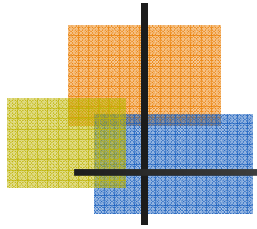




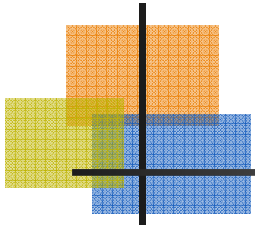
10 Lessons Learned in Obesity Benefit Design

Indira Paharia, PsyD, MBA, MS
Assistant Director Behavioral Health & Wellness
Regence BlueCross BlueShield
9.21.09



The 10 Lessons

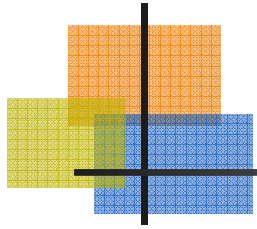
1. Establish a committee
2. Do your internal research
3. Do your external/market research
4. Draft the value-based benefit design
5. Build the business case
6. Build the workplan
7. Hold focus groups
8. Understand IT system requirement details
9. Obtain corporate benefit change approval
10. Plan provider communication & education



Lesson 1

Establish a Committee

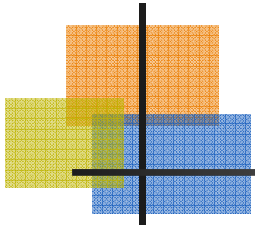
- Multi-disciplinary stakeholders
- Cross-functional departments:
 - Sales/Marketing: business intelligence, engagement
 - Product: benefits
 - Actuary: pricing
 - Healthcare Services & CMO: clinical decisions
 - Informatics/Analytics: outcomes assessment
 - Provider Relations: partnership and education
 - IT Services: system configuration and data capture



Lesson 2

Do your Internal Research

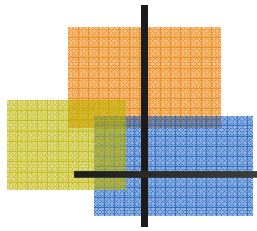
- Current benefit structure
- Variations by LOB
- Historical rationale of benefit denial or coverage



Lesson 3

Do your External/Market Research

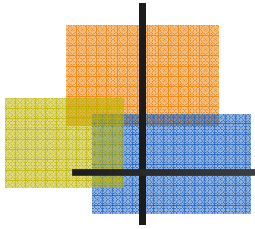
- Find out what benefits other plans are offering
- Read the scientific literature for empirically supported treatments
- Look to leading organizations for guidelines: DMAA, NHLBI, CDC, etc



Lesson 4

Draft the Value-Based Benefit Design

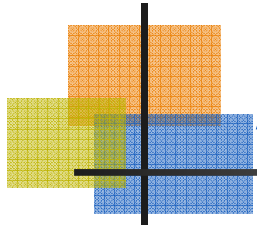
- Determine benefits to include
- Decide about member cost-sharing
- Vet this proposal with your committee and with senior executives



Lesson 5

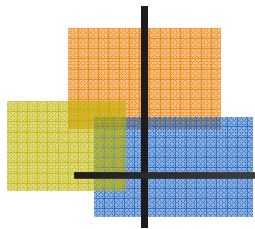
Build the Business Case

- Rationale for your proposed design
- Financial impact of opening up the benefits
- Competitive analysis
- Product and LOB eligibility
- Claims experience



Actuarial Assumptions

- 30% of total population assumed eligible (BMI >30)
- Utilization:
 - Outpatient benefits: 5% of eligible population
 - Surgical benefits: 0.75% of eligible population
 - National average is 1%; assume 0.25% reduction in utilization from outpatient benefits and program

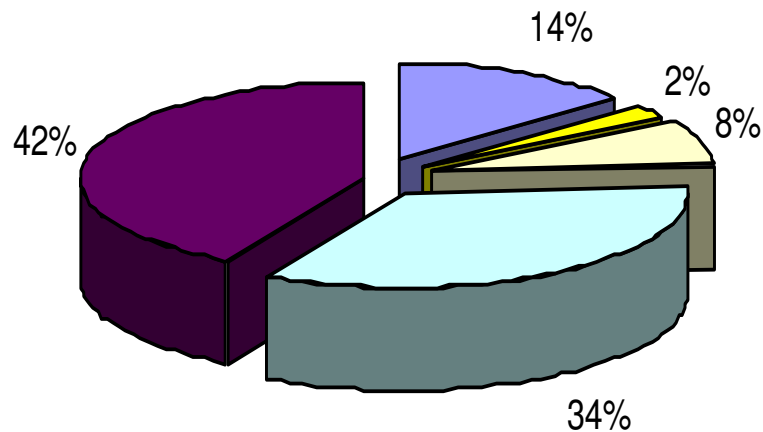


Obesity Claims Analysis

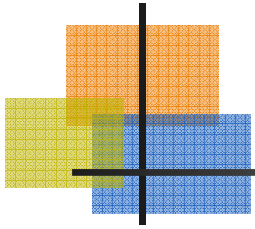
2007 annualized per capita cost **with** obesity claim: **\$13,142**

2007 annualized per capita cost **without** obesity claim : **\$3,544**

Primary Cost Drivers for Members with an Obesity Claim



- Cardiac disease
- COPD, including asthma
- Mental Health
- Diabetes and other endocrinology
- All combined other conditions

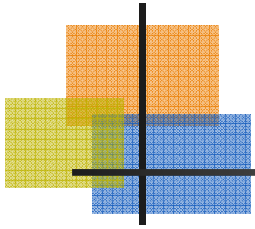


Lesson 6

Build the Workplan

- Scope
- Phases
- Milestones
- Timeline
- Division of labor
- Issues Log

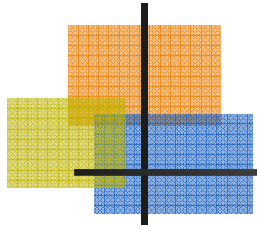
Phase	Milestone	Goal	Subtasks	Owner	% Complete	Target Date	Revised Target Date	Comments / Findings	Dependencies



Lesson 7

Hold Focus Groups

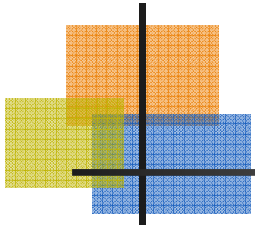
- Representatives from target market
- Acceptable price points
- Value proposition
- Reaction to design
- Options/customization
- Provider community



Lesson 8

Understand IT system requirement details

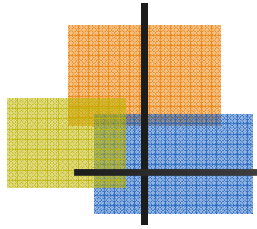
- Do this before going through formal approval process- you may have to change the design b/c of IT restrictions & resources
- Work closely with IT to configure claims payment systems, data warehouse, clinical software, etc
- Configure systems to prevent “gaming”: pre-auth, provider-type limits, ICD/CPT



Lesson 9

Obtain corporate benefit change approval

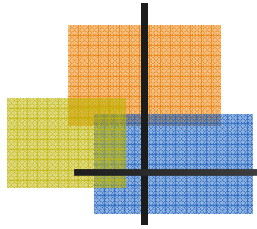
- Be prepared to answer:
 - Effects on member experience, enrollment, financials, state or federal mandates, operational efficiencies
 - Business areas impacted by benefit change
- Provide business case with background research & financial impact
- Use a value-based justification



Lesson 10

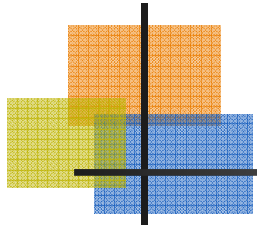
Provider communication and education

- Communication Plan
 - Letters, newsletters
 - How to code for new benefits
- Training Plan
 - Reference to scientific guidelines
 - Free webinars on best practices for obesity
 - Free office resources
- Preferred Providers
 - Identifying skilled providers for referral and partnership



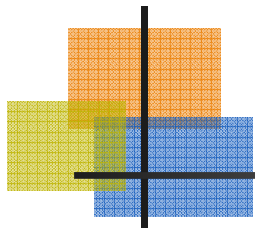
Conclusion

**BE PATIENT AND WILLING TO
COMPROMISE, BUT DON'T SACRIFICE
THE SCIENCE!**



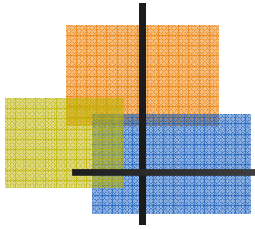
APPENDIX

Statistics & References



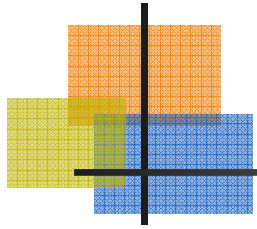
Health Statistics

- By 2015, 75% of Adults Will Be Overweight; 41% Will Be Obese (Wang & Beydoun, 2007).
- Health risks associated with bariatric surgeries:
 - Up to 20% of patients eventually regain all weight lost (Aronne, 2002).
 - Rapid weight loss is associated with a high incidence of gallstone formation (Latifi et al., 2002).
 - Dietary deficiencies are common after Roux-en-Y gastric bypass, such as vitamin B12 and iron deficiencies, reported in more than 30% of patients (Kushner, 2003).
- Although the utilization of bariatric surgery has dramatically increased, the prevention, control, and reduction of obesity can be obtained primarily through behavioral change (NHLBI, 2008).



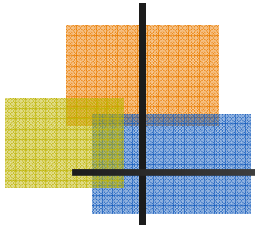
Financial Statistics

- Obesity–related illness now represents 9.1% of overall healthcare spending (CDC, 2009).
- Obesity related spending costs the US \$147 billion annually (Finkelstein et al, 2009).
- Obesity costs business \$13 billion per year in medical costs and lost productivity (Health Advocate, 2009).
- Obese people have annual medical spending that is \$1400 greater than for normal-weight people (Finkelstein et al, 2009).
- Compared to normal-weight counterparts, obese workers:
 - Are twice as likely to file a worker’s compensation claim
 - Have medical costs seven times higher
 - Lose about 13 times more days from work injury or illness
 - Cost a firm of 1000 employees \$285,000 per year in extra costs (Health Advocate, 2009)



References

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