Physicians Being In Control of Health Care

TIM BARTHOLOW, MD
VP/CMO WEA TRUST
WI RHEUMATOLOGY ASSOCIATION, KOHLER, WI
MARCH 17, 2018
Tim’s Conflicts

- Not For Profit Insurer, since 2014
  - Rural WI Family Practice 16 years
  - WI Medical Society, CMO, 5 years
- Believe in physicians, working together
WI Rheumatology Association
Calls/Events

April 27, 2016
June 22, 2016
July 27, 2016
August 24, 2016
September 17, 2016, Washington Rheumatology Alliance
October 26, 2016
December 1, 2016, Adherence at CDC, Atlanta
December 12, 2016
December 16, 2016, APM at ACR (Atlanta)
January 23 2017
February 16, 2017, Rise Registry Meeting (Scottsdale)
February 22, 2017
Figure 5
Cumulative Increases in Family Premiums, Worker Contributions to Premiums, Inflation, and Workers' Earnings, 1999-2017

$50K = $40K – 20% Taxes
What Will Future Deductibles Look Like?

Health Care, Annually = $25,000
Health Care Trend  6%
Annual Increase = $1,500

Employer pays for half of the increase
Employee picks up the other half
Family Deductible, Increasing at $750 Per Year

- 2017  $4,000
- 2018  $4,750
- 2019  $5,500
- 2020  $6,250
- 2021  $7,000
- 2025??
Health Care as a % of GDP
6% in 1970
Highlight a country: United States

Health status

Bottom Performer

Life expectancy (male)

United States (76.3 Years)

OECD (77.9 Years)

81.2
Putting Off Care Because of Cost

Percent who say they or another family member living in their household have done each of the following in the past 12 months because of the cost:

- Relied on home remedies or over-the-counter drugs instead of going to see a doctor: 33%
- Skipped dental care or checkups: 31%
- Put off or postponed getting health care needed: 28%
- Not filled a prescription for a medicine: 25%
- Skipped a recommended medical test or treatment: 21%
- Cut pills in half or skipped doses of medicine: 17%
- Had problems getting mental health care: 11%

‘Yes’ to any of the above: 50%

Source: Kaiser Family Foundation Health Tracking Poll (conducted August 10-15, 2011).
Are doctors the problem?

The specialist is **2.3-11%** of these expensive episodes.

<table>
<thead>
<tr>
<th>Episode Treatment Group</th>
<th>Ischemic heart disease, with angioplasty</th>
<th>Inflammation of the esophagus, without surgery</th>
<th>Joint degeneration, localized - knee &amp; lower leg, without surgery</th>
<th>Mood disorder, depressed</th>
<th>Adult rheumatoid arthritis</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Resource Use (DMv13: 10/1/2012 - 9/30/2014)</td>
<td>$326,116,899</td>
<td>$256,718,694</td>
<td>$492,085,188</td>
<td>$715,300,428</td>
<td>$252,934,578</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Specialist</th>
<th>Cardiology</th>
<th>Gastroenterology</th>
<th>Orthopedic Surgery</th>
<th>Psychiatry</th>
<th>Rheumatology</th>
</tr>
</thead>
<tbody>
<tr>
<td>7.80%</td>
<td>4.31%</td>
<td>11.09%</td>
<td>5.78%</td>
<td>2.26%</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Facility: Inpatient &amp; Outpatient</th>
<th>Cardiology</th>
<th>Gastroenterology</th>
<th>Orthopedic Surgery</th>
<th>Psychiatry</th>
<th>Rheumatology</th>
</tr>
</thead>
<tbody>
<tr>
<td>76.37%</td>
<td>46.08%</td>
<td>70.98%</td>
<td>24.97%</td>
<td>12.82%</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Primary Care</th>
<th>Cardiology</th>
<th>Gastroenterology</th>
<th>Orthopedic Surgery</th>
<th>Psychiatry</th>
<th>Rheumatology</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.22%</td>
<td>6.17%</td>
<td>0.88%</td>
<td>4.79%</td>
<td>1.92%</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Prescription Drugs</th>
<th>Cardiology</th>
<th>Gastroenterology</th>
<th>Orthopedic Surgery</th>
<th>Psychiatry</th>
<th>Rheumatology</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.35%</td>
<td>21.88%</td>
<td>0.68%</td>
<td>26.92%</td>
<td>37.20%</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Ancillary</th>
<th>Cardiology</th>
<th>Gastroenterology</th>
<th>Orthopedic Surgery</th>
<th>Psychiatry</th>
<th>Rheumatology</th>
</tr>
</thead>
<tbody>
<tr>
<td>8.58%</td>
<td>6.54%</td>
<td>4.04%</td>
<td>2.04%</td>
<td>31.53%</td>
<td></td>
</tr>
</tbody>
</table>
Integration & Physician Issues

Growth of healthcare administrators outpaced physicians, increasing 3,200% between 1975-2010

Written by Alyssa Rege | November 09, 2017 | Print | Email
Healthcare administrators far outpace physicians in growth

## Optum bulks up

Select provider acquisitions

<table>
<thead>
<tr>
<th>Date announced/ closed</th>
<th>Organization</th>
<th>Provider type</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jan. 2011</td>
<td>WellMed</td>
<td>Physician group</td>
</tr>
<tr>
<td>Sept. 2011</td>
<td>Monarch HealthCare</td>
<td>Physician group</td>
</tr>
<tr>
<td>April 2015</td>
<td>MedExpress</td>
<td>Walk-in urgent care</td>
</tr>
<tr>
<td>Dec. 2015</td>
<td>ProHealth Physicians</td>
<td>Physician group</td>
</tr>
<tr>
<td>Jan. 2017</td>
<td>Surgical Care Affiliates</td>
<td>Ambulatory surgery centers</td>
</tr>
<tr>
<td>April 2017</td>
<td>American Health Network</td>
<td>Physician group</td>
</tr>
<tr>
<td>May 2017*</td>
<td>Reliant Medical Group</td>
<td>Physician group</td>
</tr>
<tr>
<td>Dec. 2017*</td>
<td>DaVita Medical Group</td>
<td>Physician group</td>
</tr>
</tbody>
</table>

*Date announced, not closed

Source: Moody’s Investors Service
More than half of US rheumatologists surveyed do not collect formal disease activity measures*

- **55% of surveyed rheumatologists do not collect formal measures**
  - Reasons for not collecting formal measures:
    - Time required (63%)
    - Not on their EMR (32%)
    - Just not needed (32%)

- **45% of surveyed rheumatologists collect formal measures**
  - Reasons for complementing clinical exams with formal measures:
    - Improved care (76%)
    - Decision making (67%)
    - Ease of use (50%)

*N = 317

# Treating RA For a Year: Big Categories of Expense

<table>
<thead>
<tr>
<th>Category</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bundle Price</td>
<td>$28,000</td>
</tr>
<tr>
<td>- Intake Costs</td>
<td>$1,250</td>
</tr>
<tr>
<td>- Monitoring costs</td>
<td>$400</td>
</tr>
<tr>
<td>- Drug costs</td>
<td>$21,750</td>
</tr>
<tr>
<td>- Non-drug administration costs</td>
<td>$3,000</td>
</tr>
<tr>
<td><strong>$ Left to the practice</strong></td>
<td><strong>$1,600</strong></td>
</tr>
</tbody>
</table>

If drug was $3,000 less, $left to practice is $4,600
Choice of Agent AND Intensity of Therapy, 2017

• OTC
  $200  0%  $  0

• Medication
  o DMARD
    ✓ One  $1,000  40%  $  400
    ✓ Triple  $3,500  5%  $  175
  o Self Injectable  $32,000  25%  $  8,000
  o Infusible  $50,000 + 25% + $12,500
    95%  $21,750

• Not treated effectively  $human tragedy
Average Cost Per Utilization of Professionally Administered vs. Self-Administered Medications in Adult RA, CY2014, WHIO DMV 13
What Have We Done

- Studied Claims Data
  - Pay the Rheumatologist (All physicians) too little for thinking
  - Biologics are expensive, hard for physicians to be responsible for market place pricing
- Invited a small pilot with WEA’s 16 physicians who are treating RA patients. 2 participated.
- Drafted Prior Authorization to
  - Reduce variation in the decision to advance to biologic, may ultimately use less or more biologic
  - Steward the patients’ resources
<table>
<thead>
<tr>
<th>Patient</th>
<th>DOB</th>
<th>Vectra DA</th>
<th>HCQ (ng/ml)</th>
<th>MTX (nmol/L)</th>
</tr>
</thead>
<tbody>
<tr>
<td>CAH</td>
<td>10/04/53</td>
<td>28</td>
<td>NA*</td>
<td>76</td>
</tr>
<tr>
<td>POD</td>
<td>09/06/61</td>
<td>40</td>
<td>NA*</td>
<td>21</td>
</tr>
<tr>
<td>CJF</td>
<td>05/17/58</td>
<td>27</td>
<td>707</td>
<td>NA</td>
</tr>
<tr>
<td>JHB</td>
<td>03/27/47</td>
<td>47</td>
<td>1203</td>
<td>58</td>
</tr>
<tr>
<td>SAM</td>
<td>10/27/54</td>
<td>17</td>
<td>Awaiting Results</td>
<td>NA</td>
</tr>
<tr>
<td>JP</td>
<td>09/26/62</td>
<td>29</td>
<td>NA*</td>
<td>NA</td>
</tr>
<tr>
<td>LSS</td>
<td>08/18/55</td>
<td>33</td>
<td>746</td>
<td>18</td>
</tr>
<tr>
<td>MKP</td>
<td>09/13/59</td>
<td>19</td>
<td>334</td>
<td>49</td>
</tr>
<tr>
<td>JBL</td>
<td>05/18/68</td>
<td>26</td>
<td>1247</td>
<td>46</td>
</tr>
<tr>
<td>DPF</td>
<td>05/07/55</td>
<td>35</td>
<td>NA*</td>
<td>NA</td>
</tr>
<tr>
<td>KIH</td>
<td>10/02/64</td>
<td>32</td>
<td>684</td>
<td>NA</td>
</tr>
<tr>
<td>RB</td>
<td>08/10/75</td>
<td>35</td>
<td>NA*</td>
<td>109</td>
</tr>
</tbody>
</table>

*NA=Not Needed
What Worries Me? Are Our Patients Safe?

- Biologics are immunosuppressive and expensive
- Are the patients who benefit receiving biologics?
- Are patients who do not benefit receiving biologics?
- How are we monitoring disease activity and DMARD levels as we decide to treat with a biologic?
- Are physicians in control of providing the best advice for their patients with new pressures in medical industrial health care?
Therapy is prescribed by or given in consultation with a rheumatologist.

Disease activity is classified as HIGH by multibiomarker assessment and non-responsive to other therapies as below AND:

Previous trial with 25mg methotrexate SUBCUTANEOUS injection for at least 6 months and 80% adherence* or with a therapeutic methotrexate polyglutamate blood; or 3 months with no response or, 25mg methotrexate ORAL with a therapeutic methotrexate polyglutamate blood level. (*Above doses not relevant for special dosing considerations) OR:

Intolerance to methotrexate as documented in clinical record while having been adherent to folate supplementation AND:

If intolerant to methotrexate, adequate trial of hydroxychloroquine with therapeutic level, leflunomide or sulfasalazine, for at least 6 months and 80% adherence with moderate to severe disease activity.

The patient is 18 years of age or older.
What Do I Want?

I will institute a prior authorization process 7/1/18 for biologic initiation. I want and need organized rheumatology’s feedback about

1. drug level testing (MTX, HCQ) and

2. disease state activity, including u/s

In the future: what if gene products predicted if anti-TNF was effective. How does organized rheumatology respond?