Disease Management Programs

Chronic disease is the leading cause of death and disability in the United States affecting more than 100 million people and causing 1.7 million deaths (7 out of every 10) each year.[1] It is also the largest, fastest-growing service group in health care, comprising over 75 percent of all health care costs. In addition, 66 percent of Medicare spending is used for those who have five or more chronic conditions (20 percent of the population), and 85 percent of total Medicare expenditures result from the treatment of chronic disease.[2] As a result, disease management programs are being implemented across the nation to help fill the gaps in America's current health care system.

What is disease management?
Disease management (DM), also known as care management, health management programs or disease self-management, is the concept of reducing healthcare costs and/or improving the quality of life for individuals with chronic disease conditions by preventing or minimizing the effects of a disease through integrative care. DM has evolved from Managed Care, specialty capitation and health service demand management.

DM refers to the processes and healthcare professionals concerned with improving or maintaining health in large numbers of people. DM traditionally focuses on common chronic illnesses and the reduction of future complications associated with these diseases. Some of the most common types of conditions addressed by DM programs include coronary artery disease, renal failure, hypertension, congestive heart failure (CHF), obesity, asthma, cancer, arthritis and depression. In addition, some DM programs also address rare diseases such as sickle-cell anemia, and even occupational conditions such as lower-back pain.

How are DM programs designed?
In the United States, DM is a large industry with many vendors. DM is especially important to health insurers, agencies, trusts, associations and employers who offer health insurance. The idea behind DM is that with the right tools, experts, equipment and medical expenses can be minimized quickly and resources can be provided more efficiently. To be effective, these programs utilize Web-based assessment tools, clinical guidelines, health risk assessments, outbound and inbound call-center-based triage, best practices, formularies and numerous other devices, systems and protocols.

Experts such as actuaries, physicians, medical economists, nurses, physical therapists, statisticians and human resource professionals provide input used to create DM programs. Plus, equipment including mailing systems, Web-based applications (with or without interactive modes), monitoring devices or telephonic systems are used as well.

DM programs are designed to be most successful in populations where the following characteristics apply:

- High prevalence of the condition to be managed
- Low turnover among enrollee population
- Ability to identify patients who are at risk
- Patient population that has a high illness severity and consequently high use of medical resources

[1] iCare Health Monitoring, Inc., 2006.

[2] The National Chronic Care Consortium (NCCC), 2006.

Characteristics used to determine what conditions DM addresses include the following:

- Once contracted, the disease remains with the patient for the rest of his/her life or for an extended period of time.
- The disease is often manageable with a combination of pharmaceutical therapy and lifestyle changes.
- The average cost of chronic patients is sufficiently high enough to warrant the expenditure of employer or health plan resources to manage the condition.

DM programs are likely to affect many outcomes simultaneously, so evaluation of a program's value should be designed to include data from the following resources:

- Clinical outcomes
- Financial outcome measures
- Humanistic factors including patient quality of life, satisfaction, retention
- Quality measures that are publicly reported by organizations like the National Commission of Quality Assurance (NCQA), the Utilization Review Accreditation Commission (URAC), and the Joint Commission on Accreditation of Healthcare Organizations (JCAHO)

Does DM extend to pharmacy practices?

Disease management is becoming much more prevalent in pharmacy practices as well. Pharmacists are no longer limited to dispensing medication and safeguarding the distribution of drugs. Instead, many pharmacists are now actively involved in the collaborative management of patient disease states such as diabetes, CHF, chronic pain management, anticoagulation, asthma, and HIV-AIDS.

Pharmacy involvement in disease management can include patient education, proper drug administration, therapeutic drug monitoring, laboratory testing and interpretation and initiating and modifying medication regimens based upon clinical assessments. This growing trend, known as "pharmaceutical care", is enhancing the status of the pharmacist as a provider of specialty healthcare.

What kind of return-on-investment (ROI) do DM programs deliver?

The overall goal of DM is to ease the disease path, not to cure the disease. Therefore, improving quality and activities for daily living are first and foremost. Plus, improving cost, in some programs, is a necessary component as well. However, some advocates of DM systems believe that reductions in longer term problems may not be currently measurable, but may warrant continuation of DM programs until better data is available in 10-20 years. Most DM vendors offer ROI for their programs, although there are many ways to measure ROI such as:

- Medical cost savings
- Benefit package distinction
- Employee satisfaction levels
- Absenteeism/disability rates
- Safety incidents/workers compensation claims
- Job productivity loss (presenteeism)

NOTE: Unless rigorous applications of valid statistical methods are applied to DM measurements, ROIs generated have a risk of being generally misleading for purchasers.

How do employers implement a DM program?

Employers wishing to implement a DM program can either create their own initiatives or purchase services from DM companies or vendors. Proprietary DM programs are developed and offered by Disease Management Organizations (DMO), entities that provide some, but not all of the six components that define DM.

There are six essential components to full-service DM programs:

- Population identification process
- Evidence-based practice guidelines, including research from published epidemiologic, demographic and sociologic sources
- Collaborative practice model that includes physicians and support-service providers
- Patient self-care management education that includes primary prevention, behavior modification, and compliance/surveillance

- Process and outcomes measurement that includes evaluation and management
- Routine reporting/feedback loop that includes the flow of communication between patients, physicians, health plans, ancillary providers and practice profiling

It is important to note that full-service DM programs must include each of these six components in a program design, and programs consisting of fewer components are only considered DM support services.

Are there regulations regarding DM programs?
Yes. Although there are many different forms of disease management programs, almost all require a third party to access enrollees' medical records. In light of the many federal and state laws that protect the privacy of medical records, disease management programs must comply with all applicable state and federal privacy laws.

As of June 2005, the following states have laws that specifically address disease management programs: Arizona, California, Colorado, Connecticut, Delaware, Florida, Illinois, Indiana, Iowa, Louisiana, Maine, Minnesota, Mississippi, Missouri, Montana, New Hampshire, New Jersey, New Mexico, New York, North Carolina, Oklahoma, Rhode Island, South Dakota, Texas and Washington. In addition, at least 9 other states including Alabama, Arkansas, Georgia, Maryland, Oregon, South Carolina, Tennessee, Utah and West Virginia have some type of disease management program not established through legislation.[3]

What are some challenges of DM programs?
The key to disease management is outreach and enrollment. Though disease management programs help people with whom they engage, they reach only a small fraction of eligible people. Strong and consistent encouragement is the key to success, as statistics show that most people contacted to join a disease management program will resist enrollment. Often people who have been diagnosed with chronic diseases are not anxious to discuss or contemplate how the disease affects them. Instead, many people may simply feel too busy to consider adding more tasks to their lives. In addition to busy schedules and the resistance to acknowledge one's disease, there are other challenges to the success of disease management programs including the following:

- Beneficiary enrollment
- Engagement rates
- Project designs

Where can I get more information on DM programs?
For more information, please visit the Disease Management Association of America at www. dmaa.org; the National Conference of State Legislatures at www.ncsl.org; and the State Coverage Initiatives at www.statecoverage.net.

Disease Management (DM) programs may not be the right solution for all employers. Please contact your Andreini & Company representative for assistance.

Andreini & Company welcomes the opportunity to help your organization examine its plan design(s) and make recommendations for improvement.

This copy of Plan Designs is not meant to be provided as legal advice. Readers seeking legal advice should contact an attorney.

[3] Disease Management Association of America (DMAA).