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DELTA SIGMA INSIGHT

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- ▲ **SIGNIFICANT MEDICAID AND MEDICARE ADVANTAGE EXPERIENCE**
- ▲ **RFP STRATEGY AND RESPONSE**
- ▲ **PARTNERSHIP STRATEGY**
- ▲ **INNOVATIVE COMMUNICATION PROGRAMS**
- ▲ **VENDOR IDENTIFICATION**

FROM YOUR DISEASE MANAGEMENT/ CARE MANAGEMENT PROGRAM?

Given that a very small percentage of members within any health plan generate a disproportionately high percentage of the total health care costs within the plan, care management and disease management programs that are intended for high-cost members would appear to be a no-brainer in terms of cost effectiveness. However, there have been a number of recent studies that have not been able to demonstrate the value of these programs. The reason for this is that not all care management and disease management programs are equal and programs that are effective are lumped in with those that are not.

There are of course, two ways to implement a care or disease management program, in-sourcing or outsourcing to a vendor. For many plans, the cost and requirements of an in-house build may be hard to justify and contracting with a vendor that meets the criteria outlined below should be considered—especially for those members who present the toughest challenges.

Whether you are evaluating your internal program or a vendor, there are four criteria that we believe constitute effective care and disease management programs. These are:

△ Focus on the toughest 3-8% of your membership

- ▲ Target the most difficult members to manage in your plan, not simply every member with a chronic condition. Targeted members will typically have **all** of the following characteristics:
 - ▶ Clinically complex
 - ▶ Chronically ill
 - ▶ Significant psycho-social challenges
 - ▶ Inappropriate utilization

△ Member-oriented engagement strategies

- ▲ Multi-modal delivery techniques, including mail, telephone, email and web-based communications along with local outreach coordination
- ▲ Persistent and iterative—difficult to manage members are often the most reluctant to participate in care management programs
- ▲ Home visits for assessment/evaluation purposes, where appropriate

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FROM YOUR DISEASE MANAGEMENT/ CARE MANAGEMENT PROGRAM? (CONTINUED)

- △ **Interventions that incorporate significant attention to psychosocial aspects of care**
 - ▲ Use of biopsychosocial approaches that address the critical interplay between medical and psychosocial perspectives
 - ▲ Delivered seamlessly across the spectrum of co-morbid conditions
 - ▲ Use of nurse practitioners providing longitudinal care for members in senior housing settings
- △ **Transparent value and impact**
 - ▲ Define demonstrable return on investment (ROI) and transparent reporting methodology that includes:
 - ▶ Agreement up-front on definitions of key criteria (e.g., engaged members, exclusions, ROI calculation methodology, etc.)
 - ▶ Expansive and clear reports with frequent meetings to review progress toward program goals
 - ▶ Aligned incentives, including criteria for revenue enhancement and inappropriate cost reduction

Beyond a demonstrated cost savings, effective care and disease management programs should empower your most vulnerable members with the ability to better understand and manage their social/behavioral/medical situation. They should also assist providers in managing those who are oftentimes the most difficult or non-compliant patients they see and who have social issues with which the providers are ill-equipped to serve.

Because of the significant role that care and disease managers play across the continuum of a plan's membership and provider network, the relationship between a care management vendor should feel much more like a partner than a contractor. Thus great care should be used in the process of picking the right vendor and assuring that your contract clearly spells out your expectations for service and calculation of ROI.

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