

Cost Effective Employer Sponsored Healthcare: The QuadMed Experience

**Iowans Speak Out on Their Health:
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What is QuadMed?

Onsite primary care services:

- Medical Clinics:
Pediatrics, Family Medicine, Internal Medicine, Occupational Medicine
- Selected sites: OB/GYN, ENT, Cardiology, Dermatology, Orthopedics, Audiology, Surgery
- Full-service lab, X-ray, Pharmacy & Dental facilities
- PT / Rehabilitation / Fitness Centers
- Disease management / Well U
- EAP / AODA
- Ergonomics



What is QuadMed?

Wellness and Preventive Health Programs

- Fitness centers
- Educational programs
- Athletic leagues
- Lean U
Incentive wellness programs
- Corporate wellness focus



What is QuadMed?

- Self administered insurance plan for QuadGraphics
 - Claims; TPA
 - Value Based benefit design
 - Narrow provider networks
- Information management systems
 - Secure portal,
 - EMR, Meridios, MQIK for QuadMed patients
 - Medstat , Mercer for Insurance and pharmacy data
- All considered
 - 11 facilities, 4 states, 300 employees, 45 FTE Providers

Elements of the QuadMed Model

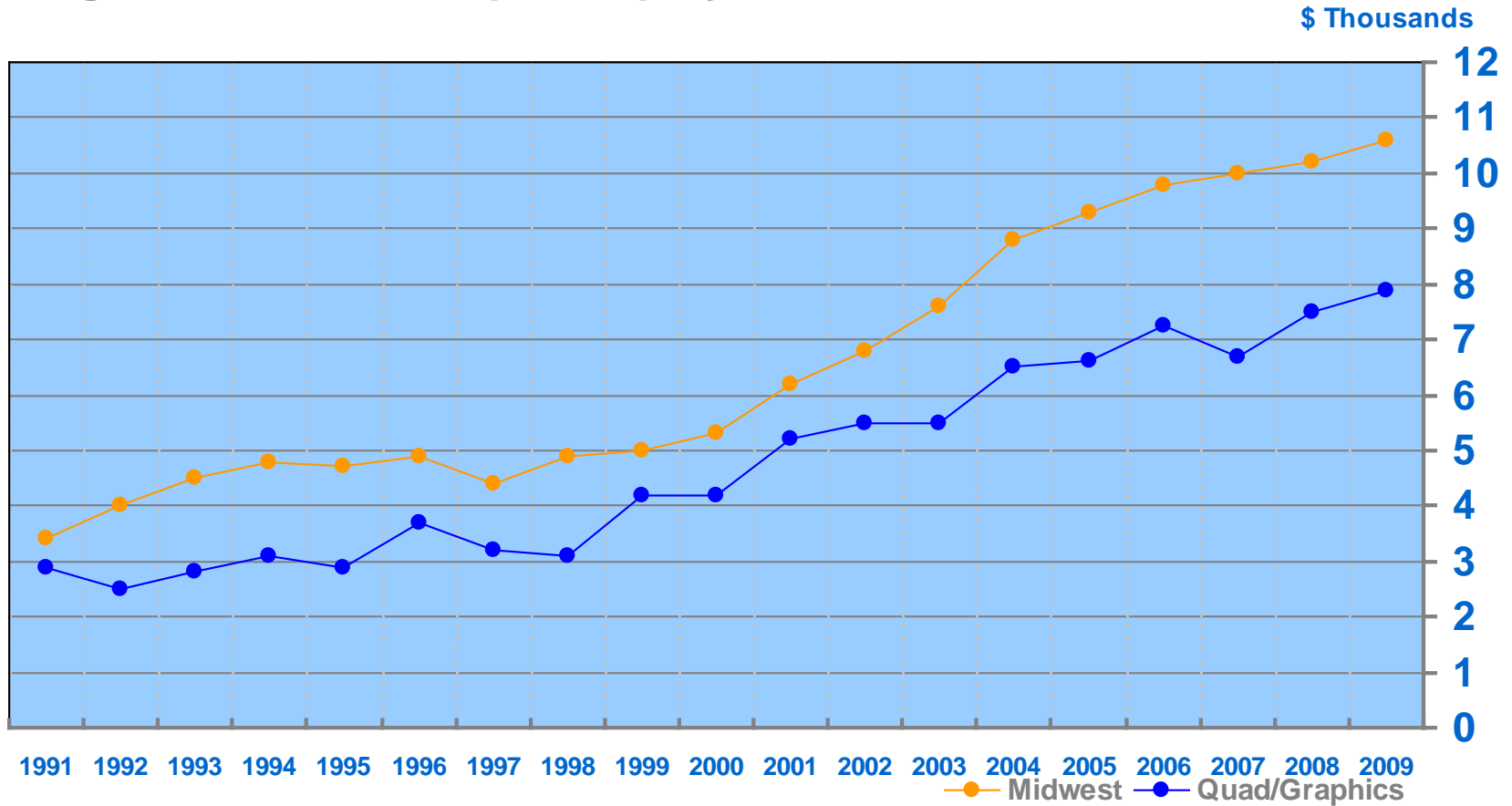
- Empowered Primary Care
Patient Centered Medical Home Model
- Integrated, comprehensive wellness and prevention programs
- Quality, cost-effective specialty care and services
- Proper patient benefits and incentives, properly aligned:
- Ability to measure outcomes
- Use of technology to improve patient care
- Integrated services
- Innovation, creativity and continuous improvement

Measuring Quality

- **Patient Satisfaction and Experience of Care**
 - Satisfaction Surveys
Patient , Staff, Provider
 - Incident reporting
 - Wait times,
- **Clinical Quality and Population health**
 - Clinical data from electronic medical records / Meridios
 - Utilization and epidemiologic data from Ingenix / Medstat,
- **Per Capita Cost**
 - Medstat / Thomson Reuters: Prior Ingenix
 - Mercer consulting
 - Dashboard reports, ad hoc reports, adjusted reports

Cost: Wisconsin QuadGraphics Employees Vs. Midwest

Average healthcare cost per employee



Mercer

Cost: Wisconsin vs. Midwest Trends

Quad/Graphics' healthcare costs are consistently below the benchmark, when adjusted for demographics and benefit design:

- **18% below in 1998**
- **19% below in 2000**
- **17% below in 2002**
- **26% below in 2004**
- **32% below in 2006**
- **31% below in 2008**



Cost: Wisconsin Members vs. MedStat Benchmarks*

	2009	2010 (Trend)	Change
Actual	\$3148	\$3235	+3%
Benchmark	\$3808	\$3926	+4%
Difference	-27%	-28%	

*Thomson Reuters / MedStat

Cost: Effects of opening a primary care clinic

- Several factors supported opening an on-site clinic
 - Suitable geographics and demographics
 - Limited access to primary care providers
 - Higher utilization of Emergency room
 - Employee interest in on-site clinic
 - Excellent Provider and Clinic staff

Costs Before and After Clinic Opening

	Pre Clinic 2006	1 st yr 5/07-4/08	2 nd yr 5/8-12/09	2010 Trending
Cost per Employee	\$6193	\$6480	\$6248	\$6150
Change		+ 4.6%	-3.6%	-1.6%
Predicted Cost per EE*	\$6193	\$6627	\$7090	\$7587
Difference	0%	-2.3%	-12%	-19%
Cost vs. Benchmarks			-28%	-30%

*Assuming 7% medical inflation rate

Analysis shows increased primary care costs offset by decreased hospital and ER costs

- Ambulatory services increased
 - Clinic visits more than doubled
 - Lab and x-ray services tripled
- Emergency visits decreased
 - Decreased from 74 to 33 / 1000
 - Costs per visit increased from \$268 to \$876
- Hospital costs and visits decreased
 - Admissions decreased from 74 to 42 / 1000
 - LOS decreased from 4.3 to 2.4 days
 - Costs per admission decreased from \$12200 to \$10774
- Out of pocket remained unchanged: \$619, \$647, \$618

*Employees decreased from 917 to 693, members decreased from 2150 to 1624

Clinical Quality: Evidence-Based Medicine Compliance

Ingenix Database

Condition	WI Compliance Rate	National Compliance Rate	Benchmark
Acute Low Back Pain	93.9%	93.9%	92.7%
Adult Asthma	62.7%	44.1%	58.4%
Breast Cancer Screening	71.6%	49.4%	72.0%
Chlamydia Screening	40.1%	21.0%	20.4%
Coronary Artery Disease	79.8%	66.3%	71.8%
Depression	84.4%	84.3%	88.7%
Diabetes Mellitus	74.1%	55.6%	56.0%
Epilepsy	82.4%	53.9%	69.4%
Hyperlipidemia	93.6%	71.3%	74.9%
Hypertension	89.2%	73.0%	75.8%
Obesity	75.5%	46.1%	46.1%
Pediatric Asthma	64.0%	69.4%	61.6%

Patient Satisfaction: Excellent or Very Good Rating %

Metric	2009	2010
Convenient location	86.1%	82.5%
Ease of access by phone	90.4%	95.3%
Courtesy of staff	95.6%	94.1%
Wait in lobby	93.8%	95.0%
Wait in exam room	93.5%	95.4%
Time spent with provider	98.2%	98.2%
Adequacy of explanation	97.9%	98.2%
Technical skills of provider	98.2%	98.8%
Personal manner of provider	98.2%	98.7%
Overall visit quality	98.1%	98.6%

5 = Excellent
4 = Very Good
3 = Good
2 = Fair
1 = Poor

Questions?

