

Aligned Incentives at the Community Level

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March 30, 2009



Michigan's Economic Crisis

- Unprecedented economic crisis is forcing Michigan employers to take dramatic action to address health care costs
 - Historically rich benefits driven by labor agreements are quickly eroding
 - Many employers are focused on taking significant health care costs out of the system today
- Michigan's unemployment rate continues to be highest in the nation at 11.6% compared to the national average of 8.1%
- Michigan lost over 76,000 jobs in 2008



Pathways to Health Collaborative



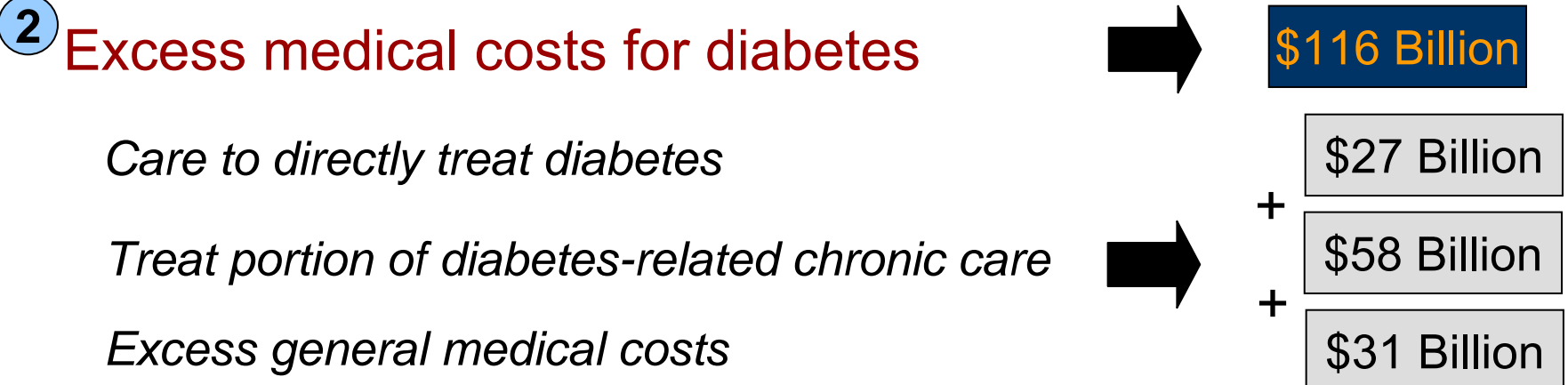
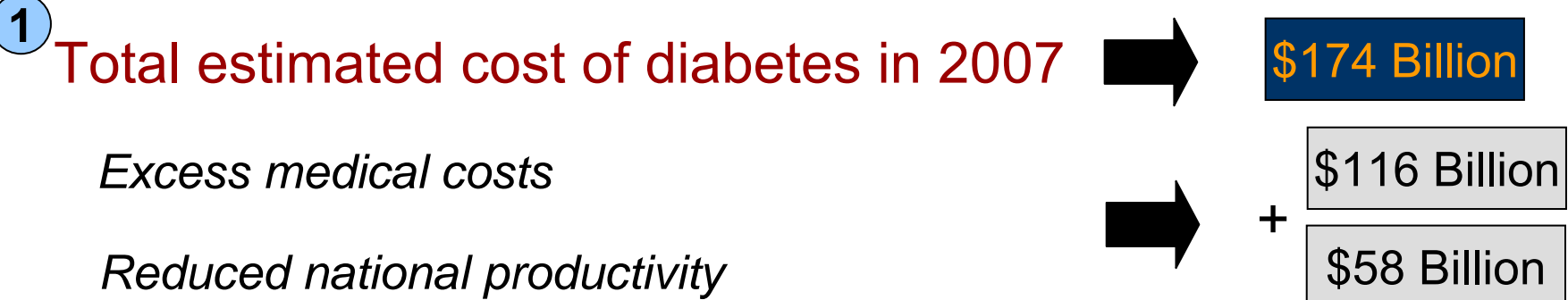
- **Through the Calhoun County “Pathways to Health” initiative, the community of Battle Creek, MI has been working to improve clinical outcomes and the health of the community**
- **Collaborative partners include consumers, physicians, employers, government, pharma companies and health plans**
- **BCBSM joined the Pathways to Health collaborative in 2008**
 - **Financial support is provided to fund the initiative**
 - **BCBSM is the largest contributor of medical claims cost data to the Center for Health Value Innovation (CHVI) for design modeling and outcomes analysis**

Pathways to Health Collaborative



- **Integrated Health Partners (IHP) is the largest physician organization in Calhoun County and is a primary leader in Pathways to Health**
- **IHP is also a participant in BCBSM's Physicians Group Incentive Program (PGIP), focused on closing the gaps in care for those with chronic conditions**
- **BCBSM worked in partnership with Kellogg to create a Value Based Design (VBD) program focused on managing the Company's diabetic population**
- **BCBSM is currently consulting with other Calhoun County employers on the design of similar VBD programs**

The Cost of Diabetes



Kellogg VBD Objectives



- Effective January 1, 2009, a value based benefits design plan focused on Kellogg's diabetic population
- Remove financial barriers/cost-sharing, allowing members to access needed care
- Improve enrollment and engagement in BlueHealthConnection (BHC) disease management among members
- Increase use of high value services (e.g., diabetes prevention and treatment) among plan participants by eliminating cost-sharing for members who participate in wellness and care management activities
- Desired end state: Member has the ability to successfully self-manage their condition(s)

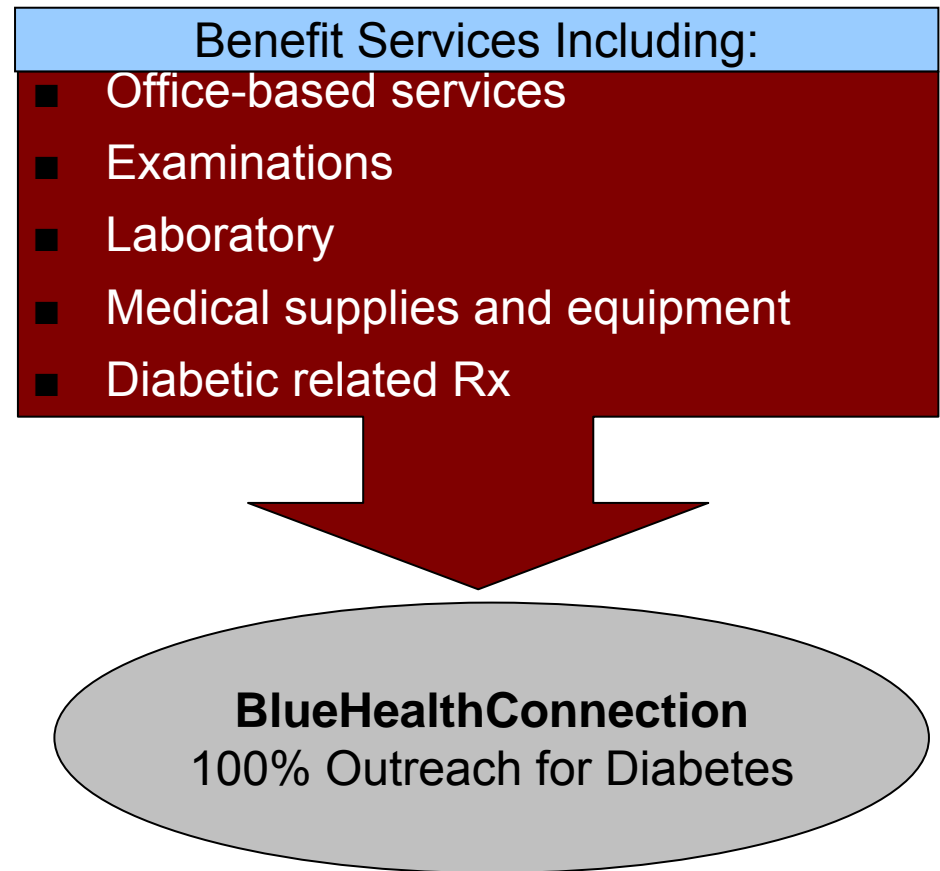
Benefit Design Approach

Value Based Design is a PPO product that consists of:

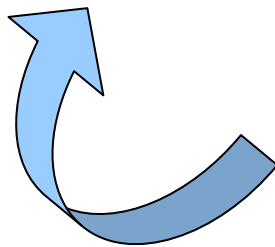
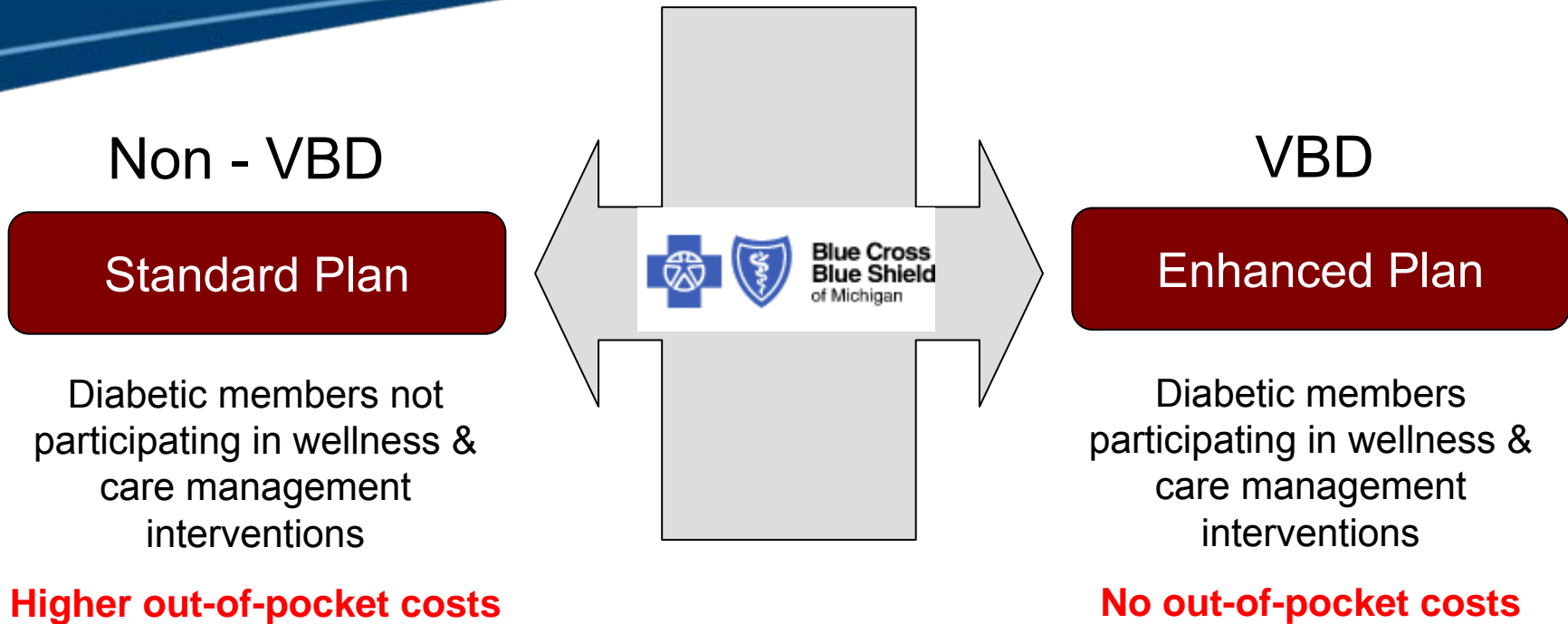
Benefit Design Components:

- Outpatient hospital
- Medical services
- Prescription drugs

Diabetic related diagnosis and procedure codes identified through claims

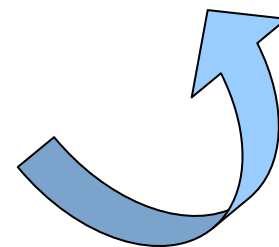


Participation-Based Design



Based on engagement in wellness and care management activities through:

1. Disease Management
2. Compliance Tracking



Disease Management

- **BCBSM will use its disease registry and pharmacy data as its primary means for collecting data for administration of disease management. The program will include:**
 - **100% outreach of diabetic members. These members will be identified through disease registry.**
 - **Communicated through Kellogg open enrollment material and meetings**
 - **Direct mail to targeted members to introduce the program**
 - **Diabetic members can also self-refer and call to enroll in program**
- **Weekly identification of compliant Kellogg participants will be moved to VBD plan using BlueHealthConnection (BHC) enrollment reports**



Member Compliance Approach

- Member must enroll (consists of call into Disease Management specialist) and complete one nurse call to qualify for VBD plan
- On an annual basis, the full compliance requirements are as follows:
 - Four calls by year-end (one to enroll, and three nurse calls), or
 - Completion of program clinical goal (successful self-management) as noted by the appropriate case closure codes
- BCBSM will provide compliance reporting to Kellogg on a quarterly basis



About the Speaker

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