



# Policy issues and chronic disease management

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# Definition

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Disease management is an ***integrated system*** of healthcare interventions to patients, providers and payers, guided by patient management guidelines designed to optimize clinical outcome, quality of life and total cost.

- DM manages large patient populations with a variety of health care needs, often under a capitated reimbursement or payment system
- What, then, makes disease state management different from traditional utilization review and other ways of grouping patients?
  - It's in the boundaries.
  - Defining the risk as treating an entire disease, or even an entire class of drugs, shifts management focus away from components and toward systems, where there is greater potential for real savings and quality improvement.
  - Accepting this change is one of the greatest challenges facing chronic disease management participants.



# Policy issues

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- Chronic disease management is rising up the agenda of health systems as they realise
  - chronic disease management is a major cost element of system total spending
  - people with chronic diseases are some of the highest risk, and highest cost of all patients served by health systems
  - providers are not particularly well-incentivised by existing payment or funding systems to provide the types of services best suited to high utilisation patients
    - providers are often reimbursed for activity, not impact or outcome
    - providers are rarely funded to 'manage' patients, only treat episodes of ill-health
    - patient with chronic diseases are often the best placed to better manage their own care, but clinical practice and organisational inertia excludes such people from their care and decision-making around their care needs
- This document summarises the policy agenda for health systems to pursue effective chronic disease management



# Policy issues 1

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- How should priorities and objectives be set?
  - How to predict and model patient groups that have potential to become high-cost groups
    - risk assessment to target resources
    - predictive modeling to improve accuracy and effective risk stratification
  - What should programme objectives be?
    - broad patient care management objectives
    - disease specific lifestyle counselling, medical services
    - pharmaceutical management
    - care coordination, reduce duplication, increase adherence to guidelines
    - more savings accrue from provider education and patient case management but intensive programmes are expensive to operate reducing overall budget impact



# Policy issues 2

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- How should disease management programmes be administered?
  - contracted-in 3rd parties (DM companies, pharmacies)
  - in-house (provider developed)
  - multiple DM vendors can create silos of care as providers seek to maximise in the contracted areas versus managing bundles of disease conditions
- Should DM programmes be at-risk, gainshared or guaranteed savings?
  - Harness (often monopsony) purchasing power and future purchasing intentions
  - Incentivising and measuring resource and priority shifts
    - developmental: systematic shift at practice level toward practice changes
    - implementation: management of patients through clinical best-practice
    - performance: improved patient outcomes
    - create new forms of entrepreneurialism through joint ventures



# Policy issues 3

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- Health technology policy
  - How should links between deploying technology and disease management develop and to what outcomes?
    - e.g. in-home/remote monitoring for highest risk patients, US estimate of 4m patients, 1.7 m hospitalisations, \$30bn saved [source: Health Hero Network and Vaccaro J, Cherry J et al, Utilization Reduction, Cost Savings and Return on Investment for the PacifiCare Chronic Heart Failure Program, Disease Management, 2001:4(3)131-142]
- Regulatory policy
  - review regulatory to identify barriers to e-health implementation, market-entry, innovation, service boundaries, etc.
  - assess regulatory requirements for DM providers
- Innovation policy
  - Implementing fast-cycle change processes and change strategies
    - consumer decision-making strategies
    - mixed health economy strategies
    - financing and service contracting strategies



# Policy issues 4

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- Health consumer policy
  - How to enable consumer decision-making in programme management, design, delivery
  - How to support patient control of self-managed care
    - Patient Leadership by moving from expert patient to informed health system end-user (not always patients) from disease expertise to health care self-management and leadership
    - Patient satisfaction in programme enrolment and structuring individualized care plans
  - How to enroll identified patients
    - automatic or voluntary enrolment following appropriate identification
  - How to manage outreach and programme follow up
    - keeping in touch and interacting with participants
  - How to integrate with other aspects of individual's life
    - work, school, plus home, leisure, etc.



# Policy issues 5

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## ■ Health policy measurement

- cost, benefit, efficacy, effectiveness, financial investment and return on investment
  - challenge is to evaluate fiscal impact as this requires comparison to what would have been the costs had the programme not been running
  - benefits may accrue over a longer baseline than measured
  - case mix comparators vary as patients cycle on and off programmes
  - understanding appropriate apportioning of credit for impact (e.g. DM versus changes in general clinical practice)
  - understand total system costs: across work, home, etc.



# Policy issues 6

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- Policy learning for rest of health system
  - pharmaceutical cost control
  - demand management
  - provider incentivisation
  - professional regulation
  - contracted-in 3rd parties
  - outsourcing
  - digital technology





## Some background on disease management

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May 2004

# Disease Management Strategies

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- Identify patients with chronic illness
- Make disease-specific information available to the patient
- Interactively support patients in self-management
- Prompt patients to obtain services based on a regular schedule or as needed in relation to outcomes
- Prompt clinicians to implement a health regimen which is consistent with best practice
- Reduce overall system cost



# Effective disease management capabilities

- Accurately identify targeted individuals in a large population
- Identify levels of involvement required for each individual in a population
- Evidence-based protocols
- Predictive Modeling/Risk Stratification
- Nurse-base call centers
- Integrated Clinical and Financial information system
- Tools to influence patient and provider behaviour
- Biometric monitoring devices
- Early screening capability
- Proactive/pre-emptive interventions in the home
- Data warehousing
- Consumer trusted medical content
- Ability to vary programme intensity by patient

Provided by the 'Health System' collectively

- Individual public support
- Policy leadership
- Health commissioners
- Providers
- IT enablers and companies
- Specialist DM companies
- Information suppliers
- MSO/back-office
- Research institutions
- Health professions
- Health consumer groups
- Regulators



# Choice and disease management

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- Tax-funded health systems shields individuals from true costs of health: both vice and virtue
  - if consumers knew about the costs of their care would they be more motivated to be more conscious of the relationship between their actions and cost drivers?
- Research on consumer decision-making:
  - patients need good information about care options
  - patients do not always identify information relevant to their own situation
  - patients have difficulty integrating information provided with choice options
  - patients do not always understand the implications of choice for personal health risks
  - presentation of information helps consumers make choice is important where salience of the area is low
- Will greater risk-sharing with patients lead to both better compliance in care programmes and act to manage costs better?
- How do we support decision-making and choice, self-management in people with less than adequate literacy and decision skills

Sources: von Korff M, Gruman J, et al Collaborative Management of Chronic Illness, *Annals of Internal Medicine*, 127 (1997)1097-1102; Lorig, KR, Sobel DS et al, Evidence Suggesting that a Chronic Disease Self-Management Program Can Improve Health Status While Reducing Hospitalisation: A randomised trial”, *Medical Care* 37(1999)5-14; Kaplan S, Connelly GA, Greenfield S, *The Patient’s Expanded Role in Care: Participatory Decision Making and Self-Management in Diabetes, Asthma and Cancer*, Boston: Primary Care Outcomes Research Institute, 2000.



# Measures for disease management effectiveness

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- documenting improvement in care
- indicators as clinical and economic outcomes and quality-of-life and patient satisfaction surveys
- performance can be compared to normative databases, allowing comparison with other approaches
- Example measures
  - Overall cost savings (pmpm/baseline)
  - Component cost savings (e.g. reductions in hospitalisation)
  - Return on investment (programme savings as well as overall clinical savings)
  - Secondary prevention activities (e.g. exercise, weight reduction)
  - Clinical measures (e.g. HbA1c levels, changes in weight)
  - Adherence to clinical guidelines (e.g. % heart failure patients receiving ACE inhibitors)
  - Education providers and patients (e.g. patient education activities)

