



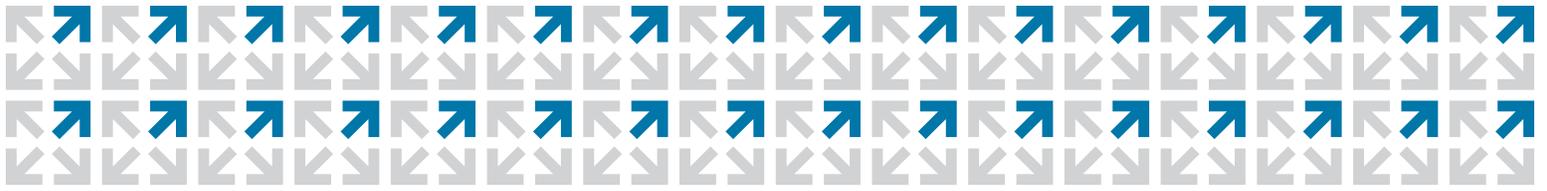
Transforming Diabetes Management: New Directions For Employers

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The Imperative For Innovation In Diabetes Management

Employers have so much to gain with even modest success in diabetes management—and so much to lose if nothing is done.

Diabetes has been labeled an epidemic in the United States and one that is evident in the workplace. Employers continue to struggle with diabetes management despite decades of efforts to implement effective intervention programs. Traditional health plan and third party approaches, while commonly utilized, have fallen short in addressing the diabetes crisis, and frustration with this limited success has led employers to realize they need to consider different approaches moving forward.

This change in direction comes at an auspicious moment given that what employers are experiencing today is merely the tip of the iceberg: close to 10% of Americans currently have diabetes but estimates show that approximately 33% will have diabetes by 2050.ⁱ This increase isn't hard to fathom since over 86 million people in the US are currently classified as pre-diabetic, with 9 out of 10 unaware of their status.ⁱⁱ While concern about the future is very real, employers must contend with the realities that confront them today: diabetes continues to take an extreme toll on their employees' health and productivity, and on the company's bottom line.

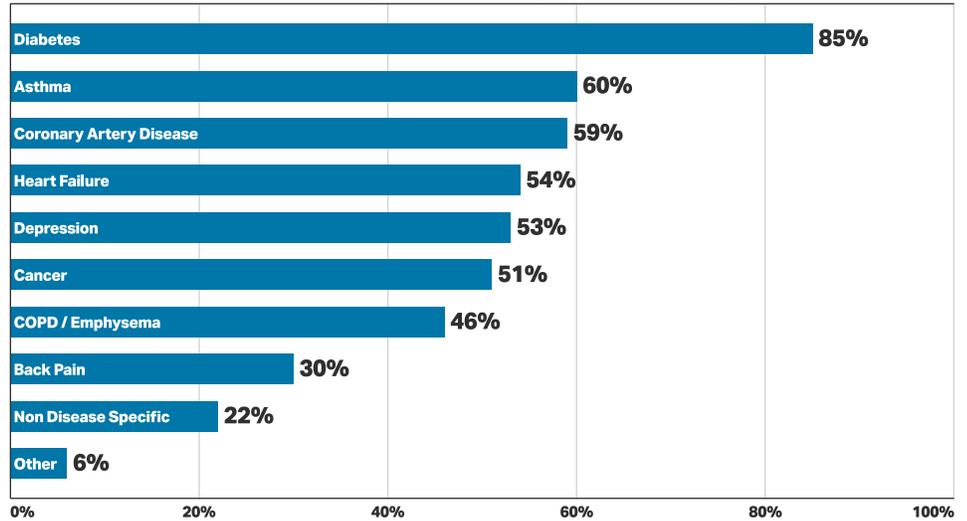
ⁱ<http://www.diabetes.org/diabetes-basics/statistics/>

ⁱⁱ<http://www.cdc.gov/diabetes/pubs/statsreport14/prediabetes-infographic.pdf>

With diabetes considered to be one of the ten costliest chronic conditions, and with the growing prevalence of diabetes among the US adult population, 85% of companies who offer disease management to their employees have a focus on diabetes.

Source: RAND Employer Survey, 2012

Employer Disease Management Program Offerings



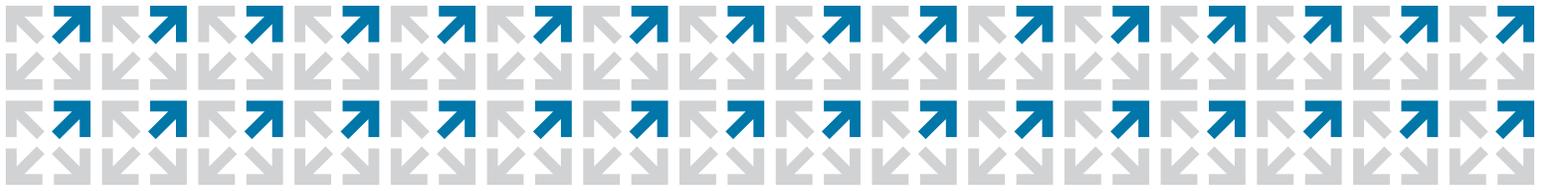
Employers struggle to contain diabetes-driven direct costs that accrue from inpatient and primary care, medication, and supplies, and indirect costs due to absenteeism, presenteeism, and diabetes-related disability and early retirement. They acknowledge an urgent need to tackle diabetes management head on, given that the average medical costs associated with an employee with diabetes are 2—3 times higher than for an employee without diabetes.

On a national scale, it's estimated that over \$175 billion is spent on diabetes-related direct medical expenditures, with an additional \$70 billion attributed to diabetes-related indirect costs from lost productivity, disability, mortality and early retirement.

Northeast Business Group on Health (NEBGH), through its Solutions Center, is engaging in a multi-stage initiative to identify and test innovative solutions to diabetes management in the workplace. This report, *Transforming Diabetes Management: New Directions for Employers*, provides an in-depth look at the kinds of forward-thinking approaches some companies are taking across the US and suggests ways others might integrate innovative elements in their own programs. These include encouraging employees to access necessary primary care and seek care in appropriate settings based on risk factors and level of need, offering customized incentives and rewards for long-term participation and outcomes in diabetes management programs, promoting value-based benefit design to steer employees into effective and efficient health plans or provider practices, and encouraging medication adherence.

Transforming Diabetes Management also examines the value-based care and payment options that currently exist in the chronic disease management arena, since employers introducing innovative programs will need to consider payment models that support their long-term sustainability. This report reflects surveys, research, information and insights gleaned from NEBGH member-based diabetes roundtables and workstream discussions, and detailed interviews with employers, health plans, benefit consultants, primary care providers and diabetes experts.

This report provides an opportunity for employers to investigate a range of possibilities in diabetes management and consider which models offer the best fit for their organization.



What Does It Take To Innovate?

For diabetes management, there's no silver bullet—you have to understand the [employee] population, the subculture—then you have to try to align the benefits, the programs and the workplace.

Employers have three established channels through which they can generate change in workplace diabetes management. These channels represent employers' scope of influence in population health.

Buying Services

Employers contract directly or through health plans to provide high-value diabetes care services, including direct medical care and population health management services.

Offering Rewards And Incentives

Employers encourage employee engagement through incentives, direct rewards and value-based benefit design features.

Providing Education And Support

Employers educate and support employees directly (on-site or virtual) while creating culture change at the workplace.



Innovation Within Traditional Diabetes Management

The idea that you get a call once a week, every week, every two weeks—it's not going to work because diabetes is complicated. It's a nice thing to do and I can give you anecdotes about helping individuals change their lives, but on a population scale, it's not going to work.

What Is Traditional Disease Management?

Traditional disease management relies on a call center delivery system in which nurses or health coaches telephonically engage in outreach, education and self-management skill-building for employees with diabetes. The coaching may solely focus on diabetes or integrate other wellness-related education and counseling. Companies providing traditional population health management target individuals for outreach through claims data analysis and other health assessment information.

What Aspects Work?

Integration of proven behavioral-based techniques such as motivational interviewing, incorporation of rewards and incentives, and combining diabetes management with other lifestyle and care management coaching, are promising enhancements to traditional diabetes management. Programs that effectively employ population-based analytics and high-risk targeting can have an effective reach into the diabetes population.

What Are The Challenges?

Lack of engagement is the biggest challenge. Employees either don't participate at all since the calls are coming from an entity separate from their doctor or don't sustain their participation over the long term. There is both apathy on the part of employees and a lack of personalization on the part of the program providers. And, importantly, there is little or no integration with the employee's primary medical care, so the coaching occurs in a vacuum that ultimately lessens its impact.



Where's The Innovation?

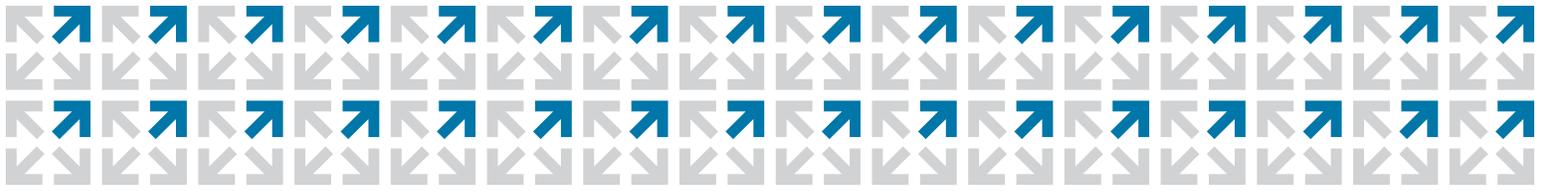
Create a link between telephonic coaches and care providers. Integrate provider-based care with a telephonic counseling program delivered by care managers, or by third parties or health plans who partner closely with providers. This allows telephonic coaches to identify themselves as calling on the doctor's behalf, which is likely to increase engagement. It also opens the lines of communication between coach and provider regarding the patient's health care journey, reducing fragmentation or misalignment of care.

Integrate these solutions with a digital component such as self-tracking apps that capture and display a range of relevant biometric and highly personalized data to ramp up the employee's self-management capabilities.

What An Employer Can Do

Work with your health plan to implement and invest in care managers who are integrated within high performance primary care offices. Employers could pay a per-member, per-month fee for care management services, with the expectation that the investment will generate a downstream savings.

Every time you move away from the patient-provider relationship we get in trouble. If the patients connect to someone, they are more likely to take that call.



New Offerings In Diabetes-Related Care Delivery

The configuration of diabetes-related care delivery is transforming. Diabetes care is being offered via new settings beyond those traditionally utilized, and by a range of health care professionals beyond the physician. These emerging care approaches have the potential to offer greater access, provide improved care coordination, and deliver services oriented to higher levels of need. But some of these advanced care models also face challenges around supplying care that is sufficiently comprehensive, and risk creating systems that may cause further care fragmentation. Below are some examples to consider.

Patient-Centered Medical Homes (PCMH)

What Is It?

An example of advanced primary care, PCMH is a patient-centered primary care delivery model where comprehensive health care is delivered by a coordinated team of interdisciplinary providers, with an emphasis on follow-up and communication.

What Aspects Work?

The PCMH model is particularly suited to diabetes management because diabetes is a multi-factorial chronic condition best served by a coordinated care team. Studies have demonstrated success in diabetes-related outcomes for people using the patient-centered medical home model. It also has proven effective in saving money within a short window of time for high-risk diabetes patients.

What Are The Challenges?

The PCMH model does not yet have high market saturation, so while an employer might wish to contract with PCMH providers, none may exist within the company's area. Even when an employer is able to offer care through a PCMH, many employees are not yet familiar with the model, so employers or their health plans may need to provide education about it and incentivize its use. On a more macro level, PCMH is a relatively new approach to care delivery, so some PCMH providers have not fully mastered care coordination.



Where's The Innovation?

Integrate PCMH into care delivery if available, or work with providers to enlist care managers to oversee care coordination.

What An Employer Can Do

Talk with your health plan about PCMHs in their network and the best way to access them. Provide incentives through benefit design to choose preferred networks, such as those comprised of PCMH-oriented providers, along with education to guide employees to these providers. Employers, in coordination with plans or providers, can develop communication tools to highlight the specific benefits PCMH and preferred networks offer to employees with diabetes.

For information on PCMH activity nationally and on a state-by-state basis, the Patient-Centered Primary Care Collaborative website is a good place to start. www.pcpcc.org/initiatives/state.

PCMH Case Study

Culturally [for many physicians] it is early to get a PCMH-type model in place. Maybe it's better to use stepping stones—like performance payments for care coaches and care management as a way to move things forward.

A New Jersey-based health system developed an informal PCMH at its center to coordinate care. 110 employees with diabetes connected to the program. To receive medications at no cost, employees were required to share their latest lipid profile, hemoglobin levels, retinal screening results, food log, blood sugar log, and indication of podiatry visit in the last year. They were required to do baseline tests and were financially incentivized to fill out an HRA. The center overseeing the PCMH coordinated with the on-site pharmacy so that employees who did not complete the stated requirements would not get free medication.

Two full-time RNs and 2 part-time RNs staffed the program. Employees were counseled in person and on the phone. The center coordinated with the health system's podiatrists and ophthalmologists to treat the employees with diabetes, and referred 75% of the employees for counseling for depression.

50% of the patients in the program had a reduction of sick time, and 90% had reduction in their A1C levels within the first year. Prior to the program, 75% of the employees had not had a podiatry visit in 5 years, which was rectified through the program's coordination of care.

On-Site/Near-Site Primary Care Clinics

There are regional differences in uptake of on-site clinics. In certain regions of the country, on-site clinics serve as a defensive strategy to primary care shortages. These serve as valued benefit in employee recruitment, and not having an on-site clinic can be viewed as a deficiency. Over 30% of employers with 5,000 or more employees in the US have on-site clinics. Source: <http://www.shrm.org/multimedia/webcasts/Documents/10hochstadt.pdf>

What Is It?

Employers either contract with a health service provider to offer on-site primary care services or, in conjunction with nearby businesses, develop a joint near-site clinic for employees' primary care needs.

What Aspects Work?

For people with diabetes, on-site and near-site clinics offer ongoing monitoring, data collection, bloodwork, and self-management training. The on-site and near-site clinics offer convenience, which increases access to and utilization of primary care and chronic care management. Employers cite clinics as a means to reduce lost productivity, gain control over their health spend, and also retain employees, because an on-site clinic is often considered a perk. Clinic services can also be offered to employees' family members to increase the value of the benefit and enhance cost savings.

What Are The Challenges?

On-site clinics are best suited for companies with over 500 employees, so smaller employers would likely consider a near-site option instead. With both on-site and near-site clinics, employees have concerns about privacy and are wary that these clinics afford an easy exchange of information between practitioner and employer regarding an employee's health status. Employers may be nervous about spending the capital to fund an on-site or near-site clinics because return on investment can take several years to achieve depending on how quickly employees adopt clinic use. That said, since much of the care delivered on site might otherwise be delivered in traditional settings that are possibly more expensive, nearer term "break-even" might be achievable.



Where's The Innovation?

Increase access to care for employees with diabetes through the development of either an on-site or near-site clinic.

What An Employer Can Do

Invest in developing a near-site clinic with neighboring companies. Or, larger employers can establish on-site clinics.

Pharmacist-Led Care

What Is It?

Pharmacists are contracted to provide services on site at the pharmacy, or provide worksite visits or remote services, providing employees with diabetes education, medication adherence counseling, and self-management skill-building. Large chain drugstores are incorporating pharmacist-led care and use predictive data to determine which individuals are at high risk for not filling prescriptions.

What Aspects Work?

Pharmacists are a trusted community resource. Their involvement in diabetes management can improve medication adherence and address gaps in care. Pharmacists are currently underutilized in providing health care coaching and counseling.

What Are The Challenges?

The care coordination between pharmacists and employees' primary care physicians is in most cases sparse or non-existent, so the two sources of care are poorly integrated. Identifying and recruiting pharmacists in communities where employees live can be an issue, and sufficient reach is also a challenge: many pharmacist-led programs that reside in large chain pharmacies only rely on Pharmacy Benefit Management (PBM) data to target

patients, which can cause them to miss some high-risk individuals who could be identified with other analytics. A real challenge is determining how to best finance and operationalize a pharmacist-led model, and then manage it carefully to generate the expected outcomes. Programs are still in early stages of design and deployment, and concerns include access to sufficient financing and limited “proof of return on investment” data.



Where's The Innovation?

Integrate pharmacists in care delivery. Develop a model that leverages the use of community-based pharmacists to ensure greater care coordination and a more comprehensive spectrum of effective person-centered care strategies.

What An Employer Can Do

Contract for services with a chain pharmacy or remote pharmacy organization to provide pharmacist-led coaching to employees. Request that your health plan use claims-based analytics and ongoing access to medication fills and other data to develop a systematized, on-going communication stream linking pharmacists and primary care providers to better serve the needs of the employee.

Pharmacist-Led Care Case Study

Pharmacy-Based Coaching: CVS Caremark's Pharmacy Advisor Program

The program was created for CVS pharmacy users with a range of chronic conditions including diabetes. Pharmacists provide coaching face to face when individuals fill prescriptions, or via telephone when customers use mail order prescriptions. The goal of the program is to increase medication adherence rates.

In a CVS/Harvard/Brigham and Women's Hospital study of a Midwest manufacturing plant, 5,123 employees with diabetes were coached by CVS pharmacists at retail sites and over the phone by call center pharmacists, versus a control group of 24,124 employees with diabetes who did not have pharmacist coaching. Researchers found that those counseled on site at the pharmacy had increased adherence rates of 3.9%, and those coached on the phone showed increased rates of 2.1 %. Contacts by pharmacists with employees and their doctors also led to increases in initiating therapy: a 68% increase for those coached face to face at the retail pharmacies,¹ and a 39% increase for all those coached (in person and via phone).

Worksite Pharmacist-Led Coaching: Pennsylvania-Based Pharmacist Coaching Program

Pharmacists coach employees on diet, drug adherence, and stress, take biometric readings of A1C levels, cholesterol, BP and BMI, and track whether an employee is getting necessary primary care: eye exam, flu shot, dental exam, and foot exam. Claims data is collected from insurers and the PBM.

Logistics: Employees meet with a pharmacist 1x/month for the first six months, then quarterly thereafter. Pharmacists typically coach employees at the worksite. Employers pay a set-up fee up front, and cover the hourly rate for pharmacist coaching, which is \$1,200 for the first year and \$600 for each year following. Employers incentivize participation by providing a 50% reduction on copays with the copay subsidy lasting for 3-4 years before sunseting. The pharmacists fill out an individual progress report on each employee every six months and send it to the employee's PCP.

Status: Five employers have been enrolled in the program for over five years. Seventy-two employees are participating, with the median length of participation time at 55 months.

Outcomes: On the clinical side, the program compares employees' data from the time they entered the program until the present, and on the claims side, uses a year-over-year strategy. Since the program's inception, there have been reductions in all measures except BMI. AIC levels are down 3.4%, there has been a 3.7% reduction in diastolic BP, 1.5% reduction in systolic BP and 12.2% reduction in LDL.

¹An integrated pharmacy-based program improved medication prescription and adherence rates in diabetes patients. Dollear, TJ; Hu, M; Matlin, OS; Shrank, WH; Choudhry, NK; Grambley, W; Brennan, TA. Health Aff (Millwood). 2012 Jan; 31 (1): 120-9. DOI: 10.1377/hlthaff.2011.0931.

Convenience Clinics

What Is It?

Traditionally, convenience clinics have served as easy-to-access, walk-in clinics located in pharmacies and some retail stores and supermarkets, where nurse practitioners and physician assistants offer relatively simple episodic and routine acute and preventive care services. These clinics could conceivably offer a range of basic diabetes biometric assessments and periodic screenings, combined with basic behavioral support and self-management coaching.

What Aspects Work?

It's in the name but what these clinics offer is convenience, with thousands existing around the country. The convenience clinic concept is at a transformational point; a growing number of branded clinics are repositioning themselves to be an adjunct to traditional primary care services and—in some cases—provide chronic care management. If the transition works, convenience clinics may eventually be seen as one important piece of diabetes management for people with less intensive health needs.

What Are The Challenges?

Geographic challenges exist, especially for widely-dispersed employee populations. Like other non-MD-based services, retail clinics do not offer the full spectrum of primary care services and typically don't have an established means for coordinating care with employees' primary care providers. And while some convenience clinics envision themselves as the next frontier in primary care and chronic disease management, whether they can fully deliver diabetes-specific services and whether employees will be comfortable getting their diabetes management through a convenience clinic remains to be seen. An additional downside of this new approach is that if not integrated appropriately, convenience clinics could serve to fragment primary care practices, confusing patients, and in some cases, unintentionally reducing prompt access to more comprehensive care when warranted.



Where's The Innovation?

Add convenience clinics into the care delivery mix for employees with less severe diabetes and/or few co-morbidities.

What An Employer Can Do

Contract with convenience clinics and incentivize employees with diabetes to utilize their services. Confirm that protocols and practices for maintaining coordination of care with the employees' care team exist and are contractually stipulated. The promise of these programs lies in reduced downstream acute care costs and reduced emergency visits for diabetes and other chronic care conditions.

Centers Of Excellence (COE) For Diabetes

COEs are not for every newly-diagnosed person with diabetes—where it's really helpful is with the high tier, the most expensive, and most needy.



What Is It?

Centers of excellence are multidisciplinary, full-service institutes that focus on particular conditions, such as cancer or diabetes, and offer condition-specific specialized clinical expertise and cutting edge research.

What Aspects Work?

COEs are well suited to people with diabetes with complex medical profiles and a high level of need. COEs can be contracted by multiple payers, making services more available to the general employee population.

What Are The Challenges?

There are a limited number of centers of excellence for diabetes, so access is a significant challenge. Many academic institutions view themselves as COEs but don't meet standards generally associated with centers of excellence, essentially serving as a center of excellence in name only. When care through a COE is available, employers may still need to educate employees about its value and incentivize them to use it.

Where's The Innovation?

Integrate centers of excellence for diabetes in care delivery options for high-risk employees with diabetes when they are available.

What An Employer Can Do

Ask your plan about COEs in their network or contract directly with COEs for diabetes or through your health plan and ensure that appropriate high-risk employees with diabetes are directed to a COE through value-based benefit design.

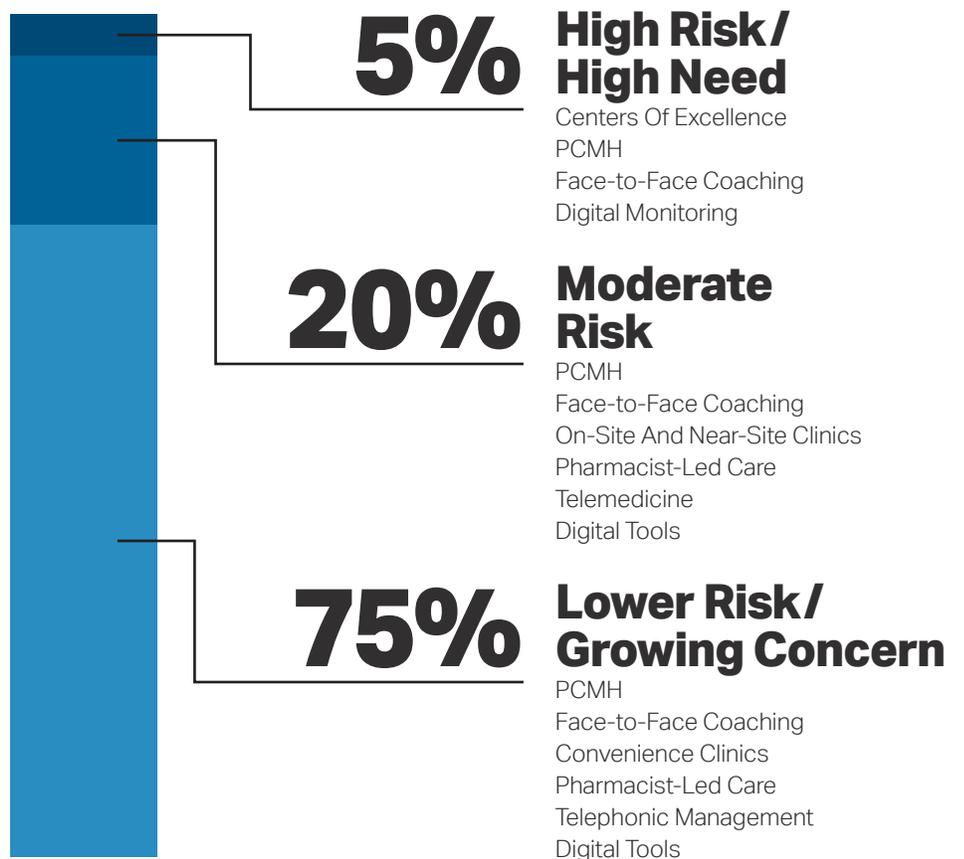
Digital Tools For Supporting Care Delivery

Digital tools, while not always a dedicated diabetes management solution on their own, typically have attractive features and characteristics that can be integrated into many advanced care models to bolster employee participation. The range of digital health tools that can be customized for diabetes is varied and continues to expand. Examples include:

- Text-based appointment reminders that keep employees on track with care visits;
- App-based self-management trackers that allow employees to monitor lifestyle and behavioral activities;
- Glucometers connected to apps that are programmed to transmit glucose level data to an employee's doctor or diabetes coach as well as offer built-in decision-support based on A1C status; and
- Web-based tele-consults that provide on-going access to medical information and advice.

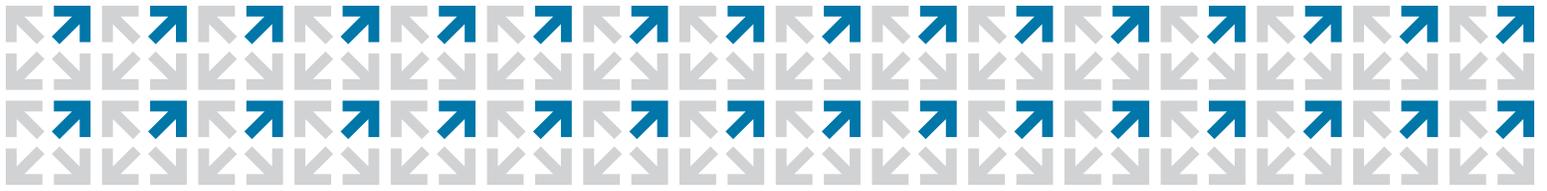
Managing diabetes is a daily activity and digital tools can help people stay on course, particularly between primary care visits. But questions remain as to their ultimate value—particularly over the long term—given that short-term adoption of digital tools followed by a drop in their use tends to be the norm. And while there are benefits to sharing health data with primary doctors and care teams in between medical visits, providers are not presently equipped to assimilate all of the quantified information their patients may be tracking. All said, digital tools can be an important ingredient within a larger population health management program.

Finding the right innovation opportunities depends on your employees' level of risk and need.



If you build it, will they come?

How to create a culture of health at the workplace that provides a basis for programmatic initiatives from both a philosophical and practical perspective.



Tools For Employee Engagement

Even if you offer a menu of coordinated care, education, and management services for employees with diabetes, how do you guarantee they'll be utilized? Employee engagement in diabetes management can be spurred by some core activities within the employer's sphere of influence: providing incentives through direct rewards and value-based benefit design, communicating effectively about the availability and value of the services through targeted channels, and creating a culture of health at the workplace that undergirds programmatic initiatives from both a philosophical and practical perspective.

Incentives For Engagement

Employees who are ready for change will come to us but the ones who aren't—they don't come. And they are the ones who are higher risk. How do we get them in the continuum of care?

Compared to many other conditions, diabetes has a range of discrete and measurable characteristics that can be tied to reward and incentive programs. These include reductions in A1C levels, blood pressure and cholesterol levels, weight, and increased medication adherence. While employers most commonly use monetary and other incentives to encourage employees to engage in screening processes such as biometric testing and filling out Health Risk Assessments (HRAs), rewards are also used to compel participation in diabetes management programming, and to a lesser degree, to incentivize reaching specific outcomes or benchmarks. Examples of these rewards include cash, reductions in insurance premiums, contributions to Health Savings Accounts, the extension of screening and lifestyle change programs to family members, gym memberships, and gift certificates.

Providing incentives is a promising route to induce participation in otherwise not engaged employees. Offering incentives and rewards also communicates to staff that employers are committed to making diabetes management programs work, and are ultimately invested in their employees' health.

Some of the typical challenges employers face in offering incentives is figuring out how to tailor them based on risk level, engage-ability, and employee preference, to ensure long-term involvement in diabetes management. Much of this challenge speaks to the larger issue of understanding the employee population so they can develop programs that employees will utilize, choose appropriate incentives to which employees will respond, and explore the best channels through which to communicate the services being offered—matching the right message to the right person for maximum effect.

Value-Based Benefit Design (VBBD)

What do you do when the workplace culture doesn't reflect the health goal? How do you design the space to reflect well-being, and show that the organization is interested in the staff's well-being? What elements show that message day to day?

What Is It?

VBBD is an approach to benefit design that promotes increased use of high-value health care services by lowering employee cost-sharing or copays. VBBD diabetes-related objectives are to steer employees into plan options that incentivize high-value choices or behaviors like medication adherence and utilization of providers with expertise in diabetes management. Health plans use data from screenings and HRA results to identify high-risk employee groups and individuals, and tailor VBBD strategies to their diabetes management needs.

What Aspects Work?

VBBD has had proven success in increasing employees' use of diabetes-related drugs and supplies, directing employees to “narrow networks” of providers skilled in chronic care management, and providing cost savings over the long term.

What Are The Challenges?

VBBD is not a stand-alone solution but works in concert with employer-sponsored diabetes management programs. Many employees are not familiar with VBBD, so employers may be required to initiate communication campaigns to educate them about the option.

Where's The Innovation?

In addition to using value-based benefit design to incentivize use of diabetes medications and supplies, offer value-based benefit design to employees with diabetes to direct them to networks of providers with demonstrated expertise in diabetes-related care and management.

What An Employer Can Do

Work with health plans to better define high-performance diabetes care and craft designs that steer employees to providers that fit that definition.



Employee Population Segmentation

You want to look at how to make a solution more attractive to a consumer. This means thinking through what a customer calls quality—it could be having short wait times at a doctor's visit, or a good phone interaction with the staff at the medical office.

Similar to what retailers have been doing for decades to communicate more effectively with sub-sets of the population, employers can segment employees based on factors such as attitudes and beliefs, risk demographics, social determinants, and behaviors, using predictive analytics to develop employee “persona” types or profiles. These profiles can be used to create customized communication and messaging to enhance the likelihood of employees engaging in diabetes management.

Segmentation, for example, can help employers understand which employees are comfortable using digital tools for communicating with providers, sharing health data, getting appointment reminders, or using gaming tools to participate in wellness activities. It can help identify how often employees wish to receive messages and through which channels to activate them. Examining employees' behaviors and attitudes can help employers understand which types of incentives are motivating.

Using segmentation has its own obstacles: it requires either in-house capabilities or a budget to outsource the predictive analytics data gathering. Once profiles are determined and employee segmentation has occurred, designing customized communication, programming, and incentives additionally requires a specific skill set. Diabetes management experts have also cautioned that segmentation cannot be an employer-driven process, because employees are often suspicious as to what the employer knows about them. Such programs may better be launched by a third-party consultant.

Culture Of Health: Moving Beyond Water Bottles And T-Shirts

The term “culture of health” refers to having a workplace culture that reflects a company's wellness orientation. Establishing this kind of culture demonstrates an organizational commitment to health: it provides tacit acknowledgement that management maintains an overarching philosophy which supports employee health. While each company or institution may choose its own method of implementing a culture of health, common approaches include:

- Encouraging a work-life balance
- Offering healthy food in the cafeteria and vending machines
- Designing the workspace in a way that promotes physical activity
- Creating wellness ambassadors within the employee population that bring wellness recommendations to management
- Sharing testimonials from employees about successful personal engagement in worksite wellness and disease management programs
- Organizing events for employees and possibly family members that emphasize physical activity

There are challenges inherent to developing a culture of health. It's not easy to objectively measure success or the return on investment from a culture of health, so senior management may feel less compelled to support it. Getting buy-in from employees may also prove tricky as employees can discern when employers are merely “talking the talk.” Creating a genuine company-wide, on-going commitment to changing the culture can help address employees' concerns. A culture of health is also a dynamic concept that should evolve over time to reflect changes in the employee population, so it should be operationalized by a team that is consistently evaluating and reshaping it.

Digital Tools For Engagement

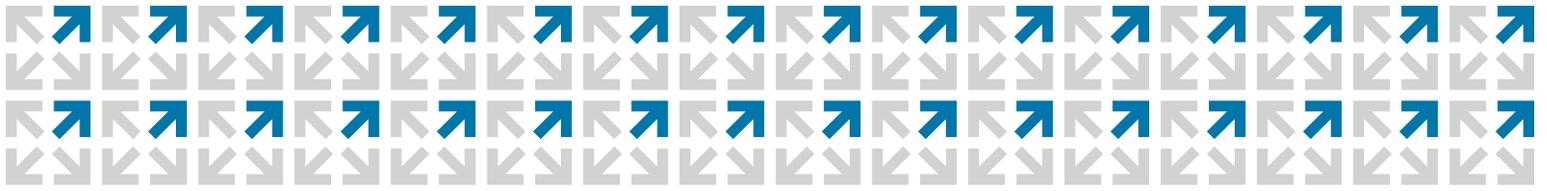
Digital tools for engagement are about connectivity and personal achievement. They encompass social networking options such as on-line diabetes support groups or chat rooms, as well as other social media, digital gaming features that offer points and badges for keeping on track with diabetes management activities, and nutrition and fitness tracking apps, among others.

Digital tools for engagement can provide:

- Contextualized advice for people with diabetes
- Timely rewards and metrics
- A cost-effective way to self-manage diabetes through education
- Social support to help minimize the stigma around diabetes, as well as a means to reduce isolation and alienation.

Digital tools for engagement function best as an accessory to other diabetes management programs. Stand-alone apps, for example, may only appeal to a healthier, already digitally-engaged population. And as stated earlier, there tends to be a high drop-off rate where people use apps for a few weeks, then stop using them. As a result, employers may want to consider embedding their digital health components within a larger population health initiative that includes outcomes-based rewards and incentives.

Innovative approaches to care delivery are driven by payment models that incentivize providers and are structured to promote value, not volume.



Value-Based Care And Payment Reform

If the organization gets money on a capitated or gainshared basis but individual physicians still get paid a fee for their service, there will be no change. We need to think about how the money gets distributed.

What Is It?

In order to drive new programs and innovative approaches to care delivery, health plans are considering value-based payments to incentivize providers. Value-based payment refers to payment contract models that are structured to promote value, not volume. A goal of value-based payment is to incentivize physicians to improve the quality and efficiency of care. Value-based payment options are highly varied and include performance-based payments (P4P), where specific outcome metrics are identified and payments are made if those targets are achieved; gainsharing and shared savings, where a percentage of year-over-year cost-reduction (gain) is shared with providers; capitation, where a fixed annual allocation of funds is provided to practices with risk adjustment over time, and management fees, which are typically paid monthly to practices for care coordination.

What Aspects Work?

A key virtue of value-based payment is that it promotes provider accountability for the quality and cost of the health care services they provide. Value-based models also have some flexibility; contracts can be altered according to the needs and preferences of local providers, and can be adjusted for risk each budget year.

What Are The Challenges?

The reliance on measurement and outcomes is what drives accountability but concerns include the possibility that providers can shift focus to those measures that are rewarded and spend less time on other facets of care. Also, there is the apprehension that the value is often achieved through unmeasured activity that goes unrewarded, such as addressing psycho-social and caregiving needs. On an operational level, it can be hard to determine which payment models are working because providers are managing multiple contracts simultaneously and being reimbursed with different payment models. Hence, the sample size for any one payment model can be small and hard to evaluate.



Where's The Innovation?

In addition to using value-based benefit design to incentivize use of diabetes medications and supplies, offer value-based benefit design to employees with diabetes to direct them to networks of providers with demonstrated expertise in diabetes-related care and management. Performance payment models should encourage providers to be innovative themselves in exploring digital tools and other new approaches to diabetes care.

What An Employer Can Do

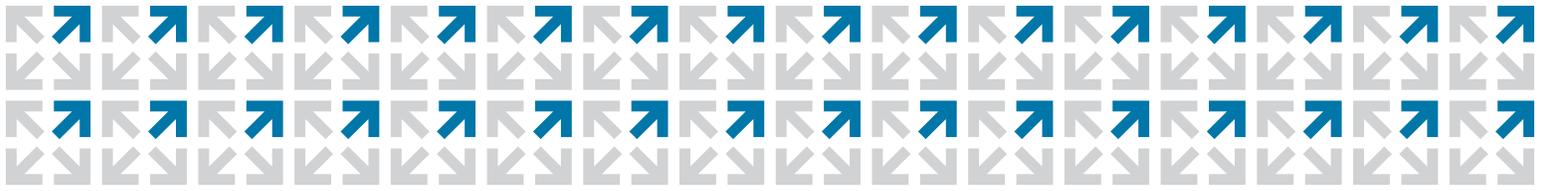
Work with health plans to better define high-performance diabetes care and craft designs that steer employees to providers that fit that definition.

Value-Based Payment Model

BCBS Massachusetts Alternative Quality Contract (AQC)

AQC provides fixed payments for the care of a patient during a specified time period, and explicitly ties payments to achieving quality goals. They also offers incentive payments for providers of up to 10 percent of the total per-member per-month payments. The contract lasts for 5 years unlike typical contracts of 1 to 3 years for better predictability of costs.

This has resulted in several things. In 2009, medical claims spending grew an average of \$62 less per-enrollee per-quarter in the AQC cohort versus the control group. It also showed 6.8% savings in 2009, 8.8% in 2010, 9.1% in 2011 and 5.8% in 2012. Finally, from 2009—2011, incentive payments to providers exceeded savings from the program but in 2012, savings exceeded incentive payments to providers, generating net savings.



What We've Learned

People feel good about doing something about their health. Put the consumer in the center; consumer empowerment is the untapped resource in the health care movement. Make the consumer aware, and then give them the simple solutions.

Companies are shortsighted, they are farming out everything. They don't understand the value of creating the relationships on site and developing a metrics dashboard to demonstrate the success of their programs.

There is no one solution in employer-sponsored diabetes management. Improving diabetes-related outcomes will instead stem from a combination of programs customized to meet specific employee populations and their needs. Diabetes solutions need to be part of an integrated approach to creating healthy lifestyles, and while more tools exist to motivate employees to engage, real challenges still exist in increasing and sustaining participation.

Diabetes management today is different than in the past. The definition of the care team has expanded to incorporate a wider set of providers, new settings for care delivery exist, and digital health has entered the space as a potentially significant supporting tool. Employers have the power to influence how effectively an employee engages with diabetes. With more options and more choices than ever before, employers can guide and support their employees to a markedly healthier future.

When considering incorporating any new diabetes management program, employers must not only establish whether the program's implementation is within your scope of influence, but also consider several criteria as to whether it's a good match for your company or institution. A first step is to ensure that you understand your overall employee population by segmenting your employees' needs and interests in order to design programs that are suited to their health status, and therefore what requirements and motivations for engagement need to be fulfilled.

Second, using a checklist, you can begin the conversation around which programs best fit your company's characteristics, culture, strengths and weaknesses. Improving your diabetes programs will have positive effects on many other conditions and population groups as well.

Which programs are the best fit for your company?

Should You...

Questions to Ask

Consider on-site or near-site care programs?

- Is there a large population within a distinct geographic location?
- Are there local care providers that can be contracted with to offer dedicated support for your organization?

Reallocate resources dedicated to existing traditional population health management?

- Can you engage your existing vendors to identify creative ways to deploy those resources to assist in a care setting?
- Can funding be allocated to primary care, COEs, or even digital programs to reach a broader audience?

Expand use of digital tools for care delivery and engagement?

- Which vendors have proven outcomes and are they willing to work at risk?
- Can you design a program that provides greater options in curated digital tools, eliminating the need for one single program to solve all needs?
- How will employees be encouraged to use the program?
- How will digital tools integrate with care providers?

Contract with a COE?

- Is there a COE in your geographic region?
- How is that COE defined and evaluated?
- Can the population be segmented to consider a COE for high-need, high-risk individuals only, and can you steer the rest of your population to more accessible resources?

Launch a retail or non-provider based program?

- Can this be applied to conditions that go beyond diabetes?
- What retail centers are available to work with?
- Is there an opportunity to share risk?

Implement new value-based payment models?

- How educated are you about these models?
- How can your health plan help you?
- Can you measure the value?

Communicate new programs?

- How is the culture of health perceived in your organization?
- What communication strategies have worked and not worked for your population?
- Can an employee's family also be engaged to change the perception of diabetes, engaging them in care opportunities?
- Can incentive and reward programs be tailored to meet the needs and outcomes of this population?
- Do you have tools to measure these programs?

Sample of available digital tools.

	Integrated Glucometer	Cloud Connectivity	Mobile Data Collection	Guided Coaching	Tracking Tools	Direct to Consumer	Published Outcomes
Bluestar	Grey	Grey	Blue	Blue	Blue	Grey	Blue
Glooko	Blue	Blue	Blue	Blue	Blue	Blue	Blue
Wellframe	Grey	Grey	Blue	Blue	Blue	Grey	Blue
Diabeto	Blue	Blue	Blue	Grey	Grey	Blue	Grey
Livongo	Blue	Blue	Blue	Blue	Blue	Grey	Blue
iHealth	Blue	Blue	Blue	Grey	Blue	Blue	Grey
Omada	Grey	Grey	Blue	Blue	Blue	Blue	Blue
Telcare	Blue	Blue	Blue	Grey	Blue	Grey	Blue

The sample of digital tools included in this table (not a comprehensive list) provide an overview of the digital options available to patients, providers and care managers to track and closely manage activities related to ongoing diabetes care and awareness. When employers consider integrating digital solutions, Preference for which tool to select depends on many factors such as: intensity of diabetes management, cost, provider preferences, patient comfort level, lifestyle habits, availability of mobile programs, necessity for clinical monitoring and education level, engage-ability of program and access to clinical care managers, to name a few. Each program has its own unique attributes, which we tried to outline above with the following criteria:

Integrated Glucometer: Built in glucometer device to measure a patient's blood glucose concentration

Cloud Connectivity: Automatically syncs collected data to a cloud

Mobile Data Collection: Data collection and viewing available through smart phone app

Guided Coaching: Pre set care management program and/or remote care manager available for remote guidance

Tracking Tools: Tracking tools such as food diary, exercise tracking, and other health maintenance activities correlating with diabetes management

Direct to Consumer: Patients can purchase as an individual without prescription or referral

Published Outcomes: Program has published evidence of diabetes related outcomes improvement or program efficacy

About NEBGH

Northeast Business Group on Health (NEBGH) is an employer-led coalition of healthcare leaders and other stakeholders. We empower our members to drive excellence in health and achieve the highest value in healthcare delivery and the consumer experience.

Collaboration is the key to everything we do. As an independent, trusted partner to all of our constituencies, NEBGH is in the unique position of bringing together diverse interests to work in pursuit of common goals. We're active in New York, New Jersey, Connecticut, and Massachusetts, and our members include large, national employers representing two million+ working Americans. In addition to employers, membership includes major health plans, health systems, benefit consultants, and suppliers of healthcare-related products and services — all speaking with one voice for quality, accountability, and value in healthcare.

About NEBGH's Solutions Center

The Solutions Center is NEBGH's unique data-gathering and discovery platform for developing initiatives that can really “move the needle” when it comes to critical healthcare issues. Focused on employers as a catalyst for change, the Solutions Center's mission is to identify the most promising, innovative opportunities for improving health outcomes, and create a framework with the potential for transforming results and changing the national dialogue.

Key to the Solutions Center's methodology is real-time data collection—a proprietary process wherein a cross-section of employers, health plans, benefit consultants, and other stakeholders convene in a structured roundtable setting to gather information about existing knowledge, tools, and approaches; surface and articulate issues of key concern and interest from the employer perspective; and generate new ideas worthy of further, more in-depth investigation. Few other organizations are capable of bringing together major stakeholders with such diverse interests and facilitating an “activated community” in which these stakeholders work cooperatively in pursuit of a common goal. Through this process, information often not accessible elsewhere is captured, and innovative ways of addressing healthcare issues are formulated through the spontaneous exchange of experiences and ideas.

Round Table and Work Group Participants

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The authors are solely responsible for the conduct of the research, analyses, and content of the manuscript.