Touchpoint Health Plan

August 22, 2002

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The State of Our Union

- Care of chronic conditions is a growing national concern.
- Chronic conditions represent 60% of the nation's overall health care expenditures.
- Nearly 1/2 of the U.S. population have some type of chronic condition.

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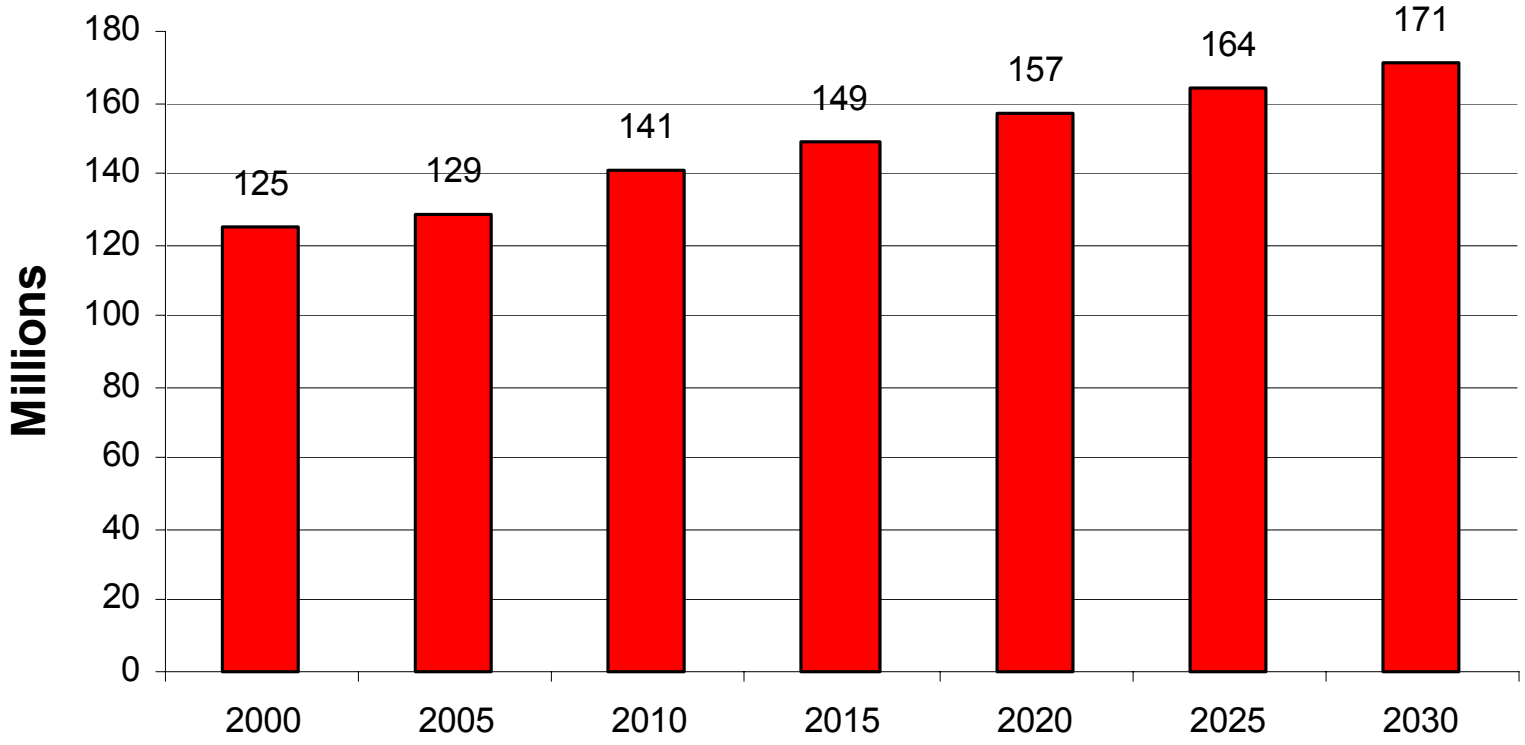
Number of People with Chronic Conditions



Source: Partnership for Solutions, Projection of Chronic Illness Prevalence and Cost Inflation, Tables 2-8

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National Statistics on Diabetes

- Prevalence 16 million Americans
- Costs = $98 billion/year
  - Direct costs = $44 billion year
  - Indirect costs = $54 billion/year
- 5.8% of all personal health care expenditures are related to diabetes.

Center for Disease Control and Prevention, 1999

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Cost of Diabetes in WI -- 1998 (in millions $$)

County	Direct	Indirect	Total
Brown	$47.7	$58.7	$106.1
Outagamie	$32.5	$39.8	$72.3
Winnebago	$32.8	$40.1	$72.9

CAD Statistics

- 13.9 million Americans have CAD
- CAD is the leading cause of death in the USA
- 2-3% decrease in risk for each 1% decrease in cholesterol

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Patient Care Registry

- Includes Diabetes, CAD, Mammography and Immunization
- Key component of our disease management programs: Diabetes and CAD
- Nightly downloads of information
- Clinical information and correspondence
- Reporting features are “real-time” at the clinic level

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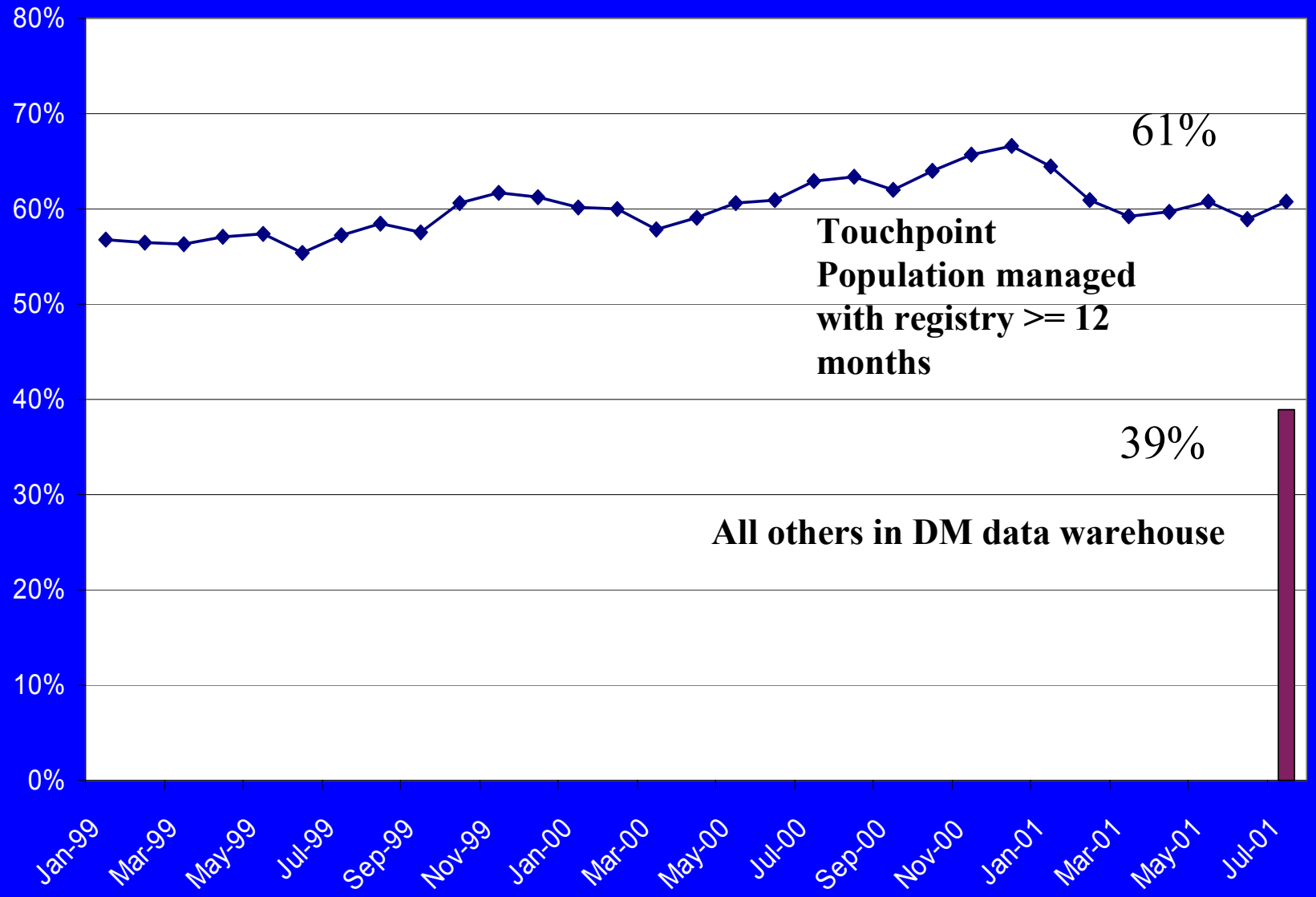
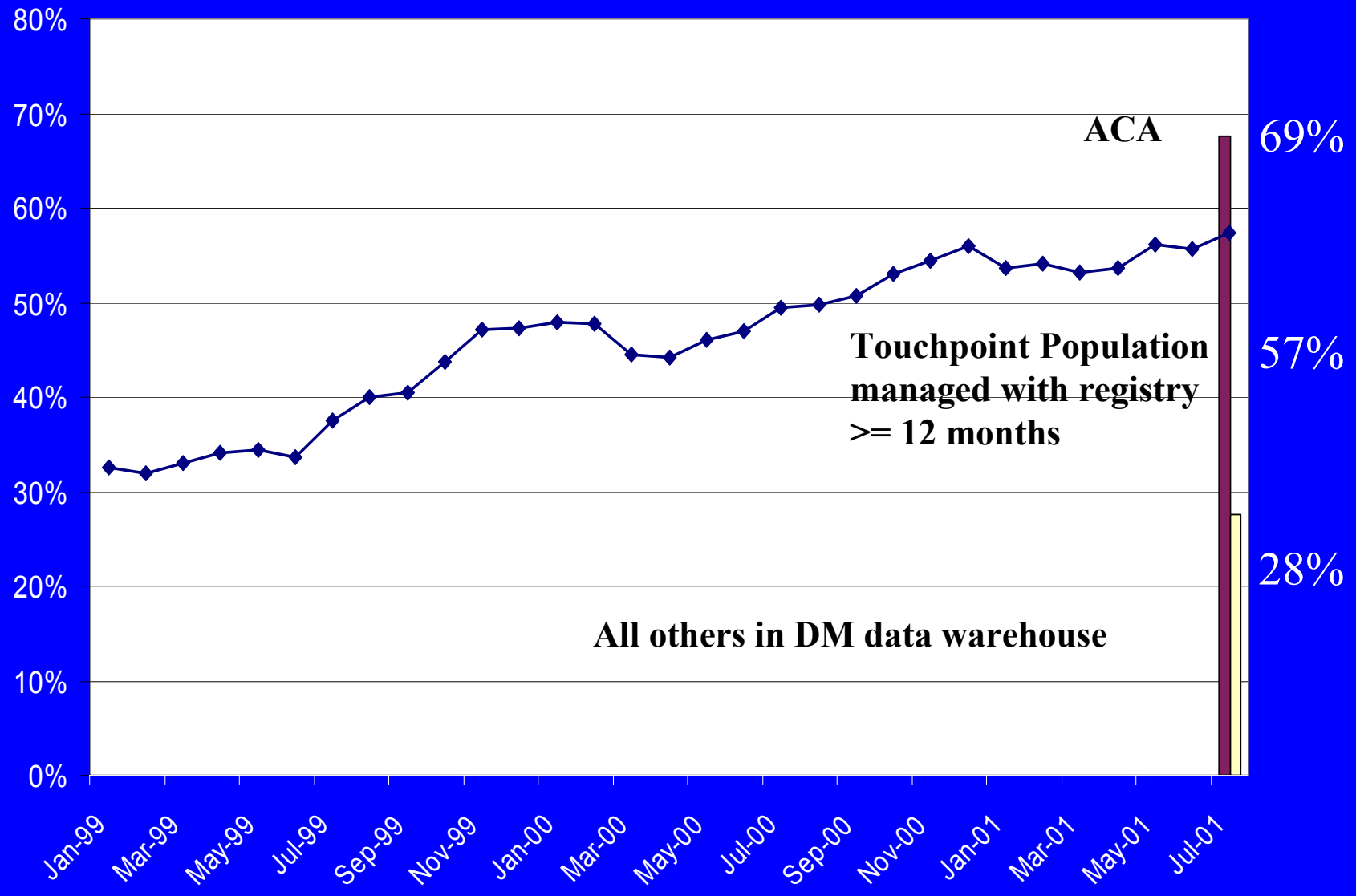
Diabetes Population - Blood Sugar Control
Hemoglobin A1c level <= 8.0



Coronary Artery Disease Population
Lipid Level <= 100



Clinical Savings-Diabetes

For every percentage point decrease in HbA1c (e.g., 9 to 8%).

Note: the level for HbA1c should be less than 6.2%

- 35% reduction in the risk of complications
- 18% reduction in heart attack and sudden death
- 7% reduction in all-cause mortality

Diabetes Care, Jan. 2002

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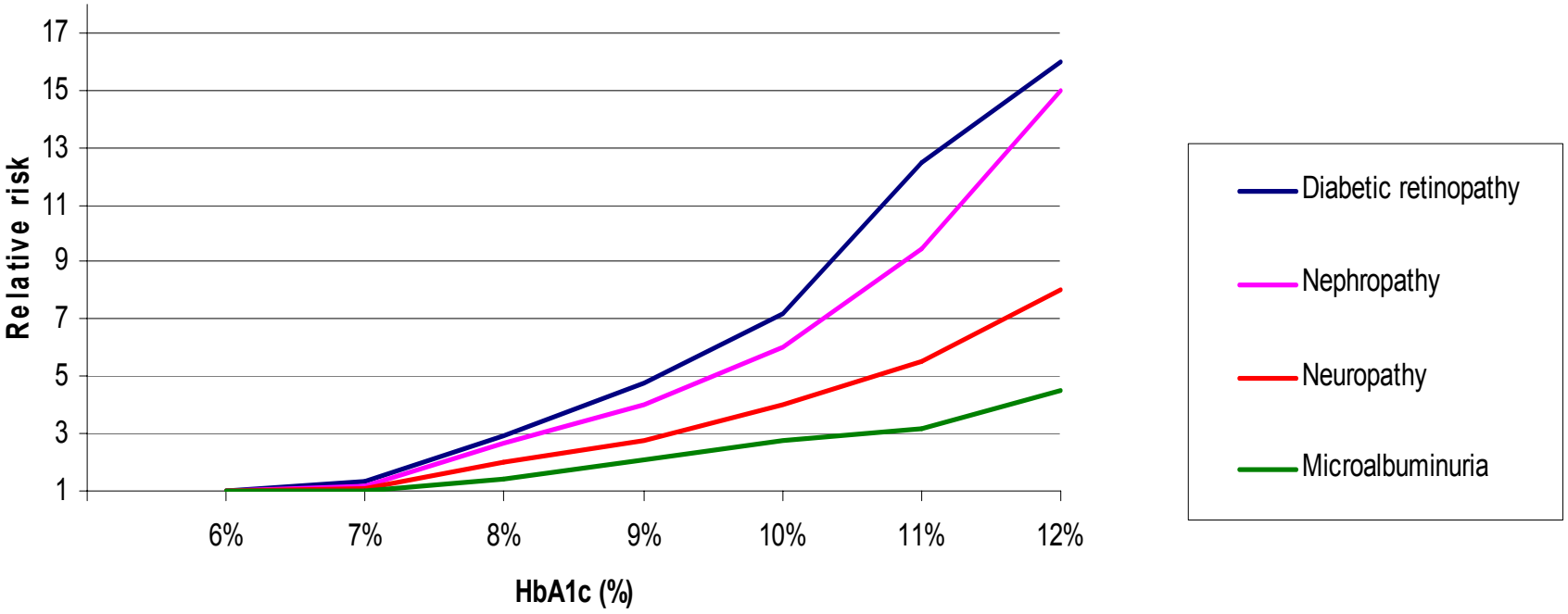
Relative risk of progression of diabetic complications by mean HbA1c



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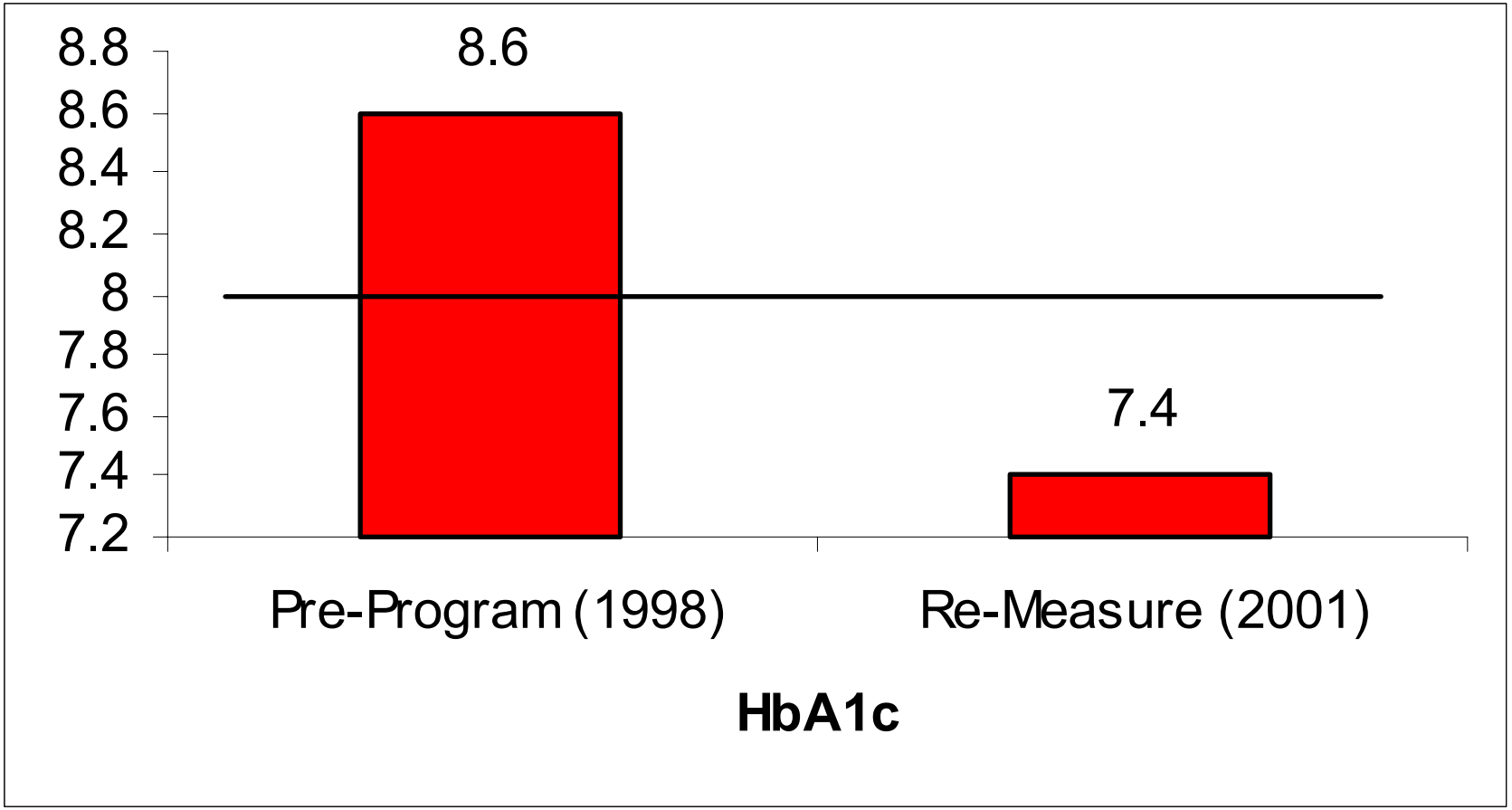
Average HbA1c Level



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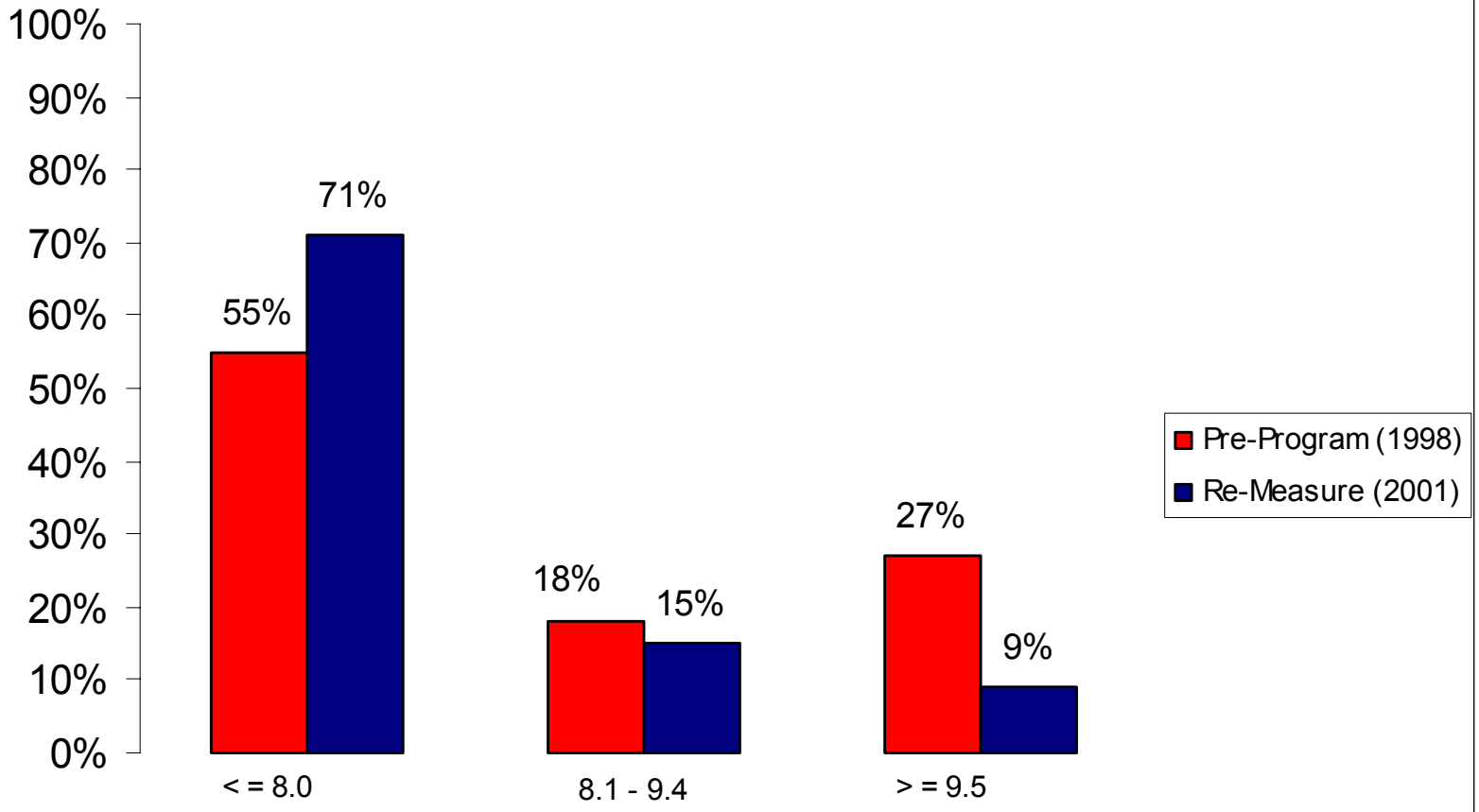
HbA1c Breakdown



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Clinical Savings-CAD

- By decreasing the average LDL 16%
  - 32-48% reduction in the risk of major coronary events

Patient with documented CAD and elevated LDL levels are 12 times more likely to die of CAD than are patients with desirable LDL levels.

American Journal of Managed Care, April, 1998.

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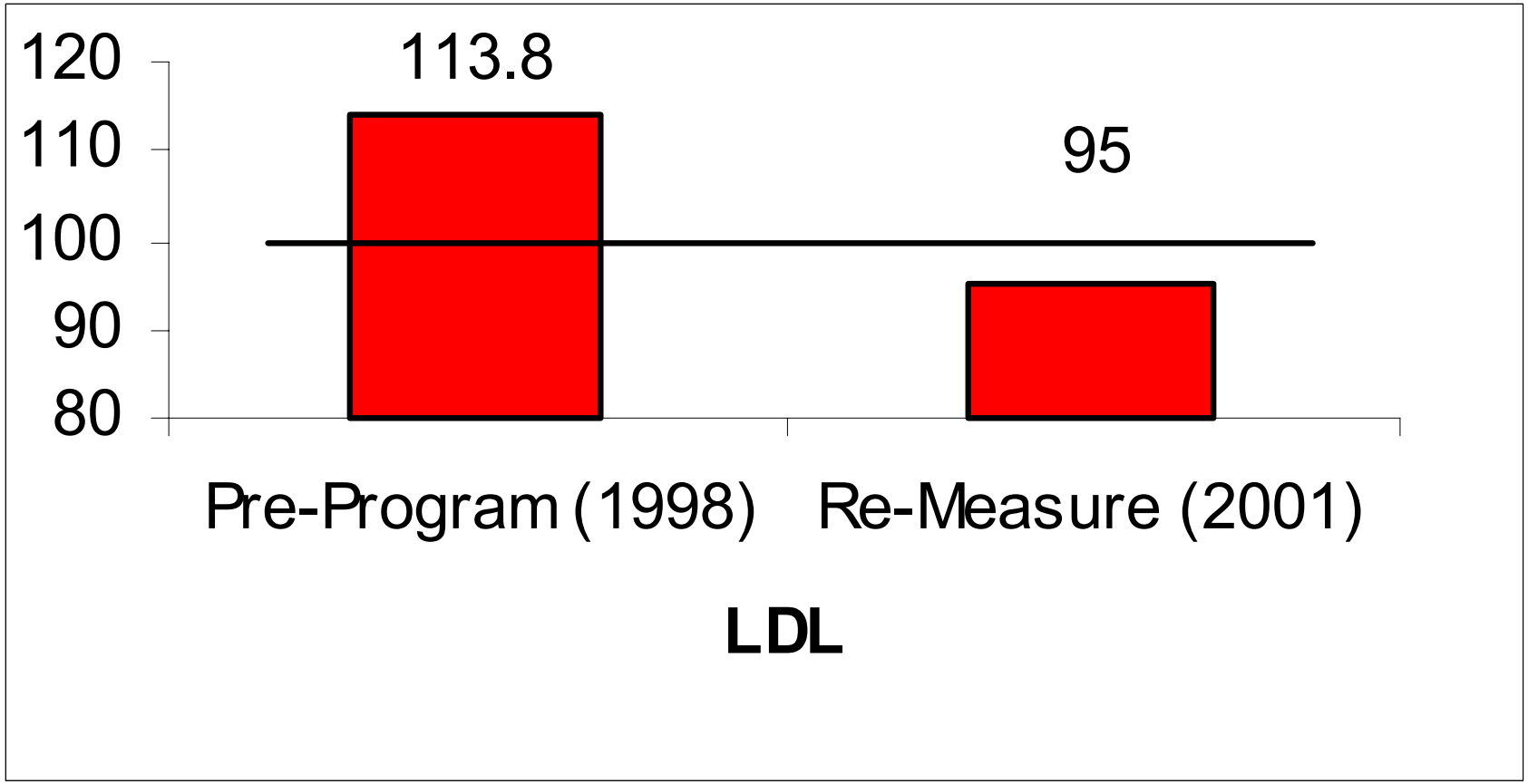
Average LDL Level



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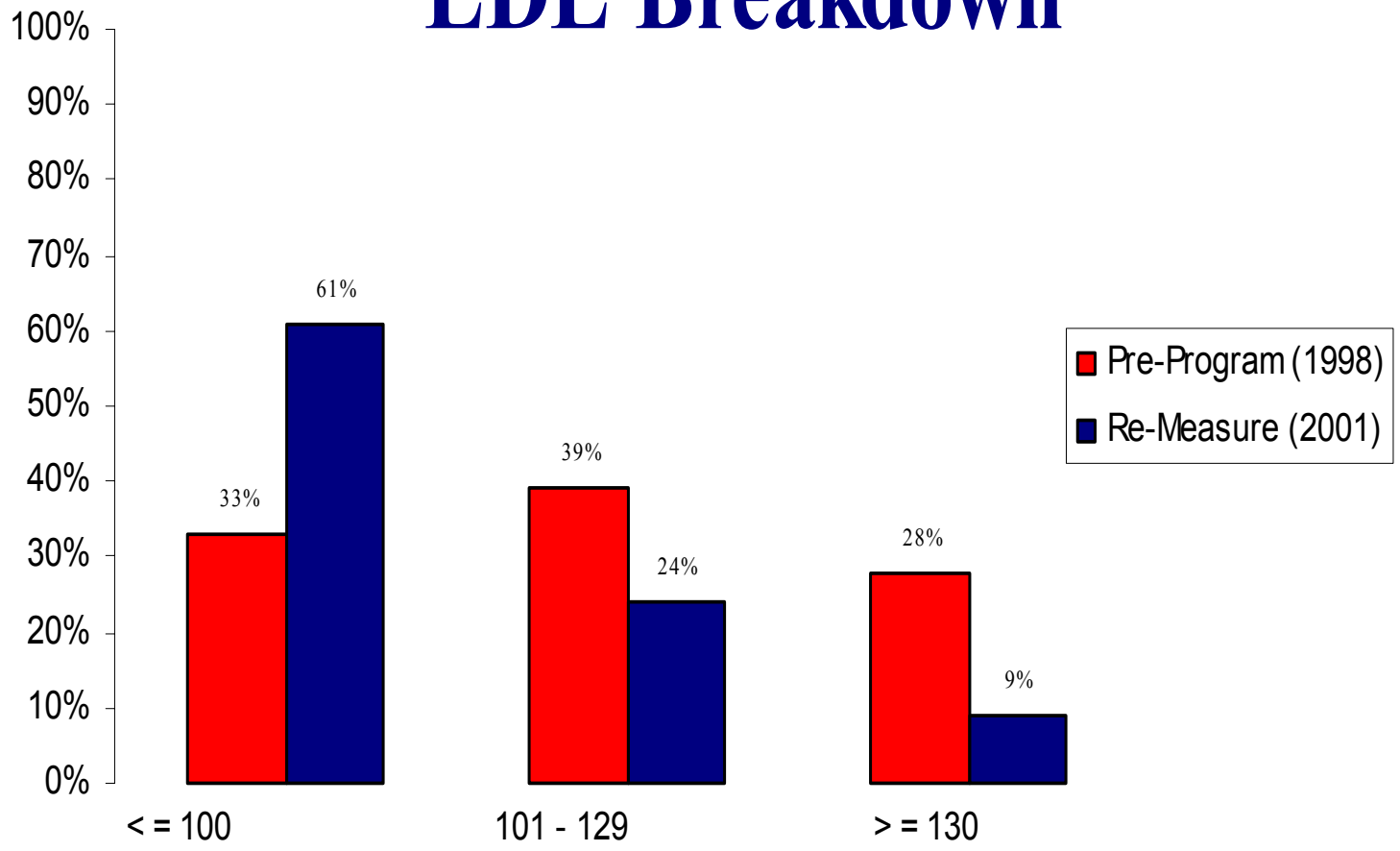
LDL Breakdown



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Health Care Savings: Does It Work?

In one 3-year study of a Diabetes Disease Management program, similar in size to Touchpoint's diabetic population, they realized a savings of >$4 million per year in fewer claims paid!!!

Diabetes Care, April 2002

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Touchpoint Results

From 1998 to year end 2001:

- HbA1c <= 8 from 43% to 71%
- HbA1c average reduced from 8.6 to 7.4
- Diabetic eye exams from 69% to 94.7%
- LDL <= 100 from 33% to 60%
- LDL average reduced from 113.8 to 95

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HEDIS Results

1999-2001

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IMMUNIZATIONS

	2001	2000	1999
Pediatric	85.2%	84.2%	78.6%
Adolescent	82.7%	80.5%	62.0%

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ASTHMA

	2001	2000	1999
Ages 5-9	79.6%	64.7%	56.7%
Ages 10-17	65.8%	63.8%	59.2%
Ages 18-56	76.1%	72.8%	69.1%
Combined Rate	74.6%	70.3%	66.3%

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HEART DISEASE

	2001	2000	1999
Beta Blocker Use after Heart Attack	**100%***	97.9%	96.0%
Cholesterol Management after Acute Event:			
LDL Screening	91.3%	86.8%	88.0%
LDL<130mg/dl	85.2%	78.3%	80.8%
Controlling Hypertension	59.9%	57.2%	37.2%

* National Benchmark

DIABETES

	2001	2000	1999
HbA1c Tested	96.6%	**95.4%***	92.7%
HbA1c > 9.5%	11.2%	19.7%	20.2%
Eye Exam	**94.7%***	84.7%	83.0%
LDL Tested	94.9%	88.6%	76.6%
LDL < 130 mg/dl	**75.9%***	67.2%	56.5%
Nephropathy Monitored	83.2%	65.5%	56.5%

*National Benchmark

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BEHAVIORAL HEALTH

	2001	2000	1999
Ambulatory Follow-up			
30 days	88.4%	86.4%	84.7%
7 days	68.6%	68.6%	54.0%
Antidepressants			
Follow-up Visits	21.9%	30.9%	NA
Acute Phase Medication	59.4%	55.6%	NA
Continuation Phase Medication	44.5%	36.7%	NA

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WOMEN'S HEALTH CARE

	2001	2000	1999
Chlamydia Screening (16-26 y/o)	23.6%	24.6%	22.6%
Cervical Cancer Screening	90.8%	90.8%	**88.5%***
Prenatal Checkup	94.4%	94.4%	94.0%
Check-up After Delivery	87.4%	87.4%	86.0%
Well-child Visits (Infants)	87.8%	87.4%	NA
Breast Cancer Screening	**90.4%***	**90.4%***	81.6%

*National Benchmark

PRESCRIPTION DRUGS

Challenges and Solutions

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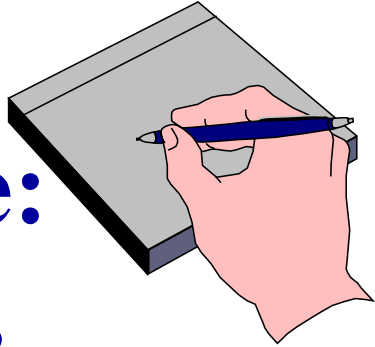
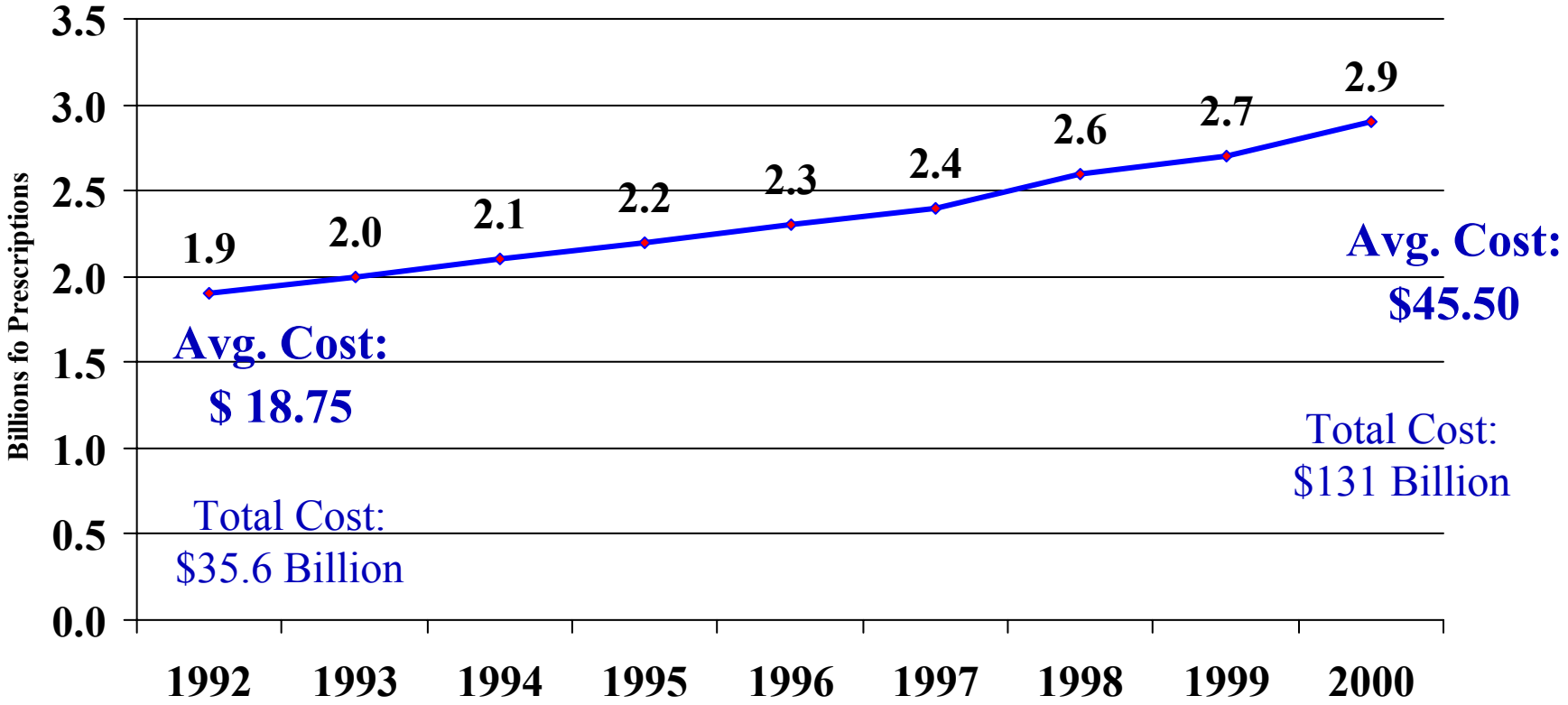
Prescription Drug Expense:



Rising Number of Prescriptions

The Number of Prescriptions is Rising Steadily (In Billions)



Prescription Drug Expenditures in 2000: The Upward Trend Continues. A report by the National Institute for Health Care Management

Prescription Drug Expense:
New, Expensive Drugs

- Increases in the sales of just 23 individual drugs were responsible for half (50.7%) of the $20.8 billion rise in spending from 1999 to 2000.
- Leading the list were: Vioxx, Lipitor, Celebrex, Avandia, Actos, and Oxycontin.
- Nineteen drugs had retail sales over $1 billion in 2000, up from 15 drugs in 1999.

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Prescription Drug Expenditures in 2000: The Upward Trend Continues. A report by the National Institute for Health Care Management

Touchpoint Solutions

- Formulary Development
- Half-Tablet Program
- Generic Sampling
- Appropriate Antibiotic Use Program

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Formulary Development

A formulary is a list of preferred medications

- Developed by the Touchpoint Pharmacy & Therapeutics Committee
- Drugs evaluated on basis of efficacy, side-effects, drug interactions, and then cost
- New drugs are reviewed to make sure that the formulary is up-to-date and that patient needs are being met
- Help eliminate inappropriate use

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Formulary Cost-Savings Example

Drug	Cholesterol Lowering	Cost
Lipitor 10mg	39%	$75
Zocor 20mg	38%	$127
Pravachol 40mg	34%	$126
Lescol 40mg	25%	$50

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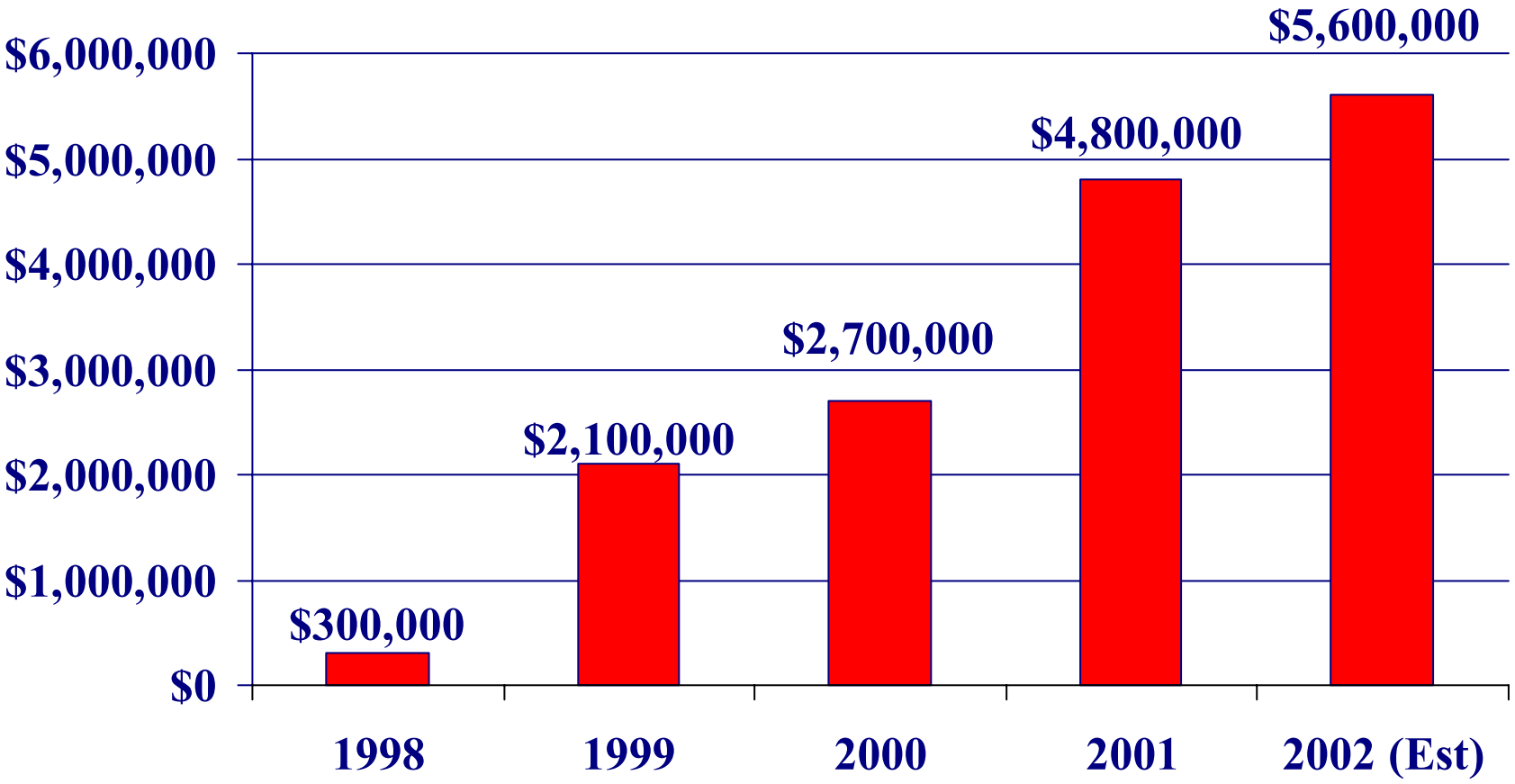
Manufacturer Rebate Results



Touchpoint RX
Half Tablet Program

"You split the tablet, we'll split the savings"

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Half-Tablet Program

- **Safety is a Priority**
  - Medications are "Safe to Split"
  - Physicians work with pharmacists to approve change
- **Benefits for Patients**
  - Program is completely voluntary.
  - No change in medication, just splitting a higher dose tablet
  - Copayments are cut in half
  - Receive Free Tablet Splitter
- **Results**
  - 65% Half-Tablet Rate
  - Health Plan Savings: $1.2 million
  - Patient Savings: $455,000

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Touchpoint Health Plan's Appropriate Antibiotic Use Program

Improving the Health of Our Communities

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Touchpoint's Goals for Appropriate Antibiotic Use

1. Decrease overall antibiotic use

2. Promote first-line antibiotics

   - Needed to raise prescribers' awareness of resistance problems
   - Needed to educate patients in order to decrease demand

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Appropriate Antibiotic Use

Make promoting appropriate antibiotic use part of your routine clinical practice

Practice Tips

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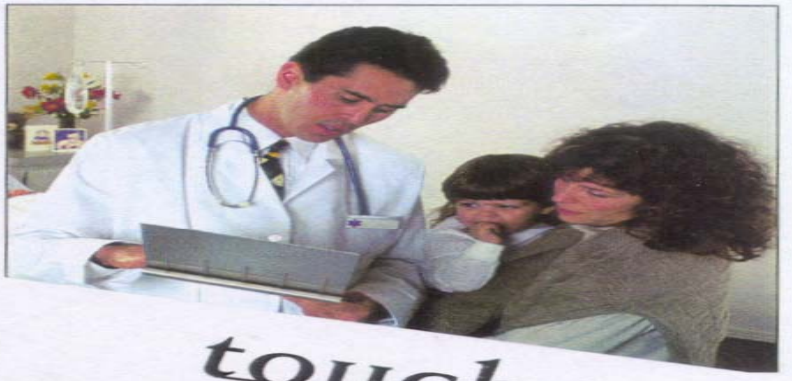
Helpful Information About a Cold or Flu



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Name: _____

Diagnosis: ☐ Cold or Flu ☐ Middle ear fluid (Otitis Media with Effusion, OME) Date: ___/___/___

☐ Cough ☐ Viral sore throat

☐ Other: _____

Rx

You have been diagnosed as having an illness caused by a virus or as having no evidence of bacterial infection.
Antibiotic treatment does not cure viral infections.
The treatments prescribed below will help you feel better while your body's own defenses are defeating the virus.

General instructions:

☐ Increase fluids
☐ Use cool mist vaporizer or saline nasal spray to relieve congestion.
☐ Soothe throat with ice chips, or sore throat spray, lozenges for older children and adults.

Specific medicines:

☐ Fever or aches: _____
☐ Congestion: _____
☐ Cough: _____
☐ Ear Pain: _____
☐ _____
☐ _____

se medicines as directed by your doctor or the package instructions.

low up:

not improved in _____days, if new symptoms occur, or if you ve concerns, please call or return to the office for a rech

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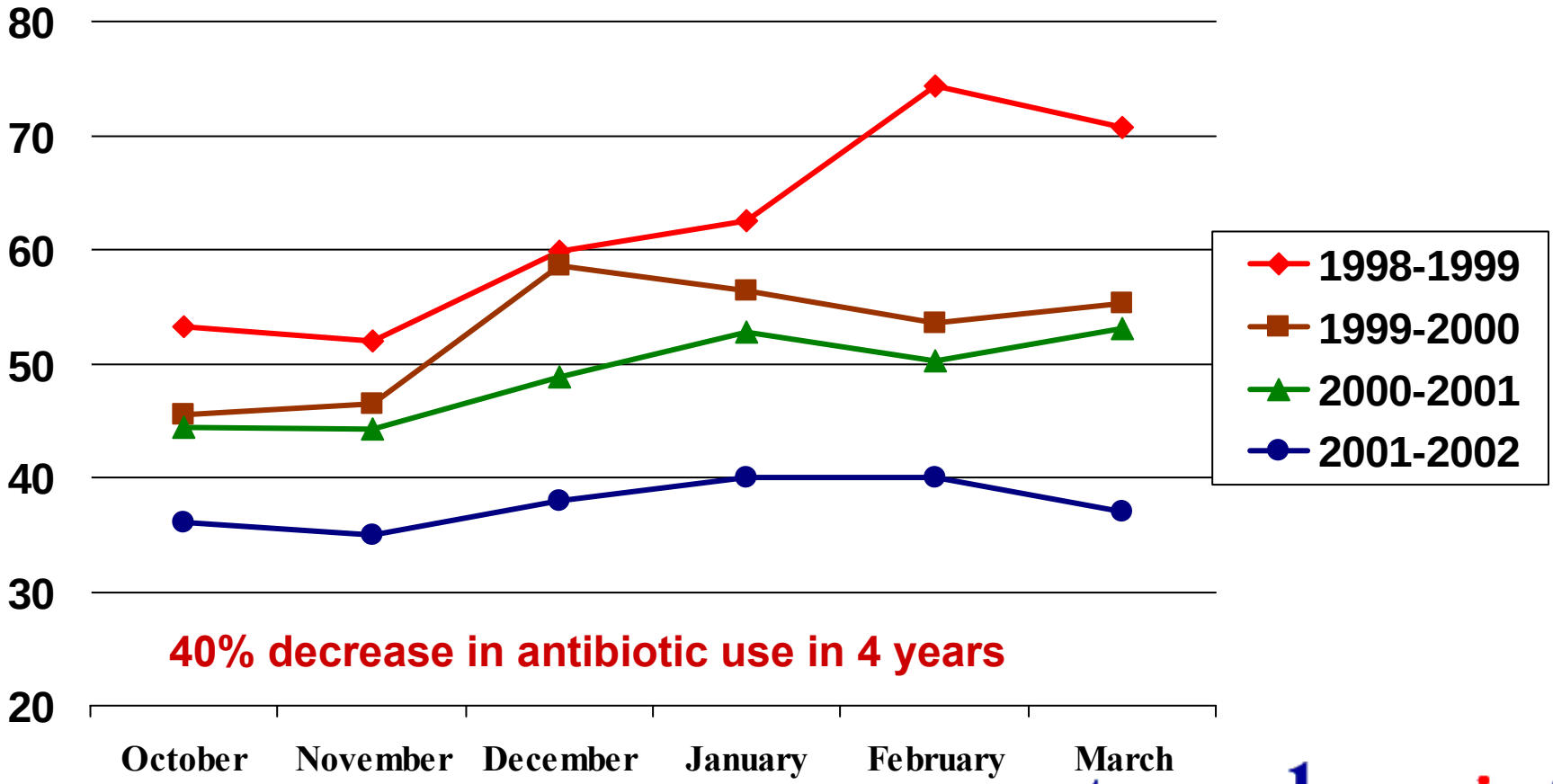
ories Inc.
IL 60064

Antibiotic RX's/ 1000 Members



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What is the Net Result?

- Formulary Development: $5.6 million
- Half-tablet Program: $1.6 million
- Generic Sampling: $500,000
- Antibiotic Program: $500,000

A $42 million budget is able to provide over $50 million of drug benefit to our members

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