



Health Plan, Heal Thyself

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Let's start by stating the obvious. Taft-Hartley health plans are in trouble across the country. Access to health insurance coverage is one of the most cherished achievements in the pantheon of organized labor's accomplishments. Unfortunately, the cost for this coverage is now approaching \$7.50 per hour for union families while the inflationary trends for health coverage we have seen in recent years are not sustainable into the future.

What is not obvious - the quality of service received by working families is not acceptable. A recently published Rand Corporation Study¹ found that patients in the United States are receiving substandard health care about half of the time. The study was based on the medical record reviews of almost 7,000 people in 12 metropolitan areas.

Based upon documented treatment received for 30 of the chronic and acute conditions that are known to generate catastrophic morbidity, patients received substandard care about 50 to 60 percent of the time. Care for high blood pressure was ranked among the best, while care for diabetes ranked among the lowest. Researchers also discovered that the causes were most likely attributable to the endemic disorganization that now pervades the health care system. Doctors did not order critical tests and prescribe essential medications. Patients did not comply with treatment protocols. Unfortunately, there are no existing feedback loops to catch mistakes and omissions.

Evaluating the Management of Chronic Disease in Taft-Hartley Health Plans

My consulting group, Illumination Medical, Inc., has been working with Taft-Hartley and ERISA Trusts here in California and beyond. Our analysis of claims paid data for both medical and pharmaceutical products and services confirm the Rand Corporation's finding and are summarized below.

It should be kept in mind that each of the management criteria evaluated are nationally accepted baseline performance standards. None are contested as being marginal issues.

¹ Eva A. Kerr, Elizabeth McGlynn, et al. "Profiling the Quality of Care in Twelve Communities: Results from the CQI Study," *Health Affairs*, May/June 2004.

Taft-Hartley and ERISA Trusts Chronic Disease Management Performance Data

<p>Management of Diabetes:</p> <p>Diabetes represents a serious health condition. It is the sixth leading cause of death by disease in the United States. The World Health Organization estimates that the total health care costs of a person with diabetes in the United States are three times those for people without the condition.</p>	<p>Less than 37% of diabetics had at least one HgbA1c test during the year under study. HgbA1c testing is the national “gold standard” for measuring the effectiveness of blood glucose management in diabetics. Controlling blood glucose levels in people with diabetes significantly reduces the risk for blindness, end-stage renal disease, and lower-extremity amputation.</p> <p>Less than 34% diabetic beneficiaries had an eye exam performed by an ophthalmologist during the year. Loss of vision is one of the major recognized complications of diabetes. All patients diagnosed as having either Type I or Type II diabetes should have at least a yearly retinal evaluation by an ophthalmologist.</p> <p>Less than 25% of beneficiaries with diabetes had a lipid profile performed during the year. Cardiovascular disease is a dreaded complication of diabetes. All diabetics should have at least yearly lipid profiles.</p>
<p>Management of Atrial Fibrillation (AF):</p> <p>Affecting about two million Americans every year, atrial fibrillation is the most common type of sustained heart beat irregularity in the U.S.</p>	<p>Less than 55% of beneficiaries with atrial fibrillation had prescriptions filled for an anti-coagulating agent (coumadin/warfarin). AF is a condition wherein the heart beats irregularly. Patients with AF tend to form clots in the heart. If untreated, these clots frequently break off or embolize. These emboli occlude blood flow to vital organs and can produce complications ranging from stroke to occlusions in other organs and the extremities. The published literature demonstrates that oral anticoagulants contributed to a significant decrease in the risk of stroke and cardiovascular events in patients with atrial fibrillation.</p> <p>Less than 22% of beneficiaries with atrial fibrillation, who were taking an anti-coagulating agent, had at least monthly measurement of their clotting parameters. Patient’s receiving anticoagulant therapy need to have their bleeding times monitored. If the bleeding time is uncontrolled, patients who fall can develop serious complications. An example would be a subdural hematoma or bleeding around the brain.</p>

<p>Management of Congestive Heart Failure (CHF)</p> <p>Between 2 to 3 million Americans have heart failure, and 400,000 new cases are diagnosed each year. Heart failure causes 39,000 deaths a year and is a contributing factor in another 225,000 deaths.</p>	<p>Less than 71% of beneficiaries with CHF had prescriptions filled for an angiotensin converting enzyme (ACE) inhibitor. Heart failure is a progressive and lethal disease if left untreated. Even with existing therapy, the mortality rate remains high, and the quality of life and morbidity are significantly impaired. The use of preventive therapy with an ACE inhibitor and an aldosterone antagonist represent the accepted practice guideline for patients with CHF or who are at risk of developing CHF.</p> <p>Less than 27% of beneficiaries with CHF were taking both an ACE inhibitor and a beta blocker. See above.</p> <p>Less than 50% had received a Flu vaccination within the last year. The Centers for Disease Control recommends flu shots for all adults age 50 and older, pregnant women, children between the ages of 6 months to 23 months and those who are in close contact with them. Most people who die from the flu are 65 or older. Individuals with CHF, CAD, COPD (see below) are prone to developing secondary pneumonia during an attack of influenza. These episodes of pneumonia frequently result in death. For this reason individuals with chronic illnesses are strongly recommend to have a flu vaccination as well as a Pneumococcal injection prior to the flu season which starts in October.</p> <p>0% had been given the Pneumococcal vaccine during previous year. (See above).</p>
<p>Management of Post Myocardial Infarction (MI)</p> <p>Heart disease is the leading cause of death in the United States. Coronary artery disease (CAD) is also the leading cause of premature, permanent disability in the U.S. labor force,</p>	<p>NONE of the beneficiaries with history of myocardial infarction were on beta-blockers. Treating heart attack survivors with beta blockers is an effective way to reduce subsequent suffering and death caused by heart disease. Beta blocker treatment in MI survivors reduces mortality by 40% in older patients (older than 60 years of age) and 28% in younger patients.</p> <p>Less than 5% of beneficiaries with history of myocardial infarction are on a statin (e.g. Mevacor, Zocor, Lipitor, etc.). The risk for heart attack and death among persons with established CAD is five to seven times higher than that of the general population. Lowering cholesterol can prevent subsequent heart attacks and reduce death in men and women who already have heart disease and high cholesterol. Lowering LDL-C can reduce the severity of heart disease, reduce the risk of a non-fatal heart attack and reduce the need for bypass surgery or angioplasty.</p> <p>Less than 31% of those with the diagnosis of CAD had a Flu vaccination within the past year. (See above).</p> <p>0% with CAD received the Pneumococcal vaccine during the past year. (See above).</p>

<p>Management of Chronic Obstructive Pulmonary Disease (COPD)</p> <p>COPD (Chronic Obstructive Pulmonary Disease) is an umbrella term used to describe lung disease associated with airflow obstruction. Most generally, emphysema, chronic bronchitis and chronic asthma either alone or in combinations fall into this category.</p>	<p>Only 8% of those with the diagnosis of COPD had a Flu vaccination within the past year. (See above).</p> <p>0% had received the Pneumococcal vaccine during the past year. (See above).</p>
<p>Management of Migraine Headaches</p> <p>Overuse of the emergency room is one of the top drivers for higher cost and rate increases for insurance today. Emergency room service is the most inappropriate setting for non-emergent care in the ambulatory setting. An ER visit will cost up to four to ten times the amount charged in a doctor's office visit.</p>	<p>ALL of the beneficiaries with migraine headaches are making more than two ER visits for headache per year. Only 15% of migraine sufferers should require emergency room (ER) treatment for severe headache during any given year. Properly managed patients should have back-up medicines for severe migraines. Education and the proper use of preventative medications are also important. Those patients requiring repetitive trips to the ER should be referred to a specialist for ongoing management of their condition.</p>
<p>Asthma</p> <p>A large and growing number of Americans are affected by asthma. Asthma-related suffering, cost and death can be greatly reduced through treatment with currently available and effective medications. Unfortunately, only 60% of the members of the average participating health plan were being treated with appropriate asthma medications</p>	<p>High frequencies of ER use have been documented for patients with Asthma within each health plan we have evaluated. Much of the death and suffering associated with asthma could be avoided if all Asthma patients were treated using the Asthma management guidelines developed by The National Asthma Education and Prevention Program expert panel. Less than 60% of health plan patients are receiving nationally recommended therapy for their condition.</p>

Source: Illumination Medical Analysis

Interpretation of the Data

As the Rand Corporation pointed out, the chief cause for the above discouraging performance data resides in the state of disorganization that has enveloped America's health care system.

- The paid claims data can be inaccurate. Patients frequently have dual health care coverage when both spouses work. Data gaps exist when the beneficiary's health plan does not pay for a service actually received (e.g. receiving medications from the Veterans Administration or having an immunization paid for by the spouses insurance plan).
- Physicians sometimes do not follow guidelines in treating chronic conditions.
- Frequently we find that patients fail to follow their doctor's medical advice. Current data demonstrates that approximately 50% of the medications written for chronic disease states are never picked up by the patient while over 66% of patients fail to comply with their doctors' overall treatment recommendations.² This problem with non-compliance represents the leading cause of failed medical treatment in clinical practice today. Patient non-compliance generates 10% of all hospital admissions and almost 30% of admissions to nursing homes. It is now estimated that the clinical costs of noncompliance totals over \$100 billion per year in unnecessary medical spending here in the United States.³

Approach to the Future

With the survival of Taft-Hartley plans at risk, health plans can no longer function in the future as they have in the past. Remaining a passive payer within the current health care system is no longer an option.

Most of the spending within any health plan is concentrated within ten recognized chronic conditions. Identifying beneficiaries with these chronic illnesses and determining the adequacy of the therapy they are receiving is now considered the norm for well managed health plans. The past practice of passively paying billed charges at contracted rates and assuming that the health care system will deliver comprehensive care to these individuals has been proven wrong. Both ethical and financial considerations dictate a more activist approach to medical risk management.

In the past, health plans have relied upon traditional benefit consultants and actuaries to advise the plan's trustees in meeting their fiduciary obligations. Unfortunately, this experience based, financial approach to plan management has delivered inflationary trends that are consistently 3 to 5 times the overall rate of inflation.

Many progressive health plans are now adding medical consultant advisors who assign physicians and pharmacists that focus upon the current evolving medical liabilities facing the health plan. These assigned professional consultants inventory, stratify and strategically target medical risk within the health plan. This type of medical consultation and support represents a new resource for Taft-Hartley plans across the country.

² Task Force for Compliance. Noncompliance with Medications: An Economic Tragedy with Important Implications for Health Care Reform, A Report of the Task Force for Compliance. April, 1994.

³ National Pharmaceutical Council. Noncompliance with medication regimens: An economic tragedy. Emerging Issues in Pharmaceutical Cost Containing, 1992; 2; 2: 1-16.

Conclusion

Taft-Hartley health plans can no longer sustain the inflationary trends we have witnessed in the past. It is not reasonable to ask working men and women to contribute more than \$7.50 per hour for their health care coverage. These levels of payments limit workers' ability to educate, feed and house their families. Furthermore, we are discovering that despite this high level of payment, the quality of service beneficiaries receive is well below what we would accept from any other industry in our economy.

It is time to re-think the approach to managing Taft-Hartley health plans in the future. Armed with state-of-the-art medical consulting support, health plans must continually monitor the quality of care their beneficiaries are receiving. They must intervene when that care does not meet national standards. They must seek out chronic conditions before they result in catastrophic complications. In short, they must see to it that their beneficiaries are receiving the quality of health care for which they are already paying too much.