



Population Health Management From CoreSource

An Early Success Story September 2009

Summary

An analysis of results from the first year of CoreSource's *YourCare* population health management program shows that the program succeeded in:

- Closing "gaps in care" for members with chronic conditions;
- Improving compliance with recommended guidelines for preventive tests and screenings;
- Driving members to more appropriate utilization of the healthcare system; and
- Successfully managing medical costs for a significant number of high-risk members.

Background

In January 2008, CoreSource launched a proprietary population health management program, now known as *YourCare*, which is driven by an analysis of clients' medical and pharmacy claims using Verisk Health's D2Explorer data analytics engine.

The program has three main components.

- Outreach to members via letter and telephone when they are overdue for important age- and gender-appropriate tests and screenings, such as mammograms, pap smears, colonoscopies and prostate exams.
- Outreach to members with one or more common chronic conditions and their physicians via letter and telephone when their claims history indicates that they are out of compliance with the evidence-based standards of care for their condition(s).
- The use of advanced predictive modeling techniques to identify the small percentage of plan members who are at highest risk of incurring significant healthcare costs in the future, but whose costs to date are relatively low. *YourCare* registered nurses then reach out to those members with telephone coaching to help them understand their risks and make lifestyle changes.

Program Objectives

CoreSource developed *YourCare* to:

- Improve compliance with evidence-based standards of care for people diagnosed with chronic illnesses and
- Intervene with high-risk members who should make lifestyle changes to prevent serious disease from occurring or have preventive screenings or tests to identify potentially serious illnesses early.

The program is based on two core theories.

- People will change their lifestyle and behaviors to comply with recommended health guidelines only if they are motivated to do so. Historically, disease management programs have offered very expensive support (in the form of one-to-one nurse coaching) for people who may have changed their behavior on their own. *YourCare* reminders are designed to help these already motivated individuals in the most cost-effective approach possible.
- Success is generally declared when members identified with gaps in care schedule an appointment with a physician to review their treatment plan. The program does not require physicians to prescribe recommended classes of medication nor order recommended laboratory tests to monitor the person's chronic illness. CoreSource believes most physicians will comply with evidence-based standards of care when they are made aware of the gap in care (via correspondence from CoreSource) and see the member in their office.

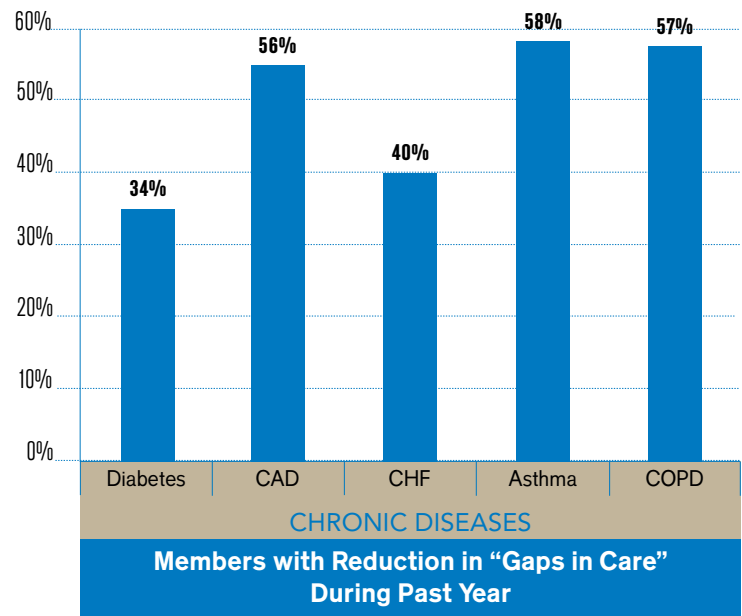
Research Methodology

Our analysis is based on 16 CoreSource employer clients (with a total of 13,687 employees and approximately 29,120 covered lives) that implemented one or more *YourCare* programs during the first quarter of 2008 and had the programs in place through March 2009.

The analysis focused on members with one or more of five chronic illnesses targeted during the initial rollout of the program in January 2008: diabetes, cardiac [coronary artery disease (CAD) and/or congestive heart failure (CHF)] and respiratory [asthma and/or chronic obstructive pulmonary disease (COPD)]. Members were excluded from duplicate categories by leaving in the chronic care group with the highest potential cost using the following order: CHF, CAD, COPD, diabetes and asthma. The analysis also included “at-risk” members that should receive preventive testing to identify cancer or other health risk factors as early as possible.

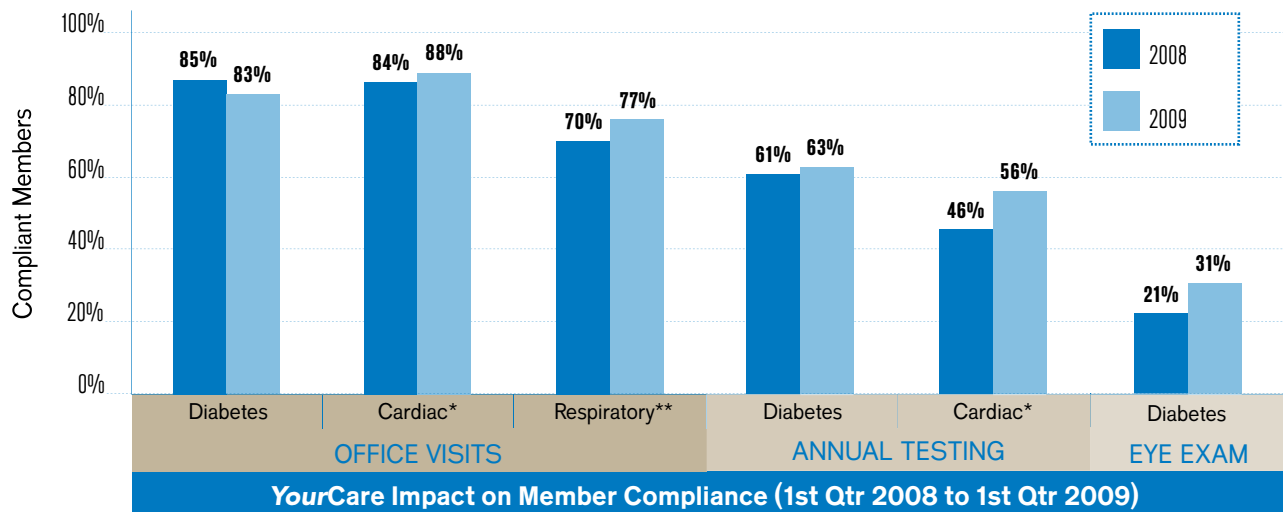
Results

Closing Gaps in Care: *YourCare* is all about “closing the gaps” in care for better management of chronic conditions. A high-level look at members’ experience indicates that we’ve been successful so far in doing just that. On average, nearly 50 percent of the members diagnosed with one or more chronic conditions closed at least one “gap in care” during *YourCare*’s first year.



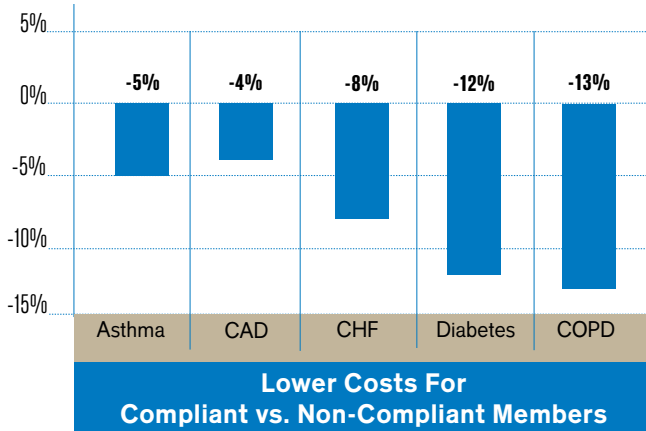
With respect to the five conditions, the results indicate improved compliance for almost all compliance metrics.

- Long office visits within the last year are relatively unchanged, but compliance is still very high.
- Lab test monitoring is higher for all disease groups, indicating the office visits that are occurring may be more productive.

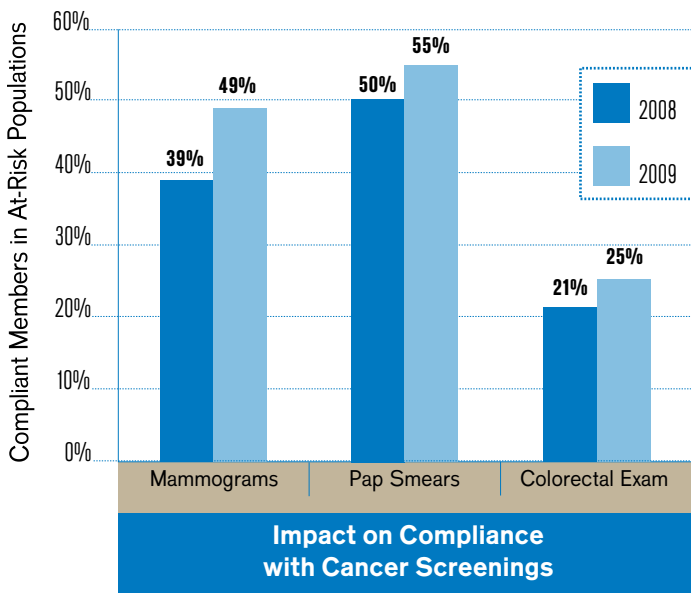


* Cardiac includes Coronary Artery Disease (CAD) and Congestive Heart Failure (CHF)

** Respiratory includes Asthma and Chronic Obstructive Pulmonary Disease (COPD)



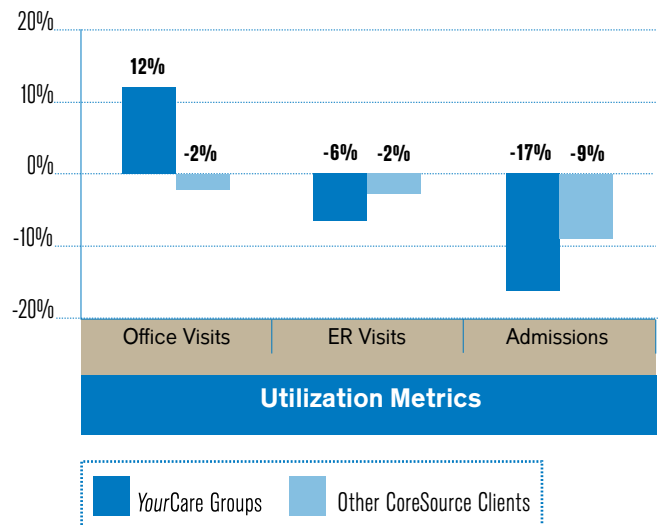
Improved Compliance for Members with Chronic Disease: Research has shown that patients with chronic conditions do better and have lower healthcare costs when they comply with evidence-based standards of care. This holds true for members across all types of chronic diseases targeted by YourCare. Our analysis showed that the average annual costs for members with chronic disease who were compliant with recommended care were lower than the costs for non-compliant members, depending on the disease.



Improving Compliance with Preventive Screenings: YourCare reaches out to members when a review of their claims indicates they are overdue for important age and gender-appropriate screenings. Compliance with preventive testing for cancer increased over the course of the year for members in potentially at-risk demographic segments.

Appropriate Utilization: To reduce the use of expensive healthcare services, we recognized there would have to be an increase in the number of office visits, so that members could consult with their physicians to best manage their illness. YourCare encourages face-to-face communication between members and their doctors.

Utilization results did, in fact, show a 12 percent increase in office visits during the first year. Clients also saw a corresponding decrease in expensive healthcare utilization: emergency room visits decreased 6 percent, while hospital admissions went down 17 percent.



Managing Costs: Goals for financial success are set and measured as follows:

- Low-cost members (less than \$3,000 in annual paid claim costs) should remain low cost;
- Median-cost members (between \$3,000 and \$10,000 in annual paid claim costs) should not have increased healthcare costs and, preferably, their costs should go down; and
- High-cost members (more than \$10,000 in annual paid claim costs) should have costs decline the next year.

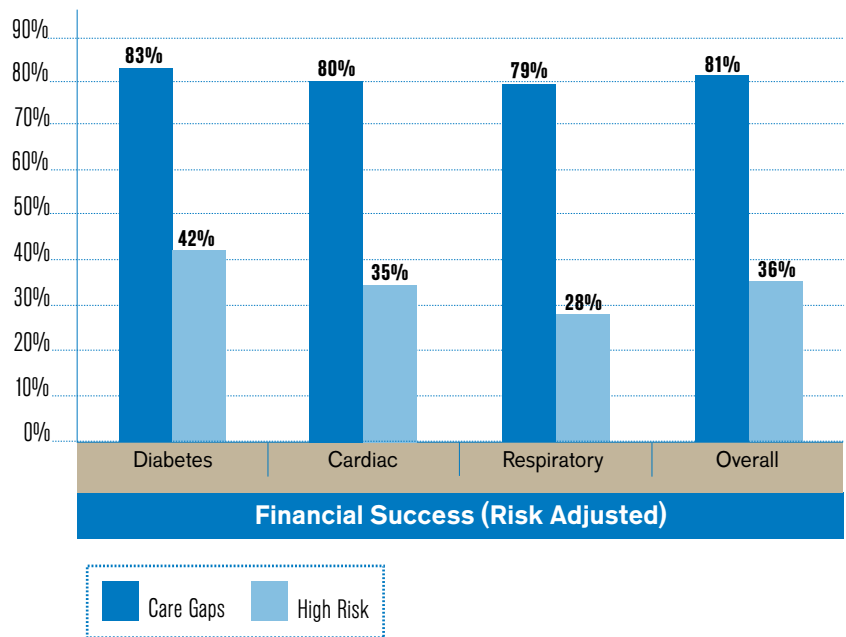
By either maintaining members within the low-cost, median cost or high-cost categories, or by moving them from median-cost to low-cost, for example, we are able to determine the financial success of the program.

This approach works for a group with only one member in the program or for a group with thousands of members, whether those members are actively participating or not. The prior year costs are adjusted for changes in the Verisk Health Risk Index to reflect additional medical conditions that should increase costs due to the extra healthcare services required for treatment.

Given this definition, *YourCare* was successful in managing the total costs of:

- 81 percent of members with chronic illnesses who were alerted about possible gaps in evidence-based standards of care for their condition(s) and
- 36 percent of high-risk members who received one-to-one nursing support from a disease management or case management nurse.

The risk-adjusted average cost per member per year for these “successful” members declined by 53 percent from the prior year.



Next Steps

While this early analysis of *YourCare* programs is encouraging, we recognize there is more we can do to minimize healthcare costs while maximizing the health potential of each and every member. In the coming months, *YourCare* programs will be enhanced with an increased focus on health screening and Health Risk Assessment data, along with lifestyle coaching for plan members who may be at high risk, but who do not yet have medical claims to analyze. Future versions of this analysis will highlight the experiences of these members.

For more information, please contact us at 800-832-3332.