

Wellness Programs: How to Make Sure Your Cost Drivers Don't Drive You Out of Business!

David Tinkelman, MD

March 1, 2010



National Jewish Health

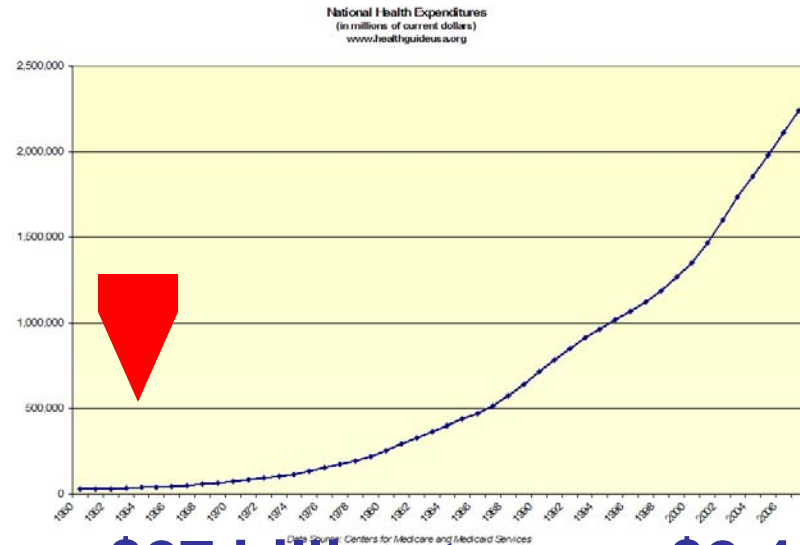
- #1 Respiratory Hospital in the Nation since 1998 (*US News & World Report*)
- Among the best pediatric respiratory hospitals in the nation (*US News & World Report*)
- 2nd Best place in U.S. for “postdocs” to work (*The Scientist, 2008*)
- Top 4.5% of U.S. Institutions funded by the NIH
- Leading clinical laboratories in the world for mycobacteriology, complement and beryllium exposure



The Costs of Health

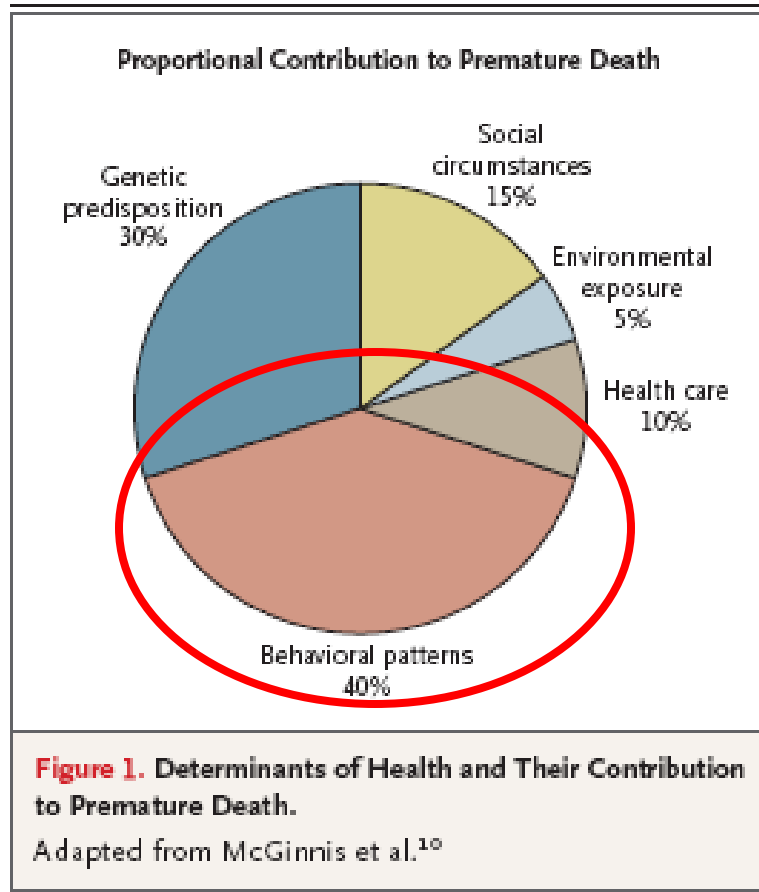


U.S. Medical costs 1960 to 2007



From \$27 billion to over \$2.4 trillion dollars-17% of U.S. GDP increasing 8-14% per year

The Opportunity for Wellness



“greatest opportunity to improve health and reduce premature deaths lies in personal behavior -nearly 40% of all deaths in the United States.

...obesity & physical inactivity combined, ...this pair of factors & smoking are the top two behavioral causes of premature death”.

Schroeder Steven A., We Can Do Better — Improving the Health of the American People *New England J of Med* 357;12 September 20, 2007, 1221-1228

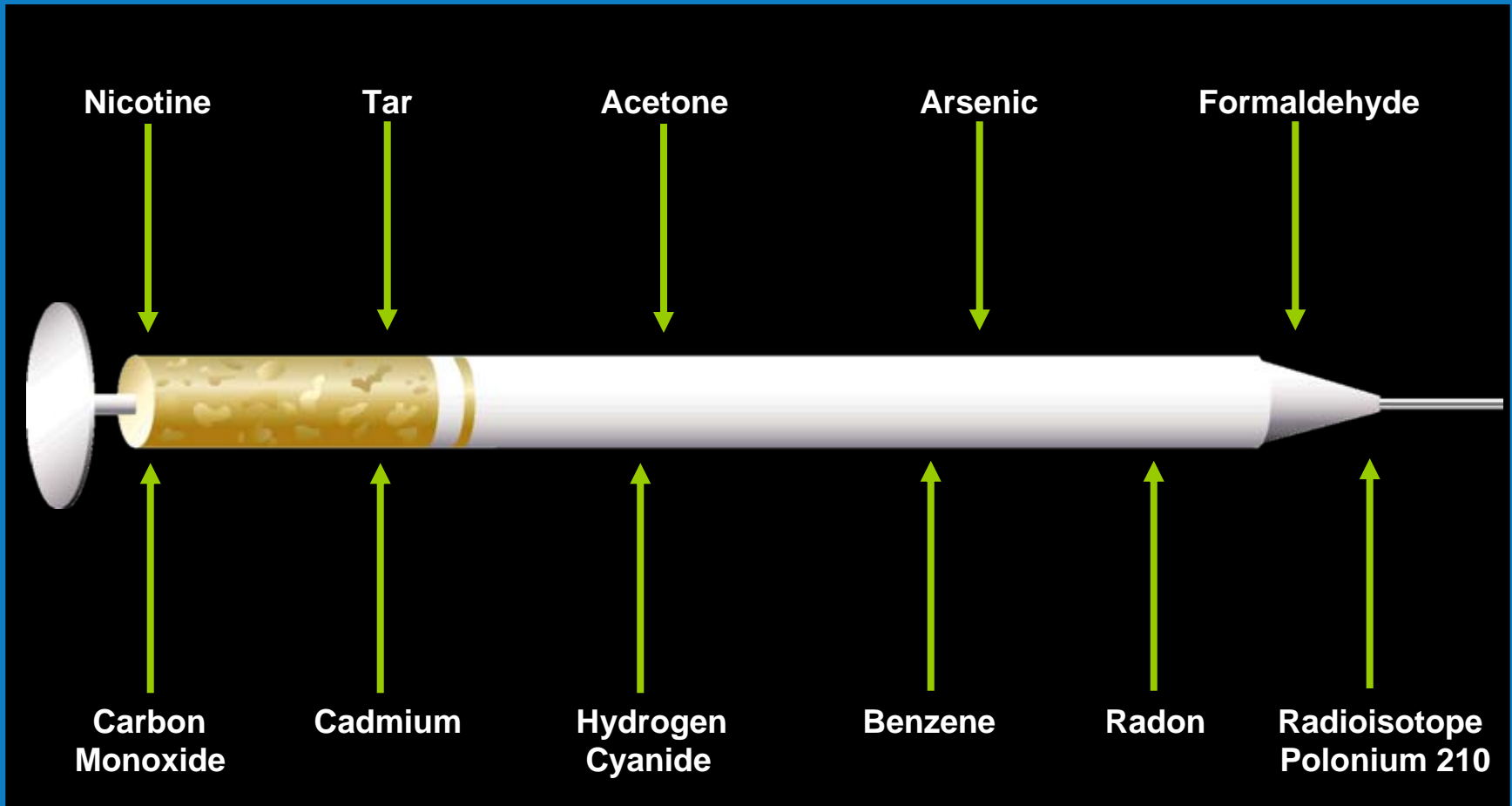
Wellness Programs That Can Effect Healthcare Cost Drivers MUST:

- Address disease states caused by behavioral dysfunction
- Address root causes of cost driving behaviors
- Produce sustainable results
- Have measurable results
- Be cost effective

The #1 Preventable Problem Now: Tobacco

*Drug Delivery Device containing over 4,000 chemicals
and 69 known or suspected carcinogens*

1



The Facts

Each smoker costs employers \$1,623 more per year than a non-smoker due to:

Health insurance and life insurance claims

Absenteeism – smokers are absent 50% more often than non-smokers

Increased on-the-job injuries

Fire and accident insurance

Effect of smoke on non-smoking employees

Worker's compensation payments and occupational health awards (Businesses pay \$2,189 in annual worker's compensation costs for smokers versus \$176 for a non-smoker)

What Are We Doing About Cigarette Smoking?

Quitlines #1 Recommendation

How “Quit Lines” Generally Work

The National Jewish Quit Line

- A seven day per week bilingual Intake Call Center
- A comprehensive smoking history completed with a tobacco cessation quit coach
- Proactive, positive coaching sessions including information on pharmacotherapy, second hand smoke, establishing a smoke free environment at home and work
- Relapse prevention strategies
- NRT provided to those medically eligible

Quit Rates

- **Cold Turkey = 5%**
- **Generally, a Quit Line alone =18% cessation**
- **Medication alone = 21%**
- **A Quit Line + Medication >30% cessation**

Having Someone Quit Smoking Saves Healthcare Costs!

QuitLine in Ohio: A Proven Success Story

- A study of all participants 2004 and 2005

What We Found?

Cost Per Quit w/ and w/o Marketing

	Total Program	Total Program
Marketing %	100%	0%
Marketing Cost	\$5,478,015	\$0
Operations %	100%	100%
Operations Cost	\$2,471,300	\$2,471,300
NRT Cost	\$1,214,833	\$1,214,833
Total Cost	\$9,164,148	\$3,686,133
Number Involved	46,962 intakes	46,962 intakes
Quit Rate	x 0.314 (QR)	x 0.314 (QR)
Number of Quitters	14,746	14,746
Cost Per Quit	\$621	\$250

Putting the Brakes on a Cost Driver

- According to the CDC: Nationwide, smokers cost approximately \$3,383 per smoker per year
 - \$1,623 in excess healthcare expenses
 - \$1,760 in lost productivity
- Cost per quit for Quitlines is \$590 with NRT, and \$621 overall (NRT and non-NRT recipients)
- This yields an annual healthcare savings of \$1139 per smoker who quits

Turning Costs into Savings

- Thus, for the annualized 11,060 quits since the inception of the Ohio NRT program:
 - Costs were \$9,164,148
 - Healthcare savings were \$17,950,380
- These figures yield a Healthcare ROI of 1.96 overall
- The Healthcare savings start late in the first year and continue from there. Why?

Benefits from Smoking Cessation

Compared to smokers, your...

Stroke risk is reduced to that of a person who never smoked after 5 to 15 years of not smoking.

Cancers of the mouth, throat, and esophagus risks are halved 5 years after quitting.

Cancer of the larynx risk is reduced after quitting.

Coronary heart disease risk is cut by half 1 year after quitting and is nearly the same as someone who never smoked 15 years after quitting.

Chronic obstructive pulmonary disease risk of death is reduced after you quit.

Lung cancer risk drops by as much as half 10 years after quitting.

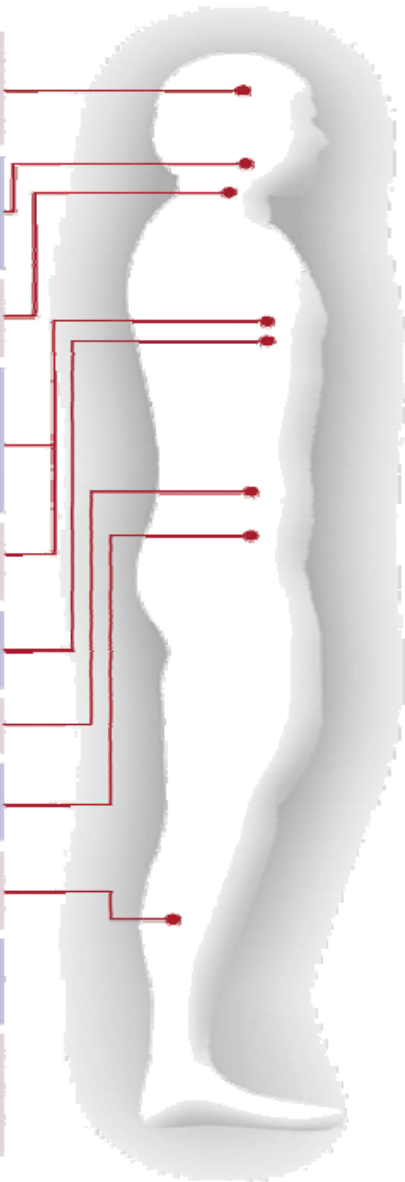
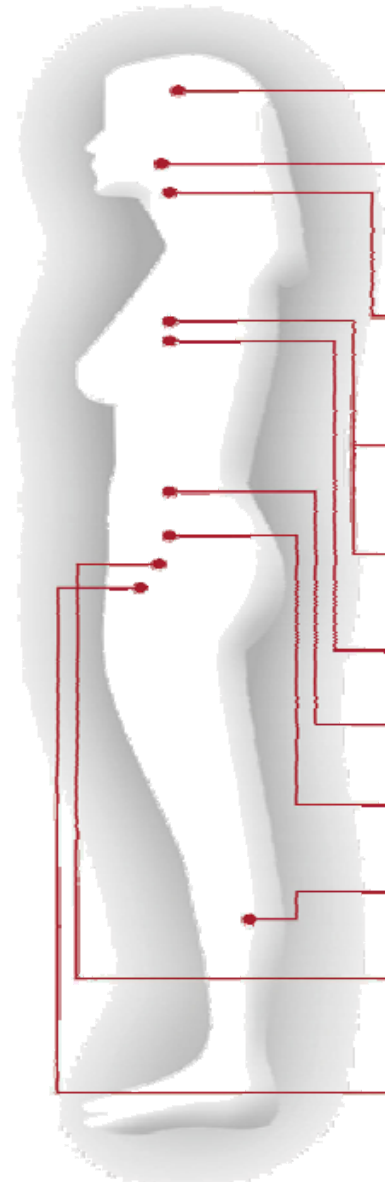
Ulcer risk drops after quitting.

Bladder cancer risk is halved a few years after quitting.

Peripheral artery disease goes down after quitting.

Cervical cancer risk is reduced a few years after quitting.

Low birthweight baby risk drops to normal if you quit before pregnancy or during your first trimester.



The #2 Preventable Problem Now Overweight/Obesity

What Do We Know?

126,000,000 adults in US are overweight
Equates to two out of every three adults
Almost half of these are obese

Overweight/Obesity

- Risk Factors for a number of diseases
 - Diabetes
 - Heart Disease
 - Asthma
 - Stroke
 - Sleep Apnea
 - Gall Bladder Disease
 - Cancer
- Many of these diseases are the same as those listed as the top chronic conditions for employers

Addressing Overweight/Obesity

- Nutrition (Calories in)
- Activity (Calories Out)
- Sustainability

"Employers may benefit from helping employees achieve a healthier weight." As BMI increased so did the number of sick days, medical claims and health care costs.

The costs of body mass index levels in an employed population. Burton WN, Chen CY, Schultz AB, Edington DW. Statistical Bulletin Metropolitan Insurance Co. 1999 Jul-Sep;80(3):8-14

Millions Use These Programs Every Day!

Jenny Craig[®]

WeightWatchers[®]

nutrisystem[®]

 **SPARKPEOPLE**[®]

eDiets[®] | A WHOLE NEW YOU[™]

 **National Jewish
Health**[®]
Science Transforming Life[®]

Why Aren't They Keeping Their Weight Off????

Dieting alone will produce short-term weight loss. Within three to five years of losing weight, more than 50% of people will return to or exceed their baseline weights.

Wadden TA, Foster GD. Behavioral treatment of obesity. *Med Clin N Am* 200;84:441-62

Kramer FM, Jeffrey RW, Forster JL, Sell MK. Long-term follow-up of behavioral treatment for obesity: patterns of weight regain among men and women. *Int J Obes* 1989;13:123-36

We Researched What Works and What Doesn't Work for Sustained Weight Loss

Focus groups across US

- Successful sustained weight loss in a program**
- Unable to sustain weight loss in a program**
- Tried and Failed many times on their own**
- Succeed on their own**

What We Learned

- Customization of client services
- Convenience of access through multiple channels
- Anonymity in the services
- Social support needed
- **Incentives of any kind important**
- **Accountability of the results of the weight loss to the client**
- **Simple basic concepts important**
- Reassurance of integrity of the service being delivered
- **Approach weight management-obesity as a chronic disease state and not a short term annoyance**

What We Did

FitLogix™

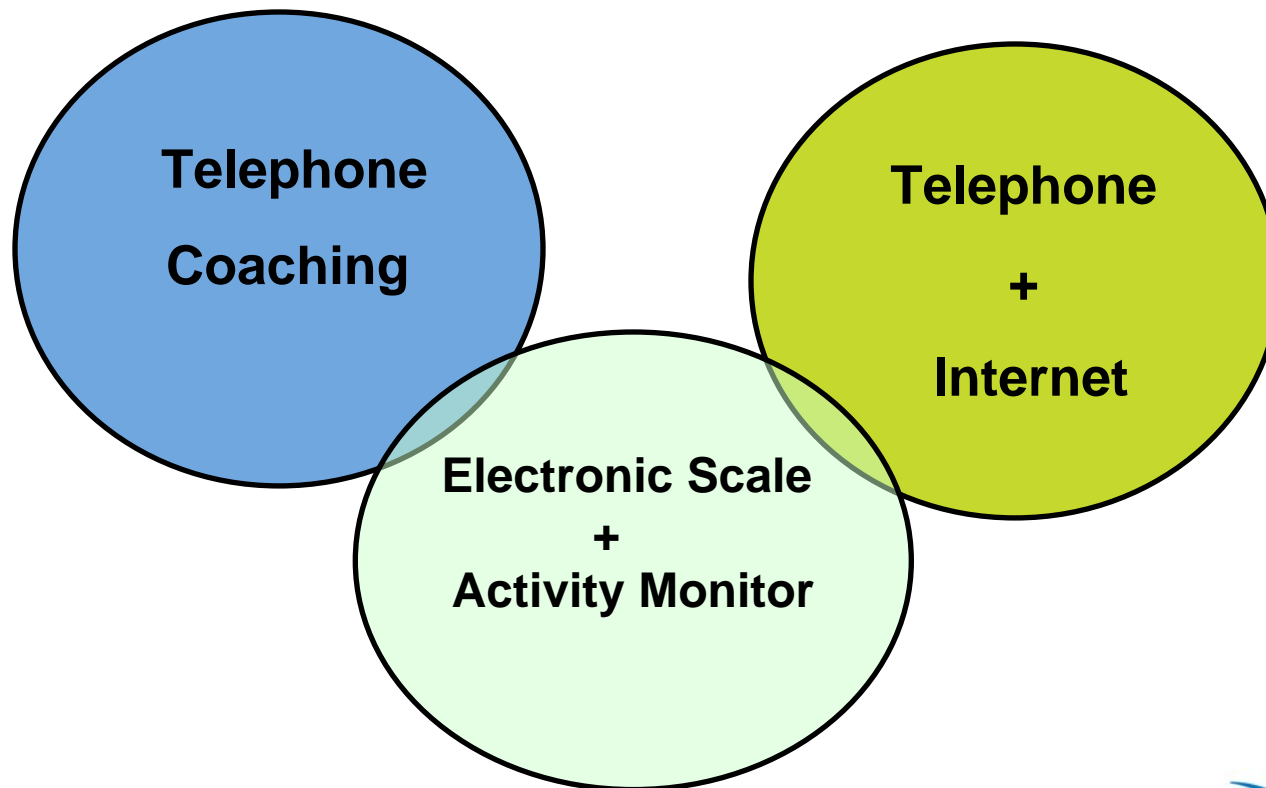
A Proven Cost-Effective Weight Management Program



www.fitlogix.com

 **FITLogix™**
It Makes Health Sense

Unique Product Offering



Accountability: Electronic Scale and Activity Monitor

**Wireless digital
scale & activity
meter linked to
participant's
personal
computer**



A Single Basic Concept: $A - B = C$



1-800-934-4834

- Success Stories
- Get Started
- My Fit Tools
- Support Team
- Dashboard

Welcome Maria Wolf

[Logout](#)

Coaching Call: Thursday, April 24, 2008 at 7:00 PM
My Reward Points: 0
Last weight reading: 156 (Last reading: 4/14/2008)

4/14/2008

- MY STATS
- ACTIVITY DATA
- ACTIVITY LOG
- WEIGHT LOSS CHART
- FIT GOALS



Steps: 10538

Congratulations, you have exceeded your goal by 8538 steps!

Goal: 2000 steps.



Miles: 4.43

Congratulations, you have exceeded your goal by 3.43 miles!

Goal: 1 miles.



Calories: 335

Congratulations, you have exceeded your goal by 235 calories!

Goal: 100 calories.

HEALTHY STEPS

- [7 Stepping it up 2](#)
- [8 Strength training](#)
- [9 The importance of stretching](#)
- [10 Keeping it going](#)
- [11 What am I eating?](#)

[Advice Corner](#)

[Peer Chat](#)

[Expert Chat](#)

Dashboard from Web site



It Makes Health Sense

1-800-934-483

[Success Stories](#)

[Get Started](#)

[My Fit Tools](#)

[Support Team](#)

[Dashboard](#)

Welcome Jeffrey Nathanson

[Logout](#)

Coaching Call: Wednesday, April 16, 2008 at 6:00 PM

My Reward Points: 0

Last weight reading: 260 (Last reading: 4/14/2008)

4/14/2008



[MY STATS](#)

[ACTIVITY DATA](#)

[ACTIVITY LOG](#)

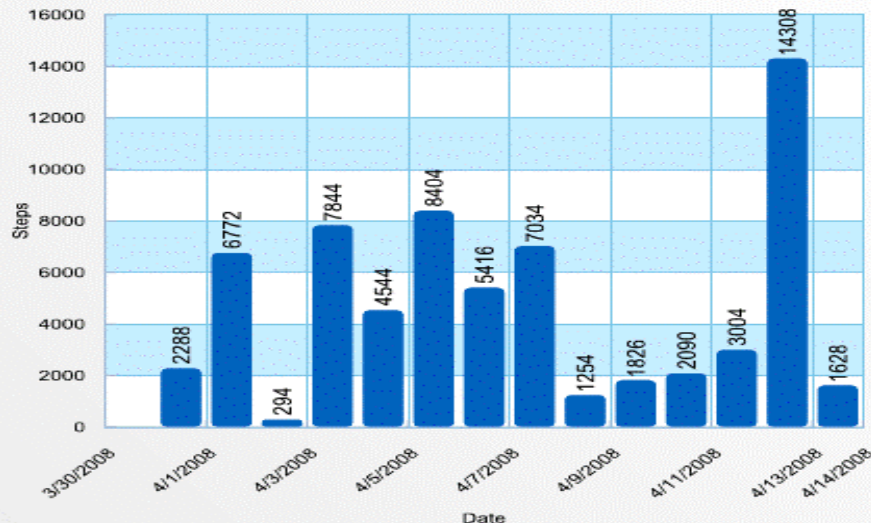
[WEIGHT LOSS CHART](#)

[FIT GOALS](#)

View: [Week](#) [Month](#) [Year](#)

Viewing: 4/1/2008 - 4/30/2008

Steps



HEALTHY STEPS

[13 Importance of Breakfast](#)

[14 Healthy Snack](#)

[15 The importance of water](#)

[16 How to plan meal](#)

[17 Portion size](#)

[Advice Corner](#)

[Peer Chat](#)

[Expert Chat](#)



[Food Journal](#)

Use the food journal to track and record your meals.



[My Calendar](#)

Use your calendar to view upcoming appointments and other events.

Participant page from Web site



1-800-934-483

- Success Stories
- Get Started
- My Fit Tools
- Support Team
- Dashboard**

Welcome Jeffrey Nathanson

[Logout](#)

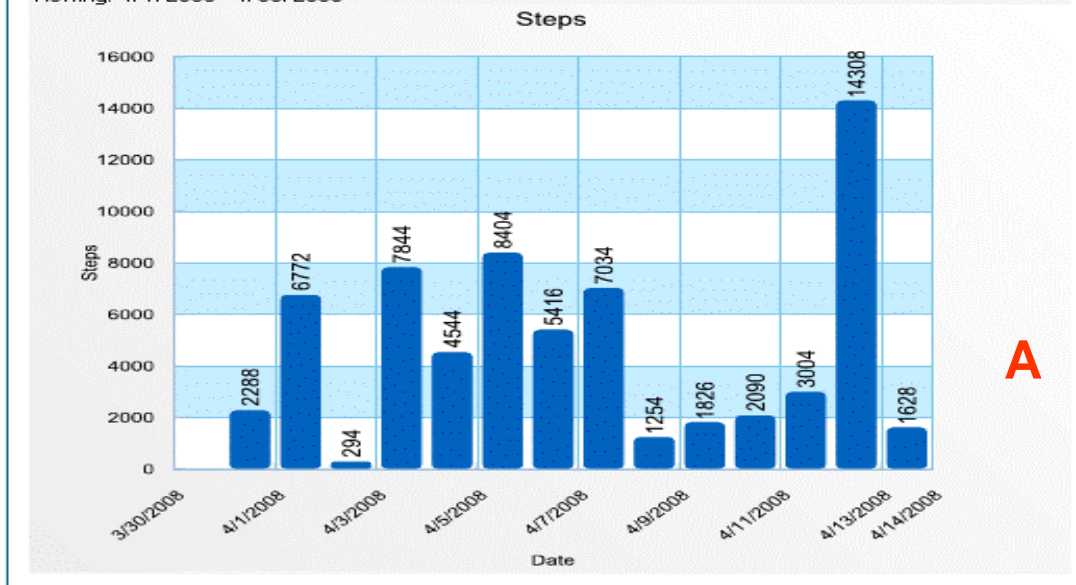
Coaching Call: Wednesday, April 16, 2008 at 6:00 PM
My Reward Points: 0
Last weight reading: 260 (Last reading: 4/14/2008)

4/14/2008



- MY STATS
- ACTIVITY DATA**
- ACTIVITY LOG
- WEIGHT LOSS CHART
- FIT GOALS

View: [Week](#) [Month](#) [Year](#)
Viewing: 4/1/2008 - 4/30/2008



A

HEALTHY STEPS

- [13 Importance of Breakfast](#)
- [14 Healthy Snack](#)
- [15 The importance of water](#)
- [16 How to plan meal](#)
- [17 Portion size](#)

[Advice Corner](#)

[Peer Chat](#)

[Expert Chat](#)



Food Journal
Use the food journal to track and record your meals.



My Calendar
Use your calendar to view upcoming appointments and other events.

A Single Basic Concept: $A - B = C$



1-800-934-4834

- Success Stories
- Get Started
- My Fit Tools
- Support Team
- Dashboard

Welcome Maria Wolf

[Logout](#)

Coaching Call: Thursday, April 24, 2008 at 7:00 PM
My Reward Points: 0
Last weight reading: 156 (Last reading: 4/14/2008)

4/14/2008

- MY STATS
- ACTIVITY DATA
- ACTIVITY LOG
- WEIGHT LOSS CHART
- FIT GOALS



Steps: 10538

Congratulations, you have exceeded your goal by 8538 steps!

Goal: 2000 steps.



Miles: 4.43

Congratulations, you have exceeded your goal by 3.43 miles!

Goal: 1 miles.



Calories: 335

Congratulations, you have exceeded your goal by 235 calories!

Goal: 100 calories.

B

HEALTHY STEPS

- [7 Stepping it up 2](#)
- 8 Strength training
- 9 The importance of stretching
- 10 Keeping it going
- 11 What am I eating?

[Advice Corner](#)

[Peer Chat](#)

[Expert Chat](#)

A Single Basic Concept: $A - B = C$



1-800-934-4834

- Success Stories
- Get Started
- My Fit Tools
- Support Team
- Dashboard

Welcome Maria Wolf

[Logout](#)

Coaching Call: Thursday, April 24, 2008 at 7:00 PM
My Reward Points: 0
Last weight reading: 156 (Last reading: 4/14/2008)

4/14/2008

MY STATS	ACTIVITY DATA	ACTIVITY LOG	WEIGHT LOSS CHART	FIT GOALS
 Steps: 10538	Congratulations, you have exceeded your goal by 8538 steps!		Goal: 2000 steps.	
 Miles: 4.43	Congratulations, you have exceeded your goal by 3.43 miles!		Goal: 1 miles.	
 Calories: 335	Congratulations, you have exceeded your goal by 235 calories!		Goal: 100 calories.	

C

B

- ### HEALTHY STEPS
- [7 Stepping it up 2](#)
 - 8 Strength training
 - 9 The importance of stretching
 - 10 Keeping it going
 - 11 What am I eating?

- [Advice Corner](#)
- [Peer Chat](#)
- [Expert Chat](#)

Program Incentives

Critically Timed Incentives



- Early in the program
- Related to participation and not outcomes
- Accompanied by a message of congratulations

A Medically Oriented Approach

Weight Loss = Fitness

Fitness = Better Health

FitLogix[®] = Better Health

Approach Overweight/Obesity As A Chronic Illness

Can Participants Lose Weight and Reduce Health Care Costs: A Study

- **Sufficient number of participants**
- **Long enough duration**
- **Measurable results**
- **Data from independent source**

Health Plan + Employer Group January 1, 2008 - December 31, 2008

The data presented are of those who began the program in the first year of the program from a major health plan. These data include all of those who enrolled into the program, irrespective of the duration of their participation. These data were supplied to National Jewish Health by the health plan at the completion of the first year of participation.

Who Enrolled

- **ICD9 Disease States at Time of Enrollment
(some individuals have multiple codes)**
- **321 Diabetes Type II**
- **145 Coronary Heart Disease**
- **717 Hypertension**
- **888 Hyperlipidemia**
- **476 Joint and Low back pain**

Net Result

31,773 Claims in 2007 → **29,526 Claims in 2008**

- **Health Care Costs for all enrolled in 2007 through December 31, 2007** **\$28,753,953**
- **Health Care Costs for all enrolled through December 31, 2008** **\$24,955,505**
- **Cost of Program for 1,531 enrollees** **\$995,150**

Putting the Brakes on a Cost Driver

- Healthcare Claims Cost Savings

$$\text{\$28,753,953} - \text{\$24,955,505} = \text{\$3,798,448}$$

- Minus Cost of Program

$$\text{\$ 3,798,448} - \text{\$995,150} = \text{\$2,803,298}$$

$$\text{ROI}^* = \text{\$2,803,298} / \text{\$995,150} = 2.82$$

$$\text{Savings per enrollee for 2008} = \text{\$1831}$$

*This reflects 12 months data on first 1,531 people enrolled.

How To Keep Cost Drivers From Driving You Out Of Business

Change Behaviors

- Identify the Behavior Related Cost Drivers
- Identify the At-Risk Population
- Establish Behavior Modification Programs to Produce Sustained Behavior Change in At-Risk Population
- Have Objective Measures of Behavior Change
- Support and Reward Behavior Change
- Develop a New Culture Around Positive Behaviors

Thank You

