

# **Evidence-Based Medical Decision Support Services**

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**Honeywell**

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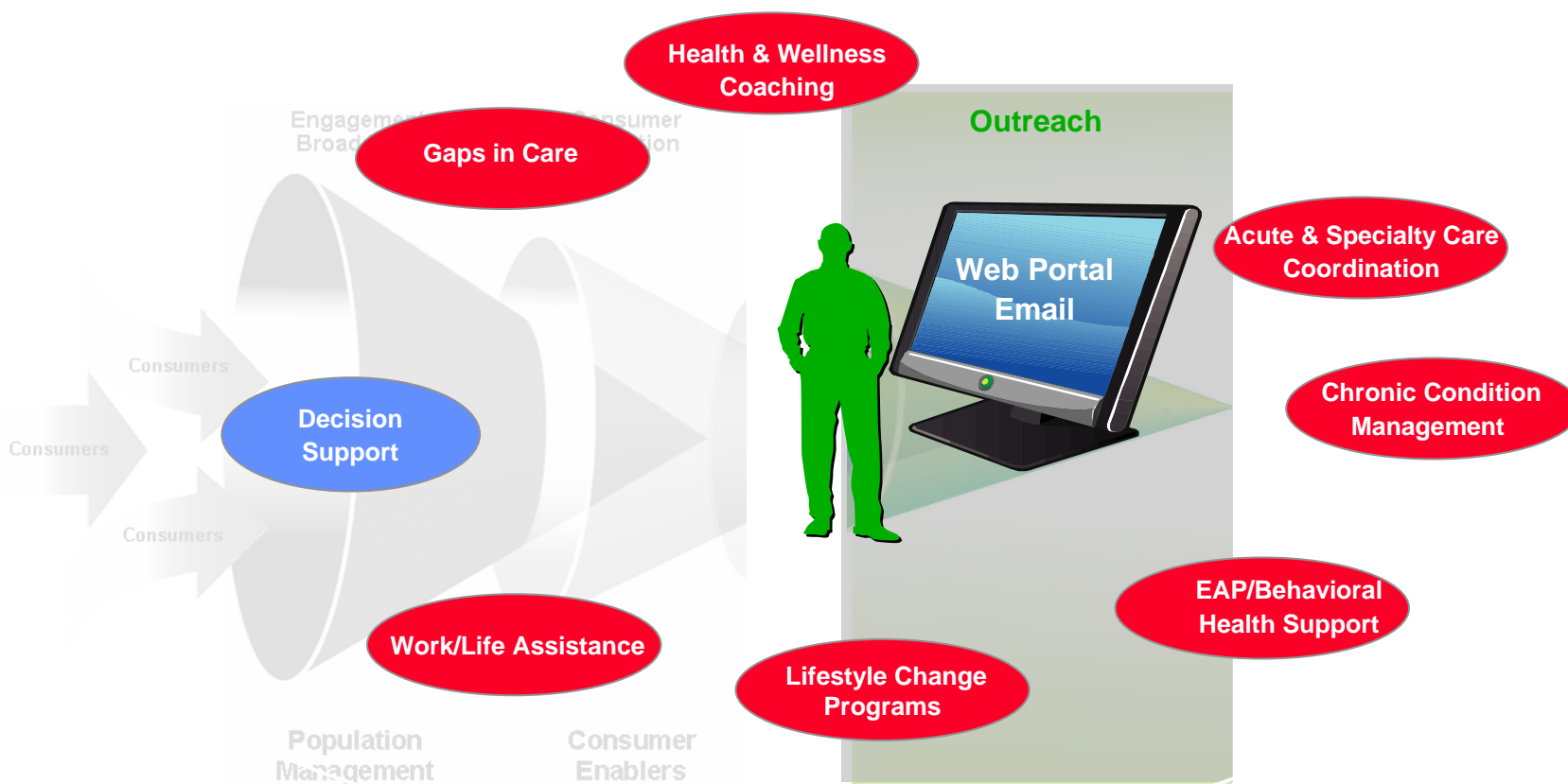
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- *70% of conditions have more than one treatment option yet patients are only presented with one option. (The New England Journal of Medicine)*
- *30% of conditions have a known best practice but are only followed half the time. (The New England Journal of Medicine)*
- *How you will be treated is likely dependent on where you live.  
– in Grand Junction, CO a patient is 4X more likely to have a knee replacement than in Newark, NJ. (Dartmouth Atlas)*
- *Up to 40% of each dollar spent on health care goes to waste on unnecessary tests, unwarranted variation, medical errors and administrative complexity. (Institute of Medicine)*
- *The internet provides patients with advice that is inaccurate, misleading and counterproductive. (American Family Physician)*



# Honeywell's Integrated Health Model

**HealthResource:** A fully integrated solution for Honeywell members, with underlying vendor partners enabling a seamless experience.



- **Launched Medical Decision Support® (MDS) offered by Consumers Medical Resource in 1999**
- **Umbrella Program – MDS**
  - **Decision-Support Program for 60 Medical Conditions**
  - **A dedicated research coordinator per participant & physician lead consults**
  - **Personalized MDS® report generated based on medical best practice guidelines**
- **In 2006 expanded offering to include Highly Variable Surgical Procedure Program**
  - **More targeted program focused on set of eight (8) diagnoses often associated with highly variable surgical procedures**
  - **Cornerstone of Honeywell's improved outcomes strategy**

- **8 conditions with more than one effective treatment option**
- **Goals of engagement:**
  - educate employees
  - reduce variation
  - move to high quality facility for treatment





- **Must have confirmed diagnosis and physician recommendation for surgery/procedure**
- **Enroll and engage with a Medical Decision Support specialist to obtain information needed to make an informed decision**
- **Participate in follow up calls as needed**
- **Complete a brief survey**
- **\$500 incentive offered til 2011**

# Improving Outcomes - High Variability Surgery Program

## Overall Program Results as of April 2006

- 781 people have enrolled in the program since April 2006
- 689 have completed the program (6 month claims follow-up)
- 22% avoided an unnecessary surgery
- 100% of respondents that elected surgery went to a high quality facility

## Results on top 4 conditions driving savings:

Procedure	Total	# of Avoided	% Avoided Surgery
Back Surgeries	173	57	33%
Hysterectomies	124	28	23%
Knee Replacements	131	22	17%
Hip Replacements	90	8	9%
<b>Total</b>	<b>518</b>	<b>115</b>	<b>22%</b>

*Delivered over \$4M in savings for 4 procedures since April 2006.*

# Partial Knee Replacement Example

- 62 year old employee\* with osteoarthritis and recommendation for a partial knee replacement.
- She was interested in learning about partial knee replacement, understanding why it was being recommended to her over a total knee replacement, recovery information, and if this was really the best decision for her.
- This employee decided not to pursue surgery and opted to address lifestyle changes including exercise and weight loss.

*“I learned about the reason weight plays such an important role for the knees and the impact every additional pound has on the pressure on the knees. In addition, it also explained the role and use of medications and that has made a big difference for me. I am feeling better, have less pain and I am losing weight.” EMPLOYEE*

*Resulted in Estimated Savings of \$15,500 by Avoided Partial Knee Replacement.*

\*Note: Example is not Honeywell specific.

- 38 year-old employee diagnosed with Degenerative Disc Disease (DDD) 2 years ago.
- Doctor recommending back surgery.
- Employee interested in learning about treatment options and alternatives to surgery.

*“I am going to do stretching and other things to avoid surgery because the laminectomy has pros and cons. I don’t have as much pain, I can actually stand up out of a chair and start walking right away. I am more informed now to seek out alternative avenues. I feel more empowered now. I have reduced my time off from work. I can’t believe it, I was telling my parents, I got this program through work. And they said, that’s excellent, because it’s unheard of, that an employer would provide that type of a service for you.” HONEYWELL EMPLOYEE*

*Resulted in Estimated Savings of \$36,700 by Avoided Laminectomy.*

## Findings identified through Independent Actuarial Study

- **Validated savings through surgeries being avoided, choosing less expensive alternatives and seeking care from higher quality providers**
- **Large % of surgery claimants have not engaged – “missed opportunity”**
  - 575 back surgeries between 2006 – 2008
  - Over 30% engaged with MDS but almost 70% did not!
- **Average direct savings for each low back surgery avoided is \$31,000**
- **Missed Opportunity \$4M - \$5M**
- **The incentive was not sufficient to catch those who might benefit so we moved to a predictive approach for proactive outreach**

- **Implemented predictive algorithms to identify MDS conditions and high variability surgery candidates**
- **Preference sensitive condition identification via Health Advocates at HealthResource**
  - **Moved from “carrot approach” to proactive outreach model**
- **Built algorithms to identify MDS conditions. This data is sent to CMR for their team to contact members and introduce the services**

- **Honeywell introduced Specialty Centers for specific orthopedic procedures in Phoenix based on:**
  - *Quality* of medical procedures performed, lowest readmit rates
  - *Efficiency* measures, appropriate length of stay
- **Focused on 3 procedures:**
  - Knee replacement
  - Hip replacement
  - Back surgery
- **Participants participate in MDS and can earn a \$500 incentive for:**
  - Surgery at designated facility
  - Choosing a less-invasive alternative

*Musculoskeletal treatments are Honeywell's 2<sup>nd</sup> highest category of medical expense – Phoenix accounts for over 30%.*

# Quality Results Gathered Thru Survey

"Based on <i>MDS</i> service, I..."	% Occurrences Total Program To Date 4/1/06 – 2/2011
Changed to "best practices" treatment	41%
Eliminated/minimized side effects	48%
Discontinued unnecessary treatment	24%
Identified incorrect diagnosis or 2 <sup>nd</sup> diagnosis	2%
Switched to a higher quality doctor/provider	18%
Improved quality of life	98%
Improved wellness	66%
Improved physical health	49%
Sought 2 <sup>nd</sup> or 3 <sup>rd</sup> opinion	17%