



## *MAKING THE CASE FOR THE BUSINESS VALUE OF HEALTH AND SPECIALTY PHARMACY*

### EVENT SUMMARY – AUGUST 27, 2015

On August 27th at the Ewing Marion Kauffman Foundation in Kansas City Missouri, the Integrated Benefits Institute (IBI) and Mid-America Coalition on Health Care (MACHC) convened a meeting of local employers and their supplier partners to discuss the role of specialty pharmacy in the health, productivity and absence management framework. The meeting addressed two critical issues facing employers in managing the health and productivity of their workforce: making the business case for the value of health to senior leaders and broadening the discussion of health management to better emphasize the role of specialty pharmacy.

The meeting opened with a presentation from IBI President, Dr. Thomas Parry, on how employers can connect investments in the health of their workforce to their company's goals. Dr. Parry first addressed items that are at the top of employers' minds with the changing landscape due to the ACA and emerging market trends. Broadly speaking, many employers will now have to spend time, money, and other resources rethinking workforce health, whether through adopting a new value based health care design, or reconfiguring existing benefits programs to better accommodate emerging standards and the company's strategic plan. Dr. Parry also identified CFO's and senior leaders' top issues in assessing the value of health, including work absence, employee performance and healthcare costs. Yet despite these priorities, many employers still encounter obstacles in presenting and validating the links among work performance, quality care, and costs to the performance of their business (one obstacle being many employers not knowing how to collect or analyze reliable indicators of quality treatment). This often hinders senior leadership's understanding of how to improve workforce health rather than a sole focus on cutting costs. Dr. Parry presented examples of why that type of thinking is problematic through an analysis of low-prevalence diseases and their impact on lost productivity. In closing, Dr. Parry offered employer attendees suggested practices which help employers avoid health and/or organizational shortfalls such as: partnering with vendors, integrating data across all programs, and instigating internal conversations on health reinforcing organizational values.

Following Dr. Parry's presentation, Troy Ross, President and CEO of MACHC, introduced two representatives from large local employers who shared the stories of how their organizations considered and embraced the role of specialty pharmacy in their workforces' health management. The two speakers were Arielle Bogorad, Director Worldwide Benefits at Cerner, and Collier Case, Director of Health and Productivity at Sprint. Cerner is headquartered in Kansas City, employs 16,000 associates, and just recently acquired Siemens Health Services. Cerner was invested in empowering their employees to be good consumers of health care. To achieve its goals, Cerner provided three onsite clinics and pharmacies in the Kansas City metro area where employees could receive guidance on their prescription drug treatments, receive feedback and coaching, and receive incentives towards increased adherence. Cerner has also witnessed greater adherence to the use of generic drugs since they began covering 100% of those costs. Cerner is now looking to more tightly manage pharmacy spending, in addition to managing low-prevalence diseases to make spending leaner for both health and pharmacy budgets

over time.

Alternately, Sprint was heavily focused on cost transparency to help drive consumer behavior because the company primarily provides high-deductible health plans for employees. Sprint found that a very small segment of the working population had particular low-prevalence diseases which amounted to 45% of their total pharmacy spend (“not a lot of people but driving a lot of costs”). In realizing this, Case and his colleagues at Sprint began creating more transparent and communicative infrastructures to better manage the chronic conditions of the costly few. Ultimately, this was acknowledged by HR and senior leadership as an opportunity to engage with their employees about both their absence and performance. Case emphasized that the program focusing on high prevalence patients is an excellent micro example of a macro problem of disease management, absence, and performance, and that Sprint’s pilot may inspire similar programs as opportunities to engage the remaining Sprint workforce. Sprint is seeing better care and cost reduction by supplementing pharmacy care with an augmented EPA service to provide an intermediary between the doctor, the pharmacist, and the employer.

After Bogorad and Case shared their stories, audience members asked the speakers questions about the issues covered in the presentations. Many audience members were interested in how to receive better guidance from their vendor partners on what variables and data indicated positive influences on adherence, health, and ultimately costs. Other audience members asked how the increase in particular treatments for chronic illnesses impacted consumerism. Case and Bogorad found that patients with a disease like Hepatitis or HIV would be effective consumers as it was ultimately more fiscally responsible for their long – term treatment. Other questions raised were: how do companies now address spousal coverage with regards to health and specialty pharmacy; how do companies use data to discover if the treatments were not benefiting productivity; and in what ways can employers inspire medication adherence despite displaced costs for drugs and treatments for diseases like diabetes and asthma?

IBI will host regional programs four times a year in a variety of locations across the country with employers or with coalition partners, centered on emerging issues that employers now face. The Institute will host a joint program with Bank of America on the link between health and wealth in New York on October 27 and a program in conjunction with the Midwest Business Group of Health on November 11 in Chicago. IBI encourages all members to attend regional meetings. While both employer and supplier members are welcome at no cost, supplier members are required to bring an accompanying employer in order to attend.