

# Population Health Industry Bulletin

News of the week in disease management, wellness and productivity management

## *In this Issue:*

In the declining economic environment, employers are seeking to make every dollar spent on health care count, and that is putting **health plans and population health management vendors under increasing pressure to prove return-on-investment** for all of their programs and services. Employers also are pursuing integration of services, and are reconsidering per-member, per-month pricing structures, industry officials say.

*(see story, p. 1)*

**Aetna Inc. and SCAN Health Plan** both will conduct pilots of **Intel Corporation's** new in-home patient touch screen device in an effort to determine how the device might fit into their overall disease management strategies. Both health plans will test the Intel Health Guide device in small groups of heart failure patients who already receive chronic care management from their physicians or from care managers.

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**McKesson** flu program improves ROI; **DMAA** publishes new outcomes guidelines report; **Health-Fitness** launches small employer program; **Cleveland Clinic** pilots **Microsoft** HealthVault; **MedCost** adds **HealthMedia** behavioral programs.

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## Employers still buying all services, but want integration, proven ROI

In what many economists are terming the worst economic downturn since the Great Depression, employers so far aren't dropping or even cutting back on population health management services, industry officials say. But vendors and plans are under significant pressure to prove results for all programs—both disease management and wellness/lifestyle programs—as employers seek to justify every last dollar spent on health care.

“In instances where customers are true believers, the worse the economy gets the more desperate they get and the more eager they are to get their health care costs under control,” says George Bennett, chairman of Boston-based Health Dialog. But there's a huge caveat: the vendor needs to be able to prove the programs work to reduce costs, Bennett says.

Proof of return-on-investment (ROI) has been one of the most vexing problems in the population health management industry, especially for the so-called “lifestyle management” programs such as weight management and smoking cessation. “Smoking cessation will be the first to go” in a poor

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## Aetna, SCAN to try new Intel home monitoring device in DM programs

Intel Corporation this month moved into the chronic care management space with a new medical device that allows clinicians to monitor patients in their homes, and two health plans say they will pilot the device—the Intel Health Guide—in an effort to determine how it might fit into their overall disease management (DM) strategies.

The Health Guide, which received market clearance from the U.S. Food and Drug Administration (FDA) in July, combines an in-home patient touch screen device—the Intel Health Guide PHS6000—with an online interface—the Intel Health Care Management Suite.

The result is a system that enables communication between patients and health care professionals and provides clinicians with access to current, actionable data, according to Intel.

The system includes vital sign collection, patient reminders, surveys, multimedia educational content, and feedback and communication tools, such as video conferencing and alerts, says Louis Burns, vice president and general manager of the Intel Digital Health Group.

“Intel has spent years researching the needs of both caregivers and patients,” and in some cases staff members actually lived with elderly patients

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in their homes to determine their needs, Burns says. “We are now moving to launch a series of products that will help extend care from the hospital to the home. Our products will help address the challenges of an aging population and rising rates of chronic disease.”

Intel is hoping for significant uptake of the Health Guide product as part of current DM programs and models of care, and has hired a team of clinical experts to provide a range of professional services to enable health care organizations to successfully integrate the system into their current DM programs.

**Aetna, SCAN both will conduct initial pilots**

Aetna Inc. and SCAN Health Plan will join several other organizations in launching the initial pilots of the Intel device, the two health plans say. They both anticipate testing the Health Guide with Medicare members who are diagnosed with chronic diseases and who already receive some form of care management.

Hartford, Conn.-based Aetna and Intel will work together to coordinate a study to determine whether regular home monitoring of weight and blood pressure through the Health Guide, supplemented with personal support from Aetna case managers, can increase member engagement in patients with heart failure, says Aetna spokesperson Wendy Morphew.

The study will include up to 200 members enrolled in Medicare plans with a diagnosis of heart failure who are also at high risk for hospital admission, Morphew says. Study participants will receive the Intel Health Guide to use in daily monitoring of weight and blood pressure, and also will receive instructional videos and personal support from Aetna case management, she says.

Results from the intervention group will be compared to a similar control group, members of which will receive

Aetna’s standard Medicare case management intervention, Morphew says.

“Researchers will be looking to see if members in the study group had greater rates of compliance in performing recommended regular monitoring of weight and blood pressure,” and also will look for lower hospitalization rates, Morphew says.

Still, she says, “Intel and Aetna need to see the preliminary results of the study before making a decision whether to continue and expand the study. Decisions about whether to incorporate the Intel Health Guide into Aetna’s existing disease management programs will likewise depend on study results.”

Meanwhile, SCAN Health Plan, a 105,000-member Medicare Advantage HMO based in southern California, is preparing to launch its own pilot of the device, says Alan Little, SCAN corporate development executive.

The pilot, which will involve 25 to 50 heart failure patients whose physicians practice as part of Health Care Partners, a primary care group in Torrance, Calif., will begin next month and likely only will run 60 to 90 days, Little says.

Following that pilot, which SCAN will use to determine how to scale the device to a bigger group, the health plan expects to expand to a much larger, statistically significant Phase II trial, Little says. For the initial trial, care management will be handled by nurse practitioners within the primary care practice, he says, although that may change for the Phase II trial.

“We know the technology works,” Little says. “We’re looking to see what are the barriers for operationalizing it—for getting the data into the hands of the clinicians.”

*For more information, contact Intel spokesperson Shannon Love, 602-284-7490; Aetna spokesperson Wendy Morphew, 212-987-3826; and SCAN spokesperson Michele Hokr, 818-314-4332.*

**Population Health Industry Bulletin** (ISSN: applied for) is published weekly (48 times a year) by Pelican Group Inc., P.O. Box 1230, Urbanna, VA 23175. **Telephone:** 804-815-9057. **Website:** [www.populationhealthindustrybulletin.com](http://www.populationhealthindustrybulletin.com)  
Postmaster: Send address changes to Pelican Group Inc., P.O. Box 1230, Urbanna, VA 23175.

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**Subscription rates:** One year (48 issues via email): \$475. **Back issues:** \$10 each.

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economy where employers have fewer dollars to spend on unproven wellness programs, Bennett says.

“The movement towards health and wellness is the right thing to do, but all of history says health and wellness comes under stress when a company is in desperate straits,” he says. In addition, many newer, smaller population health management vendors could feel significant stress, even if they have very competent health and wellness programs, Bennett says.

“We’re continuing to see RFPs,” says Christobel Selecky, president and CEO of LifeMasters Supported Self-Care, Inc. “But I think it is increasing the need for us to be more transparent around return-on-investment.”

Bennett says that Health Dialog’s top five clients are all making significant increases in the amount of resources that they’re devoting to the vendor’s services. “The reason is, it’s working,” he says. “If you actually have proof that if you expand on these kinds of support services, your yield is two to three times what you pay, that generates increases in revenue. Ultimately, all our major clients are increasing their per-member, per-month [spend]. They’re not looking for cheap alternatives.”

Last year, Health Dialog released results of a large randomized controlled trial designed to test whether its program of enhanced case management could save more money. The study showed cost savings of 5% in the intervention group—which received more contacts with case managers—when compared to a control group. That study has helped persuade clients to increase services, leading to an expected 20% increase in revenue for Health Dialog in 2009, from \$300 million to \$360 million, Bennett says.

Still, the poor economic situation also could lead to downward pressure on Health Dialog and population health management vendors simply because—as layoffs escalate—employers will have fewer workers and therefore will have fewer members in their sponsored health plans, Bennett says.

Some companies will fail altogether, depressing the market for health insurance and therefore for population health management services. Industries will consolidate, leading to uncertainty for health plans and for the vendors that serve them. And, some employers may manage to hang on with few or no layoffs, but may be forced due to cost issues to stop providing health coverage, Bennett says. “There will be winners and losers, although this is probably not related to the efficacy of the industry,” he says.

**Pricing structure reconsidered at LifeMasters**

LifeMasters also is seeing the same kinds of pressure from clients to prove ROI, Selecky says. Over the last

year, the company has devoted significant resources to proving results and ROI in its programs, which increasingly are aimed at the more seriously ill members of a population, she says. Now, she says, her sales team can present a real value proposition to clients.

“In the past, clients have given us a lot of slack—they give us a population and we decide what we do,” Selecky says. “But the more you operate in a black box, the more you risk being the trend-du-jour.” Without real, verifiable results, the disease management and population health management industry runs the risk of health plans and employers seeking another solution—for example, physician pay-for-performance, she says.

Possibly as a result of the poor economy, clients renewing with LifeMasters for 2009 have been asking the vendor to look at its pricing structure, Selecky says. “They’re moving toward paying different capitation amounts for different engagement levels,” she says. In addition, clients are trending towards wanting to give LifeMasters a set amount of time to find patients and engage them—if they aren’t engaged within that time, then they are carved out, Selecky says.

Integration of services also is on employers’ minds, notes Dr. Charles Smith, chief medical officer for CIGNA’s health solutions organization. “They’re looking for vendors or health plans that can do better integration,” Smith says, adding that CIGNA has not seen its employer clients seeking to cut back on services but it has seen RFPs coming in that ask for consolidation of services.

Some employers—mindful of increasing stress in the workplace and its effect on productivity, especially in this economic climate—want to integrate Employee Assistance Program (EAP) services with behavioral and medical coverage, including population health management programs, and also to bring those EAP services onsite, Smith says.

CIGNA’s EAP program is seeing call volumes increase as employees seek help with stress and finances, he says, and research has shown that employees with coronary artery disease who bring their high stress levels under control can save \$1,353 in annual medical claims.

Companies are seeking out online services for stress and stress management, Smith says, adding that “we’re seeing a great uptick for online programs generally.” Members who fill out CIGNA’s online health risk assessment can be referred immediately to online programs based on their responses, and 30% of those accept the invitation, Smith says.

*For more information, contact Health Dialog spokesperson Kiran Ganda, 617-406-5239; LifeMasters spokesperson Abbie Pauley, 412-481-3470, ext. 471; and CIGNA spokesperson Mark Slitt, 860-226-2092.*

## Notes and Quotes

### McKesson flu program improves ROI

Commercial health plan members participating in a McKesson Health Solutions program and encouraged to use a 24/7 nurse advice line or receive a flu shot had fewer inpatient bed days, lower numbers of emergency department visits and a substantial return-on-investment (ROI) compared to a control group, according to a study published this month. The nurse advice mailing group experienced a 7.65% lower rate of condition-related inpatient bed-days and a 6.75% lower rate of condition-related emergency department visits, according to the study, which calculated a 24-to-1 ROI.

*For more information, contact McKesson spokesperson Jordan Gruener, 303-664-6410.*

### DMAA publishes new outcomes guidelines report

DMAA: The Care Continuum Alliance has published the third volume of its Outcomes Guidelines report. Volume 3 adds "significant new content," according to DMAA.

*For more information, contact DMAA spokesperson Carl Graziano, 202-737-5781.*

### HealthFitness launches small employer program

Minneapolis-based HealthFitness, which provides integrated fitness management and health promotion solutions, has launched a turnkey program aimed at businesses up to 1,500 workers. The HealthFitness Partner Program, which is offered through third-party administrators, combines the ven-

dor's eHealth portal and its health coaching program.

*For more information, contact Karla Hunter for Health-Fitness, 703-319-0957.*

### Cleveland Clinic pilots Microsoft HealthVault

The Cleveland Clinic says it is collaborating with Microsoft Corp. to pilot patient-controlled data exchange between Web-based Microsoft HealthVault, a suite of widely-used digital medical devices, and Cleveland Clinic's electronic personal health record system. The pilot will focus on patients with diabetes, hypertension and heart failure. Cleveland Clinic says it will enroll about 400 patients and aims to demonstrate that the program will enable patients and physicians to better manage chronic diseases from home.

*For more information, contact Cleveland Clinic spokesperson Erinne Dyer, 216-444-8168.*

### MedCost adds HealthMedia behavioral programs

Ann Arbor, Mich.-based HealthMedia, Inc., says it has received a three-year contract renewal from MedCost Benefit Services, a third-party administrator in North and South Carolina. The new contract adds HealthMedia's behavioral health programs for insomnia, depression and binge eating to the health risk assessment and health management programs already in place.

*For more information, contact HealthMedia spokesperson Caren Kenney, 508-942-4407*

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