



## Triple Solution for a Healthier America

Prevention - Intervention - Innovation

**Focus on Chronic Disease to Control Healthcare Costs**

**CPAT Luncheon Seminars  
October 2008**

# Chronic Disease – Common and Costly



# 45%

**People in America  
having one or more  
chronic diseases:**

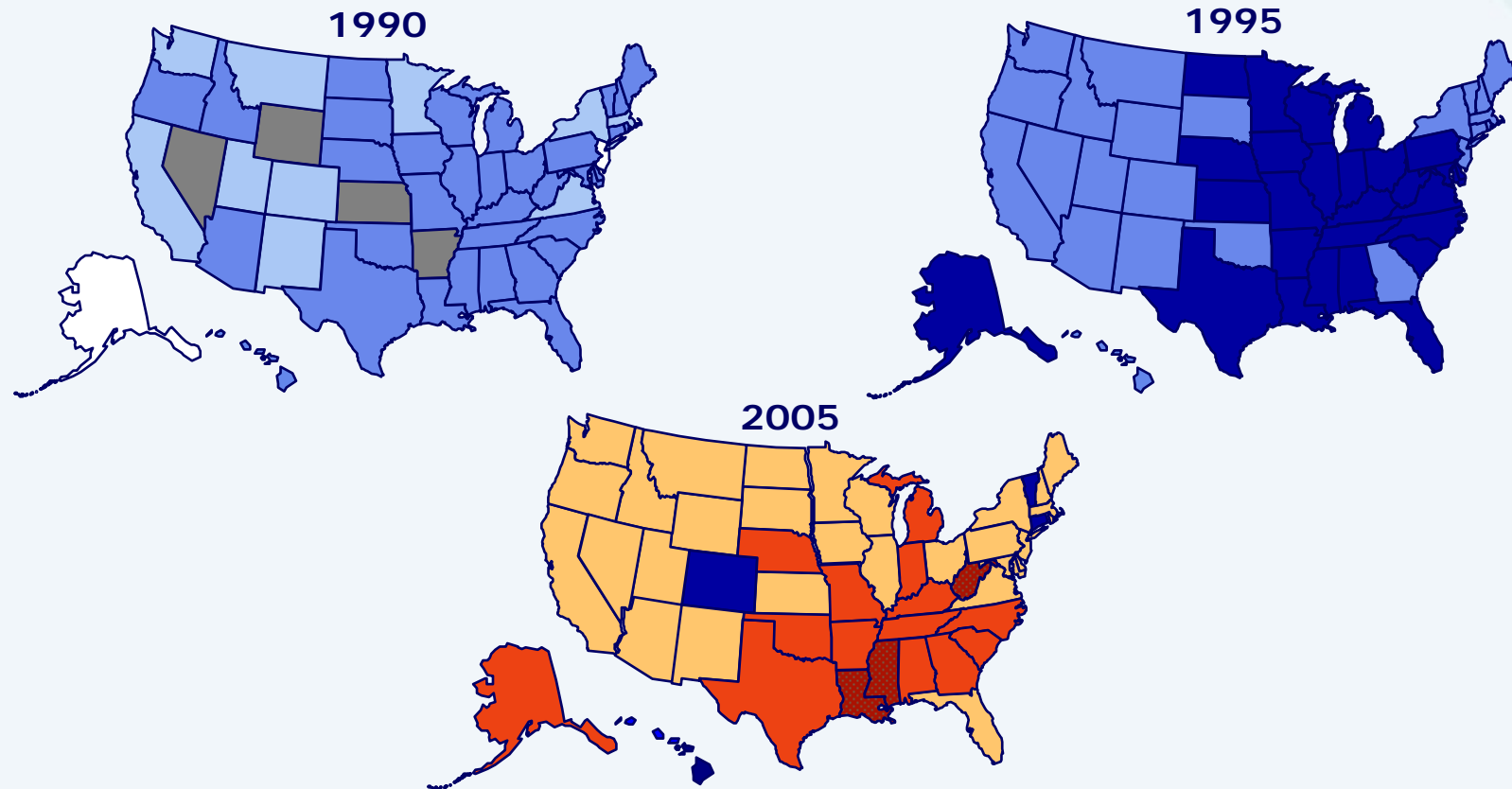
- 69% elderly
- 50% middle aged
- 25%+ young adult
- 45% of the uninsured

# 75%

**Percent of Health  
Care expenditure on  
chronic diseases:**

- \$5,300 per person  
spent on chronic  
disease
- \$1.6 trillion overall

# The problem is growing: Obesity in America



■ No Data ■ <10% ■ 10%–14% ■ 15%–19% ■ 20%–24% ■ 25%–29% ■ ≥30%

(\*BMI  $\geq 30$ , or about 30 lbs overweight for 5'4" person)

Source: CDC, "Overweight and Obesity: Obesity Trends: U.S. Obesity Trends 1985–2005" (2006)

# Traditional Payer Response to Rising Costs

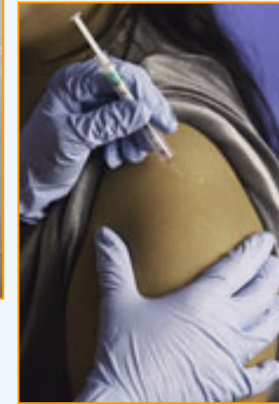
- **Aggressive cost-control strategies**
  - **Cutting pharmacy budget**
  - **Restricting health services (coverage, formularies)**
  - **Cost-shifting to employees (higher co-pays for physician visits and medicines)**

# The Triple Solution for a Healthier America

Invest in Health – Save on Health Care



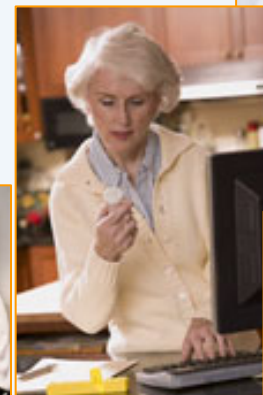
## Prevention



## Intervention

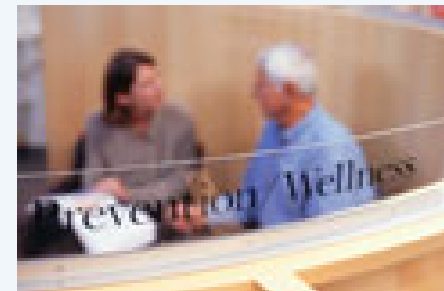


## Innovation



# An ounce of prevention . . .

- Vaccinating kids . . . has lowered death rates by more than 90% for many diseases.
- Screening for colorectal cancer . . . could cut the number of colon cancer deaths by almost a third.
- Having a mammogram every 1-2 years for women 40 and older . . . lowers the risk of death from breast cancer 16%.
- Being active . . . helps control weight and reduces the risk of heart attack, colon cancer, diabetes, and high blood pressure.
- If 1 in 10 American adults started a regular walking program, the nation would save \$5.6 billion in heart disease costs each year.
- Quitting smoking . . . cuts the excess risk of heart attack in half in a year.



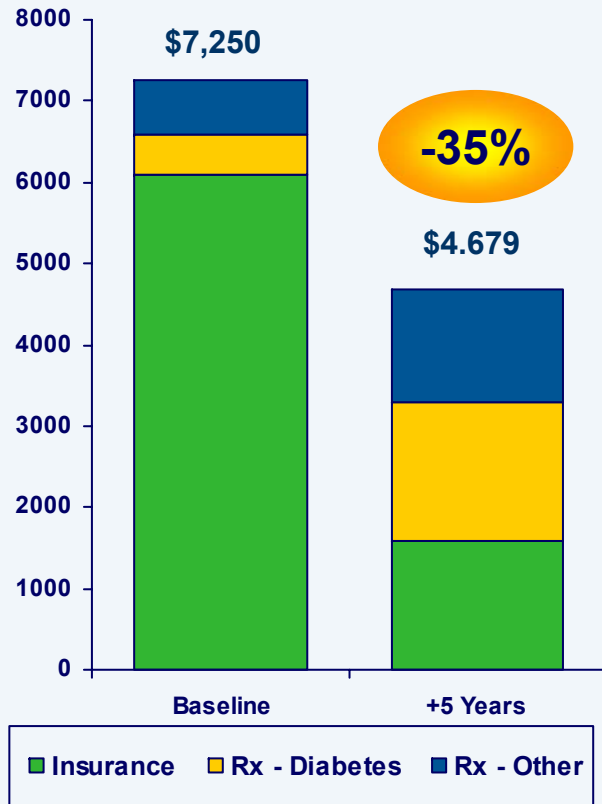
Sources: NY Times, Nov. 14, 2007; CDC, "The Power of Prevention: Reducing the Health and Economic Burden of Chronic Disease" (2003); Partnership for Prevention, "Preventive Care: A National Profile on Use, Disparities and Health Benefits" (2007), National Governors Association. Healthy Aging and States: Making Wellness the Rule, Not the Exception. Washington, DC: NGA, 2007.

# Cost Management - A Different Approach Works!

## The Value of Medicines and Coordinated Care

### The Asheville Project - Diabetes

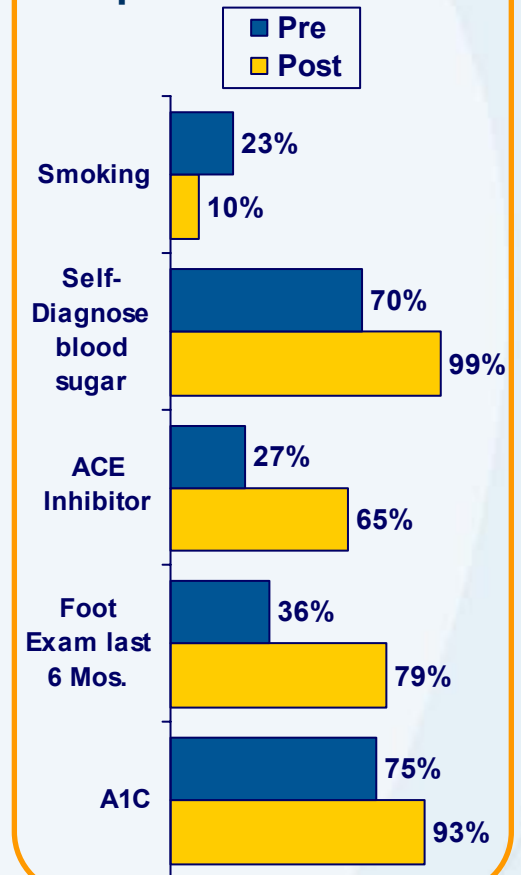
#### Reduced Healthcare Costs



#### Reduced Sick Days



#### Improved Behavior



# Diabetes 10 City Challenge



Interim Data Published March 12, 2008

# DTCC – University of Southern California

- USC is the largest private employer in the City of Los Angeles, with over 17,000 employees
- USC provides incentives to patient participants in the form of waived co-pays for diabetes-related medications and supplies
- Services are provided by USC clinical pharmacists:
  - Patient counseling and education
  - Self-management training
  - Medication therapy management
- Additional resources:
  - Diabetes nurses and Certified Diabetes Educators
  - Dietitians and lifestyle coaches
  - Local Endocrinologists
- Final Clinical and Economic Results Due Spring 2009
- USC Media Contact: National Media Contact:
  - Kukla Vera
  - [kvera@pharmacy.usc.edu](mailto:kvera@pharmacy.usc.edu)

# University of California San Francisco

- UCSF School of Pharmacy received a \$50,000 from NACDS
- Program is designed to demonstrate the clinical and cost-effectiveness of community pharmacist interventions in patient care
  - Diabetes
  - Lipid management
- Participating insurers:
  - California Public Employee's Retirement System
  - Blue Shield of California
- Participating employer: Raley's Groceries and Pharmacies

# Educating Employers

...Innovative approaches in benefit design can improve the health of employees and reduce costs!



[www.centerVBHM.com](http://www.centerVBHM.com) - A central resource for information and brings the best practices to life

The screenshot shows the CenterVBHM.com website with a navigation bar at the top. The main content area features a large article titled "LAWS OF HEALTHONOMICS: 4TH LAW Investing to keep employees working and healthy beats paying for them when they are out sick." Below this, there are three columns of smaller articles: "Barriers to Value", "Defining Value", and "Measuring Value". On the right side, there is a sidebar with "Case Studies" and "Investing in Value". At the bottom, there are logos for "The Asheville Project" and "PitneyBowes".

**3RD LAW OF HEALTHONOMICS:**

Soaring healthcare costs are only the symptoms. You've got to start treating the disease.

More employers are rethinking their responses to escalating healthcare costs. Why? They recognize chronic diseases are the root problem. Example: An employee managing his diabetes might cost \$5,000 per year.<sup>1</sup> An employee not managing his diabetes could cost up to \$45,000.<sup>1</sup> The win-win here is that by providing employee incentives to lead healthier lives and helping them manage their chronic diseases, you reduce your healthcare costs. And you'll have healthier employees. Sure beats the alternative.

Learn about lowering costs now at [www.CenterVBHM.com](http://www.CenterVBHM.com)

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The New York Times