

**WELLPOINT.** Health IT and Health Care Reform  
HIT Policy Updates and EDI Intersections

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**WELLPOINT.** Spending More May Not Increase Quality

Landmark study demonstrated that higher cost regions did not have higher use of evidence based interventions

EXHIBIT 1  
Relationship Between Quality And Medicare Spending, As Expressed By Overall Quality Ranking, 2009-2012

Health Affairs study<sup>4</sup> of CMS costs

- Increased spending did not result in increased use of proven, evidence based, effective care or health care quality
- Primary drivers of this challenge felt to be increased use of specialists in high cost areas
- Increased use of specialists highlighted care coordination needs and failure of communication across large numbers of physicians caring for patients
- The IHR uniquely offers the promise of integrating care teams with a focus on better outcomes and increased use of evidence-based medicine

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**WELLPOINT.** Health Care Value: Opportunity

A high % of patients in the "Low/Moderate risk" category receive branded, statins that cost 10Xs as much while a high % of high risk patients receive \$4/month simvastatin. The opportunity is to systematically drive patients to lower cost, high quality approaches via data and decision support. This is Health Care Value.

Statins	Low risk (%)	Moderate risk (%)	High risk (%)
Lipitor	45	20	35
Fluvastatin	45	25	30
Lovastatin	45	25	30
Pravachol	45	20	35
Crestor	45	20	35
Simvastatin (\$4/mo)	35	40	25
Overall	45	20	35

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**WELLPOINT.** Ensuring Highest Quality Care For All Americans

Optimize actual care delivery; align with best practices, comparative effectiveness, and other clinical evidence sources

% of Recommended Care Received

- 64.7% Hypertension
- 63.9% Congestive Heart Failure
- 53.9% Colorectal Cancer
- 53.5% Asthma
- 45.4% Diabetes
- 39.0% Pneumonia
- 22.8% Hip Fracture

% of Recommended Pediatric Care Received

- 67.6% Acute Medical Care
- 53.4% Chronic Condition Care
- 40.7% Preventive Care

Source: McGlynn, E.A. et al. "The Quality of Health Care Delivered to Adults in the United States." *New England Journal of Medicine*, 348 (2002): 2635-45. (2002); Mangione-Smith, W., DeCoster, M., Battelli, C.M., Kessler, J., Klein, D.J., Adams, J.L., Schuster, M.A., McGlynn, E.A. "The Quality of Ambulatory Care Delivered to Children in the United States." *The New England Journal of Medicine*, Vol. 26, No. 5, Sept 2007, pp. 644-649.

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**WELLPOINT.** Health IT Path to Industry Transformation: Clinical Decision Support

Electronic representations of patient health and health history linked to algorithms derived from comparative effectiveness can help maximize health care value.

Overall Savings

- Practice Pattern Variation
- Diagnostic Studies
- Redundancy of Tests
- Error Reduction

Providers

Cost

Practice Pattern Variation

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**WELLPOINT.** Will Current Approaches Work?

Expectations

Real World Results

- Medicare Chronic Care Pilot
  - Running for over 2 years
  - Incentives, chronic disease management strategies
  - Many electronic records
  - NO EVIDENCE OF INCREMENTAL VALUE
- According to a study published in the *Archives of Internal Medicine* using 1.8 billion records with around 20% electronic, there was no difference between paper and electronic records on 14 of 17 axes, and splits on the other 3.
- BCBS usage of heavily promoted PHRs is currently 0.2%
- NRC/NAS 2009 study says current systems do not work and will move the industry backwards

First Consulting Group (among others) completes white paper indicating net benefits of Health Information Technology worth \$39-\$47 billion annually in care savings

Center for Information Technology Leadership estimates deployment of ambulatory health record worth \$44B in savings

Office of the National Coordinator for Health Information Technology references studies which indicate savings from Health Information Technology deployment worth \$78-\$112 billion annually

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## Health Care is about what happens to **PATIENTS!!** not Institutions

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### The Historical Care Process: "I have a problem."

Go to a doctor in a clinic or hospital

Physician → Patient is treated

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### The Current Care Process – A Typical Cancer "Journey"

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### Binding a Patient Centric System

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### Government Stimulus Bill: Accelerating Deployments

- Invests **\$1.1 Billion** for Comparative Effectiveness Research-
  - HealthCore winning tens of millions in research studies due to WLP data
- Invests **\$38 billion** in health IT infrastructure and Medicare-Medicaid incentives to doctors and hospitals for health IT use
  - Physicians eligible for **\$40,000 to \$65,000** over 5 years for **demonstrating meaningful use of health IT**
  - PWC estimates average hospital will receive \$6.1 million dollars in Health I.T. assistance
- Requires Federal government to finalize data standards by 2010 to facilitate electronic exchange of health information
- Strengthens Federal privacy and security law to protect identifiable health information from misuse
- WLP only health plan with seat on HIT Policy Committee
- Requires the creation of an integrated record on every American *individual*

**Health plans are uniquely positioned to support these efforts because of ample IT resources and infrastructure and existing business processes that manage care**

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### Government Vision for Meaningful Use

The Federal Government has specific objectives through the use of Health I.T. for Health Care Value:

Prevention, and management, of chronic diseases

- A million heart attacks and strokes prevented
- Heart disease no longer the leading cause of death in the US

Medical errors

- 50% fewer preventable medication errors

Health disparities

- The racial/ethnic gap in diabetes control halved

Care Coordination

- Preventable hospitalizations and re-admissions cut by 50%

Patients and families

- All patients have access to their own health information
- Patient preferences for end of life care are followed more often

Public health

- All health departments have real-time situational awareness of outbreaks

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**WELLPOINT** **Fundamental Challenge: Uncertainty**

**National Academy of Science Report 2/09**

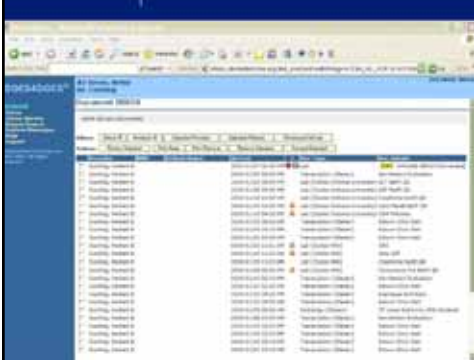
- "Current efforts aimed at nationwide deployment of health care IT are not sufficient" and "may even set back the cause. Specifically, success in this regard will require greater emphasis on providing cognitive support for health care providers and for patients and family caregivers"

**David Blumenthal article in NEJM 3/09**

- "Congress apparently sees HIT — computers, software, Internet connection, telemedicine — not as an end in itself but as a means of improving the quality of health care, the health of populations, and the efficiency of health care systems.
- "Most commercially available systems do not have clinical decision support nor good quality improvement components"

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**WELLPOINT** **HIE Example: Unassembled Jig Saw**



HIEs attempt to create value by presenting more data to the treating physician at the point of care

HIEs are almost always similar to existing vehicles to present electronic lab data such as portals from lab vendors

**HIEs add value primarily when a physician who did not order the test needs to see the result and will take the time to rummage.**

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**WELLPOINT**



**Where's the Patient?**

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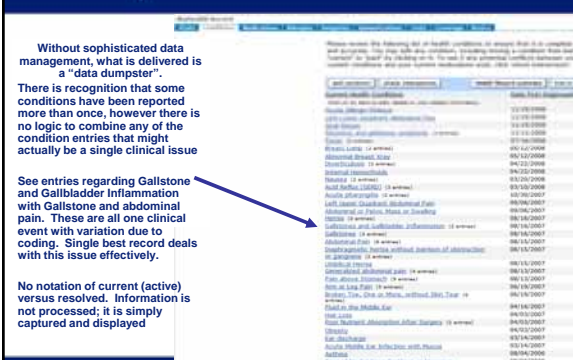
**WELLPOINT** **PHR Jig Saw Puzzle**

Without sophisticated data management, what is delivered is a "data dumpster".

There is recognition that some conditions have been reported more than once, however there is no logic to combine any of the condition entries that might actually be a single clinical issue

See entries regarding Gallstone and Gallbladder Inflammation with Gallstone and abdominal pain. These are all one clinical event with variation due to coding. Single best record deals with this issue effectively.

No notation of current (active) versus resolved. Information is not processed; it is simply captured and displayed



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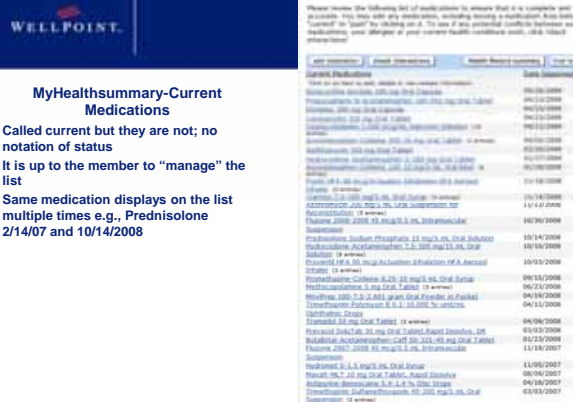
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**MyHealthsummary-Current Medications**

Called current but they are not; no notation of status

It is up to the member to "manage" the list

Same medication displays on the list multiple times e.g., Prednisolone 2/14/07 and 10/14/2008



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**WELLPOINT** **Health IT Market Overview**

Capabilities for health care value from Health IT.	Capture data from source systems and display	Understand the data in the context of the patient's clinical status	Apply evidence base and business rules to data	Inform patient and doctor to take action as care occurs
Claim Data	<ul style="list-style-type: none"> <li>• WLP MHHs</li> <li>• E-Prescribing—AllScripts, MedPlus, Prematics...</li> <li>• Caringo</li> <li>• Google Health</li> </ul>		<ul style="list-style-type: none"> <li>• IHR</li> <li>• ActiveHealth</li> <li>• E-Prescribing</li> </ul>	E-Prescribing
Clinical Data	<ul style="list-style-type: none"> <li>• CCHIT Certified EMRs               <ul style="list-style-type: none"> <li>– E Clinical Works,</li> <li>– United's Care Tracker</li> <li>– EPIC</li> </ul> </li> <li>• Most RHIOs</li> <li>• Interface companies               <ul style="list-style-type: none"> <li>– Orion</li> </ul> </li> </ul>		<ul style="list-style-type: none"> <li>• Kaiser KP Connect with D2 Registry</li> <li>• NY Health Information Exchange</li> </ul>	
Integrated clinical and claim data	<ul style="list-style-type: none"> <li>• MS HealthVault</li> <li>• WellPoint's IHR</li> </ul>	WellPoint's IHR	WellPoint's IHR	WellPoint's IHR
Resulting Record	Unassembled jig saw puzzle—narrow impacts to cost/quality	Assembled puzzle—cost and quality impacts likely	Actionable data to improve cost and quality	Transformed health care

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## From Heaps of Data to Transformational Insights

**Disparate data sources**

No universal patient identifier.

Inconsistent physician identifier.

Privacy and Security challenges.

**How ?**

Real World Analytics

Understood data sets

Population analysis.

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## Health IT Infrastructure In Development May Support More Efficient Paths Forward

**Healthcare Ontology**

**TRANSFORMATION SERVICES**

ETS, EMPI, TM, DI, SBR

**Clinical Integration Platform**

OLAP, Star Schemas, Data Mining

Clinical Case & Outcomes Analysis

Comparative Effectiveness Research

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## Health IT Road Map to Value

### Achieving Meaningful Use of Health I.T.

The lack of decision support capabilities has caused the H.I.T. Policy committee to create a 5 year road map to health care value

2010

2015

Phase 1: Data capture and sharing

Phase 2: Advanced clinical processes

Phase 3: Improved outcomes

\$1 billion in RFIs by CMS

Connecting for Health, Markle Found. "Achieving the Health IT Objectives of the American Recovery and Reinvestment Act" April 2009

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## Health IT Infrastructure In Development May Support More Efficient Paths Forward

Phase 1

Phase 2

Phase 3

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## Role for EDI Services

**Phase 1: Outreach to Physicians—**  
Leverage existing physician support services for administrative services into clinical services. Key needs include communication of programs, system integrations, training

**Key point of coordination with Federal efforts—**  
Regional Extension Centers whose purpose is to assist physicians with system selection and other implementation and operational challenges

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## Key Role for EDI Services: NHIN Direct

**NHIN Direct:**  
NHIN Direct is a project to expand the standards and service definitions that, with a policy framework, constitute the NHIN. Those standards and services will allow organizations to deliver simple, direct, secure and scalable transport of health information over the Internet between known participants in support of Stage 1 meaningful use.

The key deliverables of the project will be standards and service definitions, implementation guides, reference implementations, and associated testing frameworks. The project will not run health information exchange services.

The Nationwide Health Information Network is a set of standards, services and policies that enable secure health information exchange over the Internet. Several Federal agencies and healthcare organizations are already using NHIN technology to exchange information amongst themselves and their partners. This project will expand the standards and service descriptions available to the NHIN to address the key Stage 1 requirements for meaningful use, and provide an easy "on-ramp" for a wide set of providers and organizations looking to adopt. At the conclusion of this project, there will be one nationwide exchange, consisting of the organizations that have come together in a common policy framework to implement the standards and services

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**Health Information Technology national projects remain challenged by short time frames, aggressive expectations, and operational challenges**

**Critical Success Factors include resolving manpower challenges, integrating clinical systems, and improving privacy and security capabilities**

**EDI Services can support HIT deployment initiatives through its existing capabilities and infrastructures such as reaching physician offices and deploying national data standards**