The complexity of the health care system makes it difficult for patients and providers to stay abreast of both quality improvement and cost-saving opportunities. Physicians cannot be expected to know what the preferred drugs are in a particular health plan’s formulary, for example. And it is all too easy for patients with busy work schedules to forget about recommended screening procedures. The logical result of this reality is that care-enhancement opportunities often go begging, and both patients and payers end up paying more than they need to for pharmaceuticals.

In an effort to resolve these problems, San Jose, CA-based Resolution Health, Inc. (RHI) devised a system that systematically produces individualized messages designed to make patients and their providers aware of opportunities for care improvement as well as cost-savings. The approach -- which RHI refers to as its Direct-to-Member program -- relies on patients to communicate the information to their providers, and a pilot study of the program suggests that the strategy can deliver clinical and financial benefits.

**Identifying opportunities**

In order to identify “actionable” opportunities, RHI begins its work with a client by collecting and analyzing all the administrative data available for a population. This typically includes inpatient and outpatient medical claims as well as prescription claims and provider information, explains Earl Steinberg, MD, MPP, president and CEO of RHI.

“All of that information typically comes in separate files, so the first thing we do is integrate that data to create longitudinal patient files, and then we also load up information about the population’s particular health insurance benefits,” he says, including details about benefit design such as pharmacy coverage, co-pays, and other stipulations.

All of the data is then passed through a library of approximately 1,000 computer algorithms to identify any discrepancies between the care each individual is receiving and the care they ought to be receiving, based on evidence-based clinical practice guidelines. Additionally, Steinberg explains, the analysis uncovers any programs or services offered by a person’s health plan that might be of benefit to him, and it highlights opportunities to reduce a person’s out-of-pocket expenses.

This information is then formulated into a series of messages and placed into a Direct to Member (DTM) Guide that is mailed or e-mailed to each identified participant on a quarterly basis. “For example, we might include a message saying that it appears from the claims data that [the person] has persistent asthma, and that there isn’t any evidence in the claims that he is on a type of medicine called a controller,” notes Steinberg. “We would then explain that many patients with persistent asthma benefit from being on a controller medication, and that the person might want to speak with his physician about whether he might be one of those people.”

**Education enhances credibility**

Similarly, Steinberg notes, a person who has been placed on Lipitor for high cholesterol might be sent a message indicating that there is no evidence from claims that he had his liver function tested three months after starting on the medica-
tion. The message would further state that this test is typically recommended and that he should discuss it with his physician.

Other opportunities for clinical improvement might be realized by informing the patient about services available under his health coverage. “Let’s say, for example, that someone had a heart attack and we don’t see any evidence that he has been in a cardiac rehabilitation program,” says Steinberg. “We would inform him that under his health plan he is entitled to enroll in a cardiac rehabilitation program, and we would tell him a little bit about why that might be of interest.”

To enhance the credibility of the messages, RHI has entered into a partnership with Harvard Medical School so that patients can actually tap into content from the school to get further information on any particular issue that is covered in the message. “Harvard has mapped every one of our computer algorithms into its consumer health education content, so when we send a message to a patient, we also tell the individual that he can get additional information about that issue from Harvard Medical School in either of two ways,” says Steinberg. “If they get an electronic version of the DTM Guide, then the patient can just click on a URL, so instead of searching through a website, this will take them directly to the information that is relevant to the message. For patients getting the [mailed paper] version of the DTM Guide, the message includes information [explaining how to access the information via the web].”

Cost-saving suggestions

With regards to cost-saving opportunities, the DTM Guide points out specific instances where the member could reduce his out-of-pocket expenses. “Rather than telling somebody that he could save money by using generic drugs, we would personalize it, indicating that he recently filled a prescription for drug X, paying a co-pay of $40, and that there is a generic form of drug X called drug Y that is identical to drug X, and under his plan, the co-pay for drug Y would be $7,” says Steinberg. The message would go on to point out that the person could save $396 over the course of the year by using the generic alternative, and if this is of interest, that the person should discuss the issue with his physician.

Other opportunities for cost savings could involve pointing out a preferred drug brand in a health plan’s formulary, or a preferred provider, such as a laboratory where the patient could have blood work done for a reduced co-pay.

The patient as messenger

While the DTM program does not communicate directly with providers, a companion “For My Doctor Report” is sent to patients along with the DTM Guide, and the patients are instructed to share this report with each of their physicians.

“We are taking a page out of the pharmaceutical industry playbook where they found that physicians are sometimes more responsive when a patient comes in asking for something than when you directly send the physician information in the mail,” explains Steinberg. “So we use the patient as the delivery vehicle to the doctor.”

The “For My Doctor Reports” are particularly helpful in cases where the patient is seeing more than one provider, stresses Steinberg. Research has shown that one of the biggest problems for patients with multiple chronic diseases is poor care coordination when they are being cared for by multiple physicians, he says. “We provide a chronology of the claims that a patient has had over the preceding quarter, sorted by type of service, so it would show office visits, prescriptions, and lab tests in reverse chronological order,” he explains, “so a physician could, at a quick glance, see what medications other physicians have prescribed for the patient.”

‘Personal Care Note’

Also, as with the patient-directed reports, specific clinical issues of concern are highlighted; physicians are informed about any special programs the patient may be eligible for through his health coverage; and any opportunities to reduce out-of-pocket expenses for the patient are noted -- an increasingly important area for many employer-payers, emphasizes Steinberg. “Health plans don’t necessarily view what the patient saves as an ROI. However, if you are an employer, if you save a patient $500 a year out-of-pocket, it is like giving him a raise.”

To further simplify the approach, RHI has just unveiled a new combined version of the DTM Guide and the “For Your Doctor Report,” so all the information for both patients and their providers can be included in a single “Personal Care Note,” explains Steinberg. (See Figure 1.)

Calculating impact

There is early evidence that the DTM approach is effective from a one-year pilot study of the intervention undertaken by RHI and UniCare for the Commonwealth of Massachusetts Group Insurance Commission (GIC).

“We had a concurrent matched control group
Frequently Asked Questions

Q. Why was I selected to receive these materials?
A. ABC Health selects members who can benefit the most from this program.

Q. How will this program help me?
A. This program is designed to provide you with:
   - specific recommendations to improve your health care
   - money saving tips for various health care services

Q. Does it cost me anything to participate in the program?
A. No. All costs will be paid for by your health plan.

Q. Should I give these statements to all of the providers that are listed in my claims summary?
A. We encourage you to share this information with all the doctors who are caring for you.

Important Telephone Numbers

Personal Care Note Help Line: 1-800-987-6543
ABC Customer Service: 1-800-321-0987
Prescription Benefit Information: 1-800-555-9999

ABC Health Plan

Medical & Pharmacy Claims

25 most recent claims, by service date, received as of Jan. 12, 2005

<table>
<thead>
<tr>
<th>Date</th>
<th>Service / Drug</th>
<th>Days</th>
<th>Provider/Prescriber</th>
<th>Paid ($)</th>
</tr>
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<tbody>
<tr>
<td>12/10/04</td>
<td>Office Visit</td>
<td></td>
<td>Samuel F. Lynn</td>
<td>$85.00</td>
</tr>
<tr>
<td>9/28/04</td>
<td>Ambulatory Emergency Visit</td>
<td></td>
<td>St. Luke's Hospital ER</td>
<td>$766.50</td>
</tr>
<tr>
<td>8/17/04</td>
<td>Office Visit</td>
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<td>Michelle L. Wilson</td>
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<td>Samuel F. Lynn</td>
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<td>Office Visit</td>
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<td>Terry M. Jones</td>
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<td>Office Visit, prolonged sec.</td>
<td></td>
<td>Michelle L. Wilson</td>
<td>$195.00</td>
</tr>
</tbody>
</table>

Prescriptions

10/20/04: Feldene - 20 mg 60 30 Terry M. Jones $15.50
12/10/04: Lipitor - 20 mg 30 30 Samuel F. Lynn $85.95
11/23/04: Neurax - 20 mg 30 30 Samuel F. Lynn $115.60
10/28/04: Proventil 90 mcg - 17 gm 01 25 Michelle L. Wilson $46.50
10/29/04: Feldene - 20 mg 60 30 Terry M. Jones $15.50
10/18/04: Accupril - 20 mg 60 30 Samuel F. Lynn $66.99
10/18/04: Lipitor - 20 mg 30 30 Samuel F. Lynn $85.95
10/10/04: Neurax - 20 mg 30 30 Samuel F. Lynn $115.60
10/9/04: Topril XL - 50 mg 60 30 Jerry H. Wilson $44.90
9/12/04: Feldene - 20 mg 60 30 Terry M. Jones $15.50
9/12/04: Accupril - 20 mg 60 30 Samuel F. Lynn $66.99
8/23/04: Proventil 90 mcg - 17 gm 01 25 Michelle L. Wilson $46.50

Other Activity

11/26/04: Blood Panel 100 Quest Diagnostics $120.60
11/26/04: Medical Equipment 100 Lynnwood Medical Mart $120.60
9/28/04: Blood Panel 100 United Labs - SF # 3 $110.40
2/17/04: CT X-Ray, Paransalis Siunus 100 Radiology Assoc. - SFSL $354.35
2/20/04: Allergy Panel 100 Michelle L. Wilson $125.00
11/15/03: CT X-Ray, Paransalis Siunus 100 Mercy Hospital - Rad $354.35

Suggestions for You

Information to improve your health care and to save you money

It is currently recommended that people obtain a blood test 3 months after starting Lipitor. This test will re-check your cholesterol and liver function. We have not received a bill from a laboratory that shows you have had this test. We recommend that you communicate with your doctor about this suggestion. [55]

Diagnosis codes from your doctor(s) show that you had a heart attack in the past. For most people, a type of medication called a beta blocker can lower your chances of having another heart attack. We encourage you to communicate with your doctor about this suggestion to see if a beta blocker is right for you. [94]

Using generic drugs reduces the amount you pay for your prescriptions. Recently, you filled a prescription for Proventil and paid a copy of $40.00. Abudrel is a generic form of Proventil. If you use Abudrel your copay would be only $7. By switching, you could save $396 each year. Talk to your doctor about whether you can make this switch and start saving money. [76]

Using medications that are on our Preferred Drug List reduces the amount you pay for your prescriptions. Recently, you filled a prescription for Nexium and paid a copy of $40. Listed below are alternative medications from our Preferred Drug List that would cost you less than $40. Talk to your doctor about whether you can make this switch and start saving money. [70]

Looking for a new provider? Let us help!

Give our Preferred Provider Locator Desk a call at 1-800-555-7654, or try the Preferred Provider map at our website: www.ABCHealth.com

Harvard Medical School: Learn more about your Personal Care Note suggestions by visiting www.harvardcontent.com and entering the shortcut # shown at the end of each message in the "O".
that had similar issues identified at baseline that wasn’t receiving these statements, and we compared what we call the conversion rate — being brought into compliance with some clinical guideline or formulary preference — for each issue in the intervention group and the control group,” explains Steinberg. Investigators found that the program generated improvements in compliance with 10 specific clinical practice guidelines, and that it improved compliance with various economic incentives built into GIC’s prescription drug benefit plan.

Further analysis of the study results indicate that the program delivers an ROI of 2.4 to 1 to the health plan sponsor. “If you were to add in the out-of-pocket savings realized by the members themselves, the ROI would increase to 3.5 to 1,” emphasizes Steinberg.

**Revision and expansion**

In addition to the study results, a survey of members who participated in the intervention group indicates that the program was well-received, according to Constance Williams, MD, MPH, associate medical director at UniCare. “More than 91% of the people who responded to the survey were satisfied with the program, and 73% indicated they had increased confidence in their ability to manage their health,” she explains.

In light of these results, UniCare and RHI are getting ready to roll out a revised and expanded version of the approach. “For the pilot study, we selected a group of 3,000 members who appeared to have the most opportunities for care improvement and savings through changes, and those same individuals received four mailings,” explains Williams. “What we will do this year is pick up to 2,000 people every month to receive a mailing, and we will have a rolling enrollment because we found that as the year went on [in our pilot study], people made the recommended changes, and we were getting decreased opportunities to make suggestions. This year we will work with RHI to do an analysis of our claims every month, so some people may get just one mailing and others may get a mailing every month.”

**Editor’s note:** For more information about Resolution Health, Inc., visit the organization’s web address at www.resolutionhealth.com.