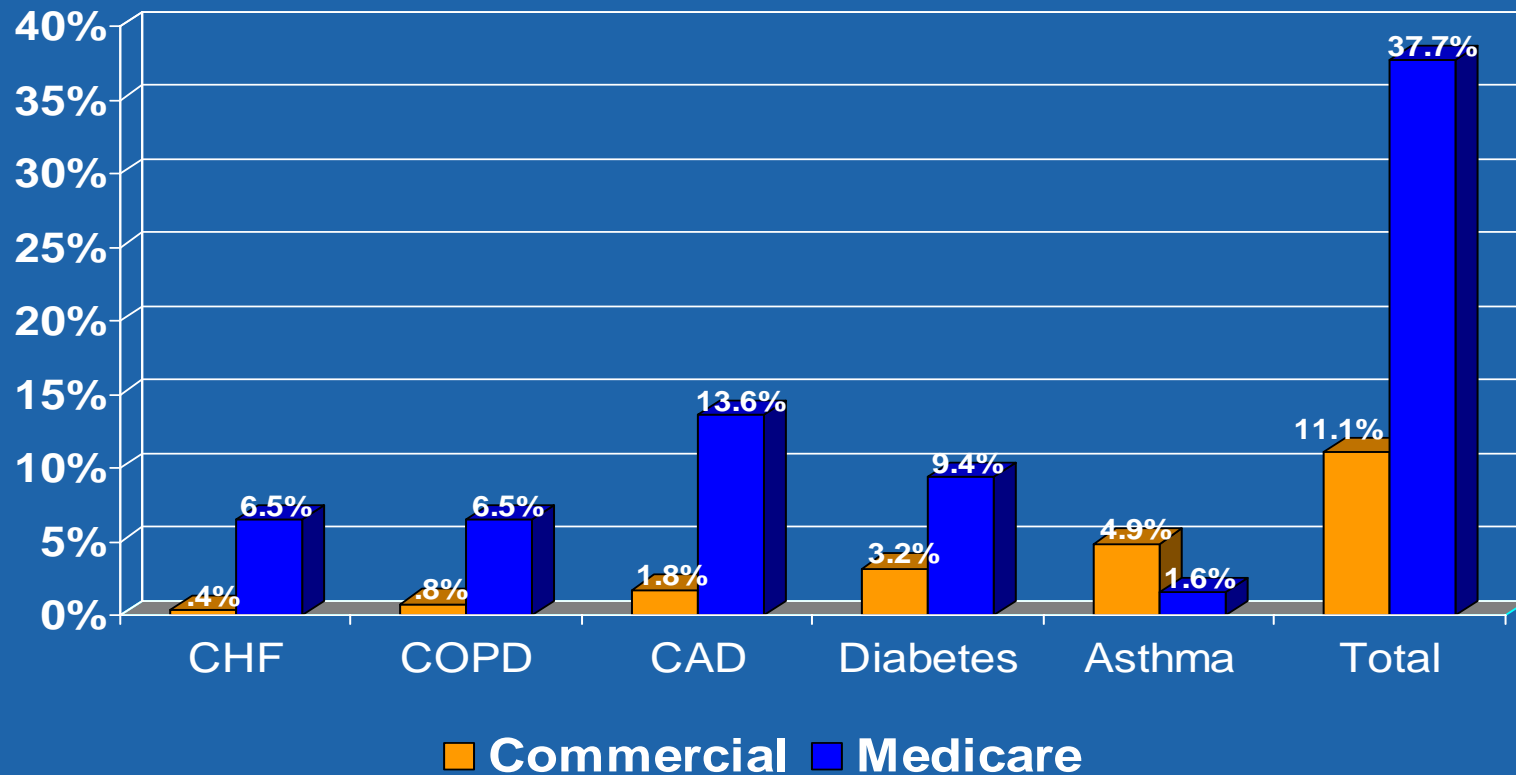
Medicare



Actual vs. Expected Utilization (% below expected)

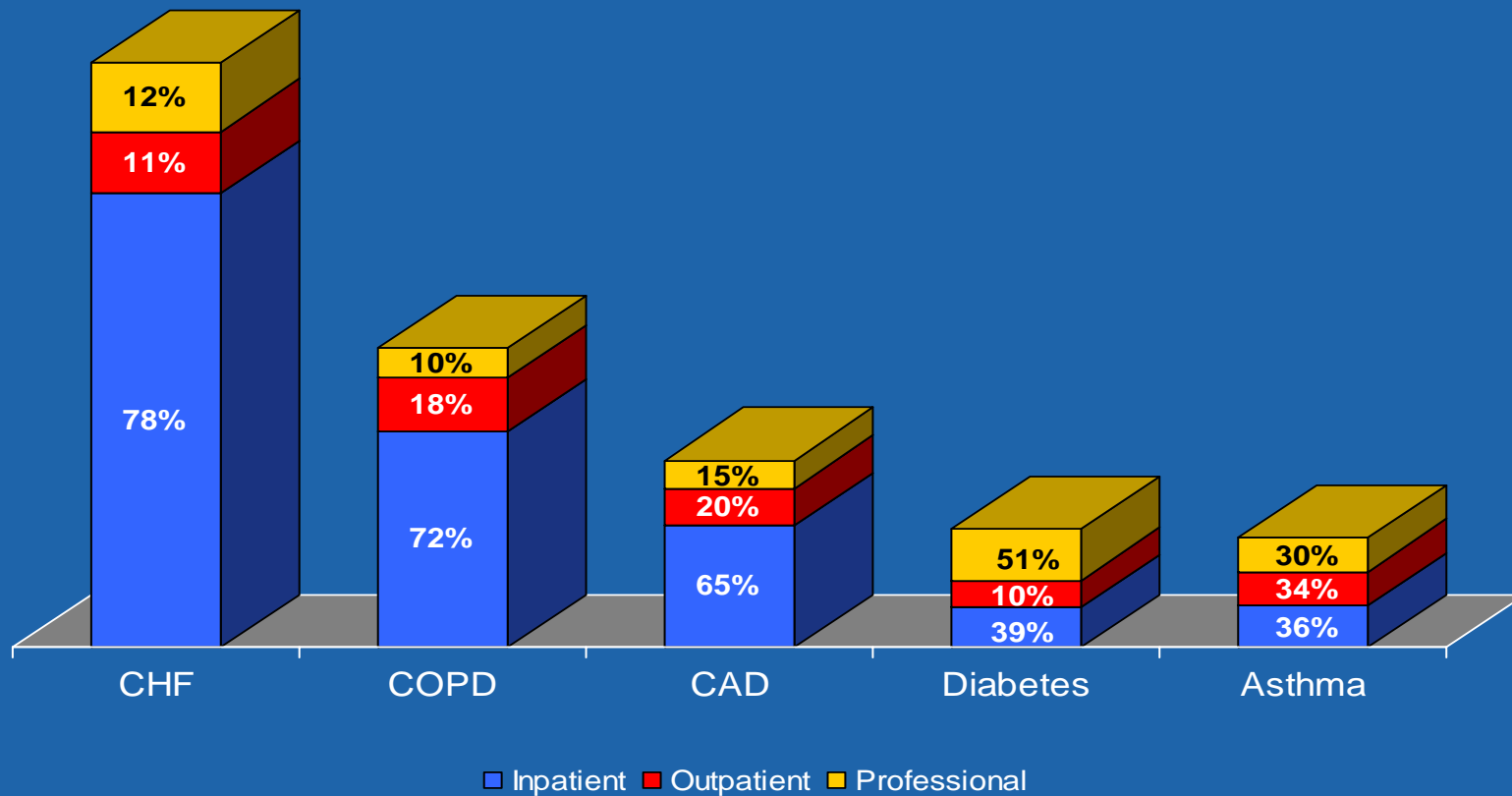
	Inpatient		Outpatient		Professional	
	Year 1	Year 2	Year 1	Year 2	Year 1	Year 2
HMO	12%	21%	20%	25%	13%	22%
PPO	18%	25%	8%	13%	10%	12%
Medicare	9%	13%	6%	20%	11%	16%

Prevalence by Disease Year 2



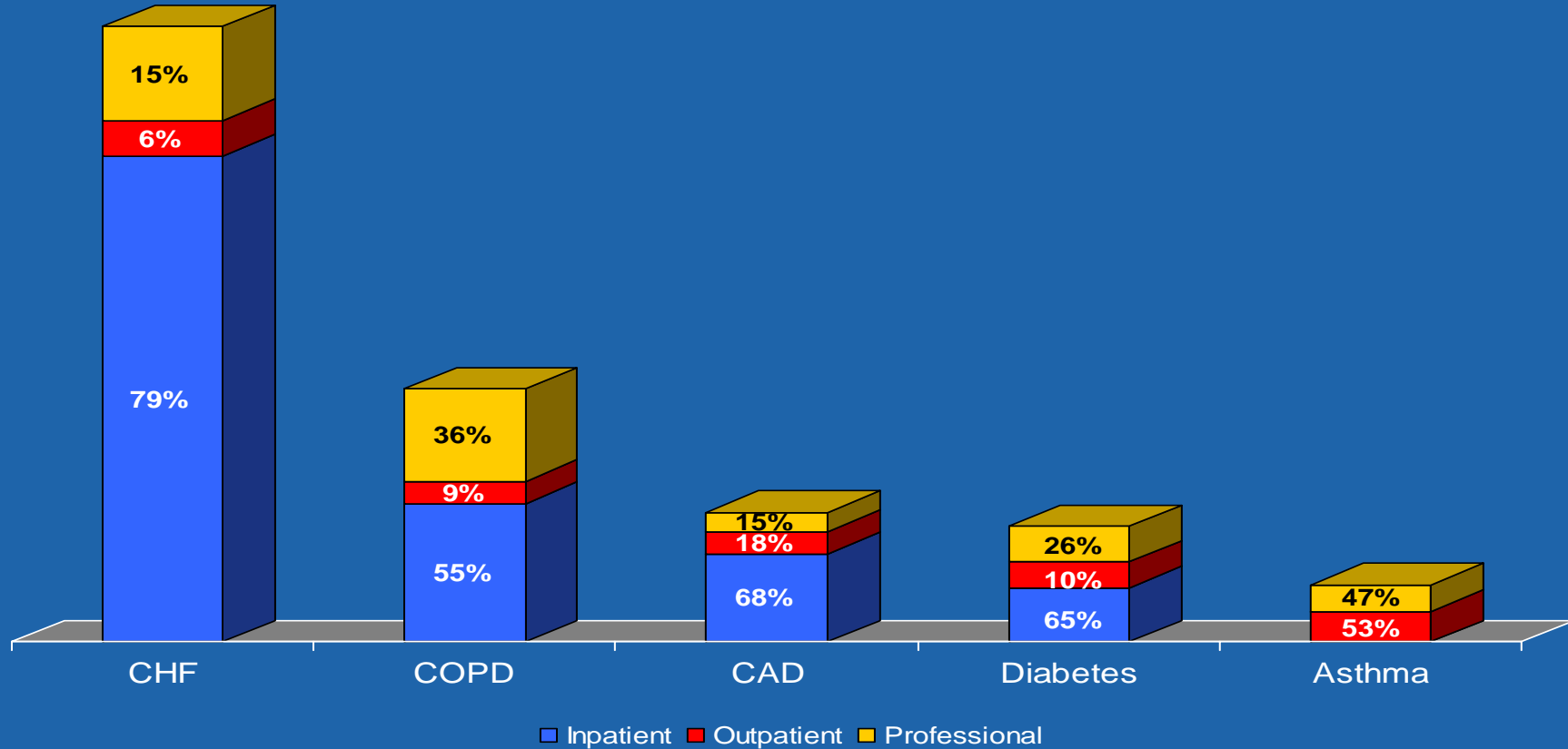
Assumes the following disease hierarchy: CHF, COPD, CAD, Diabetes, Asthma. Members are counted once in highest category only.

Savings by type of service – Commercial HMO/PPO Year 2



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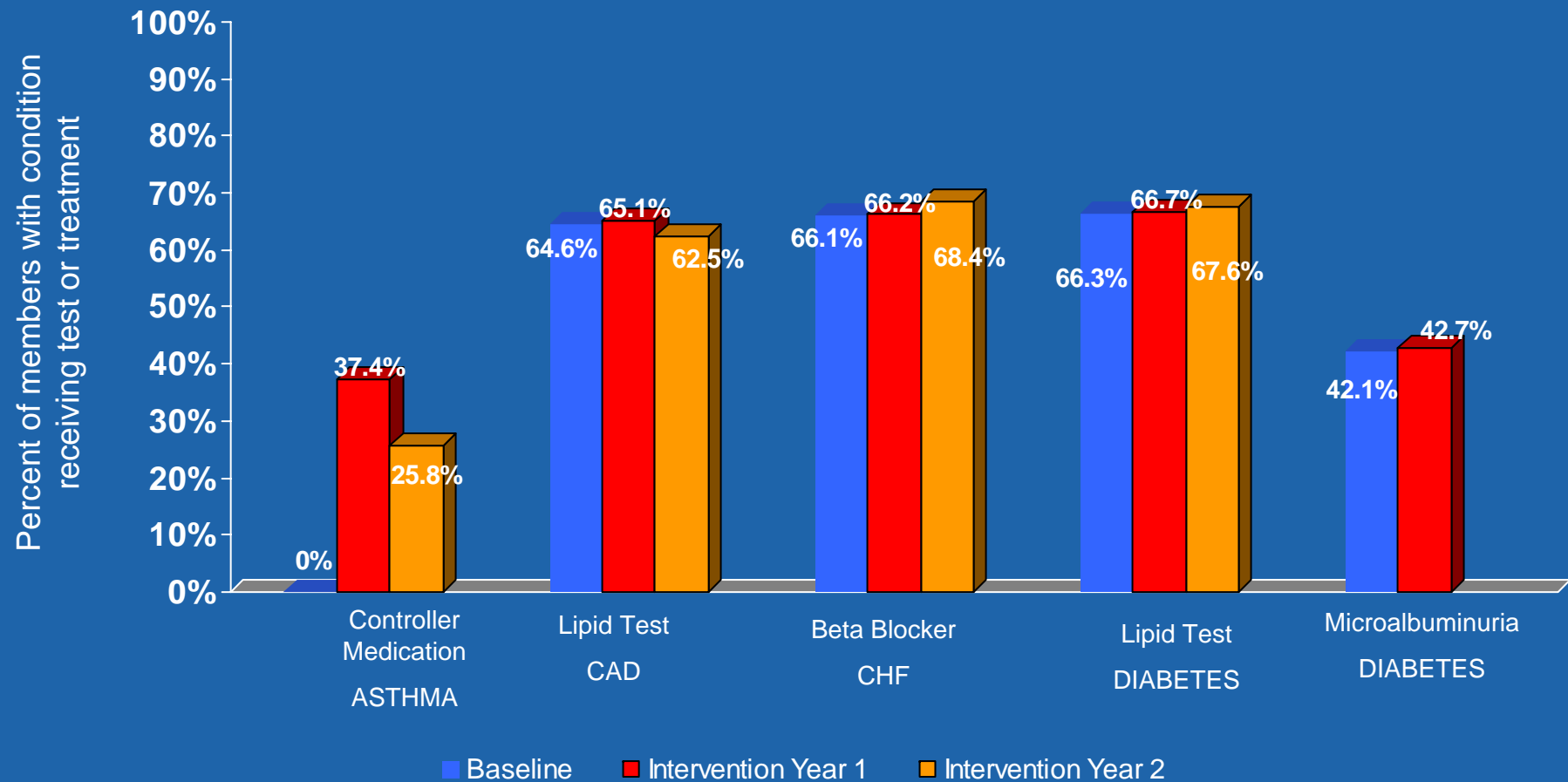
Savings by type of service – Medicare HMO/PPO Year 2



Assumes the following disease hierarchy: CHF, COPD, CAD, Diabetes, Asthma. Members are counted once in highest category only.

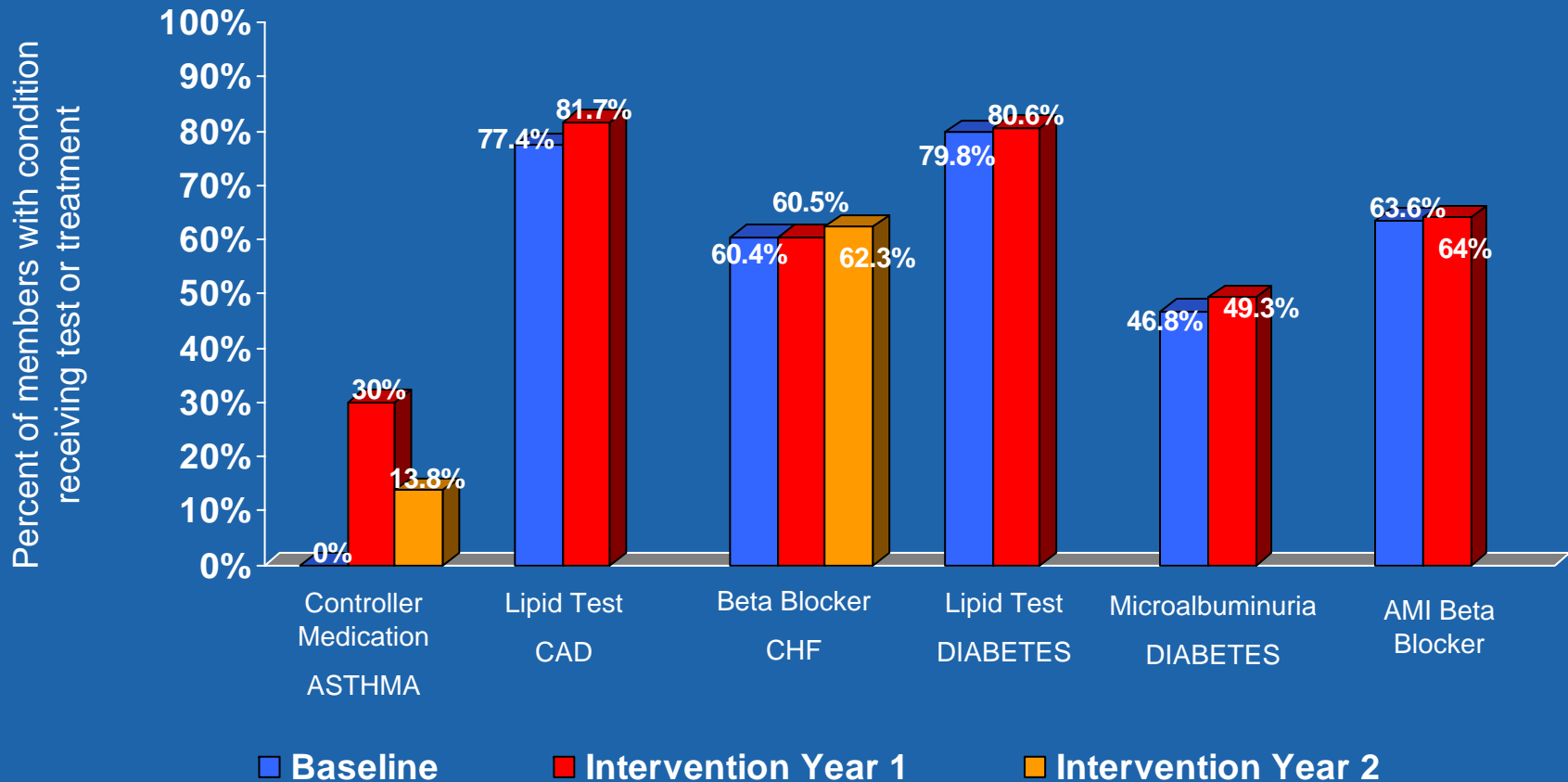
Some Progression on Hard to Move Measures

Clinical Quality Indicators Commercial PPO - Year 2



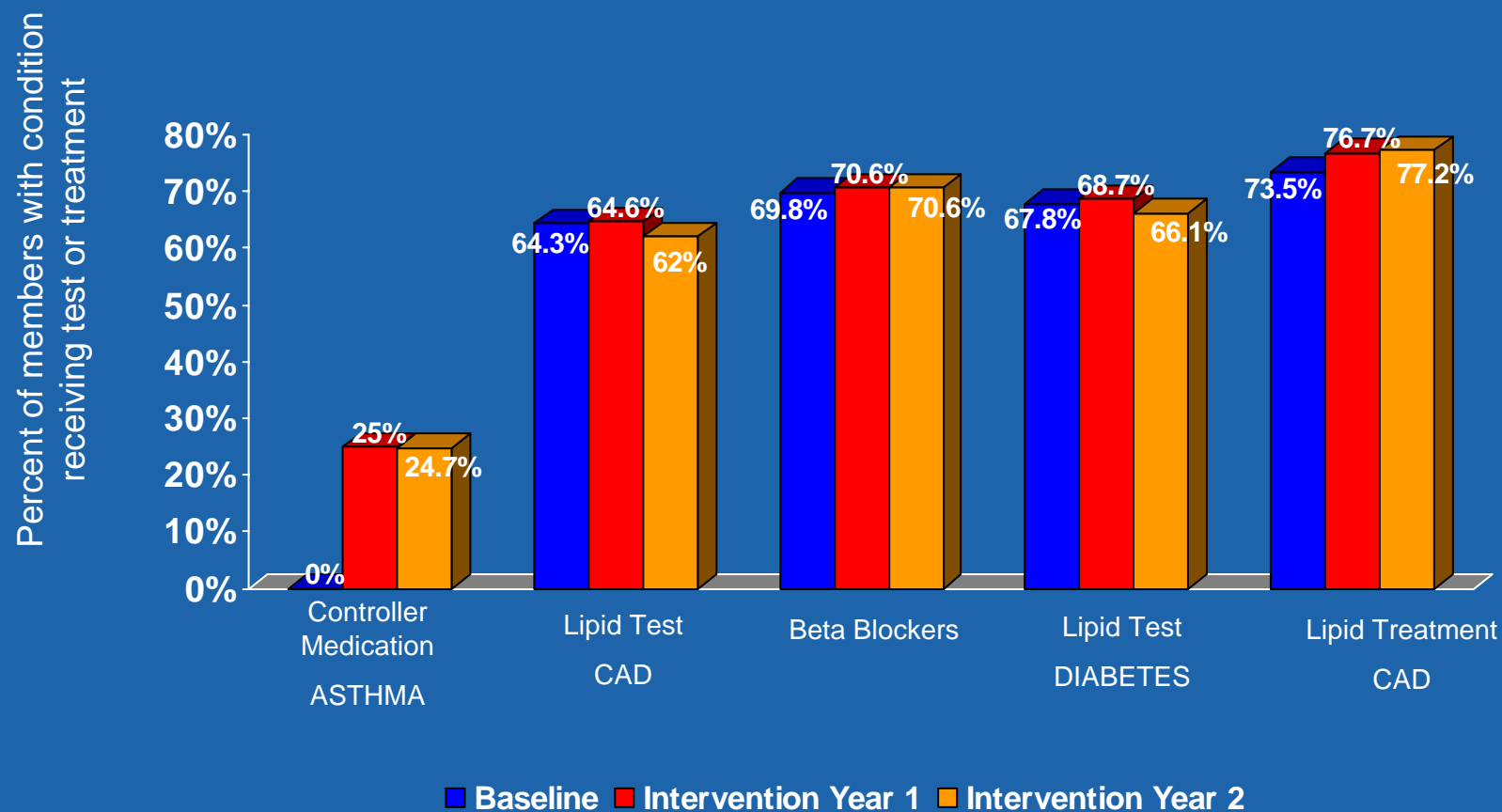
Some Progression on Hard to Move Measures

Clinical Quality Indicators
PA Medicare HMO and PPO - Year 2

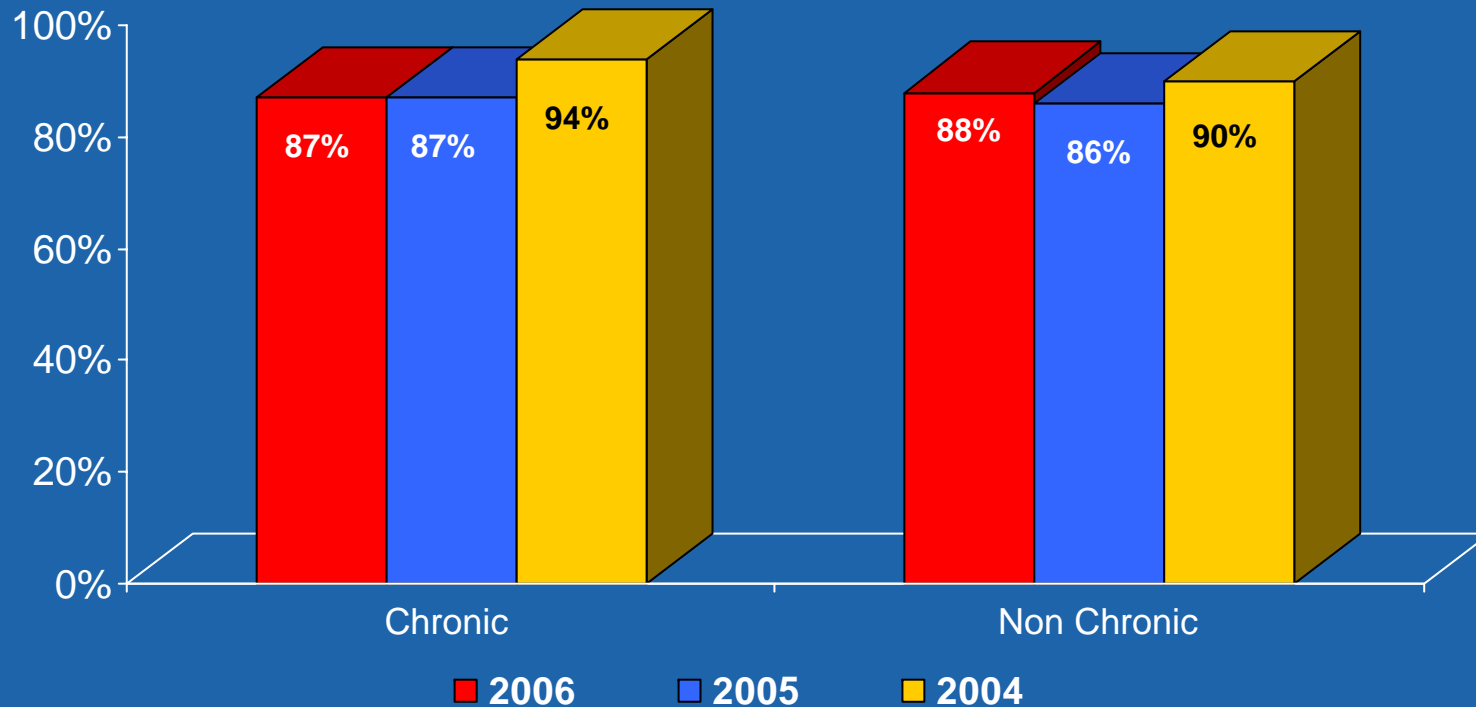


Some Progression on Hard to Move Measures

Clinical Quality Indicators Commercial HMO - Year 2



IBC Medicare, PPO, HMO Member Sat Survey

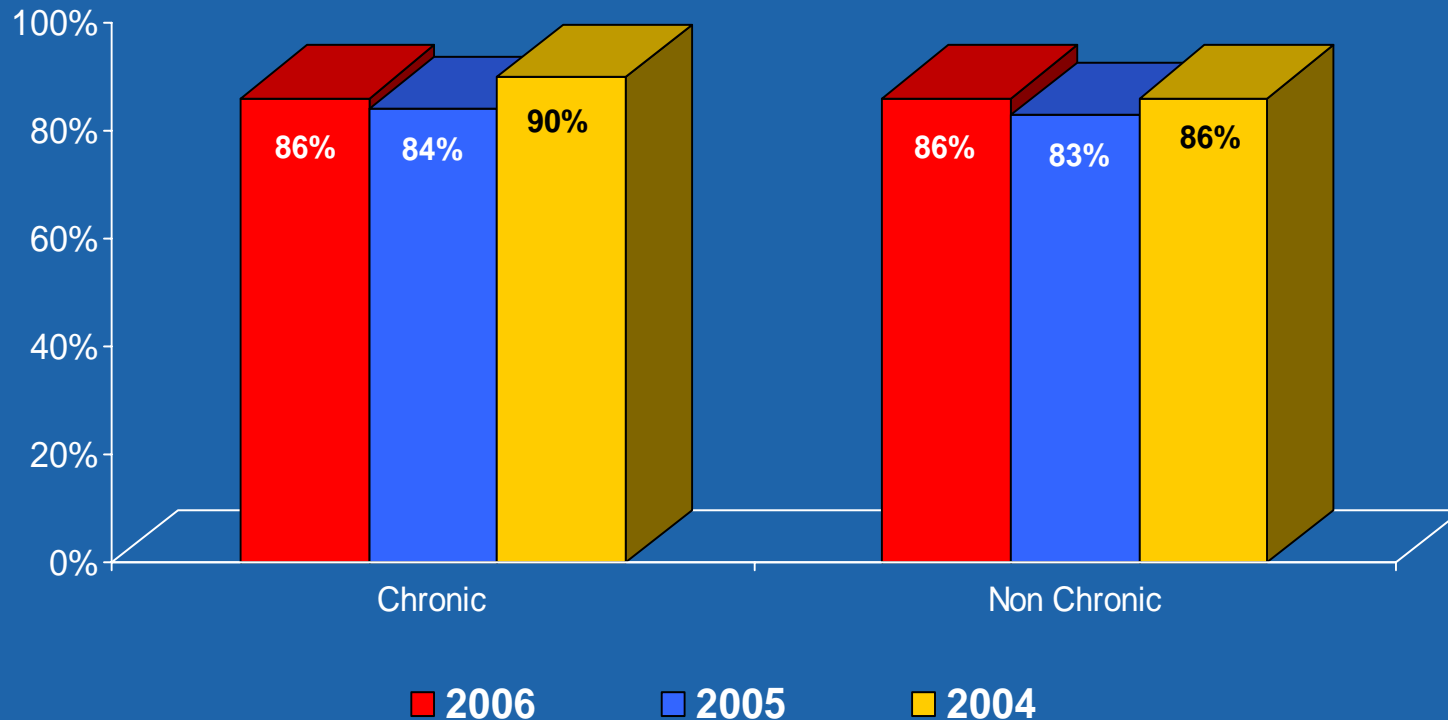


***How satisfied were you with the assistance the Health Coach provided you?
(Percent of respondents indicating “Very Satisfied” or “Satisfied” displayed)***

- 87 percent of 2006 chronic and 88 percent of 2006 non-chronic users indicated that they were “very satisfied” or “satisfied” with the assistance provided to them by the Health Coach*.

* Changes from 2004 to 2005 are not statistically significant

IBC Medicare, PPO, HMO Member Sat Survey



What number would you use to rate how you feel about Independence Blue Cross as a result of offering the Connections Program to you?

- Both chronic and non-chronic users indicated that their impression of Independence Blue Cross has been positively impacted because of the Connections Program.

Summary

- ConnectionsSM produces cost savings through reduced medical cost and utilization trends.
- Members with chronic conditions are highly satisfied with the ConnectionsSM programs.
- IBC continues to work with our vendors to enhance and expand program offerings.

Future Challenges

- Future Challenges: Near Term
 - Use of absenteeism and worker's compensation data to further enhance targeting
 - Integration with employer- and plan-based incentives programs
 - Enhanced program options for deeper reach into chronic and “well” population
 - Pharmacy initiatives
 - Integration with workplace wellness programs

Future Challenges

- Future Challenges: Mid-term and longer
 - What is point of declining ROI vs. total returns?
 - Is consensus methodology where we need to be?
 - How do we pay doctors to be a medical home so that DM is more than a “band aid” for “medical homelessness”?

Questions/Discussion

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