HealthBlawg :: David Harlow's Health Care Law Blog

Interview of
Wayne Burton, MD, Member, Board of Strategic Advisors,
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and
Cyndy Nayer, Co-Founder and President
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Part II of II
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David Harlow: So, in addition to reaching employees and family members, of course, these employers are businesses, and even these state entities have an eye on the bottom line these days, and the question is, where is the return on investment? What you folks are describing is essentially a significant additional layer of administrative effort and clinical effort and the question must come up: what is the return on all of this investment? Have you quantified that for any of your members? Have members quantified that? What's the ballpark? What are we talking about?

Wayne Burton: Well, that's an excellent question and in fact I believe it's this month's Health Affairs that has a paper on return on investment, a review article on wellness programs that shows the return on investment, and there are many, many demonstrations of that. So the return is financial in terms of lower healthcare cost trends, but as important, and perhaps more importantly, are what's termed the indirect cost for employers - that means fewer missed sick days, fewer disability days and increased on the job productivity.

Cyndy Nayer: We've seen and documented in our book quite a different range of dividends as we call them. It goes from places like one company that linked both the use of the provider network that was practicing to evidence based guidelines with a copay reduction to the employees and covered lives, and they've documented $16 million worth of savings over five years. We have another company who documented a flat medical trend so it was 4.9% medical trend year over year for five years straight, when other were paying anywhere from 9 to 13 and above percent increases year over year. We have seen folks who've quantified cost avoidance, lower emergency room use, lower absenteeism, lower workers comp days and even lower safety risk. And then we've had companies who've identified serious illness at an early stage when it was manageable, and they felt at the end of the day that saving a person's life may have been the best dividend of all. So it's a full range, we have a lot of evidence and many of Wayne's articles uploaded on to our website, more going on it every day, we upload about once a week to get new evidence up - but the sharing of this information and understanding that every employer will also measure their impact in a different way and one that's valuable and meaningful to their employment - that's why we have so many levers and so many case studies, so that people can see and where do they want to start, how we work, et cetera.

David Harlow: So I see historically these sorts of efforts as residing with large employers and today as we sit and we observe the implosion of the federal healthcare reform efforts, I fully expect that there needs to be a shift back to the private sector, we can't hold our breath and wait for Washington to solve our problems. So my question along those lines are first, would you agree with that sense and second, how do you see these sorts of efforts percolating through to smaller employers?

Cyndy Nayer: Sure, so I want to take a moment to define some of the words that you use so that we're all talking about the same thing. When we talk about large and small employers it really is geographically different. And so some folks define over 10,000 as a large employer and I will tell you there are some folks that define over 100 employees as a large employer. What we're seeing is a huge movement across all of these sizes, and in fact the jumbos - over 10,000 - have been doing the value-based design for a while. We're seeing the fastest growing segments - which we normally don't think of as employers: the cities, counties and states - which is why we had also published on our website a free downloadable white paper of five entities, public entities that have done a value based design - all very different. Why is this the fastest growing sector? Because everybody, in this economic implosion, is facing some sort of economic impact and at the cities, counties and states they are funded by tax dollars, and when housing prices go down and sales go down and productivity goes down, the tax dollars that go into those entities also go down, and so they are looking rapidly for amazing relief, and they are working through value-based design to get it. The smallest companies that we're hearing about now are right around 200 employees and we actually had this discussion at our executive board meeting this week, about: is it sustainable? and will they see the same kinds of results? and it's about managing expectations - which is probably a really good segue back to Wayne who has some great information around this.

Wayne Burton: Thanks Cyndy. The value really comes down to the delivery of programs, value based programs and the delivery for different size employers is going to be somewhat different. For example, large employers very well could have an onsite nurse, nurse practitioner, doctor and other healthcare providers they can expedite things. Historically, it would be more difficult for smaller employers - and as Cyndy said however you define that - but let's say employers that don't have the ability to have onsite people, health educators, and so forth to deliver these kind of services. And all of the major plans now have programs that can be delivered - whether it be web based, coaching telephonically, web based coaching and so forth that can be done - so that I think all employers, regardless of size, have the potential of benefiting from value based designs.

David Harlow: And would you agree with my observation about the need for the private sector to take a greater role on this, or the state and local government agencies, because the federal government is not moving?

Wayne Burton: I would agree David and I think historically employers have taken the lead. Long before actually the data that we have now showing the benefit - they've done it because they felt it's the right thing to do and they've been right.

Cyndy Nayer: And it's also important David to remember that the private sector pays for better than 54% of the healthcare dollars that are spent in this country. It's bigger than Medicare, it's

bigger than Medicaid. So to Wayne's point, there have been innovations that have been going on for a lot of years - and Wayne was at the forefront of many of them - and what he has learned, what he shared, what other icons in this space have shared, have created a roadway where smaller employers, emerging employers, public entities, cities, counties and states can feel comfortable relying on their depth and breadth of information and they can move in this space without waiting for comparative effectiveness as an example. They know that there are things they can do now to help teach their employees and their families to do better with their health. Frankly, it's not that we don't have enough resources in this country, it's really more about that we're not using them effectively.

David Harlow: What do you think it would take to use them more effectively, overall? How do we leverage the resources that we have? Is it a question of simply managing what we have, are there IT solutions that are going to help in this regard? Where are the key areas that can help?

Cyndy Nayer: Well, IT will help, but IT only helps if the message that comes out of the technology is something that's meaningful to the end user, and actionable. So just providing information does not work and the reason I can say that is: I doubt that there is anyone in this country that doesn't know that smoking is bad for them, and yet people still smoke. So it's not just information; it has to be meaningful and actionable. But more importantly is teaching people. We have a culture in this country that says, we want it all fixed right now. Some things are not fixable right now. Some things require time, and we understand that when we plant a garden it's going to take a while to grow. We understand that sometimes we have to wait for a part, we don't understand any of that in non-emergency based healthcare and we need to learn more about prevention and wellness and do prevention and wellness instead of thinking that we can fix it when a problem happens. There are lots of things we can do long before the problem happens. And then how much intervention is required, and what are the outcomes that I as a patient want rather than the system wants. Wayne?

Wayne Burton: I agree with Cyndy and I think there is another part of health IT that has lots of potential and that's the electronic health record. We know that physician's offices have good systems for making appointments and billing, but in terms of the medical record, in large part in United States today, it's a paper based system and it is relatively difficult to have those lab results and those X-rays and other reports transmitted to other physicians, it's a paper based kind of system. And we are well aware of concerns about confidentiality but those can be addressed. Clearly, the US government and part of the health reform is to put more money into health information technology for physician's offices and others. And I think that could be exceedingly helpful in improving the quality of care and the value of the care that we get as well as potentially patient cost.

David Harlow: Do you see some evidence for that in the past? Also, I have to say that at this stage in the game some of the criteria are still so undefined that it's difficult for providers to take the sleep of faith and make the big investment. But I guess the question is, is it your experience that these sort of health record systems or data systems do have that direct impact on outcome?

Wayne Burton: Yes, David at corporations in their occupational medicine departments for many years, for probably 30 years they've had computerized record systems and what that has allowed

them to do is to very efficiently have reminders to call back employees that may have high blood pressure, high cholesterol or need some follow up exam, rather than having some kind of a manual system or relying on the employee to remember to come in. Very similar to dentists - I think dentists have done a great job over the years of getting out a reminder every 6 months he is trying to come in for teeth cleaning and so forth. We have to take that kind of experience and get it into the healthcare system and to a large part it's really not being done today, that's what I mean and it will result in better outcomes. You're right, it is challenging for physicians and physician's offices to do it, it's very expensive to put in technology of that kind, it's a learning curve and like anything else hopefully if technology evolves it will be less expensive and a lot simpler to use.

David Harlow: I'm interested in exploring with you just briefly how you see the work of your organization as being similar to or different from other organizations like the Leapfrog Group or Bridges To Excellence - other organizations in this space.

Cyndy Nayer: So Leapfrog and Bridges To Excellence are doing remarkable work on the delivery side on helping us drive quality and outcomes from hospital systems or with hospital systems with provider organizations and the care continuum - people that work beyond just the provider organizations. But there hasn't been a space - the way we define ourselves is a safe haven and a concept studio. It's a place where innovation can be thought about without people saying: have you lost your ever-loving mind. It's a place where people share ideas and think about what would happen if … before they go over the cliff. As a matter of fact, early in our development - we only had about sixteen members at that time - one would email me and say hey, could we ping the other members and see if they've done anything like what I'm about to do so I can find out what kind of response rate they got and what I need to do better if I do this? - that's the kind of place that the Center has become. Wouldn't you agree, Wayne? It really is a place we can all have the discussion and think about what if --.

Wayne Burton: Absolutely, and as Cyndy said earlier, the people around the table come from all sorts of points of view – it's not just employers, it's not just academics, it's not providers. You have lots of different points of view and very, very rich discussions.

David Harlow: So I would like to ask both of you if you could identify two or three recent successes engendered by the by the Center and maybe two or three challenges or successes that you see when looking around the corner, trying to predict the future?

Cyndy Nayer: Sure. I think one of our biggest successes in the past year was launching the first book that showed the road map, the levers, and the case studies that used those levers and road map, so people now had a teaching tool, they could literally open up a very easy read and find out the information that they needed and be able to show it to their CFO and say look here are other people that have done this, this is why I want to try. So I would say that's one of the big efforts. The second is to, quite frankly, define this space - to talk about the levers and to change the conversation, when we talk about the levers, that we're leveraging health, not healthcare, because once we change the word, we change the kinds of solutions that we might look at. And so we've really gotten people to talk about leveraging health and what does health mean to their organization and their community, what does it mean to a person and to a family, what's it mean

to the provider networks and the health systems? I think the third thing that I would say as a success is the validation of the work that we've done and that we've done previous to the launch of this Center in surveying the marketplace and understanding what kinds of levers were sustainable - and we're just going to put that brand new survey - we actually commissioned Buck Consultants, which is a national health consulting firm, to work on taking our initial analysis and our initial survey and deploying it in the marketplace with companies that had a value based design in place for more than two years, and the results were stellar, the results were these. One, everybody starts with prevention and wellness as I told you earlier. Two, nobody succeeds without focused employee engagement and focused provider community engagement which links us then to patient centered coordinated care or patient centered medical home. And three, that a value based design is sustainable even in an economic downturn. What are the threats to what we're doing? It's been weary these last two years in terms of the economic downturn. So keeping people buoyed up so that they continue to move forward in what they've already begun and the successes they've achieved. I'm sorry, Wayne, were you going to jump in?

Wayne Burton: No, I was just - one thing that I'm excited about and the reason that I'm anxious to be part of this and glad to be part of the Center is the evaluation component, because there has been a great amount of research and great amount of work done, but with the diverse group around the table in the Center there are going to be tremendous opportunities to continue to demonstrate the value of this kind of design.

Cyndy Nayer: Which is why we're so glad that Wayne has come on board.

David Harlow: Well, anything else that either of you would like to add?

Cyndy Nayer: One of the other icons in the industry who is not on this call - and I know Wayne will be cheering with me as I say this: The Center has just created an award that's very important, and I'd really like for folks to know about it. It's a multi-stakeholder community-based award and it's named after one of the cofounders and another icon in this space, Dr. Jack Mahoney. I'd really like to make sure that folks know that they can apply and submit an application for the award. It's a pay it forward award, so it has some tricks and triggers in it. But we really feel that the icons that are around the table, and there are many - Wayne, Jack and others - have contributed so much to what we know about improving health in America that we wanted the space where others could learn by their side and this is an opportunity for them to do that, so I'd like for folks to know about that one.

David Harlow: Great, thank you very much. Well, Cyndy Nayer, President of the Center for Health Value Innovation and Dr. Wayne Burton, a member of the Board of Strategic Advisors of the Center, thank you very much for taking the time to speak with HealthBlawg.

Wayne Burton: Thank you, David.

Cyndy Nayer: Thank you, David.