

# MANAGED CARE

## OUTLOOK

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## On the Frontlines of a New Era in Health Care with Personal Health Support

The “look and feel” of personalized medicine may be a little different from company to company, but the general concept is the same. It is the ability to tailor programs to the individual level and to meet the needs of individual patients in a more holistic fashion. It is about working with patients to empower them and support them instead of just managing a disease. The rationale is straightforward: not only is it good for individuals, but ultimately, it will help benefit managed care organizations as well as their clients — particularly employers looking to manage costs and improve productivity in a slowing economy.

“We recognize that the best way we can help individuals is with an approach that involves a positive outlook about changing health outcomes and focusing on health behaviors that they feel they are ready to change,” explains Ron Loeppke, MD, executive vice president of health and productivity for Alere, a leader in specialized health management services. Alere’s services include wellness solutions, disease management, and complex case management as well as maternity and NICU-management services.

“The theory is that engaging the patient and letting him or her experience a positive outcome, however small that outcome may be, gives the person the confidence to change their behavior and impact their health for the long haul,” says Loeppke. “It’s about providing information, communication, and education — as well as physician support — but also having empathy for patients and meeting them at

their level of readiness to change. Ultimately, our goal is to improve behaviors and create a healthier, more productive population.”

Historically, disease management tended to focus on the condition or disease and tried to close quality gaps in care around that disease. Personalized medicine looks at more than just the condition or disease. It seeks to understand all the elements that a patient has going on in his or her life and tries to find the best way possible to help that individual. It is a more integrated approach that strives for a more holistic experience at the individual level.

It is through this integrated approach that organizations get the full impact of investing in better health, says Loeppke. This is true not just from a financial perspective (although that is part of it) but also from a clinical perspective. For example, for a diabetic patient, it not only means getting the hemoglobin A1c level to the optimal range and keeping it there but also looking at utilization indicators to see if people are using fewer emergency room services and hospitalizations. It means looking for improvements in productivity and absenteeism and evaluating health risk indicators to see if a patient has experienced any gain in that area.

It also means going beyond the standard measurements to those outcomes and criteria that are important to all participants in the health management process. For example, Alere’s health management programs seek to reduce costs and improve productivity, which not only benefits the individual, the employer, and the managed care

organization but also contributes financially to an organization's bottom line.

The challenge is to communicate that value in a manner that is relevant and meaningful to the C-suite of an organization. In the past, many managed care organizations used terms such as return on investment (ROI) to highlight financial value. There are other key issues, however, that will help to better communicate the importance of a healthy workforce and the value of a personalized approach to health care.

“When you start talking about the impact of employee health on shareholder value, it speaks to the C suite,” says Loeppke. “They have their own language, and we have to be able to connect the dots and show them the value of health. For example, one of the things we found in our research is that consistently, for every \$1 of medical pharmacy cost that employers pay out, on average, they are spending \$2 to \$3 on health-related productivity losses — presenteeism and absenteeism. For some conditions, that ratio can be dramatically higher. These are the figures that get the attention of the C suite.”

### The Value of a Healthy Workforce

Given the current economy, employers in general are starting to look at human capital a little differently. Thanks in large part to financial markets seemingly paralyzed by the current economy, many employers simply do not have the assets to drive growth through mergers and acquisitions; nor do they have the assets to buy new capital equipment. As a result, they are depending on human capital now more than ever because they know that is where they are going to get incremental creativity, innovation, and productivity from their employees.

“This value of improved health and productivity to the employer community is a very hot topic right now,” notes Loeppke. “More and more we are hearing that employers are focusing on the value of health and looking at it as an investment to be leveraged rather than looking at the cost of health care as a cost that has to be justified and managed. That’s a pretty significant shift. Employers are beginning to understand that we can’t just reduce costs and manage our way out of this through financial arrangements. We have this increasing burden of health risk that leads to an increasing burden of chronic conditions, and employers know something has to be done.”

Health care industry leaders like Alere's Loeppke believe that the incorporation of a more personalized approach to health care holds value not only to individuals and plan sponsors but also to the nation as a whole. As the country continues to debate health care reform, one element that all constituents can agree upon is the need to help individuals help themselves as a cornerstone to improving care and lowering costs.

Loeppke is one of several leading clinicians who published a landmark study in 2007 in the *Journal of Occupational and Environmental Medicine* (JOEM) that helped to introduce the concept of health and productivity as a business strategy.<sup>1</sup> A follow-up study is scheduled to be published in the spring of 2009.

For additional information on personalized medicine, please visit Alere at [www.alere.com](http://www.alere.com) or email [info@alere.com](mailto:info@alere.com). ■

### Endnote:

1. Loeppke R, Taitel M. Health and Productivity as a Business Strategy. *J Occup Environ Med*. 2007 Dec; 49(12):1299-300.

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