

MONTANA



Work Site Health Center Discussion

Agenda

- Issues facing the current sick care system
- Issues facing the State of Montana
- Strategies used by the State
 - Focus on the Montana Health Center
- Results so far
- Next Steps

State of the current system

- Costs are high and largely out of the control of the payer
- System rewards sick care and not health care
- The 80/20 rule

What the providers are saying:

A recent report by the Institutes of Medicine (IOM) stated that the cost growth of the health care system is unsustainable, and in addition the current system wastes an estimated **\$750 billion per year**. The IOM concluded that the leading contributors to these excess costs are:

1. unnecessary services,
2. inefficiently delivered services,
3. excess administrative costs,
4. prices that are too high,
5. missed prevention opportunities, and
6. fraud.

Recently the American Hospital Association described the current fee-for-service system as follows:

“The fee-for-service system of payment for health care services is widely thought to be one of the major culprits in driving up U.S. health care costs. This system not only encourages volume but rewards poor quality and provides little incentive for care coordination.”

Target Behaviors and Risks that Impact Health and Performance

Source: 2010 World Economic Forum



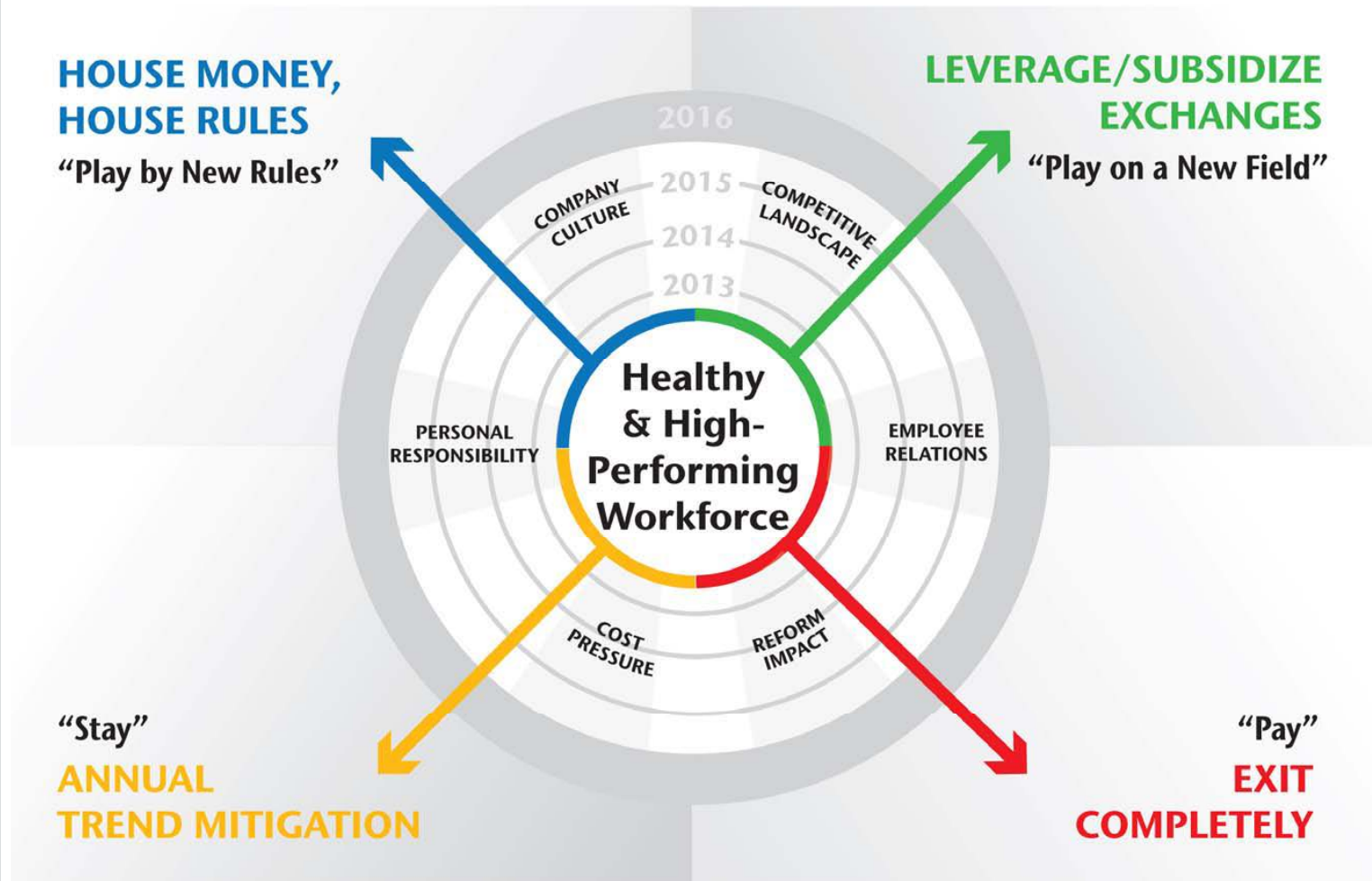
1. Diabetes
2. Coronary Artery Disease
3. Hypertension
4. Back Pain
5. Obesity
6. Cancer
7. Asthma
8. Arthritis

Drive 15 chronic conditions

9. Allergies
10. Sinusitis
11. Depression
12. Congestive Heart Failure
13. Lung Disease (COPD)
14. Kidney Disease
15. High Cholesterol

Accounting for **80%** of total costs for all chronic illnesses worldwide

What is an employer to do?

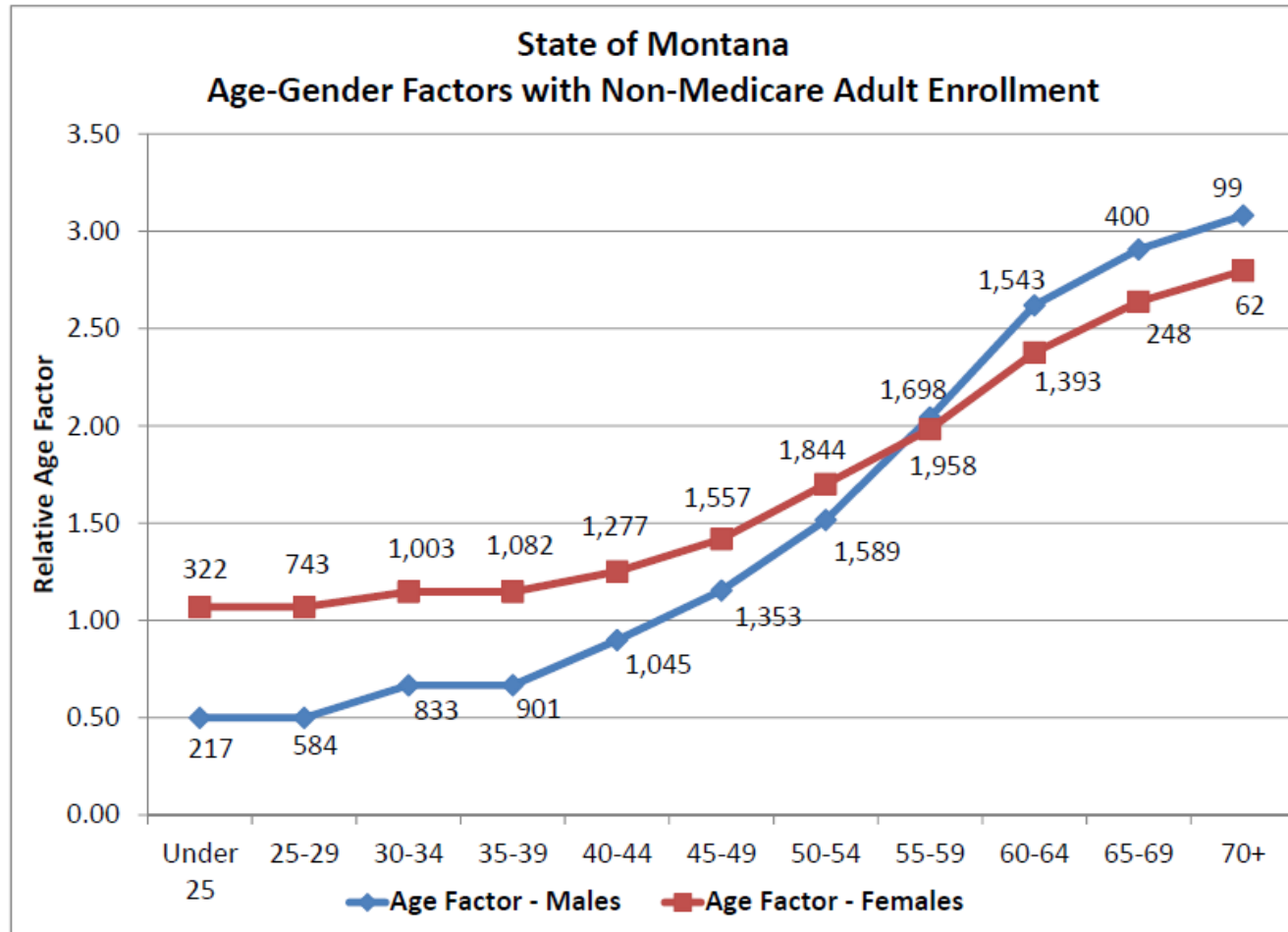


Prepared by AON Consulting

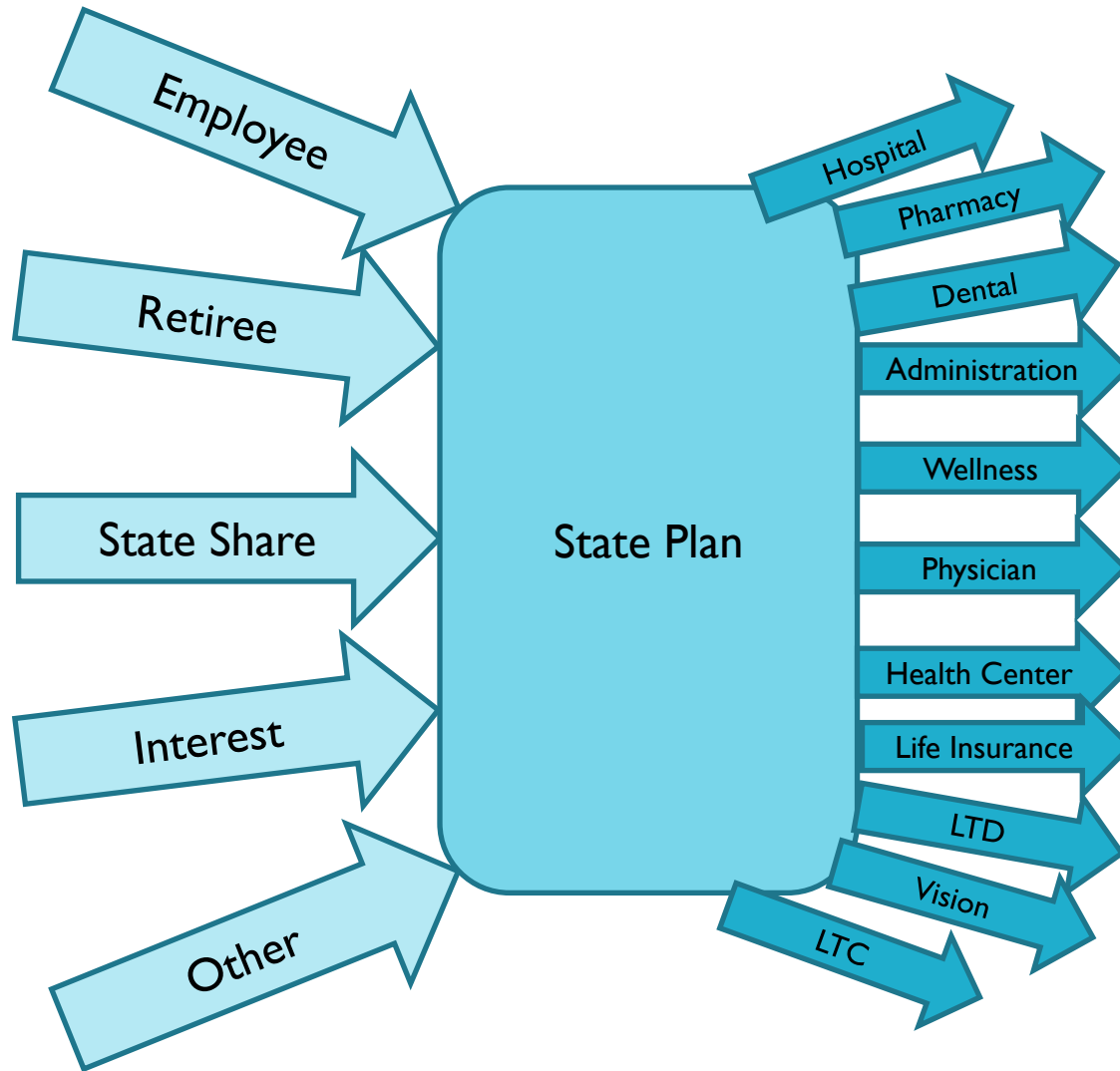
State of MT - background

- Aging workforce
- Longevity
- No claims
- Medical cost increases
- No new revenue
- Disease prevalence
 - Metabolic/diabetic
 - Substance Abuse and Mental Health
 - Cardiovascular
- Health screening
 - High blood pressure
 - High cholesterol
 - Obesity
 - Diabetic

Cost of an aging workforce



Funds flow



Long Term Cost Containment

Core Health Care
Plans

Employee Wellness
and Engagement

Comprehensive
Care Management

Best Purchasing
Practices

Vision for State of Montana Employee Health Plan

Strategies used


- URx
- New Third Party Administrator (TPA)
- New disease management and wellness
- Plan design adjustments
- Incentives
- Worksite health center

Why consider a worksite health center

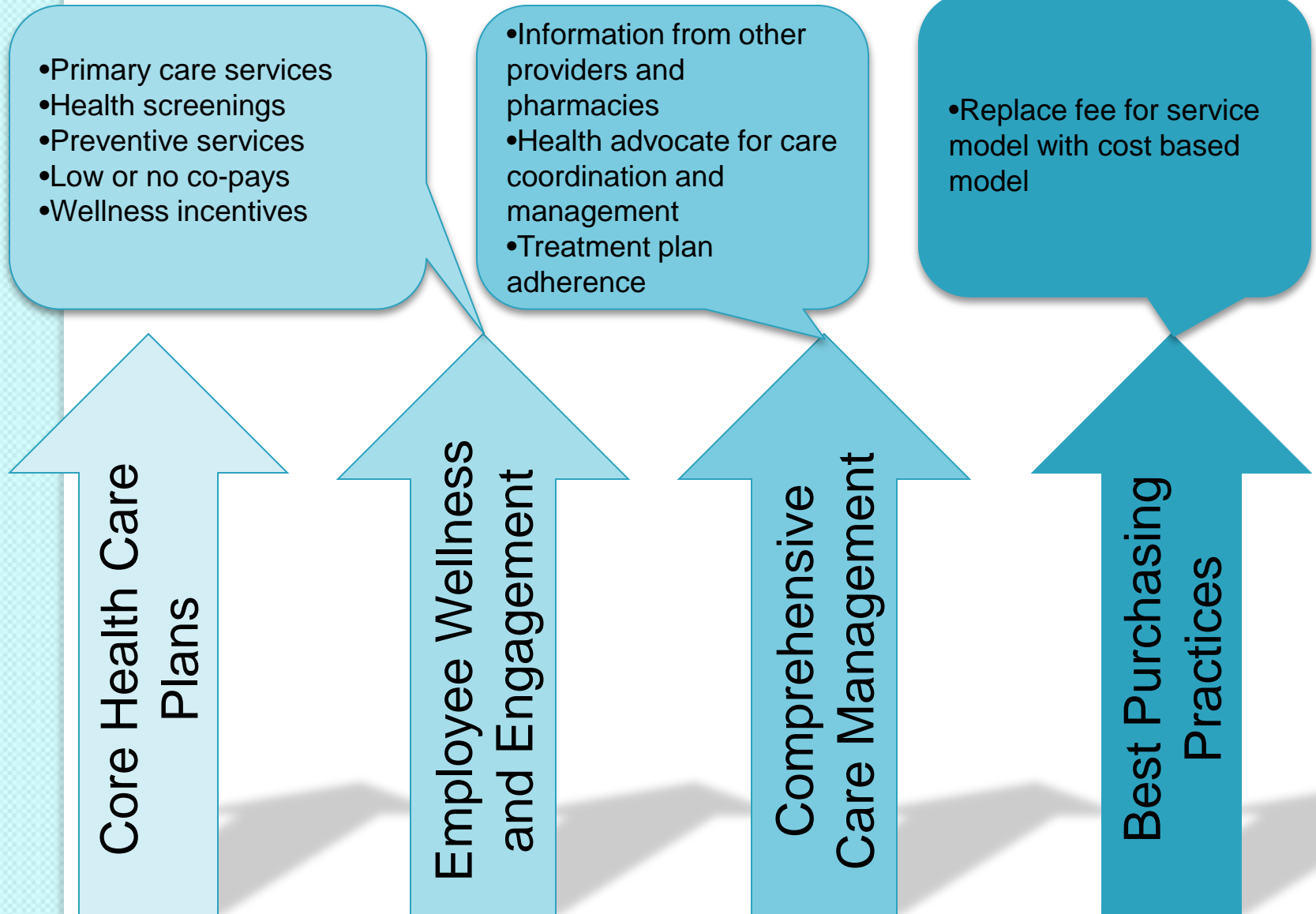


- Improve quality of health care
- Decrease health care cost

Goals of health center

- **Increase access to primary care**
 - **Improve health outcomes**
 - **Reduce costs for members and plans**
 - **Healthy productive workforce**
 - **Improve health care management**
- 

How does the on-site employee health center fit in the vision?



Onsite vs. Community



- More patient focused
- Less focus on number of patients seen
- More engagement from patient
- Based on costs

- Not enough primary care
- Focus on revenue
- Diversity of patients



Process used

- Issued RFP
 - Statewide
 - Includes health screenings and health center(s)
 - Options for other employers

Administrative/Management services

- Planning and analysis
- Staffing
- Communications
- Purchasing
- Plan integration



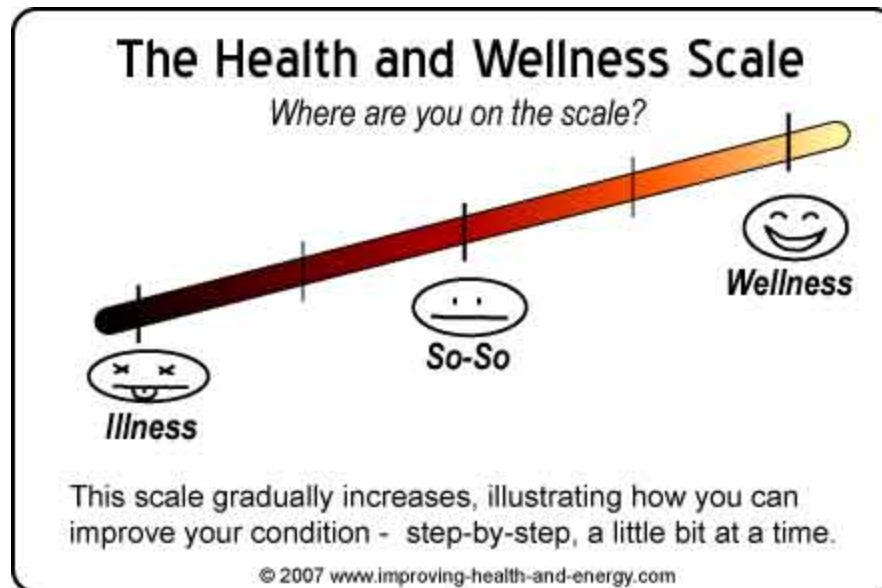
Medical Services

- Primary Care
- Acute Care
- Laboratory
- Overall patient management



Wellness

- Collaborate with State and TPA
- Health screenings
- New programs
- Wellness and health coaching



Financial

- Upfront start up money
- On-going operations
- Cost based
- Savings



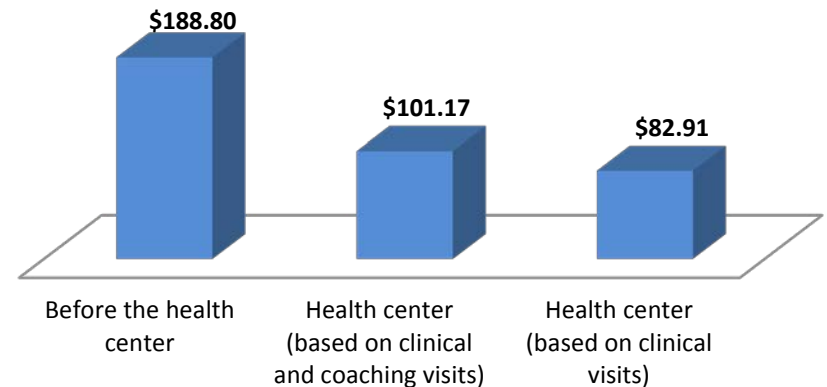
Results to date (1st 9 months)

96% capacity
Add more
providers!

Start-up costs \$142,000

Provider visits	16,522
Ancillary visits	4,641
Health Coach	2,610
Total visits	23,773

Cost per visit



Other Keys:

- Utilization 76% higher than expected
- 83% of employees have used the center

What has the patient saved?

- Office visits - \$248,280

Assume 16,552 visits with a \$15 co-pay

- Lab and x-ray - \$119,463

Assumes deductible is met, 25% coinsurance, has not met maximum out of pocket

Top 20 Diagnoses

Diagnoses	Number of patients
NEED FOR PROPHYLACTIC VACCINATION AND INOCULATION AGAINST VIRAL DISEASES	1,190
ROUTINE GENERAL MEDICAL EXAM AT A HEALTH CARE FACILITY	637
ACUTE SINUSITIS	510
MIXED HYPERLIPIDEMIA	488
BENIGN ESSENTIAL HYPERTENSION	467
ESSENTIAL HYPERTENSION	404
UNSPEC ACQUIRED HYPOTHYROIDISM	356
OTH UNSPEC HYPERLIPIDEMIA	332
SCREENING FOR MALIGNANT NEOPLASMS OF THE CERVIX	315
VITAMIN D DEFICIENCY	277
COUGH	267
ACUTE SINUSITIS, UNSPEC	226
ACUTE BRONCHITIS	225
MALaise AND FATIGUE	223
ESOPHAGEAL REFLUX	216
NONDEPENDENT TOBACCO USE DISORDER	195
OBESITY	186
ACUTE NASOPHARYNGITIS (COMMON COLD)	183
ACUTE UPPER RESPIRATORY INFEC OF UNSPEC SITE	180
LUMBAGO	172

Health Risk Assessments

What we found?

Condition	Instances
Diabetes	685
High Cholesterol	1,610
Hypertension	1,310
Obesity	2,642

What is being done

- 1,203 patients engaged with health coaching
- 8,136 contacts with their health coach
- Goals are set by providers and patients

Notable changes!

- Readiness to change improved
- 30 min of activity 5 days/week
- Improved personal/family conflict
- EAP referral utilized
- Quit tobacco

Top 5 Wellness Goals

1. Healthy eating
2. Weight management
3. Exercise adherence
4. Stress management
5. Beginners exercise

Members get connected



- Before opening the health center
 - Almost 2,000 members in Helena without a physician relationship

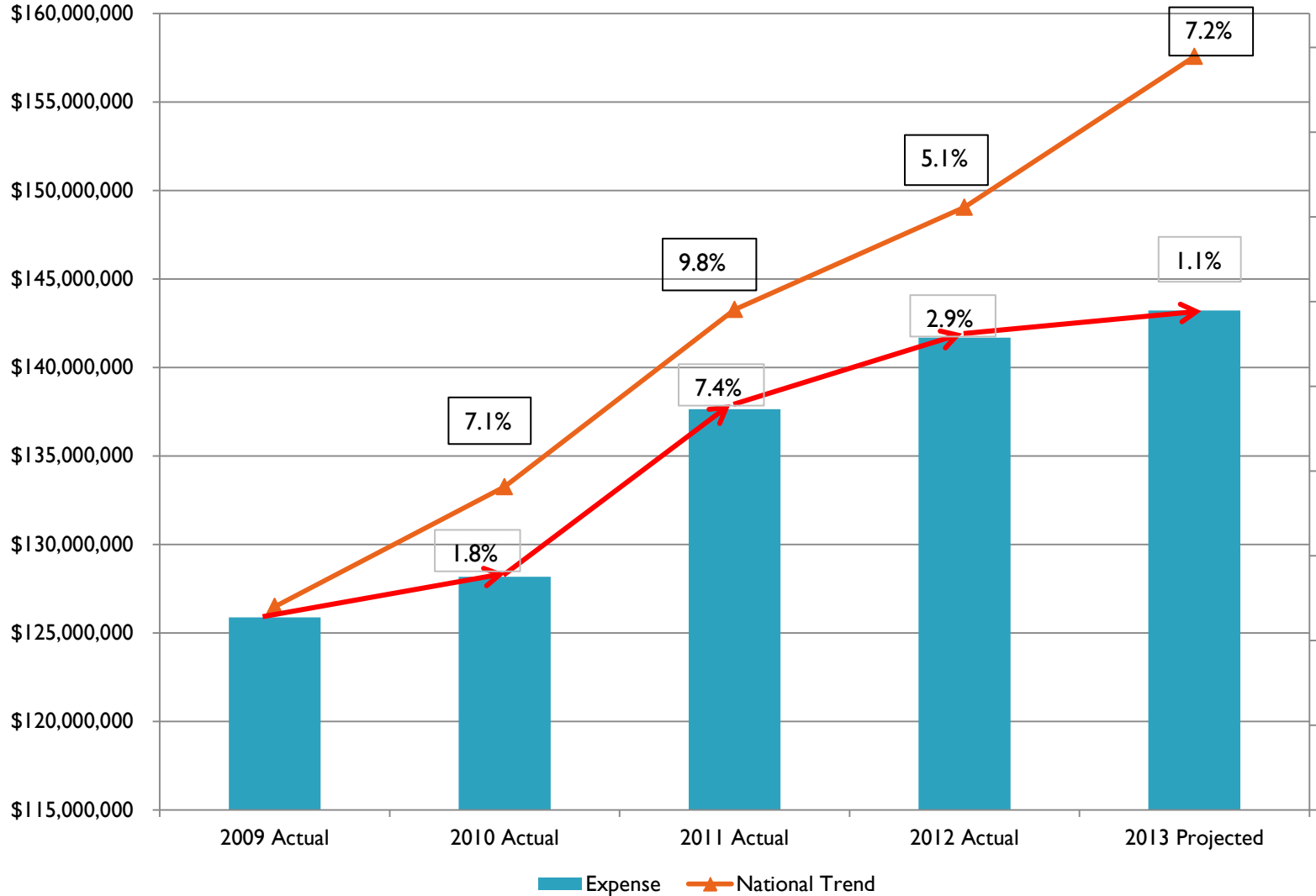
- After opening the health center
 - 662 engaged now 33%
 - Another 320 registered but have not come in yet



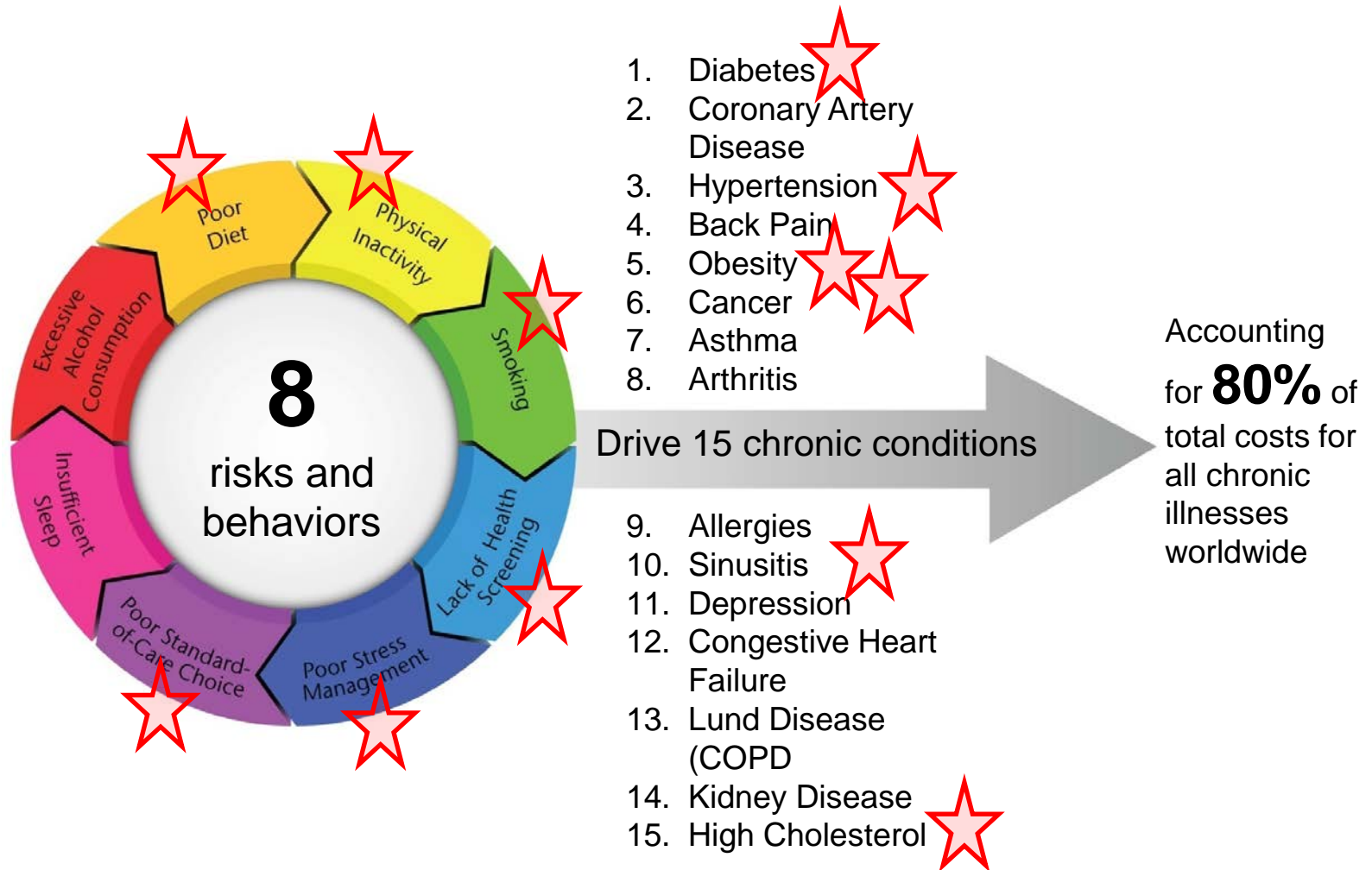
What are the members saying?

- 65% consider the health center their 1st stop for health care.
- 86% said the health risk assessment helped them understand their health
- 80% would recommend the health center to their family
- 82% said the health center is a valuable part of their benefits
- 88% reported waiting less than 10 minutes to be seen
- Main reasons they chose the health center
 - No-copay – 65%
 - Convenience – 20%
 - Quality of care – 13%
- “I haven’t felt like I was important at a doctor visit until now.”
- “You just made the best benefit ever offered even better!”

State of Montana Medical, Dental and Pharmacy Expenses



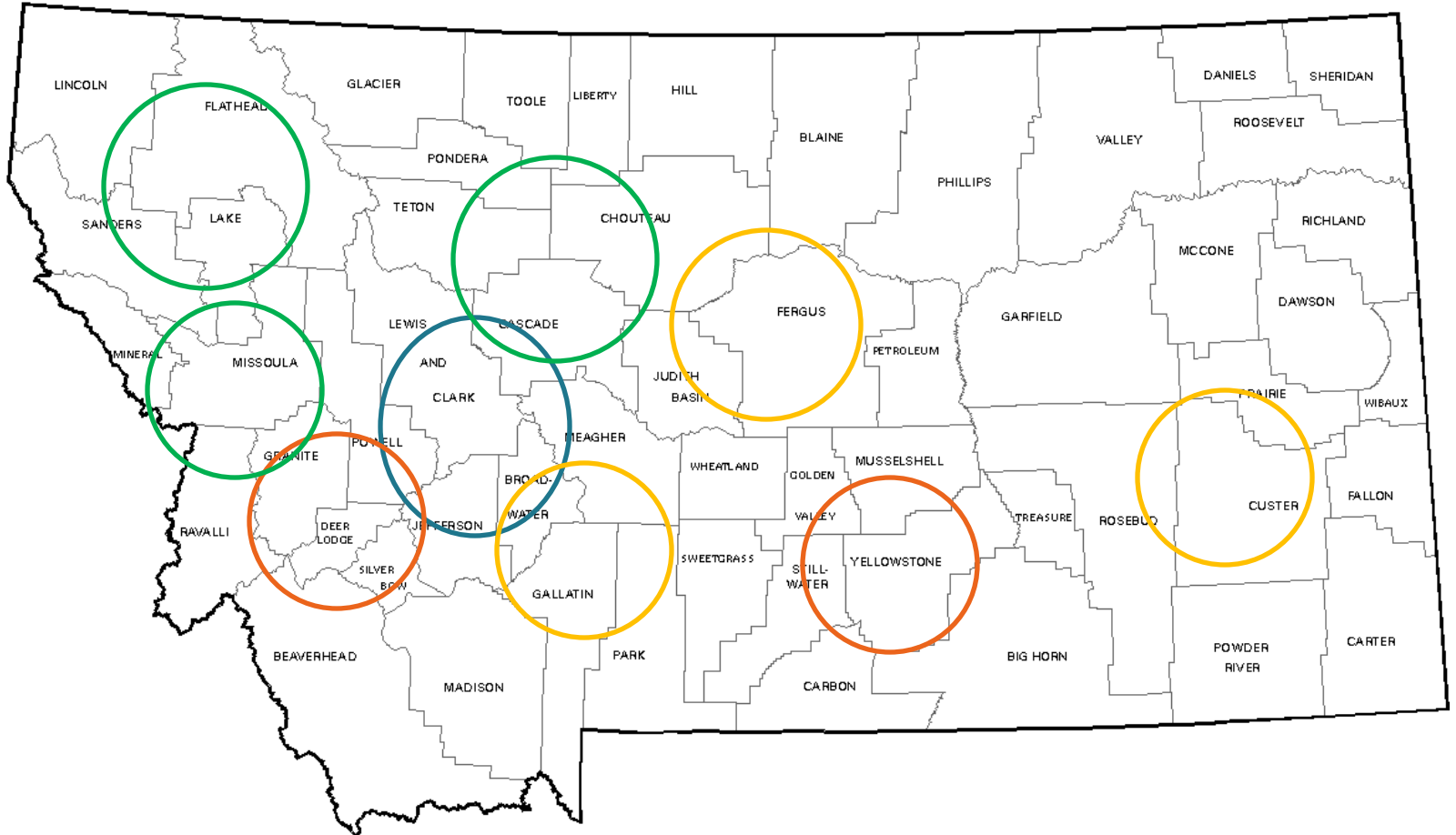
Are we addressing the right issues?



Other potential service

- Occupational health
- Pharmacy services
- Physical and occupational therapy
- Mobile or tele-health

Where do State employees live?



Next Steps

- Expansion sites 2013
- Other employer participation
- Cost effectiveness analysis for 1st year

Questions

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