



## A PRIVATE SECTOR SOLUTION FOR AFFORDABLE CHRONIC HEALTH CARE

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By 2010, it is estimated that one in 25 people will be taking biologic drugs (also known as specialty drugs) for chronic, serious or rare conditions such as cancer, rheumatoid arthritis, psoriasis and multiple sclerosis.<sup>1</sup> The good news is that the drug pipeline to treat these diseases is robust, providing new hope for those in need of progressive treatment. To date, nearly 200 specialty drugs have been approved by the FDA and an additional 800 are in development according to insurance company AON.<sup>2</sup>

The bad news is that drug costs are almost as much of a burden as the disease, ranging from \$6,000 to \$350,000 per patient per year<sup>3</sup> and growing at almost double the rate of traditional drugs.<sup>4</sup> People who face medical bill problems are four to five times as likely to forgo or delay care because of cost concerns.<sup>5</sup> For employers, this means greater absenteeism and presenteeism and lost productivity. This financial strain will only grow in the coming years as chronic conditions penetrate mainstream working populations.

One potential model to take control of health care costs is California's health care reform bill, which taxes employers and hospitals to pay for health care for all. However, raising taxes to pay for ever-rising health care costs may not be a sustainable solution. What about a solution that actually reduces health care costs? A private sector solution has emerged that controls chronic health care costs and provides a system that improves the health of patients with chronic diseases—the real bottom line of health care.

### What's Behind the High Costs?

Much of the public spotlight has been on high prices of the drugs themselves and the lack of biogenerics and other utilization controls. This spurred the Biologics Price Competition and Innovation Act of 2007 which was approved by Congress in June 2007 to provide price competition for established biologics.

Largely overlooked, however, is the administration of chronic biologic medications, the critical need to manage these costs, clinical outcomes and quality of care. Seventy percent of specialty drugs in late-stage development in the United States will require administration by a health care provider.

In the past, primary care physicians referred the majority of their patients with chronic conditions to physicians who specialized in these therapies and could administer the biologic medications. Today, these specialists are unable or unwilling to provide infusion or injection services.<sup>7</sup> Other traditional service channels such as home care and hospitals may lead to higher costs, inconvenience patients or may be an inappropriate site of care for these types

of services. Home health care, while appropriate for patients who are not ambulatory, may not be a good solution for those who work and desire more independence in their treatment times. Hospital outpatient settings are not only the most expensive site of care, they tend to have limited availability during weeknights and weekends. The higher costs and limited availability can often become a strain for American families living paycheck to paycheck. People in this situation usually choose work over getting treatment and suffer the consequences silently.

Regardless of where patients receive their care, once they are diagnosed with a chronic disease, they are often left on their own to read pamphlets or fact sheets written by the drug manufacturer from the prescribing physician. Most receive little to no education on the treatment options and the impact of not engaging in therapy. Without guidance, patients may not follow through on seeking the care they need or staying compliant with the treatment they are given.

Finally, today's chronic health care services lack accountability. Once a patient enters into treatment—whether in the hospital, a specialty physician's office or home care—little information is provided to the health plan or primary care doctor on how that patient was treated, including valuable clinical and utilization data that could ensure better patient management and care.

## **A Fivefold Problem**

The problems with supporting the chronic biologic patient are fivefold:

- 1) Prohibitively high costs
- 2) Inability for physicians to provide services
- 3) Limited access for affordable services
- 4) Limited patient education
- 5) Lack of consistent protocols and data collection.

Ultimately, patients pay the price in the form of noncompliance. This dropout rate catches up with the patients in the form of higher costs and increased suffering when the chronic condition intensifies to the point that it requires hospitalization or lost workdays. Employers lose once productive workers.

Fortunately, the health care industry has produced a paradigm-shifting solution that at once broadens access to quality chronic health care services and keeps a lid on costs. It is the cost-effective, high-quality alternative for which patients and employers have been looking.

One solution providing hope is a centrally managed biologic service clinic network that supports biologic injections and infusions. Patients benefit because they no longer face thousands of dollars in deductibles and co-insurance, as generally only a small co-payment for the drug and service is required. What's more, patients can choose convenient evening and weekend hours, minimizing disruption to their workdays and lifestyles. Employers benefit from the lower service costs, as well as the ability to leverage existing specialty



drug distribution contracts.

Leveraging a state-of-the-art software system, patients can have their appointments scheduled online. They are treated and educated, in person, by a clinician knowledgeable about the condition, drug and device. If a patient needs to self-inject or self-infuse, clinicians will provide training on the proper procedure, medication storage and additional information to promote the desired treatment outcome. In addition, they will receive a follow-up call to make certain they were successful in self-injecting or infusing in their home. Valuable clinical outcomes are collected at the time of service and are provided to the health plan and the prescribing physician, enabling improved case management.

Reports provide for true accountability of the patient service, including true medication utilization, side-effect profile and clinical measurements. This provides clear visibility for improved patient compliance and overall care.

As chronic health care costs continue to soar, employers may need to turn to new solutions to provide the best value to their employees. The example of this network's innovative approach reveals a glimpse into the future management of chronic biologic support.

## References

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