The Evolving Value-Based Healthcare Landscape: Opportunities for the National Diabetes Prevention Program

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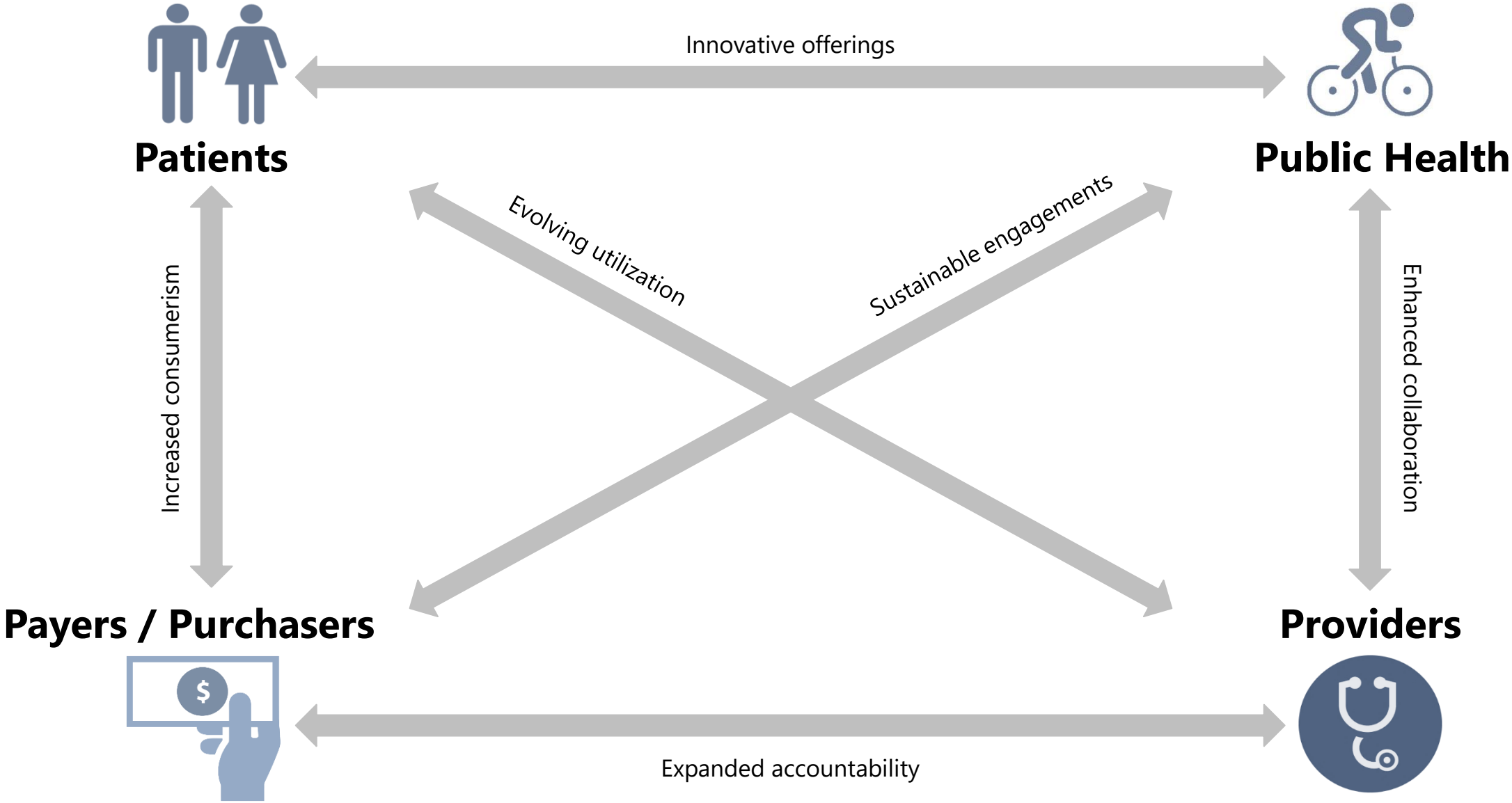
Objectives

1. Educate about the evolving relationships and innovation facing the value-based health care economy.

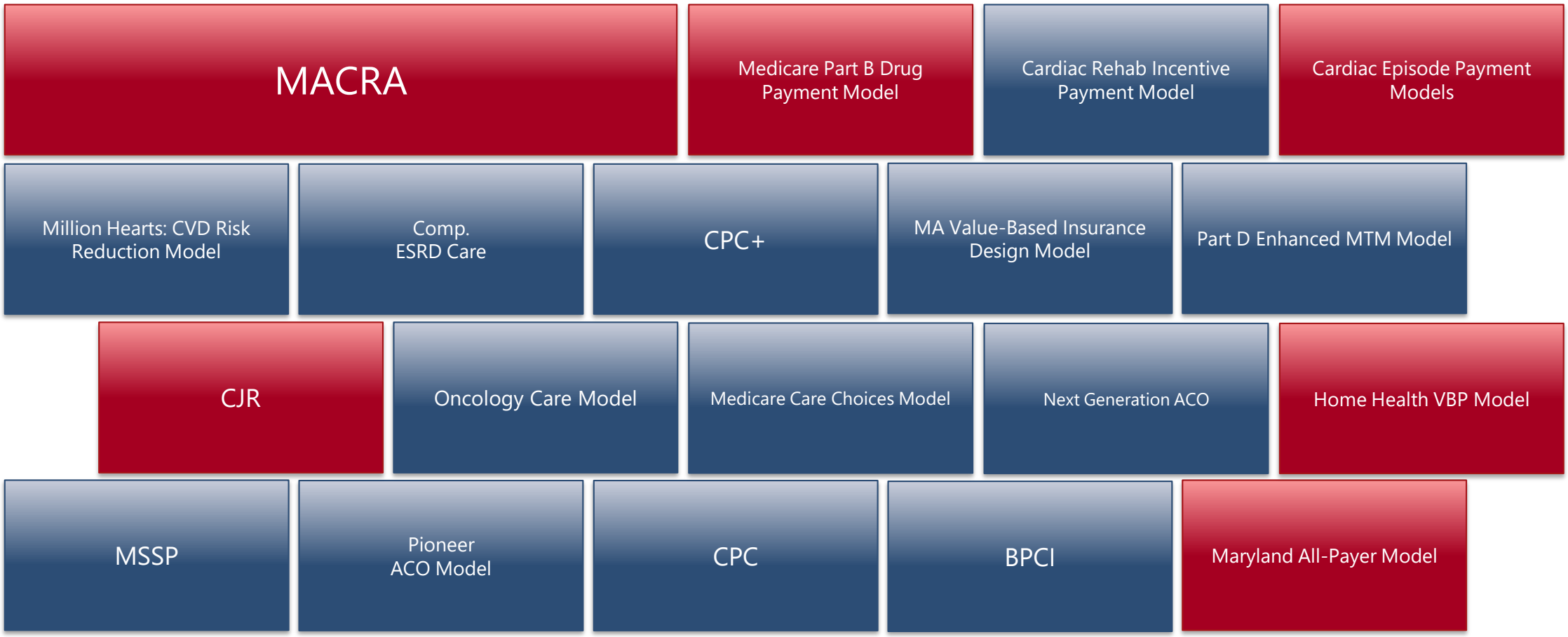
2. Provide insight on how payer and purchaser organizations can play critical roles in the National DPP moving forward, particularly financial coverage.

3. Outline headwinds and tailwinds to the growth of the National DPP, including three use cases.

Evolving Relationships



Policy Drivers

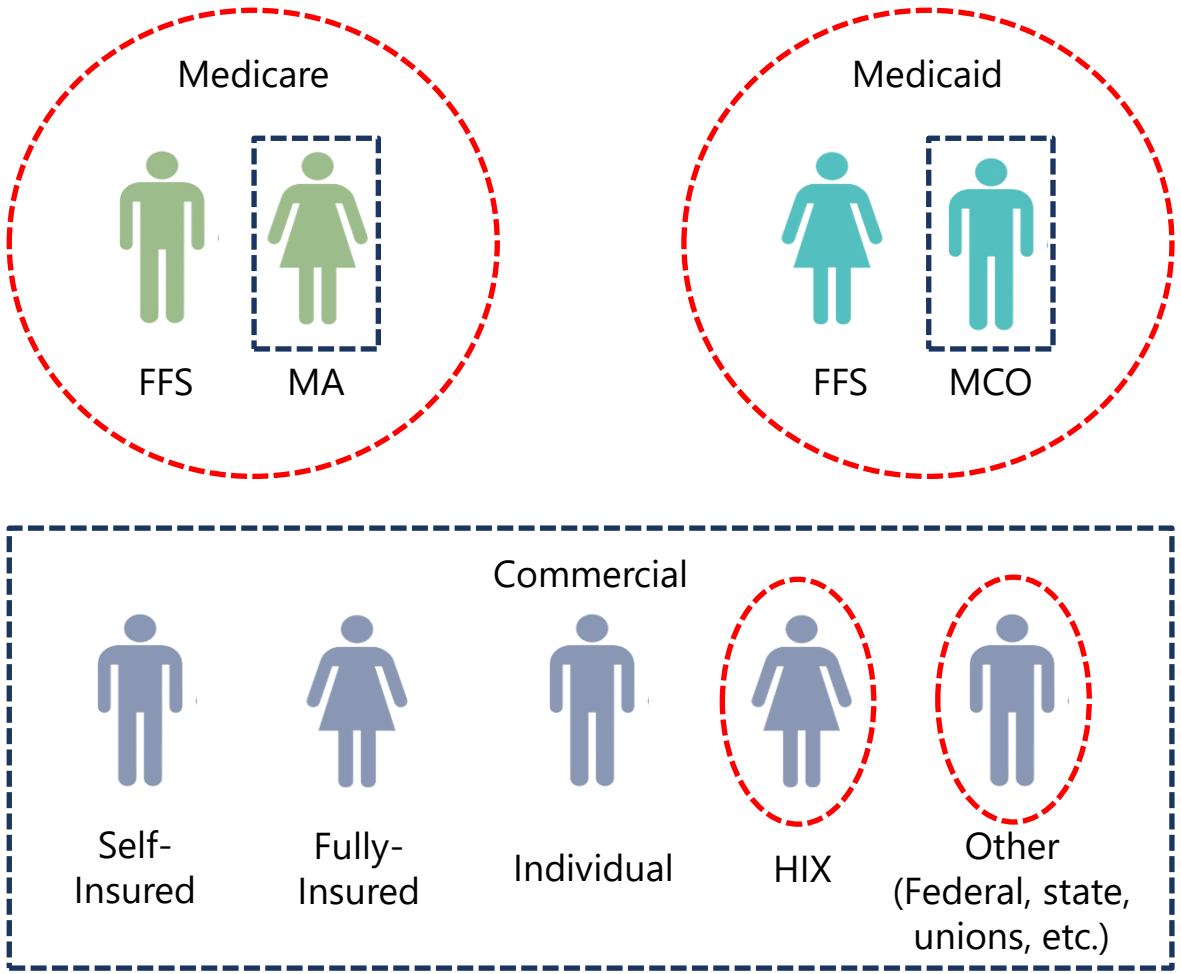


Idaho Value-Based Innovation

- Health Care Innovation Awards
- Acute Myocardial Infarction (AMI) Model
- BPCI Models 2 & 3
- Cardiac Rehabilitation (CR) Incentive Payment Model
- Coronary Artery Bypass Graft (CABG) Model
- FQHC Advanced Primary Care Practice
- Medicare Care Choices Model
- Million Hearts: Cardiovascular Disease Risk Reduction Model
- Next Generation ACO Model

Source: CMS Innovation Center, 2016

Types of Insurance



Medicare

FFS: Hospital and Medical coverage administered directly through the federal government

MA: Medicare Advantage plans sold by private insurance companies that provide Medicare benefits

Medicaid

FFS: Insurance coverage administered jointly through federal and state governments to low-income individuals/families

MCO: Managed Care Organizations provide delivery of Medicaid health benefits via contracts with a state Medicaid agency

Commercial

Self-Insured: Employers accept financial risk and administers its own health insurance plan (82% of employers with 500+ employees self-insure*)

Fully-Insured: Employers pay an insurance company who assumes financial risk for their employees

Individual: Consumers purchase individual/family plans from private insurance companies and pay full premiums out of pocket

HIX: Consumers purchase individual/family plans from the state- or federally-based insurance exchange; federal subsidies are available based on income to reduce monthly premiums

Other: Group coverage obtained through an option not associated with an employer, HIX, or individual plan; i.e., federal, state, or union plans, etc.

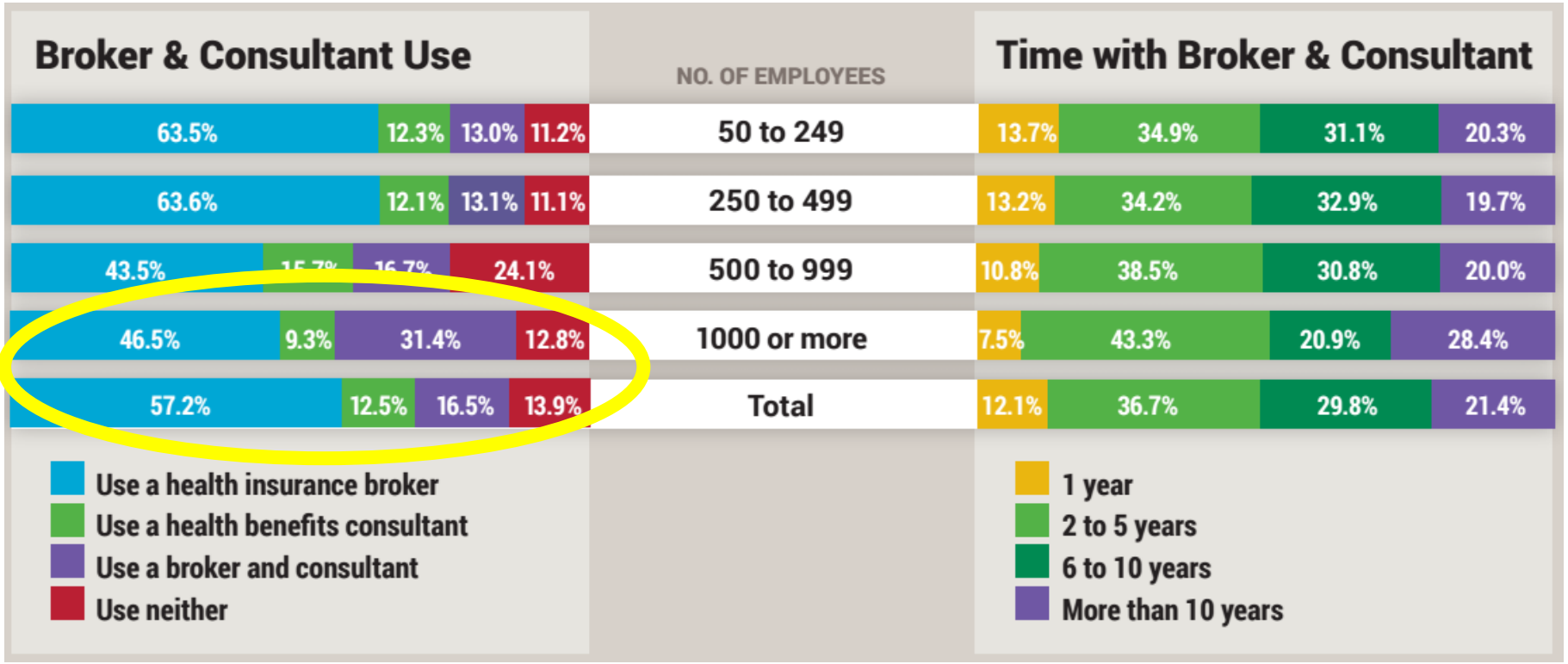
*Source: Department of Health and Human Services, 2015

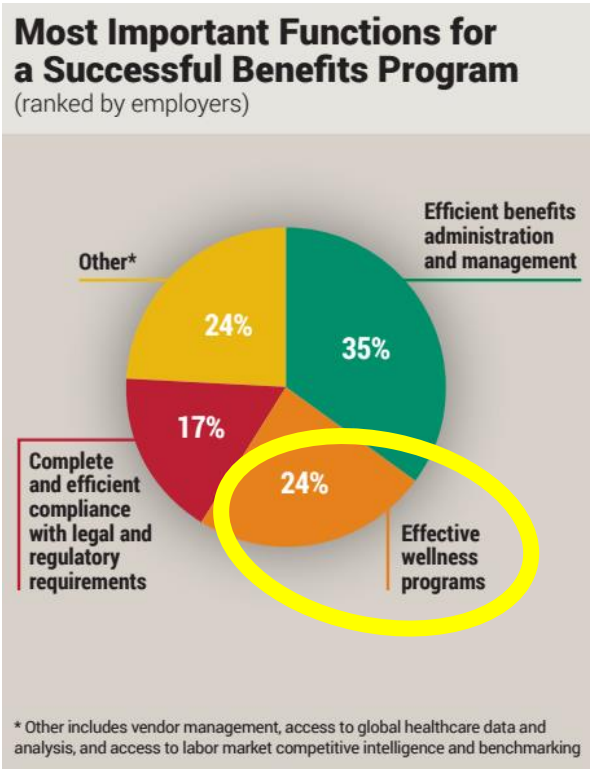
Brokers / Benefits Consultants

An individual or firm that advises an employer or plan sponsor in matters relating to group insurance or employee benefits.

Benefit Consultants advise employers on an array of employee benefits – insurances, investing, legal, health/wellness, etc.

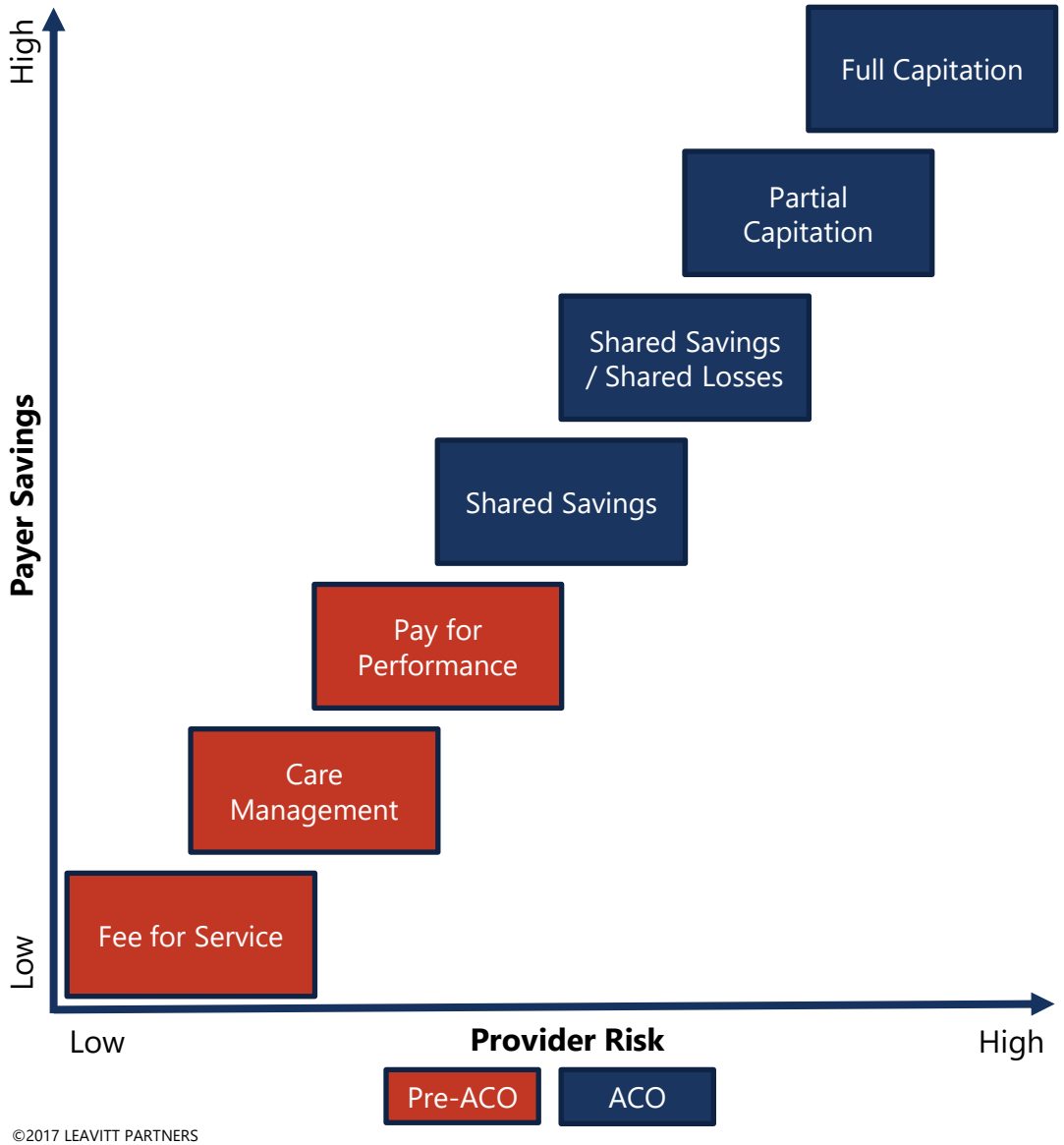
Brokers match employers' needs (i.e., health insurance) to the right seller (i.e., payer) at the optimal price. Remember, self-insured employers bear financial risk for employee health, but still contract with a third-party payer for administrative capabilities. Fully-insured employers shift the financial risk and administration to a payer.





Source: Leavitt Partners' analysis for The Council of Insurance Agents & Brokers

The Accountable Care Movement



Pre-ACO

FFS: A "traditional" payment system in which provider organizations receive separate payments for each individual service provided to patients

Care Management: A payment to provider organizations for certain non-face-to-face care coordination services furnished to patients with multiple chronic conditions

Pay for Performance: A payment approach in which provider organizations are rewarded or penalized based on adherence to predetermined quality metrics, such as meaningful use, patient quality, or value-based purchasing

ACO

Shared Savings: A payment approach whereby a provider organization shares in the savings (but not in the losses) that accrue to a payer when actual spending for a defined population is less than a target amount

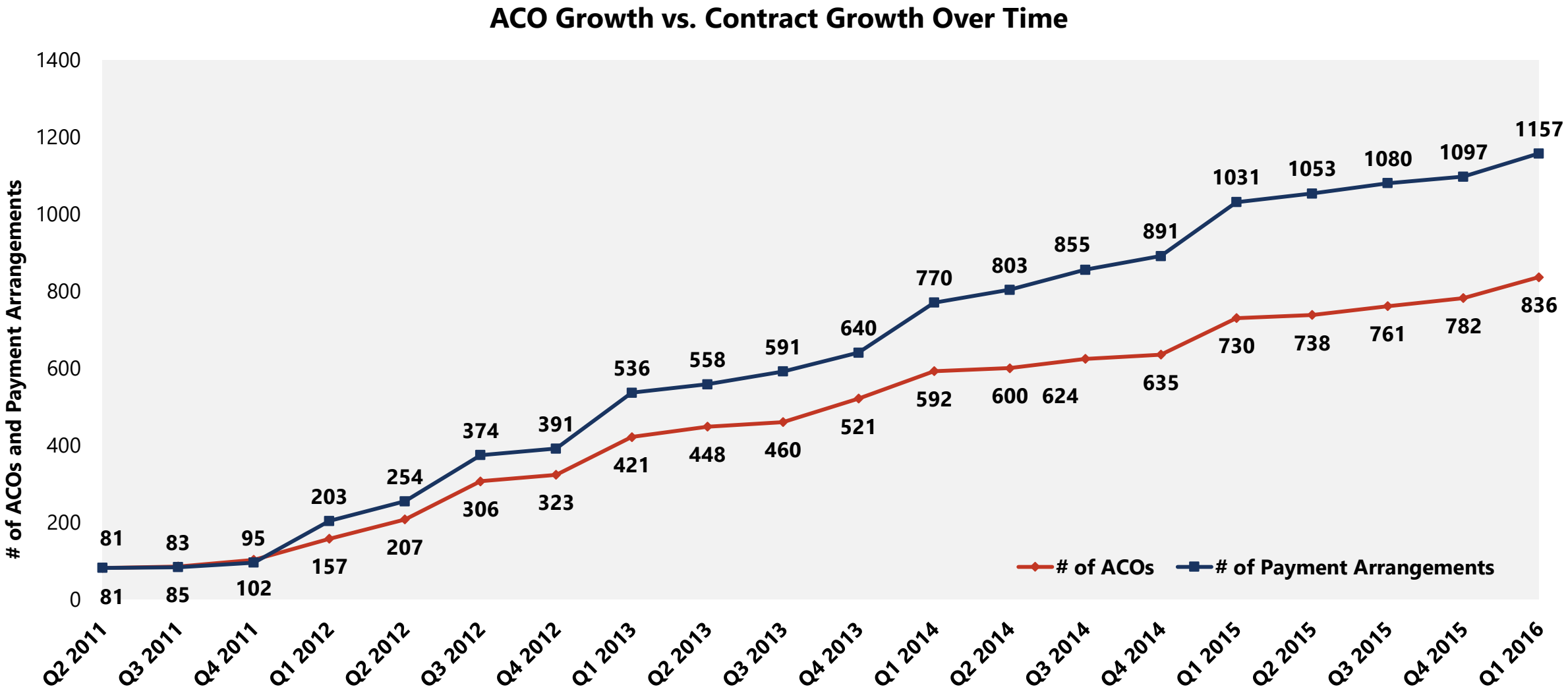
Shared Savings / Shared Losses: A payment approach whereby a provider organization shares in the savings and losses that accrue to a payer when actual spending for a defined population is less or more than a target amount

Partial Capitation: A payment approach in which only certain types or categories of services are paid on a capitated basis; typical examples of this include capitation for primary care services, specialty care or other services such as mental health

Full Capitation: A single payment made to a provider organization to cover the cost of a predefined set of services delivered to a patient

ACO Growth

Total ACOs: 836
Total Contracts: 1,157



Source: Leavitt Partners Center for Accountable Care Intelligence

Tailwinds and Headwinds

- Participants in CDC-recognized diabetes prevention programs can reduce their risk of type-2 diabetes by half through multiple platforms.
- Evidence is clear the National DPP is cost-saving.
- Transition to value-based care is here to stay.
- Medicare final rule to cover all Medicare Part B beneficiaries beginning January 1, 2018.
- Minnesota and Montana cover the National DPP for their Medicaid FFS beneficiaries; Oregon and Maryland are currently engaged in pilot programs to cover the National DPP for Medicaid beneficiaries.
- Idaho Preventive Health Assistance (PHA) Program.

- Payers/purchasers are not equipped to "pay for prevention" easily (i.e., coding and billing). Propensity is there, capacity is not.
- Behavior change is an investment with a long-term return. Enrollment is a consistent challenge.
- Today's unpredictable political environment puts pressure on policy drivers.
- Geographic alignment of bricks and mortar recognized National DPP programs and payers/purchasers can be concerning.
- At-risk populations require more attention and face greater challenges.

Use Cases

	Successes	Challenges
Costco: 35,000 Employees	• **50-60% of employees participated in an incentive challenge established to identify potentially eligible participants.** • Program success measured through employee engagement, completion rates, and weight loss. Goal is for employees to find the program valuable.	• One challenge was that **employees with diabetes were disappointed to learn that they were not eligible for the program.** • This is being addressed by making employees with diabetes aware of the most appropriate programs and services available to them.
University of Michigan: 40,000 Employees	• **240 UM employees with prediabetes enrolled** in the first phase of strategic recruitment. • To assess success, UM will extensively evaluate the results of its 3-year pilot to arrive at a data driven conclusion regarding what is and what is not effective.	• Having four vendors that offered the program with slightly diverting procedures presented challenges. • UM also identified a **need for additional data on the cost effectiveness** of CDC-recognized diabetes prevention programs.
New York City: 340,000 Employees	• As of June 2016, six NYC agencies offered classes at the worksite with about **250 total participants.** • The New York State Health Foundation's (NYSHF) "Scaling Up of the National DPP among the New York City Workforce" grant has enabled the hiring of a full-time lifestyle coach.	• The **startup time for the National DPP was longer than anticipated** (up to 1 year). • Logistical challenges associated with offering classes in the workplace included limited privacy for meetings, difficulties with scheduling, and sharing of class equipment when multiple classes meet at the same time.

National DPP Coverage Toolkit

About National DPP

Resources and information on the National DPP

Learn More

Medicaid Agencies

Resources and information for state Medicaid agencies

Learn More

Medicaid MCOs

Resources and information for Medicaid MCOs

Learn More

Medicare Advantage

Resources and information for Medicare Advantage Plans

Learn More

Commercial Plans

Resources and information for commercial health plans

Learn More

Becoming a CDC Recognized Organization

Clinical Studies

Economic Impact

Market Players

Takeaways

1. The evolving relationships and innovation in the health care economy are driving value and chronic disease prevention.

2. Paying for prevention is becoming financially incentivizing.

3. Payer and purchaser organizations play critical roles in the National DPP moving forward – particularly at a local level.

4. Tools are available to help – use them!

Thank You!
Questions?