



## Consultant Conference Exceeds Expectations

Leading consultants from across the country gathered on March 26-28 at the historic Royal Palms Hotel in Phoenix, Arizona for **First Health's** 2001 National Consultant Conference. **First Health** leaders discussed priorities in the health benefits arena for multi-sited employer groups. Topics included the economic benefits of managing care, recent trends in the health care economy and legislative issues. Political scholar Norman Ornstein, Ph.D. and Jim Lane (Salomon Smith Barney) shared their insights as well. **First Health's** newest technology developments were showcased in a variety of system application demonstrations.

Consultant feedback on the event was positive. "I did not have a sense of **First Health's** brand differentiation factors prior to the conference," according to a New York-based consultant. "The choice of topics, delivery of presentations and execution of a well-tuned event have given me a much better picture of **First Health's** value proposition. I expect to make **First Health** a regular part of my firm's practice going forward, as opportunities arise."



(Left to right) Bob Swan (**First Health** National Sales Director), Peter Moore and Greg Waterstradt (Palmer & Cay) enjoy dinner at the Royal Palms.

## The First Health® Care Support Program Delivers Favorable Results

The following is an interview *First Things First (FTF)* conducted with Dr. Scott P. Smith on April 23, 2001.

**FTF:** *What makes First Health's approach to disease management different from other companies'?*

**Dr. Smith:** First and foremost, we have the information that we need to ask the right questions and seek the right answers. We have all the data—we have all the information. To document all the activities, whatever they may be, in a cost management environment, you have to have all the medical claims, all the pharmacy claims, all the utilization information. Then you can relate those things to one another. Other companies, by and large, get their data from a number of sources, often external to themselves.

Secondly, we control all the assets in the sense that all the communications and all the clinical management protocols are owned and used by our own people.

Finally, we don't farm out our activities to someone else—so care support is delivered in a seamless way. For example, if a patient calls and says, "By the way, I have diabetes," the nurse case manager doesn't have to send the patient to someone else to enroll. The patient can be enrolled in the program right then and there.

These three things differentiate **First Health** in the marketplace. We have all the information. We control the assets. We bring it all together in a single program, a single point of contact. I don't think anybody else can make those claims.

**FTF:** *What kind of results is First Health seeing with the program?*

**Dr. Smith:** The initial results show that for patients enrolled in care support, costs are down about 10 percent post-enrollment. This is in the face of a background increase in overall medical costs of 12 percent. We see a small increase in pharmacy costs, as we would expect, but a larger decrease in medical costs. (See Figure 1.)



Scott P. Smith, M.D., M.P.H., is Vice President Clinical Management Services and National Medical Director at **First Health**. He oversees all clinical management activities, including the **First Health®** Care Support Program.

Visit [www.firsthealth.com/clients/care-support.html](http://www.firsthealth.com/clients/care-support.html) for a complete biography.

Our data also document that patients are refilling their medication more often. Through our pharmacy data, we can observe patients' increased compliance.

We also have self-reported patient information. Patients are reporting improvements in self-management and in self-perception, as it relates to their condition; decreased loss of work; a better sense of well being; and very high satisfaction with the program itself.

The initial results are very promising. Seventy-five percent of members report increased compliance with taking prescribed medications. Twenty-seven percent of members with asthma report more frequent use of their peak flow meter. Forty-three percent of members with congestive heart failure report more frequent weight monitoring. Sixty-eight percent of members with diabetes report more frequent blood sugar monitoring.

All the information we have is consistent with better care. Number one, we have documentation that clients are getting better cost results. Number two, patients report better results and say they're managing their disease more effectively. Number three, we see a small increase in pharmacy costs. These are the results that encapsulate the program.

### ***FTF: How do you manage pharmacy trend as it relates to care support?***

**Dr. Smith:** We don't manage pharmacy costs in a silo—we manage them as part of the overall cost management process. We look at the relationship between pharmacy costs and medical costs because the two are tied together. If patients are using their pharmacy benefit appropriately, then we should see better cost trends on the medical side.

There are several additional tools to manage pharmacy trend. For instance, with the three-tier formulary, we provide an incentive for use of the most clinically appropriate—and, therefore, most cost-effective—drugs on the second tier and discourage patients from using drugs that are not as effective or are inappropriately expensive by placing them on the third tier.

We want pharmacy costs to be managed appropriately. The fact is that new drugs are good for people in many cases. Our formulary structure reflects this.

### ***FTF: How do you select conditions for inclusion in the program?***

**Dr. Smith:** The condition has to be widespread. In addition, there has to be:

- Scientific evidence that there is a “right way” to manage the disease.
- Evidence that patients are not typically getting the care that they need. Industry estimates indicate that 40-60 percent of patients with chronic illnesses are just not getting the right care.
- Effective interventions, like self-monitoring of blood sugar.

When these criteria are met, we consider adding a condition. We currently have 10 conditions in our program. The Institute of Medicine Report on Quality suggests that the U.S. health care system is not taking very good care of chronically ill patients. They listed an array of conditions that should be managed, and all of the conditions in our program are on that list.

### ***FTF: Do you have any final comments about the program?***

**Dr. Smith:** We think that we are promoting high quality medicine with good financial results. It's the right thing to do. Ultimately, getting people the care they need will improve cost and quality results.

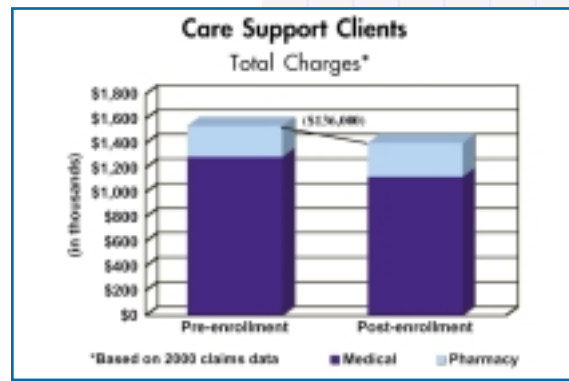


Figure 1

*Medical costs are down about 10 percent for patients after they enroll in care support. There is a slight increase in pharmacy costs, but a larger decrease in overall costs.*

**First Health** is a national PPO that is uniquely structured to serve large, multi-sited employers. **First Health** improves the health benefits experience for national employers and their plan members.

## First Things First

Consultant Newsletter

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