

STATE OF COLORADO

DEPARTMENT OF HEALTH CARE POLICY & FINANCING

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Bill Owens
Governor

Karen Reinertson
Executive Director

January 31, 2005

The Honorable Abel Tapia, Chairman
Joint Budget Committee
200 East 14th Avenue, Third Floor
Denver, CO 80203

Dear Senator Tapia:

Enclosed please find a legislative report to the Joint Budget Committee on Health Care Policy and Financing's Disease Management Program.

Section 26-4-408.5(3), C.R.S. (2004) requires the Department to report the fiscal implications generated by the disease management program to the Joint Budget Committee by February 1, 2005.

The attached report provides updated information about each of the disease management pilot programs and includes the vendor calculated savings, if any.

Questions regarding the disease management report can be addressed to Katie Brookler, Managed Care Benefits Manager (Katie.Brookler@state.co.us). Her telephone number is 303.866.2416.

Sincerely,

Karen Reinertson
Executive Director

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Enclosure

Disease Management Program Summary

INITIATIVE	FUNDER	VENDOR AND # OF CLIENTS	PERFORMANCE MEASURES	NOTES
Asthma	Novartis and Astra Zeneca	National Jewish Medical and Research Center 258 clients in pilot program	Number of hospitalizations and ER visits, client functional status, client and physician satisfaction	<ul style="list-style-type: none"> • Pilot program began October 2002 and ended December 31, 2003. • Services included telephonic education, 24-hour nurse call line, physician education and case management of 258 clients (75% children). • Preliminary program analysis done by National Jewish showed an 86% reduction in Emergency Room visits, a 55% reduction in hospitalizations, a statistically significant improvement in pediatric functional status. 94% of program participants were satisfied with the program. • Vendor estimated savings from available claims data was \$68,833, or 24.9%, for 150 clients, including program costs. • Department has implemented a statewide contract for 500 clients.
Chronic Obstructive Pulmonary Disease	Boehringer Ingelheim	National Jewish Medical and Research Center 300 clients	Number of hospitalizations and ER visits, client functional status, client and satisfaction	<ul style="list-style-type: none"> • Pilot program began November 1, 2003 and continued through December 31, 2004. • Services include telephonic education, 24-hour nurse call line, physician education and case management of 250 clients. • As of December 1, 2004, 48 clients have completed the program. • Analysis of the first six months of claims data will be done by the first quarter of 2005. Continuation of any contract will be dependent upon this analysis.

INITIATIVE	FUNDER	VENDOR AND # OF CLIENTS	PERFORMANCE MEASURES	NOTES
Diabetes	Eli Lilly	McKesson Health Solutions, Inc. 279 clients 32 out of 279 clients completed 12 months of Phase 1 pilot.	Number of hospitalizations and ER visits, improve functional status, reduce complications, client satisfaction	<ul style="list-style-type: none"> • Phase I of the diabetes pilot program began October 2002 and ended December 31, 2003. Phase II began January 1, 2004 and ended December 31, 2004. • Services include telephonic case management of 279 clients, client education and care plans developed with clients. • Vendor evaluation showed Phase I savings: <ul style="list-style-type: none"> ○ 40.9% reduction in inpatient costs ○ 9.7% decrease in physician office visit costs ○ 24.1% decrease in other outpatient costs. • Vendor evaluation of Phase II expected June 2005. • The University of Arizona College of Pharmacy is conducting an independent evaluation of Phase I. Eli Lilly is funding the evaluation. • Department has implemented a statewide contract for 300 clients.
Intensive Care Management/ Care Management Organization	Pfizer, Astra Zeneca, Abbott, Glaxo, Smith Kline	McKesson, Health Integrated, Lexicor, American Medical Alert Company 150 clients	Number of hospitalizations and ER visits, client functional status	<ul style="list-style-type: none"> • Pilot program began February 2003 and ended December 31, 2003. • Services included telephonic case management of 120 medically complex clients in the Home and Community Based Clients (HCBS) program. Home-based biometric and subjective monitoring (telemedicine) was also done for 30 clients under this program. • Vendor evaluation showed little cost savings (specific dollar amount not stated). • The Department is not pursuing evaluation of this program due to low program enrollment and the lack of cost savings.

INITIATIVE	FUNDER	VENDOR AND # OF CLIENTS	PERFORMANCE MEASURES	NOTES
Neonatal Intensive Care Unit	Johnson & Johnson and Clinician Support Technology	Clinician Support Technology 391 clients	Readmissions, lengths of stay, parent satisfaction	<ul style="list-style-type: none"> Pilot program began October 2002 and continued through June 30, 2004. Services included web-based hospital specific parent and family education modules covering birth to 18 months. Program was open to all Neonatal Intensive Care Unit patients at four Colorado hospitals and had 391 Medicaid and 151 non-Medicaid newborns enrolled. Participating hospitals included Denver Health and Hospitals, Children's Hospital, University Hospital and Presbyterian/St. Luke's Medical Center. Laptops were provided to Medicaid parents needing web access. The Department has provided data to Clinician Support Technology and Johnson & Johnson to evaluate the program.
Schizophrenia with medical conditions	Eli Lilly	Specialty Disease Management, Inc. 275 clients in Program for 6 months or longer during Phase I.	Medication compliance, number of hospitalizations and ER visits, client functional status, client satisfaction	<ul style="list-style-type: none"> Phase I of the schizophrenia pilot program began August 2002 and ended December 31, 2003. Phase II of the program began January 1, 2004 and ended December 31, 2004. Services include face-to-face and telephonic case management, client education, and activities of daily living for clients diagnosed with schizophrenia and at least one chronic medical condition. This program requires extensive coordination of care between mental and physical health providers. Specialty Disease Management Services' evaluation of Phase I showed increased claims costs (net of program expenses), evidence of increased client well being and improved clinical outcomes for some clients. The University of Arizona College of Pharmacy is conducting an independent evaluation of Phase I. Eli Lilly is funding the evaluation.

State Disease Management Programs

INITIATIVE	VENDOR	# OF CLIENTS	PERFORMANCE MEASURES	NOTES
Asthma	National Jewish Medical and Research Center	500	Number of hospitalizations and ER visits, client functional status, client and physician satisfaction	Direct contract began November 2004 and continues through June 30, 2006.
Diabetes	McKesson Health Solutions, Inc.	300	Number of hospitalizations and ER visits, client clinical status	Direct contract begins January 2005 and continues through June 30, 2006.