

## How Effective is Your Disease Management Program?

Do you know how much your disease management program has saved your company? If you are unable to answer that question, how do you know that your company's disease management strategy is successful? Below are three questions that CFOs and CHROS can ask to evaluate program effectiveness.

- 1. How much are we spending on disease management?** Although this may seem like a simple question, it is not always an easy answer. For most insurance carriers, the cost is typically bundled with the retention or administrative fee, so there is likely no separate line item to easily evaluate. As a benchmark, national carriers typically charge between \$4 to \$8 PEPM, for an estimated average of \$14,000 per year for a 200-life group.
- 2. How does our vendor define engagement?** The answer to this question varies widely among carriers as there is no industry standard for measuring employee engagement and participation. Many carriers blur the line when stating engagement and participation numbers as they are similar in meaning. Participation is most simply defined as being part of an eligible group and engagement often means as little as taking a phone call. For example, one carrier claims that their program 'engages' employees by passively enrolling all members with chronic conditions unless they choose to opt-out. The carrier justifies this approach by saying it is better to enroll everyone in the program since research shows that only a small percentage of the population in need of the program will enroll of their own accord. However, the carrier has no data to show that this approach has made more people successful in managing their condition than a program featuring only participants who voluntarily enroll.
- 3. How does our vendor define success?** Measuring success is difficult in disease management as the group being engaged is higher risk, and therefore most likely higher cost. Measuring change in cost over time can be challenging and complicated. Instead of monitoring cost, most vendors measure adherence to clinical protocols of those engaged in the program compared to those who are not. They do not measure change in risk scores or biometrics.

### Targeted Disease Management

If you are unhappy with the answers to these questions, it may be time to consider a new strategy. A knowledgeable benefits consultant can help you define your company's goals and implement a long-term strategic plan to manage future claims costs. The benefits consultant will evaluate disease management programs to identify those that support plan objectives.

As a benefits consulting firm, USI Insurance Services is committed to helping employers cultivate better health among their employees as a critical strategy to mitigate long-term costs. Understanding this need and the complex challenges employers face, USI developed its CORE Health Strategy with three key components: Physician Engagement, Targeted Disease Management and Comprehensive Reporting.

**Please contact Scott Fair at [scott.fair@usi.com](mailto:scott.fair@usi.com) to learn more about USI's CORE Health Strategy or visit [www.usi.com](http://www.usi.com).**