

PATIENT CENTERED SPECIALTY CARE (PCSC)

# Actualizing the Triple Aim

Impacting Cost of Care

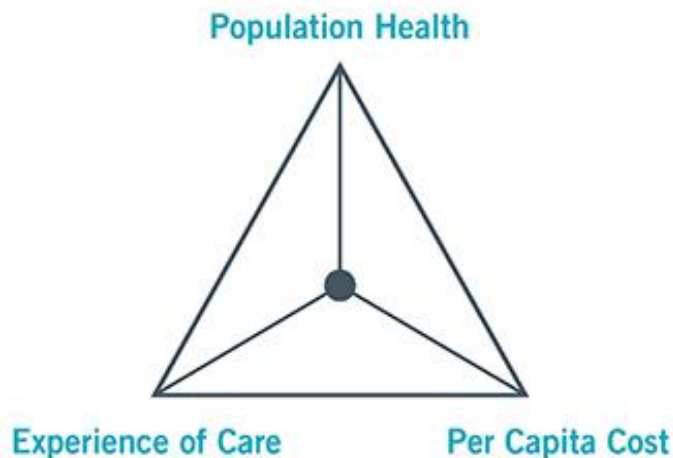


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- With respect to the issue of coverage, each Anthem Member should review his/her Certificate of Coverage and Schedule of Benefits for details concerning benefits, procedures and exclusions prior to receiving treatment. If Members have any questions concerning their benefits, they may call the Member Services number listed on the back of their ID card.

# PCSC Addresses the Triple Aim to Deliver Value – A Focus on Specialty Care

## The IHI Triple Aim



## Outcomes that Demonstrate Value



Reduce the **Cost of Care**



Improve **Quality Scorecard**



Improve **Patient Experience**

Source: <http://www.ihl.org/engage/initiatives/TripleAim/Pages/default.aspx>

# What does Cost of Care mean to stakeholders in the healthcare system?

## Provider

- Ability to earn fee for service enhancement
- Reduce waste and enable an optimal and equitable distribution of scarce resources while reducing harm from unnecessary tests and procedures and sustaining/improving quality care to patients.
- Respect and respond to Patient Cost burdens

## Patient

- Co-Pays; Co-Insurance, High Deductible Plans are an increasing burden on Patients' budgets

## Employer

- Bend the Trend on Premium
- Reduce employee out of pocket spend

## Anthem

- Bend the Trend on Premium/Patient Cost Share
- Meet Program Cost Targets while maintaining quality care to Members
- Increase Membership

# Overuse of Health Care Services is Harmful – Financially and Clinically

Virtually **every family in the country**, the research indicates, has been subject to over testing and overtreatment in one form or another. The costs appear to **take thousands of dollars out of the paychecks** of every household each year. Researchers have come to refer to financial as well as physical “toxicities” of inappropriate care—including reduced spending on food, clothing, education, and shelter. Millions of people are receiving drugs that aren’t helping them, operations that aren’t going to make them better, and scans and tests that do nothing beneficial for them, and **often cause harm**.

*Atul Gawande, MD, MPH*



# Providers can be Heroes by Saving Members Out-of-Pocket Costs

- Reducing costs of care (using preferred labs, using high quality most cost effective radiology centers, using in network providers and specialists, selecting generic drugs, reducing unnecessary services) can save working families hundreds
- This drives member satisfaction and retention for the practice
- This significantly increases adherence with treatment plans and improves patient health- driving a virtuous cycle

**Working together, we can help you be a hero.**

# Two Ways for Providers to Reduce Cost of Care

To reduce costs, providers must either reduce the number of services (duplication/overuse) or cost per service.

|               | Number of Services  | X | Cost for Each Service   | = | Total Cost of Care |
|---------------|---|---|---|---|--------------------|
| Examples      | <ul style="list-style-type: none"><li>• Hospital admits / days, ER visits</li><li>• Prescriptions</li><li>• Lab tests</li></ul>           |   | <ul style="list-style-type: none"><li>• Referral decisions</li><li>• Site of care</li></ul>   |   |                    |
| How to reduce | <ul style="list-style-type: none"><li>• Reduction in duplicate / over use</li><li>• Preventive care</li><li>• Care coordination</li></ul> |   | <ul style="list-style-type: none"><li>• Refer to lower cost vendors</li><li>• Generic drug substitution</li><li>• Urgent care vs. ER visits</li></ul> |   |                    |

# Cost of Care Opportunities

## Finding the Most Cost Effective Site of Service

- Lab Services
- Infusion Services
- Ambulatory Surgery
- High Cost Imaging
- Urgent Care vs. ER for non-urgent services

## Reducing **overuse/duplication** of services

- Care Compacts to coordinate care
- Avoiding duplication / overuse of tests and procedures

## Generic Drugs vs. Brand Equivalent

- Switching to Generic Equivalent when clinically appropriate and there is no contradiction to the patient



# By the Numbers – The Power of Redirection

## Compare costs and quality of care.

The costs of medical procedures can vary widely from one place to another, even if they're all in the same area. Here are some examples to give you an idea:

| Procedure <sup>1</sup>          | Higher-cost facility |                          | Lower-cost facility |                          | Savings <sup>2</sup> |
|---------------------------------|----------------------|--------------------------|---------------------|--------------------------|----------------------|
|                                 | Procedure cost       | You pay 20% <sup>2</sup> | Procedure cost      | You pay 20% <sup>2</sup> |                      |
| Breast: mammography (digital)   | \$192                | \$38.40                  | \$86                | \$17.20                  | \$21.20 <sup>3</sup> |
| Colonoscopy screening           | \$2,439              | \$487.80                 | \$784               | \$156.80                 | \$331.00             |
| Leg: MRI, lower limb with joint | \$1,914              | \$382.80                 | \$315               | \$63.00                  | \$319.80             |

- Patients incur lower out of pocket costs when services are rendered at a free-standing ASC or imaging unit
- Referral to an ASC with equivalent quality can contribute to increased shared savings for physicians

# ***Choosing Wisely***

***Choosing Wisely* is an initiative of the American Board of Internal Medicine (ABIM) Foundation**

**ABIM mission is “to advance core values of medical professionals to promote excellence in health care”**

***Choosing Wisely* encourages providers and patients to work together to improve the quality and safety of healthcare in America by reducing duplication-waste.**

# How can *Choosing Wisely* be a resource?

Designed to help providers and patients engage in conversations aimed at reducing unnecessary or potentially harmful tests and procedures

Supporting patients in their efforts to make smart and effective care choices.

Focus on the 'Five Things' list developed by over 30 United States specialty societies representing more than 500,000 physicians.

# ***Choosing Wisely* “Things to Question”**

**Consumer Reports partnered with *Choosing Wisely* and many provider organizations to create specialty specific lists of “Things to Question”.**

**There are provider and patient focused specialty specific lists.**

**Each list is developed to guide care decisions and provide specific, evidence-based recommendations.**

**The lists generate more conversation between the patient and provider about the need for testing and treatment.**

# By the Numbers – Lab

These examples are based on our average negotiated payment for in-network labs and average charges for out-of-network labs:

|                       | In-Network Independent Lab | In-Network Hospital Lab | Out-of-Network Independent Lab |
|-----------------------|----------------------------|-------------------------|--------------------------------|
| Basic Metabolic Panel | \$9                        | \$36                    | \$48                           |
| Lipid Panel           | \$14                       | \$65                    | \$54                           |
| Pap Smear             | \$15                       | \$51                    | \$52                           |

- Patients incur lower out of pocket costs when services are rendered at a an In-Network Independent lab
- Referral to an In-Network Independent lab when possible and clinically appropriate can contribute to increased shared savings for physicians

# By the Numbers – Switching to Generics

## How does it work?

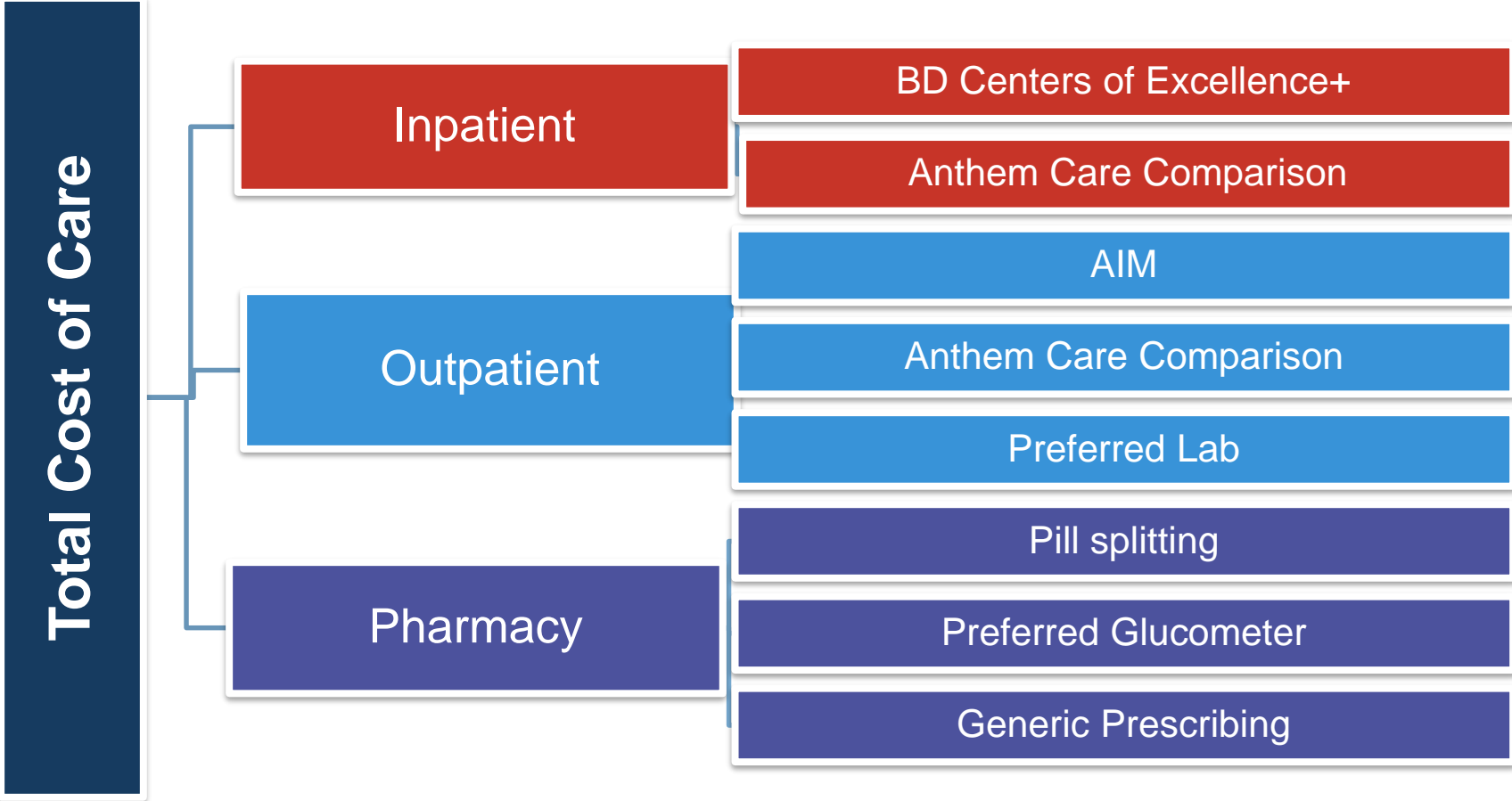
- Generics are often just one-fifth the cost of a brand name drug and cost your patients less than brand options. Overall, generic prescribing and utilization is high. However Anthem has identified select therapeutic classes where there may be additional opportunity to maximize generic utilization.

## Who Saves?

- Generic medications are on Tier 1 of the formulary and have lower member out of pocket cost compared to brand products. Individual member savings varies based on benefit design.

| <b>Drug Class</b>     | <b>Average Pharmacy Savings per Rx</b> | <b>Average Member Savings per Rx</b> |
|-----------------------|--|--------------------------------------|
| <b>Statins</b>        | \$108                                  | \$66                                 |
| <b>ARB/ARB Combos</b> | \$55                                   | \$65                                 |
| <b>Beta Blockers</b>  | \$54                                   | \$71                                 |

# Cost of Care Tools Offer Concrete Advice on How to Reduce Costs While Maintaining Quality



By using the AIM Portal:





# Anthem Care Compare

Anthem Care Comparison (ACC) is an innovative shopping tool that discloses real price ranges for common services at specified area hospitals.

**Why Use ACC?**  
Drive Cost Reduction, Improve Patient Satisfaction, Embrace Transparency Around Costs, Refer to Facilities that Deliver High-Quality Care.  
Help your patients find high-quality, cost-effective care.

**How-to use ACC.**  
Your Community Collaboration Manager can provide information with easy step-by-step guides to share how-to use and can also help educate your patient population through e-mail campaigns and more.

**Anthem Care Comparison**

We make it convenient to find healthcare providers and facilities that match your particular situation. However, it is important to note that you may need service non-emergent. Although we make every effort to ensure that these providers are participating providers, not all facilities may require these providers be in our network. Therefore, please insure your provider is in-network prior to receiving care by checking your online provider directory, calling the Customer Service number or network provider, you may be subject to balance-billing (charges over and above your plan's reimbursement) except where the law provides otherwise.

**CHOOSE REPORT** | **CHOOSE HOSPITALS** | **RANK CRITERIA** | **VIEW REPORT**

**Find a facility for a procedure or condition...**

Select the type of service you are looking for:  
 All Services  Outpatient Services  Inpatient Services

Select a body part or use the menus below to select a Category and a Procedure/Diagnosis:

**Explanation**

Category:  
Select one...

Procedure/Diagnosis:  
Select one...

Location (city, state or zip): 44451 Within: 20 miles

**Related Links**

**Or find a hospital by name...**

Hospital Name (at least 3 characters):

Location (city, state or zip):  
44451

**What You Should Know**

Use Care Comparison to compare facilities for your health care. You'll be able to see information from a variety of sources about inpatient and outpatient services, as well as cost and quality.

To see all services available in Care Comparison, select 'All Services'.

To see only services that do not require an overnight stay, select 'Outpatient Services'. The information will include cost data.

To see only services that require an overnight stay, select 'Inpatient Services'. The information may include cost or quality data depending upon the specific service.

# Anthem's Preferred Glucometer Program

## Anthem's preferred glucometers include OneTouch® and ACCU-CHEK® products.

- Test strips for these meters are on the preferred brand tier and cost less than the non-preferred alternatives.
- Patients can get select OneTouch® and ACCU-CHEK® meters for free.
- Preferred strips can help patients save \$50 per 30-day prescription on average compared to non-preferred strips for a potential \$600 annual savings.

### ACCU-CHEK®

- ACCU-CHEK Nano
- ACCU-CHEK Aviva Plus

### OneTouch®

- OneTouch Verio
- OneTouch Verio IQ
- OneTouch Verio Synch System
- OneTouch Ultra 2
- OneTouch UltraMini

# Anthem's Half Tablet Program

**Write prescriptions for qualified once daily medications with directions to take ½ tablet per day.**

- Members with this benefit pay just half their usual copay on select medications prescribed with instructions to take half of a tablet.
- Patients with a coinsurance save by paying their coinsurance percentage on a fewer number of tablets.
- Patients paying towards a deductible will pay out of pocket on a fewer number of tablets.

**Prescribing half tablets for qualified medications lowers overall pharmacy costs.**

**Average pharmacy savings per 30-day prescription of qualified statin medications is \$5 for generic and \$35 for name brand. This adds up to \$60-\$420 annually.**

Example:

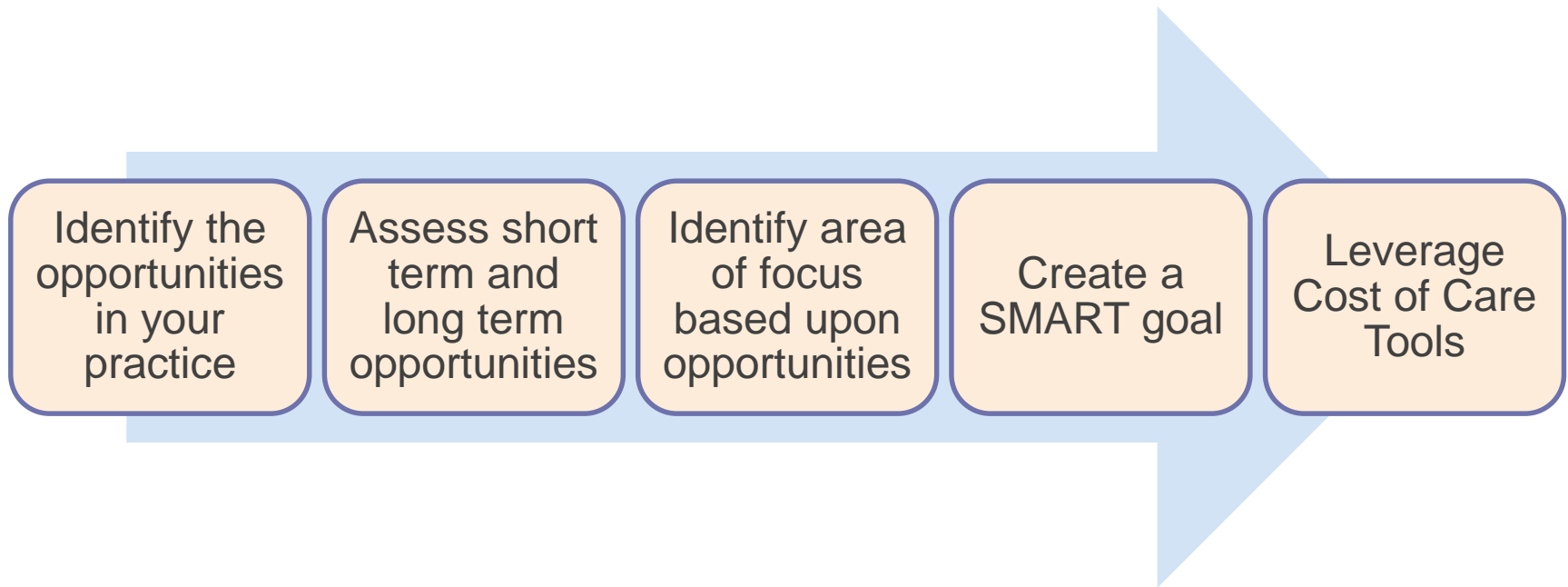
Crestor®  
20 mg

- 1 tablet 1x/day
- Quantity = 30

Crestor®  
40 mg

- Take ½ tablet 1x/day
- Quantity = 15

# Getting Started – Reducing Total Patient Costs



# Questions for Specialty Care

What is the current process for evaluating cost of care?

What are the short term and long term cost of care opportunities for my practice?

How do I best engage patients in cost of care discussions?

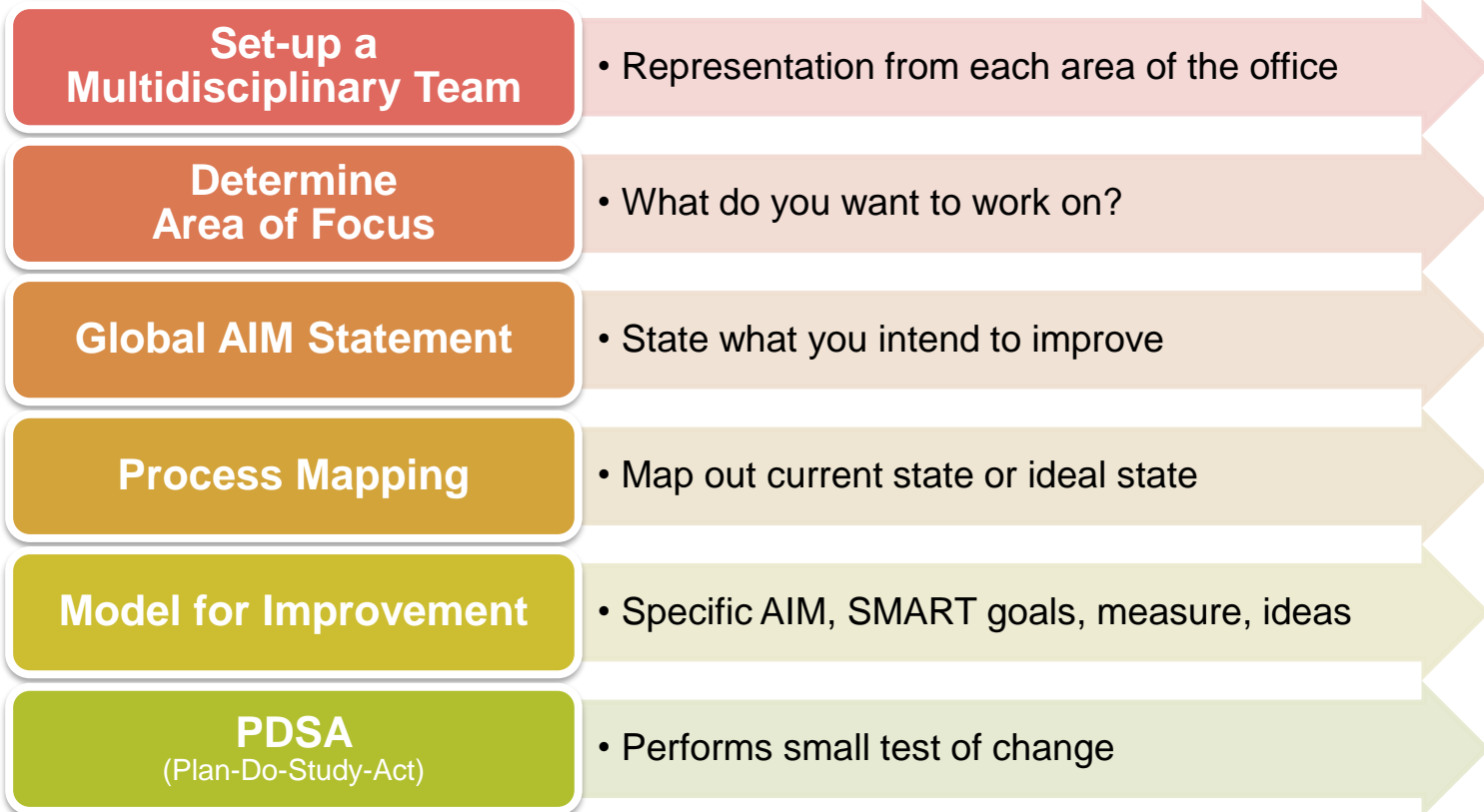
What data do I need to support cost of care initiatives?

Are there opportunities to support patients with reduced financial burden?

What resources do I need to support cost of care opportunities?

What potential financial impacts are there?

# Build Your Quality Improvement Foundation



Practice Name: \_\_\_\_\_

Practice Champion: \_\_\_\_\_

# What is Your Plan?

What are we trying to accomplish?

How will we know that a change is an improvement?

What change can we make that will result in improvement?

What will you do prior to our next session?

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