BY ELISABETH PENA

# Prevention THROUGH Intervention

It's in the pharma industry's best interest to develop **DISEASE-MANAGEMENT PROGRAMS** that can bring additional sales and long-term relationships with payer organizations, as well as fill a void created by recent restrictions on sales reps' activities with physicians.


Louise Gillis

**DISEASE MANAGEMENT IS MAKING A COMEBACK.** Health plans are renewing their interest in the old buzzword from the early 1990s as a way to address soaring healthcare costs.

Pharmaceutical companies are noting this trend, and some are jumping right in with new programs to take advantage of this opportunity.

Disease management, regarded by some as the future of healthcare in the United States, calls for medical professionals and insurers to monitor and support patients with known chronic conditions, promoting self care as a way to prevent acute episodes requiring hospitalization.

Experts say 5% of the U.S. population has a high-risk medical condition, accounting for more than 50% of the country's healthcare costs. In addition, chronic illnesses have been found to affect more than 100 million Americans and account for 75% of the nation's annual healthcare costs. The disease-management industry targets these patients, seeking to reduce the severity of episodes and to cut overall healthcare costs.

In the past 18 months, the tide has begun to turn and the industry is starting to again focus on disease management.

**In the early- to mid-1990s disease management was a major catch phrase.**

According to the Tufts Center for the Study of Drug Development, disease-management program accreditation will rise, with 15 new disease-management firms expected to be accredited by the National Committee on Quality Assurance in 2003, up from the 10 that were first accredited in 2002. In addition, pharmaceutical companies are beginning to seek accreditation for disease-management programs. (See box on page 36.)

"In the early- to mid-1990s disease management was a major catch phrase," says Louise Gillis, associate VP at Market Measures/Cozint. "In the past 18 months, the tide has begun to turn and the industry is starting to again focus on disease management."

According to AirLogix's Susan Riley, president and CEO, John Cover, VP of sales, and Barry Zajac, VP of clinical informatics, more organizations are turning toward disease management as a strategy to improve quality and

# Disease Management and MCOs Hypertension and Depression Studies

**MARKET MEASURES/COZINT'S SHARED ACCESS STUDY ON THE MANAGEMENT OF HYPERTENSION BY MANAGED-CARE ORGANIZATIONS (MCOS) WAS COMPLETED IN OCTOBER 2002. THE COMPANY ALSO CONDUCTED A STUDY ON THE MANAGEMENT OF DEPRESSION AND ANTIDEPRESSANT FORMULARIES BY MCOS IN JULY 2002.**

This research was designed to assess formulary and disease-management practices employed by MCOs in the hypertension and depression categories and to explore key issues in these markets that may have a significant impact on managed care.

## HYPERTENSION

MM/C interviewed 26 pharmacy and medical decision-makers from HMOs. All 26 of the HMOs covered anywhere from 100,000 lives to millions of members. The total number of HMO lives covered by these plans is more than 7 million. These 26 HMOs represent about 17% of the 46.7 million lives covered by HMOs in the United States.

About one-quarter of these HMOs have developed hypertension disease management (DM) programs.

- DM programs among these HMOs are primarily designed to identify hypertensive members and monitor their treatment. A few are part of a comprehensive cardiovascular program rather than specific to hypertension.
- Pharma manufacturers participate in very few of these programs.
- A few respondents indicate that DM support offered from companies has not fully addressed the specific needs of their HMOs, including a respondent who commented that he wants unbiased information.
- One respondent describes an existing manufacturer that produces HMO physician and patient-education programs. The HMO independently identifies and recruits members and is recognized as the sponsor; the manufacturer provides the program and speakers.

**THIS RESEARCH WAS DESIGNED TO ASSESS FORMULARY AND DISEASE-MANAGEMENT PRACTICES EMPLOYED BY MCOS.**

## DEPRESSION

MM/C interviewed 27 pharmacy and medical decision-makers from HMOs. All 27 of the HMOs covered anywhere from 100,000 lives to millions of members. The total number of HMO lives covered by these plans is more than 15 million. These 27 HMOs represent about 33% of the 46.7 million lives covered by HMOs in the United States.

- DM programs are important to about half of the participating MCOs, although complying with the Health Plan Employer Data and Information Set (HEDIS) measures and maintaining National Committee for Quality Assurance (NCQA) accreditation are of even greater interest. MCOs do not appear to be interested in manufacturer-sponsored disease-management programs.
- Nearly one-third of participants maintain that these programs are important because they aid the MCO in complying with HEDIS and NCQA measures, which enhance the marketability of the plans.
- Greater than one-third (11 of 27 respondents) of participating MCOs have DM programs for depression, which are primarily developed and implemented internally. A few MCOs have developed these programs with the aid of their behavioral health carve out.
- Only three respondents report that pharma manufacturers support their MCOs' programs. A few other MCOs are seeking to develop DM programs and plan to do so internally.
- A couple of respondents mention that they do not want a "cookie-cutter" approach to DM, implying that the programs offered by manufacturers may not be customized enough or may not include all of the elements that would meet their needs. Moreover, one respondent notes a concern that manufacturer-sponsored programs would promote particular agents.
- One participant says it would not be possible to maintain patient confidentiality if a third party, such as a manufacturer, were to be involved in the program.
- The current DM programs primarily focus on screening patients for depression, provider and patient education, and promotion of patient compliance to medications.
- Among these MCOs, DM programs primarily have been initiated to satisfy HEDIS measures and NCQA accreditation requirements.
- Virtually all of these MCOs (24 of the 27 respondents) follow HEDIS measures. The value to these MCOs seems to be more directly related to the marketability of their programs than to any other factor. Notably, while many employers are not interested in DM programs, responses imply that employers are interested in partnering with MCOs that encourage quality of care as reflected in HEDIS measures. Beyond achieving better marketability of their programs, a couple of respondents express an appreciation of the quality of care that NCQA encourages.

Source: Market Measures/Cozint LP, East Hanover, N.J. For more information, visit mmi-research.com.

▶ THE DISEASE-MANAGEMENT TREND IS DEFINITELY EMERGING AGAIN AND TECHNOLOGY PLAYS A BIG ROLE IN THAT. THE THINGS THAT PEOPLE ENVISIONED ARE ACTUALLY POSSIBLE NOW THANKS TO THE INTERNET.

Eric Bolesh

▶ THERE IS AN INCREASING TREND TOWARD INDIVIDUALIZED CARE IN ALMOST EVERY DISEASE CATEGORY. THE NOTION OF DIAGNOSING PATIENTS AND PROVIDING THEM WITH AN INDIVIDUALIZED REGIMEN THAT SUITS THEIR NEEDS IS WHERE MEDICINE IS GOING. IN THAT SETTING, COMMUNICATION IS GOING TO BE MORE IMPORTANT THAN EVER.

Al Paz

▲ MOST MANAGED-CARE ORGANIZATIONS HAVE REALIZED THE VALUE AND HAVE IMPLEMENTED DISEASE-MANAGEMENT PROGRAMS. MOST COMPANIES FIND IT WORTHWHILE TO IMPLEMENT PROGRAMS FOR THE MOST COMMON CONDITIONS, SUCH AS DIABETES, ASTHMA, AND HEART DISEASE.

Dr. Richard Petrucci

▼ THE CHALLENGES AND PROBLEMS WITH DM PROGRAMS HAVE BEEN OVERALL COST, EDUCATING THE PATIENT AND HEALTHCARE PROFESSIONAL EFFECTIVELY, AND QUALIFYING/QUANTIFYING THE RESULTS.

Jim Knipper

▲ THE CHALLENGE WITH DISEASE MANAGEMENT IS SHOWING THAT THE PROGRAM IS THE STRATEGY THAT IS IMPROVING THE HEALTH OF THE MEMBERS AND THAT WE ARE THE ONES DOING IT.

Dr. Michael Cousins

▼ DISEASE MANAGEMENT, BY DEFINITION, IS CHANGING THE BEHAVIOR OF DOCTORS OR PATIENTS OR OFTENTIMES BOTH AND THAT IS TOUGH TO DO.

Edward Rhoades

satisfaction while reducing costs. AirLogix provides disease-management services for conditions such as asthma and COPD.

A sign of change is the increased level of selectivity and sophistication with which health plans and other healthcare purchasers are investigating and making decisions about what disease states to pursue, what program components are desirable, whether to make or buy, and what vendors to use. The question, AirLogix executives ask, is no longer whether to do disease management, but how much? Disease management is becoming a serious consideration across the healthcare spectrum, and scientific advances could help to advance the goal of prevention.

"The next couple of years are going to be really exciting in the area of disease management," says David Krause, Ph.D., an instructor at Marquette University and a healthcare consultant for Accordant. "Not only because Medicare is getting involved in disease management, but because the rapid advancements in genetics is helping us better understand what therapies may or may not work in the treatments of chronic diseases."

According to Jim Knipper, president and CEO of J. Knipper & Co., several factors are driving interest in disease management.

"The baby-boomer population is aging and becoming more aware of the future cost burden of quality healthcare," he says. "The health insurance industry and MCOs see the potential for their insurance products becoming too expensive for the market. Washington is being pressed by the issue and is being called upon by various constituencies to respond in ways that may negatively affect the industry. Our industry continues to be under pressure to justify medications as a reduced cost healthcare strategy compared with hospitalization and long-term care."

## Managing Diseases

The Disease Management Association of America (DMAA) defines disease manage-

ment as a system of coordinated healthcare interventions and communications for populations with conditions in which patient self-care efforts are significant. Disease management supports the physician or practitioner/patient relationship and plan of care; emphasizes prevention of exacerbations and complications using evidence-based practice guidelines and patient empowerment strategies; and evaluates clinical, humanistic, and economic outcomes on an ongoing basis with the goal of improving overall health.

Historically, disease management has used claims, pharmacy, and lab data to identify costly, high-risk patients and assign those patients a case manager. The case manager's job is to help patients comply with a treatment program to reduce the overall cost of care by preventing further acute incidences from occurring.

Diseases typically targeted by disease-management programs include diabetes, asthma, congestive heart failure, cystic fibrosis, hemophilia, and multiple sclerosis.

According to Warren E. Todd, executive director of The DMAA, disease management lowers the demand for expensive hospitalization as well as potentially slowing the progress of disease in an individual.

"We can no longer deny the aging of America or the chronic disease crises in America, and disease management appears to be one of the last-standing strategies," he says.

Patients, however, typically will not seek access to disease-management programs, therefore companies need to find ways to get the patients on board.

"Individuals are not likely to reach out on their own for these types of initiatives," says

## GlaxoSmithKline: Disease Management Certification

**GLAXOSMITHKLINE RECENTLY BECAME THE FIRST COMPANY TO RECEIVE CERTIFICATION IN DISEASE MANAGEMENT FROM URAC, A LEADER IN THE ACCREDITATION OF HEALTH AND MANAGED-CARE ORGANIZATIONS.**

GSK's HealthCare Management Group received core accreditation and was certified in disease management for asthma, migraine, and smoking cessation. The company also was the first pharmaceutical company to receive certification in disease-management content and program design from the National Committee for Quality Assurance (NCQA), a private, nonprofit organization dedicated to improving healthcare quality, and will be pursuing certification from the Joint Commission on Accreditation of Healthcare Organizations (JCAHO), an independent, nonprofit organization that evaluates and accredits nearly 17,000 healthcare organizations and programs in the United States.

To achieve URAC certification, companies must first comply with URAC's principles for core accreditation. Companies then self-select up to 50% of the standards from any URAC accreditation module and must demonstrate how their product or service complies with the selected standards. Upon completion of a rigorous review process by URAC, companies receive URAC's Core Accreditation, plus certification in the selected module or modules.

"We are committed to pursuing disease-management certification because it demonstrates to healthcare organizations that we are bringing evidence-based disease management programs reviewed by healthcare standard organizations, such as NCQA and URAC," says Tim Klapish, executive director of HealthCare Management at GlaxoSmithKline.

Mr. Klapish says GSK is serious about developing the right disease-management programs to address the appropriate use of the company's medicines and address underdiagnosis and inadequate care.

"As we bring innovation around medicine, we hope to couple that with innovative approaches, such as disease management, to help improve the care of the chronically ill," he says.

According to Mr. Klapish, disease-management certification also presents the company with a competitive advantage because it demonstrates that the company's disease-management tools and interventions are built on evidence-based clinical-practice guidelines and patient identification and stratification, and they address inappropriate use and inadequate care.


Tim Klapish

"Coupling what we are doing from a disease-management perspective with the innovative medicines GSK has in the market is an enormous competitive advantage," he says. "Decision-makers at health plans know if a company has certification it meets what the health plans are required to do. In addition, medical directors don't have to review everything because they know the policies and procedures and approaches that we took are sound fundamentally and clinically."

Our disease-management programs are developed with the express intent of delivering educational materials and tools to organizations wishing to implement such programs.

**The programs are structured to be flexible and to meet individual needs of an implementing organization.**

Rick Milde, VP at Access Health Risk Management. "The most effective way to reach patients is to go to the various channels at the community level."

In addition, disease management benefits patients by providing better care to the patient at all times, not just when a condition is exacerbated, thereby reducing the costs of hospitalization or other more expensive care.

"Medical literature would suggest that, for some chronic diseases, members receive less than optimal care," says Richard Petrucci, M.D., VP for chronic case and disease management at Oxford Health Plans Inc.

Disease management also goes beyond improving the health of the patient to improving the health processes used by health plans.

"A key area to focus on is the improvement of health process and health status outcomes," says Michael Cousins, Ph.D., director of health informatics at Health Management Corp. (HMC). "Improving health outcomes means making sure, for example, that members who have coronary artery disease are getting their LDL tests and taking medications as prescribed. We are working directly to improve the process. When we get the plan's members to take their tests or refill their medications, then we can say we've made improvements in health process measures. And when we do this, we improve the members' health."

One way that HMC is working to improve health processes is through the recent launch of AccessHMC, a Web-based interface that provides its health plan clients with access to comprehensive program information.

The program allows HMC and its clients to better manage members through rapid response to issues revealed through the shared information, which, in turn, helps to improve health outcomes.

The concept of disease management also is being transformed beyond managing a disease in a patient to managing a population with the condition. Since patients often have comorbidities, population management is about meeting the needs of the individual patient with different chronic conditions to provide improvement in population health.

"The industry is beginning to realize that structured programs can add value in terms of delivering care to a population of patients," says Terry Crowson, M.D., associate medical director at HealthPartners. "We are evolving from thinking more about population management than disease management."

According to Al Paz, CEO, Euro RSCG Life, Marketing Services Group, the key to disease management is individualizing care.

"Programs need to address the needs of the patient, family, the financial situation, and come up with a recipe of services and products that enable that patient to reach his or her therapeutic goal," Mr. Paz says.

## From Theory to Practice

"The commitment of pharmaceutical companies to disease management is beyond innovation of medicine," says Tim Klapish, executive director of disease management at GlaxoSmithKline. "It is to develop the right complementary tools and services defined as disease management. We believe that it is important to address the appropriate use of our medicines, as well as underdiagnosis and inadequate care."

According to Eric Bolesh, a senior analyst at Cutting Edge Information, for pharmaceutical companies disease management and physician outreach is about shifting the focus to lifetime customer value.

"Pharma companies realize that, with many prescriptions, it is one and done; the patient is sick, takes a product, and then is all right," Mr. Bolesh says. "The focus is on retaining those customers and creating a long-running relationship with doctors, patients, pharmacists — everyone involved in healthcare. Disease management is one more tool in that arsenal to building long-term relationships with all those stakeholders."

Patient adherence and persistency has been one of the biggest topics in the industry and government for more than 10 years. The pharmaceutical industry has and continues to develop adherence and persistency programs as a win-win for patient, insurers, and government.

"Of all new scripts written, perhaps 20% or more never get filled," Mr. Knipper says. "In the first year only 70% of the scripts will be refilled. This is especially true for asymptomatic disease states such as high cholesterol and hypertension. Year two drops off dramatically from year one. Year three is even worse. Patients who take their meds according to the suggested regimen tend to stay healthier, visit the emergency room less, and therefore lower costs to the healthcare system."

In addition to creating a relationship with patients who may only require short-term treatment, disease-management offers pharmaceutical companies a way to deal with the problem of compliance in patients with chronic conditions.

"In a new cohort of patients starting on a chronic therapy, on average patients fill about 4.5 to 5 prescriptions in a 12-month period and then quit," says Edward Rhoades, senior VP of marketing and new business at Catalina Health Resource. "If one looks at the overall bill for drug spending, clearly a patient who only takes four prescriptions of a chronic therapy is a problem. Drugs are cost-effective, but only if taken properly, and that means persistence and compliance. The way that many patients take drugs is costing the industry billions in lost sales and the healthcare system even more in lost savings. The drug companies could really help themselves by doing more to support patients where appropriate."

Disease management also is inherently compatible with the financial interest of pharmaceutical companies, Mr. Todd says.

"If disease management is working, then the patients are not only on the right medication, but they are being compliant with their medications," he says. "They are actually adhering to therapies and filling prescriptions; that tends to increase the volume of pharmaceuticals produced and consumed."

Disease management also may be beneficial to pharma companies since an increase in the volume of prescriptions could offset the recent decline in the number of new pharmaceutical products entering the market.

"It is very important for companies to look at their portfolio of products and figure out how they are able to get additional growth out of even mature brands in their portfolio," Mr. Paz says. "Disease management is a very effective way to do that. If a company can use new and old products to improve the quality of care of patients then it is able to significantly increase sales. With disease management, a pharma company is able to provide services that go above and beyond what can be offered if it is only selling a patient one product."

Another factor that is propelling the pharmaceutical industry's renewed interest in disease management is the recent restrictions placed on physician-directed promotional programs.

"The pharma industry is no longer unconstrained concerning its promotional strategies directed at prescribing physicians; companies need new vehicles and ways to create both a marketing advantage and programs that can produce overall cost savings," Mr. Todd says. "Disease management appears to be filling part of that void."

Analysts at Datamonitor Plc. have found that disease-management programs provide an additional benefit to pharmaceutical companies in the form of relationships with payer organizations. Pharmaceutical sponsorship of a disease-management program allows the

# Disease Management in Practice: Louisiana State University Health Science Center

**PREDICTING THE FUTURE OF HEALTHCARE TECHNOLOGY IS DIFFICULT WITH ANNUAL INCREASES IN HEALTHCARE COSTS AND ORGANIZATIONAL BUDGET CUTS.**

The same factors that present the greatest challenges have now become the drivers of technology trends that seek to manage areas of financial difficulty. A recent industry survey, conducted by Healthcare Informatics, identified nine technology categories that will support improved efficiencies and healthcare delivery costs and services. Among these top information technology categories is disease management.

Louisiana State University (LSU) Health Science Center, Shreveport, La., is among the many healthcare organizations already using technological advancements to improve clinical and financial outcomes.

Richard Mansour, M.D., an associate clinical professor of medicine at the Feist-Weiller Cancer Center at Louisiana State University (LSU) Health Sciences Center-Shreveport, and chief medical officer for Eclipsys Corp., outlines how disease-management technology resulted in a significant return on investment.

The center installed a disease-management solution specially designed for oncology practice. The oncology solution is designed to perform three critical tasks: provide access to up-to-date knowledge at the point of care, reduce variability in care delivery and treatment, and monitor and measure outcomes.

The solution, which was implemented about four years ago, saves the center both time and resources by automating oncology clinical trials, protocols, and regimens. With this system in place, LSU Health Science Center clinicians can prepare, review, and print a wide range of patient data, including demographics, orders, protocols, cancer staging, medication administration, lab and radiology results, vital signs, statistical summaries, and charges. Most importantly, this information is available electronically from any workstation from within the health-science center, providing immediate access to information and knowledge that aids caregivers in decision-making.


Dr. Richard Mansour

To maximize the value of the system, the health center created a number of customized protocols to reflect its own established best practices. This feature is especially important to the center's nearly 150 open clinical trials, focusing on the treatment of prostate, breast, and lung cancers. In addition, Health Science Center oncologists are able to create customized flow sheets that incorporate all activities associated with a patient-care plan, including chemotherapy dosages, physician visits, tests, and procedures. Flow sheets created in the system include a comprehensive display of order sets and order status. Approved orders trigger the delivery of services by specific healthcare providers within the organization, including pharmacy, lab, radiology, or nursing.

Orders entered directly by physicians into the clinician order entry module of the system are processed immediately. This reaps multiple benefits, including eliminating the risk of illegible handwriting, inaccurate verbal communication, lost orders and orders delayed by incorrect information, or information being routed to the incorrect department. Furthermore, by automating the processes, the center eliminates the potential for error at task hand-off, when medical errors are most likely to happen.

Once completed, results, orders, and related charges are automatically available to the health center's caregivers. Rules and alerts notify physicians if any potential drug allergies or drug-drug interactions exist.

The oncology solution significantly improved the cost-effectiveness of oncology drug prescribing. As a result, the LSU Health Science Center achieved a $186,000 cost reduction during a two-year period by changing prescribing patterns for anti-emetic drugs.

The system also helps oncologists make consistent selections of anti-emetic agents over time and prepares orders for the physicians based on agreed-upon treatment plans.

Additionally, in automating the process, the health center has experienced reduced reliance on paper.

Caregiver efficiency has improved by eliminating the need to locate paper charts. The health science center also has reduced turnaround times and redundant data collection.

To maximize the value of the system, the health center created a number of customized protocols to reflect its own established best practices.

**An outline of how disease management technology resulted in significant return on investment at LSU Health Science Center.**

pharmaceutical company to work with the health plan, for example, by jointly inviting patients to participate. Not only does this increase the chances that patients will sign up, it may also serve to gain the product a preferred place on formulary.

In addition, challenges to implementing disease-management programs, such as cost and legal concerns, can be mitigated by limited pharmaceutical involvement through sponsorship, Datamonitor analysts say.

Mr. Rhoades agrees pharmaceutical companies can aid disease-management initiatives through funding.

"Pharma companies make the lion's share of the profit in the healthcare industry because of intellectual property protection, which is appropriate," he says. "When it comes to funding these programs, the pharma companies are the natural choice, as they have the incentive and the money. The challenge for pharma is actually reaching patients to help them."

Managed-care organizations, however, often do not want a disease-management program sponsored by a pharmaceutical company.

"Managed-care organizations don't want help from pharma because they don't want a veiled promotion," Ms. Gillis says. "They want something that is going to help manage the patients who are in their plans. They would prefer funding from pharma companies to help develop the programs."

Ms. Gillis says if pharmaceutical companies tailor disease-management programs to a managed-care organization's population instead of developing a blanket program, then the managed-care organization would be much more willing to work with pharma companies.

Dr. Petrucci has had experience working with pharma companies on disease-management components through his work at Oxford Health Plans and believes the two entities can work together to the patient's advantage.

"Many pharmaceutical companies produce disease-specific literature that is distributed to disease-management members to help them better understand their condition; many managed-care organizations partner with pharmaceutical companies in this regard," he says. "This information does not promote individual drug products and is value added to Oxford's disease-management program. Some pharmaceutical companies also cosponsor CME programs with Oxford to educate physicians about the value of disease management."

## Physician Focus

Physicians are a crucial piece of the disease-management puzzle. Disease-management providers do not practice medicine, physicians do; without physicians, DM programs would not be possible. According to AirLogix executives, disease-management programs are designed to empower patients to change behavior, without physician participation, buy-in, and support, many patients would not participate.

But getting the healthcare community to embrace disease management can be challenging for all parties involved. The current healthcare system is set up to care for acute illness, not chronic diseases. Disease management offers a population-based approach to address the needs of the chronically ill with physicians functioning in a pivotal role.

"We view the role of the physicians as really the role of a coach, someone who can provide direction to patients, be a mentor, give them the right action plans, and help them navigate through the healthcare system," Mr. Klapish says. "It is a lot to ask physicians to do all they are expected to do on top of trying to drive behavior change, such as trying to get patients to take better care of themselves and essentially getting patients to take ownership of their condition. Disease management and the role of the medical group is becoming more important every day."

Datamonitor's February 2002 Physician Insight Survey shows that physicians support disease management. In a survey of 90 psychiatrists and general practitioners in the United States, Germany, and France, physicians believed that a greater proportion of their patients would benefit from disease-management tools. In the United States, physicians reported that less than 25% of those who would benefit from disease-management tools are actually using them.

One reason analysts believe disease-management programs lost popularity in the past is that physicians viewed pharma's participation as self-promotional.

"A pharma company's business model and the desire to create a disease-management program might be at cross purposes in the long run," Mr. Bolesh says. "To combat that, pharma companies are trying to reach out to physicians and establish themselves as sources of information. Anytime a pharma company reaches out to patients or physicians or the public at large, the companies shouldn't position themselves as sales people; they should position themselves as service providers and develop the sales rep as a provider of information."

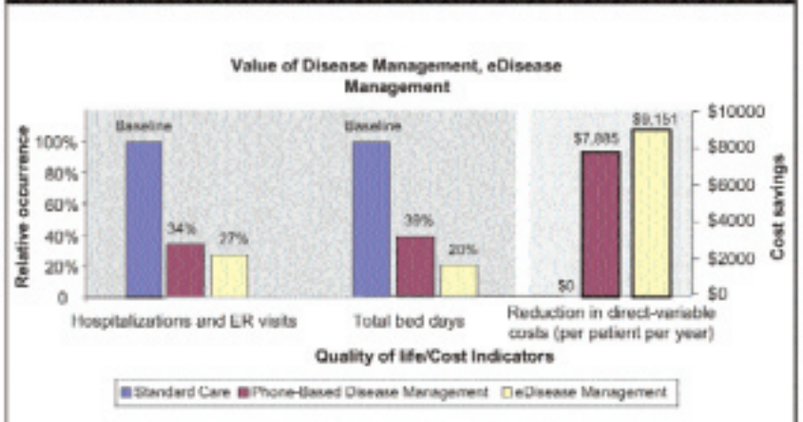
Disease-management programs supported by pharma companies, however, may be winning physician support. About 80% of U.S. physicians surveyed by Datamonitor reported that they would not be swayed from participation in disease-management applications based on the fact that the program was sponsored by a pharmaceutical company.

Often a third party is viewed as the most objective source of information by a physician.

In an ideal scenario, Dr. Cousins says, the health plan and disease-management program are working together with the patient and the provider community.

"It is critical to engage providers and get them on board and have them understand that this is a value-added service to them," he says. "We have many providers, for example, who welcome our involvement because they have been trying to reach a particular patient or are having difficulty with the patient following the plan of care. We make telephone calls to reinforce the plan of care, to remind patients that they haven't had a test, and encourage them to contact their provider."

**eDisease Management programs are able to significantly improve outcomes in chronically ill patients**




Source: Legrow and Metzger, Datamonitor

But, involving the providers can be a challenge, according to Mr. Rhoades, because of the rate at which people change their health plans; the average amount of time a patient stays within one managed-care plan is between one and two years.

"A managed-care company could spend a lot of extra money to manage a patient's chronic condition and the odds are that the patient is going to leave the plan before the provider benefits from, say, a saved trip to the hospital," he says. "Except for conditions that have a fairly high rate of acute episodes, such as congestive heart failure and asthma, it is hard for managed care to recoup the investment. Pharma companies need to do more direct outreach to patients to educate, encourage, even remind them to stay on the therapy. Funding outreach at the point of care — pharmacies and doctors' offices — can be very effective when there is scale."

## Technical Incentives

Mr. Bolesh believes technology is helping to drive the re-emergence of disease-management programs.

Ms. Gillis agrees, saying technology will aid disease management in terms of convenience for the patients.

"If a high-risk patient has Internet access, case managers could send e-mail reminders instead of calling or visiting," she says. "For example, an e-mail could be sent to remind diabetics to get their eyes checked every six months."

Affordability is at the crux of technology's role in disease management. Providing individual attention to patients is made feasible for a company by using e-mail and other electronic means.

"The Internet makes communication with large and broad audiences affordable," Mr. Paz says. "Previously, it was prohibitive for a pharma company to reach out to the millions of patients who use their medications. Through the use of the Internet, a company can establish a relationship with its customers at a very affordable cost and that communication can then be customized to the needs of that particular customer."

"A lot of the cost of disease management interventions is associated with labor, such as a nurse on a phone line," Mr. Todd says. "Technology offers us the opportunity to intervene with the patient creatively at a lower cost."

"Less than 40% of the population has regular contact with the Internet," Mr. Knipper says. "The growing population of Internet users are youths, which represent the future market. The Internet will play an increasing role in communicating with healthcare providers. I can envision the day in the not-so-distant-future when healthcare providers use the Internet as a significant method of attending to their patients. Internet monitoring services reporting patient conditions to the physician/remote healthcare center could well be an industry of the future. Hand-held devices, such as PDAs, at the present time are still relatively expensive, so unless there is a very serious disease state, a highly motivated patient, and a very low cost hand-held device available, the potential enhancement to disease management will not be as effective as other patient-centric programs."

The healthcare professional's role in disease management can be enhanced by adding enabling technology to the mix.

"Pharma companies aren't interested in replacing the healthcare professional in disease management," Mr. Bolesh says. "Companies want to set up a relationship triangle where they are at one point and the patients are at another point and the healthcare providers and primary-care providers are at the third point. All three parties interact with each other to add value to the patient's disease management. Pharma companies are looking to strengthen the relationship between the patient and the nurse or physician because by doing so they reinforce their own position."

Additionally, Dr. Crowson says electronic enhancements have allowed for better integration of best practices into physician offices, including better population management and the building of registries so that systems can track what is happening with patients.

"Electronic medical records that are being developed will provide a lot of capabilities when they are fully implemented for better disease and population management," he says.

According to Robert Drazen, president of Access Health Risk Management, technology is the future of disease management.

"Our RiskID is a simple software screening tool that screens for risks of potential disease and then stratifies individuals into categories, such as low risk, moderate risk, and high risk," Mr. Drazen says. "Reducing chronic disease risk factors for high-risk patients is accomplished through education, behavioral modification, or proper clinical treatment. This reduces their risk potential to the point where chronic disease and the related costs can be prevented. The result is that overall healthcare costs are reduced and patients have the tools and understanding to better manage their healthcare."

The conveniences and benefits of disease-management technologies, however, compete with a general population that is still uncomfortable with providing personal health information via the Internet.

"There will be a cultural change that will take time and maybe in a few years people will be much more comfortable sharing information," Dr. Krause says. "But an explosion of using the Internet to transmit information between individuals that have a chronic illness, disease-management companies, and their physicians and providers has not happened at nearly the rate that was predicted."

According to Mr. Milde, consumers are concerned about the use of their health information and who gets to see it.

"One of the big concerns, both from the individual, as well as from the community or the employer, is that a big-brother syndrome does not rise to the surface in this type of a wellness initiative or screening," he says. "We can provide the community or the employer with sanitized, aggregate information that does not identify down to an individual level, but can identify the chief parameters of wellness or disease condition within the community being screened. Of course, we also can allow the individual or his caregiver the ability to see both his present condition at the time of an assessment as well as his relative improvement over time. That is a tremendously valuable tool that previously was done by gathering a lot of paper-intensive reports."

The disease-management industry has taken privacy concerns into account. According to a white paper published by the DMAA, The U.S. Department of Health and Human Services has fully safeguarded the ability of legitimate disease-management programs to use and disclose protected health information for activities such as enrolling and engaging patients, teaching patient self-management, coordinating care, providing medication compliance guidance and reminders, publishing outcomes data, conducting population management and risk stratification, supporting physicians and the plan of care, and promoting other disease-management and population management services central to improving the quality of care and clinical and financial outcomes for patients with chronic diseases.

While legitimate information transfer is protected by HIPAA, given recent scrutiny the industry is expected to be wary.

"Disease management is definitely a trend and it will be interesting to see how HIPAA accelerates or decelerates current efforts," Mr. Rhoades says. "In the near term it could go slower because companies are being very cautious about how they handle patient information. On the other hand, because the laws were designed to facilitate the transmission of information between appropriate parties in the healthcare system, this should in effect pave the road and make disease-management efforts easier. It is going to take time before the benefits of HIPAA are realized by the industry."✦

PharmaVoice welcomes comments about this article. E-mail us at feedback@pharmavoice.com.

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