Optimizing Health Care Delivery by Integrating Workplaces, Homes and Communities
How Occupational and Environmental Medicine can serve as a vital connecting link between Accountable Care Organizations and the Patient Centered Medical Home

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Content Attestation and Disclosure
I am an employee and shareholder of U.S. Preventive Medicine and the content in my presentation, is unbiased, and to the extent possible, evidence-based.

Today’s Session
Discuss OEM opportunities/roles ACOs/PCMH initiatives:
- ACODEM’s Position Statement paper in April issue of JOEM on ACOs/PCMH/OEM
- How OEM physicians can help ignite employer centered ACO and PCMH deployment
- The unique role of Occupational and Environmental Medicine (OEM) in prevention, care delivery and population health management
- How OEM can help transform our “Sick Care” system to a true Health system
ACOEM Position Statement on Occ Health in ACOs/PCMHs

EXECUTIVE SUMMARY

In recent years, the health care system has seen large-scale reform efforts, including the development of Accountable Care Organizations (ACOs) and Patient Centered Medical Homes (PCMHs). ACOs/PCMHs are care models that make physicians and hospitals more accountable for the health of their patients. ACOs/PCMHs are outcomes oriented, performance-based, and financially aligned with incentives to improve health outcomes and control costs. ACOs share in a portion of any savings gained from improved health outcomes.

ACOs/PCMH Definitions

- **Accountable Care Organizations (ACOs)**
  - Care model that makes physicians and hospitals more accountable
  - Outcomes oriented, performance-based, with aligned incentives
  - Goal: improve value of health services, control costs, improve quality
  - ACOs share in a portion of any savings gained

- **Patient Centered Medical Home (PCMH)**
  - "Whole-person" and "Whole Population" orientation
  - Integrated and Coordinated Care
  - More emphasis on quality, safety, better access to physicians
  - Aligned incentives for improving health as well as better clinical outcomes

Population Health Management: Better Health, Better Healthcare at Lower Cost

ACOs/PCMH and the Workplace

- Employer communities/workplaces are impacted
  - Large percentage of Americans receive health benefits at work
  - 137 million employees in the U.S.
  - Retirees and families of employees extend impact even further
  - Employers increasingly attuned to health of employees and dependents
  - Strong evidence base showing that improving health improves productivity and lowers total health related costs

- Including workplace in ACO/PCMH development is logical
  - Work impacts health and health impacts work
  - Workplace is organically connected to the health of employees
  - Employers have unique infrastructure advantages that could help ACO/PCMH initiatives

INFORMATION AND BACKGROUND

Today, the American health care system is in a state of transition and profound challenges. Health care reform, including Enhanced Access to care, new models of delivery, and payment mechanisms, have placed attention on the need for improved health outcomes and cost control. Population Health Management, or the integration of traditional health care delivery with workplace wellness initiatives, is a critical component in realizing improved health outcomes. ACO and PCMH models are designed to improve health outcomes and control costs, and their inclusion in workplace wellness initiatives is logical and beneficial.
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Unique Advantages of Workplace Wellness and Occupational Health

- Occupational Health Providers are an important resource
  - Nation’s specialists in workforce/workplace health and wellness
  - Critical link to nation’s workers and their dependents
  - An Occ Health Provider/Workplace Wellness Program yearly impact w/ employees = Hundreds of hours; a primary care physician yearly contact w/ patient only minutes.

- Occupational Health relevance and sphere of influence is expanding
  - Workplace health and wellness initiatives now reach millions of workers
  - Unique training and skills in both individual health and population health management
  - Clinical guidelines and scientific research base increasingly relevant
  - Emphasis on Prevention is fundamental to Occupational Health as well as ACOs/PCMH

Background: ACOs/PCMH

Why are these concepts getting so much attention by employers?

- The Cost Crisis has been largely driven by the Health Crisis
- Employer’s goal is a healthier, more productive workforce at lower total costs
- ACOs/PCMH initiatives align incentives for better population health on the supply side (providers) and employers align incentives on the demand side (consumers)

The Cost Crisis due to the Health Crisis

Of the $2 trillion spent on U.S. health care

Of every dollar spent...

...75 cents went towards treating patients with one or more chronic diseases

In public programs, treatment of chronic diseases constitute an even higher portion of spending:

- More than 96 cents in Medicare...
- ...and 83 cents in Medicaid

"The United States cannot effectively address escalating health care costs without addressing the problem of chronic diseases."

-- Centers for Disease Control and Prevention
The Problem

- 133 Million Americans have one or more chronic conditions
- 79 million Americans have pre-diabetes (yet, < 7% are aware of it)
- 67% of the increase in health care spending is due to increased prevalence of treated chronic disease
- 27% of rise in healthcare costs associated with the increase in obesity rates ("Waist Line impacts the Bottom Line")


The Bigger Problem: The Full Cost of Poor Health

Personal Health Costs
- Medical Care
- Pharmaceutical costs

Productivity Costs
- Absenteeism
- Short-term Disability
- Long-term Disability
- Presenteeism
- Overtime
- Turnover
- Temporary Staffing
- Administrative Costs
- Replacement Training
- Off-Site Travel for Care
- Customer Dissatisfaction

Variable Product Quality
- Productivity Costs
- Presenteeism
- Absenteeism
- Drug Medical

Top 10 Health Conditions by Full Costs For Employers (Med + RX + Absenteeism + Presenteeism) Costs/1000 FTEs

As Health Risks go so go Health Costs

Dr. Dee Edington
Zero Trends

Which Matters More on Costs: Age or Health Risk?

Health Risks Impact Productivity

The Solution

Current system focus on the financial transactions of healthcare has not lowered total costs — it only shifted them.

Reducing the burden of health risks and illness leads to a healthier population and measurable TOTAL COST DECREASES.

Prevention is a Key Solution

Centers for Disease Control and Prevention has found that:

- 80% of Heart Disease and Type II Diabetes as well as
- 40% of Cancer are Preventable
  - if people just:
    » stopped smoking,
    » ate healthy and
    » exercised
Whole Population Health Management:

- Total Population
- High Risk
- Medium Risk
- Low Risk
- Population of One

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Population Health Risk Transitions after 2 Years on a personalized Prevention Plan:

- N = 7,804 Participants
- 45.57% MOVED DOWN
- 53.95% MOVED DOWN
- 10.48% MOVED DOWN

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The Association of Technology in a Workplace Wellness Program with Health Risk Factor Reduction.

Significant Overall Reduction in Health Risk of Population

Net Movement of Health Risk Levels in Cohort Baseline vs Year 2 on Prevention Plan

<table>
<thead>
<tr>
<th>Risk Level</th>
<th>Baseline</th>
<th>Year 2</th>
</tr>
</thead>
<tbody>
<tr>
<td>Low</td>
<td>60%</td>
<td>46%</td>
</tr>
<tr>
<td>Moderate</td>
<td>22%</td>
<td>23%</td>
</tr>
<tr>
<td>High</td>
<td>6%</td>
<td>11%</td>
</tr>
</tbody>
</table>

N = 7,804

Reduced Risk → Reduced Cost

Average Saving (per Risk Reduced per person per year)

Costs Reduced   $215
No Change       $0
Costs Increased $0

Average Productivity Savings (per Risk Reduced per person per year)

% of Productivity Change

2 or more -1 0 -2 or more

# of Health Risk Changes

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Wellness Works and Prevention Pays

Average ROI

$3.27 + $2.73

Med/Rx Savings + Absentism Savings

$6.00 saved for every $1.00 invested

In Comprehensive Wellness

OEM Roles Expanding

Occupational Medicine

- Urgent care focus
- Workers’ Comp.
- On-Site Clinics
- Primary Care
- Pre-placement, periodic, medical surveillance exams
- Hazardous/hot works
- Hearing conservation
- Regulatory compliance
- Case/Disable management
- Efficient SAW/RTW

Occupational Health

- Workplace Wellness
- Health Protection (Safety) and Health Promotion
- Ergonomics
- Individual Health Risk Assessment
- Organizational Health Assessment

Population Health

Integration of:
- Health management
- Disease management
- Disability/absence management
- Medication management
- Value (quality/cost) management
- Managing the health assets and human capital of workforces and populations

Vision for the Future

Current Way

Focus

- "Sick Care" System
- Quantity/Cost of Service
- Inex & Injury
- Health "Benefits" as a Cost

Approach

- Permission to Docs & Pts
- Misaligned Incentives for Sick
- Fragmented/Uncoordinated
- Prevention a Cost to Justify

Results

- Benefits Paid for Poor Health
- Els "Use it or Lose it"
- Patients Passive Recipients
- "Pay for Quantity/Volume"

New Way

Focus

- True "Health" System
- Quality/Value of Service
- Well-being and productivity
- Value and Benefits of Health

Approach

- Empowerment of Docs & Pts
- Aligned Incentives for Health
- Integration/Coordination
- Prevention as an Investment

Results

- Rewards Paid for Better Health
- Els "Use Wisely & Save"
- Consumers Actively Participates
- "Buy Quality/Value" of Health


The Time to Engage is Now

We Can Start Integrating OEM with ACOs/PCMH Now

- Employer sponsored ACOs/PCMHs for workers and their families
- Financial opportunities to support health behavior change
- "Whole person" and "whole population" integrated health services
- Primary, Secondary and Tertiary Prevention services
- Work fitness and disability prevention and management
- Onsite OEM clinics or full-service primary care clinics
- Evidence Based Medical Practice guidelines (clinical & functional)

Key Point: INDIVIDUAL and POPULATION HEALTH MANAGEMENT is a fundamental building block of ACO/PCMH models and OEM physicians have unique training and expertise with proven results

The Bottom Line

Good Health is Good Business