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***November  
is American  
Diabetes Month***

## **A Message from the Director**

### **How Are You *Changing Diabetes*?**

I am continually amazed at how many positive efforts are underway around the country working to address the diabetes crisis. Through the National *Changing Diabetes*<sup>SM</sup> Program, I get the chance to see many of these efforts first-hand. But unless you make a concerted effort, or a major news outlet or journal reports on them, it is hard to keep up.

*Project Dulce* is demonstrating impressive outcomes in California, as is the community-wide effort in Asheville, North Carolina. Across the nation, some amazing initiatives are underway to empower patients and physicians. These initiatives are focused on a wide variety of areas including behavior modification, health information technology, and new reimbursement methodologies. There are walking initiatives, education projects, diet programs, and a combination of the three. There are school lunchroom efforts and workplace initiatives underway. Leading these projects are healthcare institutions and private practices, clinics, payors, employers, and inspired community leaders, as well as state and federal governments.

### **There is a Chasm**

As we all know, one of the major barriers to delivering quality healthcare in America is the siloed nature of the healthcare system. One patient's physician may not know what another is doing. Well, the same is true for all of the great initiatives helping those with diabetes lead healthier lives. While we have all heard about individual diabetes initiatives and programs, we simply don't have an easy way to access and share this information.

### **Be Part of the Solution**

The National *Changing Diabetes* Program will soon unveil a first-of-its-kind Web site, *DiabetesXChange*, to serve as a forum to showcase diabetes initiatives, exchange ideas, share lessons learned, and encourage further implementation of what is already working. We will also be highlighting diabetes initiatives which are currently underway in the federal government so that you will know what the largest purchaser of health is up to.

## Help Fill the Information Void

I would like to encourage you to offer a submission for the DiabetesXChange Web site. To submit a description of a program or initiative, please contact Amy Sargent at: 609-987-5872 or [AMSG@novonordisk.com](mailto:AMSG@novonordisk.com). If your organization has several initiatives underway – then please, by all means – brag!

The Web site will showcase all types of programs and initiatives. We want yours to be part of this groundbreaking site. In order to be part of the initial unveiling, we need your submission by **November 10**. But, know that that this site will be continuously updated with new submissions, so keep them coming!

I look forward to reading about your diabetes program or initiative in the near future.

Dana Haza

A handwritten signature in black ink that reads "D Haza". The "D" is large and stylized, and "Haza" is written in a cursive script.

Senior Director  
National *Changing Diabetes* Program

## Insight:

*Insight* will be a regular newsletter feature where NCDP partners can share their experiences and views on issues related to chronic care and diabetes.

### Quality Improvement – A New Approach to Employer Healthcare Cost Containment

A recent Society for Human Resource Management (SHRM) survey indicated that rising healthcare costs is the primary concern of CEO's and Human Resources VP's across the nation. To combat those escalating costs, some Savannah, Georgia companies initiated a physician pay-for-performance program to address cost and to improve care. For more than a decade, companies have been aggressively fighting to control their rapidly rising healthcare costs through a variety of cost-containment strategies including:



**Bob Holben**  
Director, Compensation and Benefits  
Gulfstream Aerospace, and participant in  
the NCDP Savannah Employer Workshop

- Extending numerous requests for proposals to various healthcare vendors to identify and contract with the low-cost provider
- Implementing a multitude of managed care "restrictive" delivery arrangements
- Making many healthcare plan design changes that reduced the level of coverage they offered their employees and their dependents
- Mandating the use of specific formulary drugs and generic drug substitution, when available
- Increasing the percentage of cost to be "shared" by their employees through larger annual deductibles and co-pays, reduced plan co-insurances and increased premium contributions

Despite all of these efforts, company healthcare costs have continued to rise at a dramatic rate. Additionally, studies conducted on the quality of healthcare by the Midwest Business Group on Health (MBGH) and the Juran Institute estimated that as much as 30 percent of overall healthcare costs can be attributed to the poor quality of care delivered by healthcare professionals. Recognizing that traditional cost reduction methods alone weren't enough to stem the growth of its healthcare costs and that appropriate healthcare is a critical element of any cost-containment program, Gulfstream Aerospace (headquartered in Savannah) developed a cost-reduction strategy based on the quality of care provided by the Savannah area healthcare community. Gulfstream's strategy involved engaging its employees and certain preferred healthcare providers to address existing quality of care issues to eliminate the associated poor quality costs.

In 2004, Gulfstream partnered with Memorial Health, its medical provider in Savannah, to create a physician pay-for-performance program called Partners-in-Quality (PIQ). Through this initiative, Gulfstream and other Savannah-area employers affiliated with the Memorial Health network agreed to encourage primary care physicians to focus on improving the level of quality in their standards of care to meet the best-practice protocols. The Partners-in-Quality program is, in effect, an incentive plan for Memorial Health's network of physicians that is designed to identify and reward those physicians whose performance in key areas meets the highest treatment/care standards. The participating employers agreed to share the expected cost savings with those physicians who consistently employed best-practice medical treatment protocols.

***Through the Partners-in-Quality Program, Gulfstream encourages a healthier life for all of its Savannah-based employees and dependents.***

All primary care physicians in the Memorial Health network are evaluated annually against a set of key medical treatment measures, with objectives determined by the medical profession's assessment of best practice protocols for each measure. Every physician is evaluated based on his or her performance against each measure with the physician's combined overall quality performance score calculated using a balanced scorecard methodology. Those physicians who meet or exceed a pre-established threshold quality score are designated as a "Distinguished Quality Physician" (DQP) and receive a bonus payment from the participating employers.

### *Insight: Quality Improvement- A New Approach to Employer Healthcare Cost Containment (cont'd)*

In addition to providing increased compensation to these top quality providers, Gulfstream also encourages its employees and eligible dependents to become more actively engaged in the management of their own healthcare and to secure needed services from these physicians. Gulfstream offers reduced office visit co-pays when any of their employees or dependents visits a Distinguished Quality Physician for their healthcare.

Through the Partners-in-Quality Program, Gulfstream encourages a healthier life for all of its Savannah-based employees and dependents (11,000 covered lives). In return, Gulfstream plans to achieve its most significant healthcare cost savings through the future avoidance of the more expensive costs associated with treating complications and co-morbidities of the targeted disease groups. Gulfstream is already seeing some short-term results from this program in both employee engagement levels and cost savings.

Diabetes, for example, is one of the targeted diseases in the PIQ program.

Between 2004 and 2005, Gulfstream's covered members with diabetes recorded the following:

- 19 percent increase in the number of primary care office visits
- 64 percent increase in the number of ophthalmologist visits
- 11 percent increase in the number of HbA1c tests
- 43 percent increase in the number of protein urinalysis tests
- 7.3 percent reduction in the company's average treatment cost per person with diabetes

In addition, during that same period, although not a PIQ measurement, 40 new people with diabetics were identified and began receiving treatment.

The Partners-in-Quality program is a win-win opportunity for everyone involved. Primary care physicians have the opportunity to improve the overall health of their patients by increasing the quality of care they provide. Physicians also have the opportunity for increased revenues from additional patients as well as the PIQ bonus payments. Gulfstream's employees and dependents are empowered to be more actively engaged in the management of their own healthcare and can now identify and obtain the "best-practice" medical care in the community. Gulfstream is improving the overall health of its workforce, reducing the financial impact of lost time and lost productivity due to employee illness and by combining PIQ with its other cost-savings initiatives, holding the annual percentage increase to its healthcare cost per employee (one percent in 2005) to well below the national average.

With healthcare quality improvement programs like Partners-in-Quality, the vision is clear, the short-term goals are achievable and the corresponding long-term rewards are significant!

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## Federal Study Update

### How Effective is Federal Spending on Diabetes in the United States?

*NCDP is starting a research study to assess the effectiveness of federal government spending on the status of diabetes in the United States.*

The federal government is the number-one provider of medical service in the United States. But how effectively is the money spent? The National *Changing Diabetes*<sup>SM</sup> Program (NCDP) has initiated a research study which will assess the impact of federal spending on the status of diabetes in the United States. The goal of the study is closely aligned with NCDP's vision, which is to be a catalyst for *changing diabetes*, from how it is perceived to how it is treated, and ultimately how it is defeated.

"We are very excited about this new project," said Dana Haza, Senior Director of National *Changing Diabetes* Program. "The study starts by identifying federally funded programs, projects, grants, contracts, initiatives, and policies affecting diabetes – prevention, treatment, education, health status, quality of life. When we have been through a thorough program identification process, our aim is to analyze if the impact on diabetes is positive, neutral or negative. With this information we can identify opportunities for improvement in the allocation of federal resources."

The study differs from many previous efforts in that it seeks to go beyond the traditional public health and health program focus to a panoramic view not only of the federal efforts that may influence the incidence and progression of diabetes, but also the direct and indirect effects of such efforts on federal spending.

This "Federal Spending Impact Study" will be complete in early 2007.

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## November is American Diabetes Month

Every year, the American Diabetes Association (ADA) uses the month of November to raise awareness of diabetes and the risks associated with the disease. Through national and local events and learning opportunities, the ADA and its partners offer the public a chance to learn about personal health and diabetes prevention and support loved ones with diabetes. On November 14, 2006, the International Diabetes Federation will sponsor World Diabetes Day. This year's theme is vulnerable and disadvantaged people across the world who have diabetes but are less aware or have limited access to medical care.

