



June 22, 2015

Dear Senate Finance Committee:

Geisinger Health Plan applauds the Senate Finance Committee for addressing the issue of improving the quality of care for Medicare patients with chronic conditions. Geisinger Health Plan (GHP) is passionate about this issue and has developed programs and services to improve quality and health outcomes. In addition to our feedback included in this letter, we welcome the opportunity to provide further expertise and services as the Senate Finance Committee reviews and recommends policy changes to support care in this population.

GHP is part of Geisinger Health System, a physician-led, integrated health services organization. In addition to the health plan, Geisinger Health System has acute care hospitals and a multispecialty physician group practice of more than 1,000 physicians practicing at 78 primary and specialty clinics. GHP has more than 500,000 members in five states including more than 80,000 Medicare Advantage members and 4.667 members who are dual eligible for Medicare and Medicaid.

As part of Geisinger Health System, GHP is able to channel experience, knowledge and alternate payment models to pursue projects with the clinical side of our organization. Not only does this relationship allow GHP and GHS to work together to develop new innovative programs to provide better care, but also to quickly implement these innovations.

Geisinger Health Plan (GHP) started a small pilot program to help members stop using tobacco in 1993. Since then, GHP has been designing, implementing and evaluating solutions that optimize outcomes for our members. Using a variety of services that cross the spectrum of health care needs, our goal is to improve our members' health, provide a positive member experience and reduce total cost of care. GHP now offers a full portfolio of population health services that support its members including:

- ProvenHealth Navigator® (PHN) – Geisinger's model for advanced medical homes
- Special Needs unit for members with very specialized needs such as ventilator dependent children, high risk obstetrics, disabled members, HIV or Hepatitis C, oncology, etc.
- Disease and case management
- Transitions of care
- Advanced illness
- Employer-based wellness programs
- Tele-monitoring services
- Medication therapy management programs



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- Quality improvement programs for preventive care service
- Post-acute care management

Over the past several years GHP has developed various strategies that have demonstrated success in the management of members with chronic conditions. These strategies include ProvenHealth Navigator® (PHN), tele-monitoring, and post-acute skilled nursing home management. The results of these programs have improved the coordination of care for Medicare beneficiaries with chronic conditions.

GHP collaborated with Geisinger’s primary care network to develop the advanced medical home model, known as ProvenHealth Navigator®. To date, GHP has implemented more than 120 medical homes across the network. PHN transformed primary care from a transactional care delivery model to a patient-centered delivery model which includes robust disease and case management. A PHN case manager and disease manager are embedded in the practice and available to the members 24/7. The case and disease managers collaborate with the primary care provider (PCP) to develop a plan of care that encompasses the member’s clinical, social, and community needs. Members with chronic conditions are identified and a comprehensive care plan is implemented which includes disease education, self-management action plans, and the deployment of evidenced based clinical guidelines.

Overall, PHN has successfully reduced medical expense by 8% among GHP’s Medicare Advantage members between 2006 and 2013. This reduction is the result of a 27.5% drop in hospital admissions, and 34% drop in readmissions. In addition, 72% of patients say the quality of care improved when they worked with a case manager.

More specifically, we have seen meaningful results in our PHN members with diabetes. Our members who see a PHN Geisinger Health System physician are:

- 30% less likely to have retinopathy
- 17% less likely to have a stroke
- 31% less likely to have a heart attack
- 60% less likely to have an amputation

Based on the average cost of treating these conditions, three-year results for 25,000 patients indicate a savings between \$15.4 and \$24.8 million.

GHP deployed tele-monitoring as an additional tool for nurse case managers when working with members who have chronic conditions and/or to assist with transitions of care. Members with Heart Failure are given blue tooth scales that enable early identification of changes in clinical condition. The case managers review trending and collaborate with the provider to formulate a management care plan that is focused on weight trigger points. Positive outcomes include a 12% reduction in overall admissions and a 20% reduction in 30 day readmissions for members with heart failure. Similar strategies are deployed with other disease management programs, such as providing members with asthma peak flows or spacers

Finally, GHP partnered with Geisinger’s clinical enterprise to enhance the quality and improve the delivery model for member’s requiring skilled-nursing facility (SNF) care. Geisinger Health System has



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placed mid-level providers within skilled-nursing facilities with the intent to identify changes in the member's health status and manage their chronic conditions within the facility. In addition, nurse case managers and physical therapists have been deployed to the SNF to assist members in managing their benefits and plan of care. This has resulted in a significant reduction in length of stay without negatively impacting 30 day readmissions.

GHP would like to offer several recommendations for policy changes that could significantly improve health outcomes and reduce Medicare spending. Geisinger Health Plan would like to discuss these strategies with the Senate Finance Committee, which include:

Nursing Home Care

Currently, CMS requires a three-day length of stay in the hospital before a Medicare beneficiary can be admitted into a skilled nursing facility. While the actual cost of a daily stay in the hospital is based on the diagnosis-related group (**DRG**), the average DRG rate for a hospitalization is between \$8,000 and \$10,000. If the level of care needed is that of a skilled nursing, instead of that of an inpatient hospitalization, removing this barrier could result in drastic savings to CMS.

In addition, enhancing the benefit structure offered around end-of-life including palliative and hospice care at a nursing home is recommended. By creating a seamless benefit, providers could not only improve the care offered and maximize correct usage, but also reduce patient and family confusion.

Prescription Drugs

Waiving the copays and costs associated with generic drug classes for specific chronic conditions would improve medication adherence and reduce exacerbations of chronic conditions. This can lead to a reduction in unnecessary emergency department visits and hospitalizations.

Home Health and Durable Medical Equipment

CMS offers a limited benefit around infusion therapy. Currently, infusion therapy needs to be provided in a hospital setting. Expanding home health coverage to pay for services that can be offered in the home instead of an inpatient or clinical setting will improve member satisfaction and reduce costs.

Enhancements in durable medical equipment (DME) coverage will improve quality care and reduce avoidable hospitalization and emergency room visits. For example, according to the Centers for Disease Control and Prevention, 2.5 million nonfatal falls among older adults were treated in emergency departments in 2013. More than 734,000 of these patients were hospitalized. The direct medical costs of falls, adjusted for inflation, were \$34 billion. Current benefits limit bathroom safety DME. In addition, out-of-pocket costs for life sustaining durable medical equipment such as oxygen should be reviewed.

Expansion of Preventive Care Guidelines to Chronic Care



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Review preventative care coverage for areas of opportunity to enhance quality of life and patient outcomes. This may include modified co-pays for ancillary preventative services such as lab work and mammography.

Increase in Funding for Community Services

Often Medicare beneficiaries access Emergency Room and hospital services due to limited ability to provide self-care and management of medical conditions. CMS should consider partnering with state and local agencies, such as the Area Agency on Aging, to develop standardized programs to support the Medicare beneficiary in their home.

Technology-Based Services

As a general rule, CMS does not pay for tele-health services except in rural areas. The “tele-health” definition could be expanded to provide addition coverage.

In addition, tele-monitoring has shown to improve health outcomes when combined with case management. Exploring the expansion of tele-monitoring reimbursement would offer increased opportunities to improve quality of care provided to members with chronic conditions.

Geisinger Health Plan has demonstrated success in leveraging value-based care strategies to improve quality of life and reduce costs. GHP would appreciate the opportunity to expand on the provided recommendations and play an active role in shaping the care of patients with chronic conditions. Thank you for your consideration.

Sincerely,

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