Pharmacy Benefit News

Issue # 308 | July 27th, 2017

Watch the Latest Episode of Professor Speaks!

Commentary:
Is Comparison Shopping in Health Care Easy to Do?

Utilizing a market approach to purchasing health care in the US is a goal for all most plans in that it ensures competition for access, services and cost. However, comparison shopping is still not that easy. Forty-three (43) states still do not have a mandatory regulation for access to health care price information. Yet, 59% of consumers surveyed in 2014 chose a less expensive plan when comparative pricing was available. An average 56% looked for healthcare comparative information, but only 21% of consumers were able to compare prices when there were multiple providers.

The drive for less costly solutions is motivated by an average $4290 health care bill for every household in 2014. Add to that a growing average deductible of $1478 per individual in 2016. The future is no better. Inpatient services experienced a consumer price increase of 195% between 1997 and 2016. In the same time, outpatient services increased 200%.

Cost matters! If the market-place solution is supposed to be viable, then State rules and regulations as well as provider transparency is crucial. If the provider community cannot make these prices available, then the States and Federal government must act!

Source: US Bureau of Labor Statistics, Modern Healthcare, 4/17/17

Analytics at Work: A Real World Example

Wellness Programs Based on Disease and Lifestyle Targets Do Work!

The prior commentary on wellness payback is of interest to Pro Pharma in that we designed and implemented a solution for insurance brokers that targets both lifestyle and disease management. The model used biometric data to define disease impact by age band, gender, common ambulatory diseases, smoking, and weight loss. The data was stratified by current situation, predictions for change, and impacts on worker absenteeism and presenteeism.

The program was implemented with a web-based solution provided by the insurance brokers that allowed employers to upload their biometric data. The program provided several reports on the current situation, and predictions for change. A second report provided the lifestyle and disease management results in financial savings, trended from prior data runs, and impacts on lifestyle and disease management targets. Another report prioritized patients by high, medium, and low risk to drive outbound calling of coaches to help employees to reach their goals.

presenteeism.

An expanded version of the program is also being deployed in Health Plans using medical encounter, laboratory value and pharmacy claims data.

Learn More

Commentary: What Are the Correct Wellness Priorities?

Congress wants to encourage employee wellness programs, though the privacy of individual health care information is a stumbling block. As a benchmark, 81% of employers with 200 or more employees offered wellness programs and 46% offered reduced insurance costs for participating. The result is about 46.8 million employees covered by employer wellness programs. The total wellness market in 2016 was $7.8 billion.

Only 19% of employers in 2015 required a health risk assessment, and only 13% offered disease management. Yet, 87% of workers in wellness programs were focused on lifestyle management. The payback? The RAND Corp estimates that there is a $3.80 to every $1 spent on wellness with disease management, and $0.50 payback for every $1 spent on wellness targeted to lifestyle management.

Clearly, disease management has a better payback than lifestyle changes. Wellness programs focused on both disease and lifestyle management would be ideal.

Source: Modern Healthcare, 3/20/17

Commentary: Is Selling Health Insurance Across State Lines a Promising Idea?

Twenty-one (21%) of insurance enrollees in states participating in the federal marketplace have only one participating insurer, but 79% of enrollees do have more than one choice.

Access is a problem. Five (5) states have legislation to allow or explore out-of-state sales of health insurance – Wyoming, Kentucky, Georgia, Maine and Rhode Island. Twenty-one (21) states have introduction legislation in the last decade to allow for sales across state lines. Yet, zero (0) insurers have sold out-of-state insurance.

The total number of health insurers that consumers can access across all of www.healthcare.gov is 167 in 2017. But, the average number of health insurers that a consumer could compare in 2017 is three (3) using www.healthcare.gov.

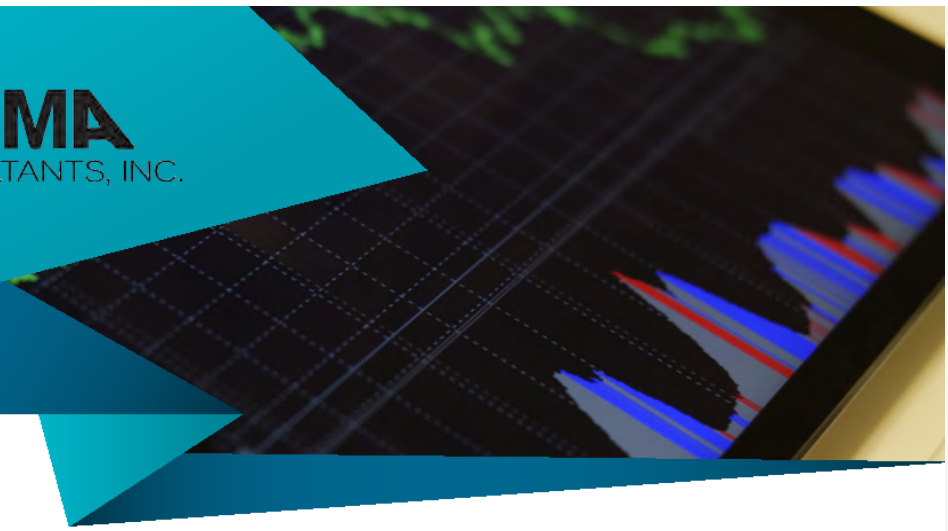
When questioned, only 11% of voters believe that they should only be allowed to buy insurance in their state. Seventy-seven (77%) of voters think they should be able to buy insurance across state lines.

Then, why has there been so little uptake in selling insurance across state lines? The National Association of Insurance Commissioners (NAIC) indicates that there is zero (0) evidence that selling health insurance across state lines increases affordability and availability.

Mandated benefits are not the problem. The NAIC indicates that mandated benefits contribute about 5% to health care premiums.

Is the problem that there is no evidence, or that the experiment of selling health insurance across state lines has not been tried, or that there is no state motivation? As with all experiments, this one may have to be tried to further identify if access and savings are validated. Alternatively, a trial for a few years could be initiated to see if the five states allowing out-of-state sales actually do produce improved access and savings. Can the politics support such an experiment? Time will tell.

PRO PHARMA
PHARMACEUTICAL CONSULTANTS, INC.



TC

Treatment Calendar™

Pro Pharma Treatment Calendar™ is a proprietary program comprised of Artificial Intelligence rule sets, which allow for quality, utilization and cost comparisons by peer-to peer, peer-to-best in class, peer to national norms, peer to local norms.

Pro Pharma uses Clinical Protocol to analyze patient encounter data and diagnoses for required exams, tests, and medications.

Every month the staff can use Treatment Calendar™ to schedule patients for the appropriate services for those individual patients.

Treatment Calendar™ is a:

- *Quality tool for benchmarking*
- *Tool to align provider and payer incentives by focusing on actionable patient specific quality improvements*
- *Risk management tool to identify therapy that doesn't comply with national norms*
- *Tool to graphically identify gaps in compliance.*

Product Features:

- *Analysis of complicated and integrated data sets*
- *Inexpensive versus the high cost of other Disease Management*
- *Inexpensive with respect to medical and pharmacy benefit costs*

CONTACT US

P.O. Box 280130
Northridge, CA 91328-0130
(888) 701 - 5438
info@propharmaconsultants.com

WWW.PROPHARMACONSULTANTS.COM

New Episodes Wednesdays at 12:00pm (PDT)
Live on Facebook, Twitter and YouTube

Pro Pharma Pharmaceutical Consultants, Inc. has assisted payers and providers for over 31 years to maintain quality while controlling costs.

Pro Pharma Pharmaceutical Consultants, Inc.

P.O. Box 280130
Northridge, CA 91328-0130
(888) 701-5438 | www.propharmaconsultants.com

.
.
.
.
.