COPD in the Workplace: How benefit design can lower costs and improve care

- OPD is relatively easy to diagnose using a spirometry machine but HEDIS measures show only 40% of people with a COPD diagnosis in a PPO had received the test
- COPD patients receive the recommended care only about half of the time
- Preventable hospitalizations and readmissions result in higher claims expenses

*Pay-for-performance can improve the quality of care for COPD patients, and lower medical costs.*
The Burden of COPD

Chronic obstructive pulmonary disease (COPD) is an umbrella term used to describe progressive lung disease including emphysema, chronic bronchitis, refractory (non-reversible) asthma, and some forms of bronchiectasis. This disease is characterized by increased breathlessness. Signs of COPD vary and are often persistent in nature. Symptoms include:

- Shortness of breath
- Wheezing
- Chest tightness
- Chronic cough

The primary risk factor for COPD is smoking, which accounts for 85-90% of COPD deaths. A second major risk factor for COPD is exposure to air pollutants, including those found in occupational settings. The disease affects America's working population. Of the estimated 24 million people with some degree of impaired lung function, only 30% are above the age of 65. These figures put the prevalence of COPD close to diabetes.

COPD is the nation's third leading cause of death. Of the 6 major causes of death from 1970-2002, COPD was one of only two whose rate rose; the mortality rate for COPD increased by 102% while diabetes only rose 3.2%. In 2006, the disease was also responsible for 672,000 hospital discharges.

In 2010, the total estimated economic burden of COPD was estimated to be $49.9 billion, including $29.5 billion in direct health care costs and $20.4 billion in indirect costs.

Challenges in COPD Care

In 2008, the Global Initiative for Chronic Obstructive Lung Disease (GOLD) published updated COPD care guidelines. According to those guidelines, optimal care of COPD consists of four main components:

- Assess and monitor the disease
- Reduce risk factors
- Manage stable COPD
- Manage exacerbations

Despite advances in COPD care and the evolution of treatment guidelines, COPD patients nationwide often are not receiving the care they need. A study in the journal Chest reports that COPD patients receive recommended care only about half of the time. What's worse, delivery of proper care that could prevent hospitalization is severely lacking. The same study found that recommended care was provided at a higher rate for disease exacerbations than for routine care.

As with chronic diseases like diabetes, when COPD patients receive poor quality care there is a corollary increase in complications related to their disease. Increased complication rates have a direct relationship to increased cost of care. When one considers that the average COPD patient only receives half of the care that is recommended, there is a huge opportunity to improve the quality of COPD care delivered. Such improvements can reduce the overall number of COPD complications and in turn reduce the costs associated with COPD.

COPD Patients nationwide often are not receiving the care they need
The Solution

Let’s Pay for Quality

Better quality is a common theme of many health care reform efforts, especially in light of the growing evidence base that suggests quality of care is often far from ideal. For example, a recent report issued by the Commonwealth Fund states:

“Every family wants the best care for an ill or injured family member. Most are grateful for the care and attention received. Yet, evidence in the National Scorecard on U.S. Health System Performance, 2008, shows that care typically falls far short of what is achievable. Quality of care is highly variable, and opportunities are routinely missed to prevent disease, disability, hospitalization, and mortality. Across 37 indicators of performance, the U.S. achieves an overall score of 65 out of a possible 100 when comparing national averages with benchmarks of best performance achieved internationally and within the United States.”

For example, in 2010, only approximately 40% of those with a new COPD diagnosis received spirometry testing.8

One quality reform movement gaining traction has been pay for performance (P4P) systems that reward providers who deliver higher quality health care. In a 2006 report, the Agency for Healthcare Research and Quality estimated that there were over 100 P4P initiatives in the U.S. sponsored by health plans, employer coalitions, and public insurance programs. The same report defines a P4P program as, “any type of performance-based provider payment arrangements including those that target performance cost measures.”9 P4P programs are designed to address a fundamental flaw in our health care system: payment is often not aligned with optimal performance, but instead rewards high volume and high intensity services.

Employers pay many of the health care bills in this country, which puts them in the position of possessing both the motivation to lower costs and improve quality of care, as well as the influence to do so. Large companies may have enough resources and influence to design and implement their own P4P strategies aimed at improving the health of their employees and the value of their health care dollar. Other employers have formed coalitions that combine their purchasing power in an effort to influence health plans to implement value based initiatives like P4P.

A P4P program is one way for employers and payers to align financial incentives with evidence-based quality care. P4P helps ensure that payers are not just spending money for more care, but instead quality care. P4P has the potential to effectively address both the issues of quality improvement and cost efficient spending. Supporting the development of a COPD P4P strategy is one way in which employers can proactively address the problem for their employees and dependents suffering from COPD.

REFERENCES


How COPD P4P Works

Pay-for-performance programs have three key ingredients:
1. Quality measures
2. Measurement and scoring
3. Rewards

Quality Measures
The quality measures in the COPD P4P program were selected by a panel of physician experts to align with best practices in the care of COPD patients, with the goal of improving patient outcomes and reducing costs associated with complications of the disease. The measures are:

- Documentation of spirometry
- Prescription of 1 or more inhaled bronchodilators (long-acting preferred if persistent symptoms) if FEV/FVC < 0.70 & dyspnea
- Documentation of smoking status (by inquiry) at every visit
- Smoking cessation intervention
- Prescription of long-term continuous O2 for patients with resting O2 sat < 88%
- Administration of pneumococcal vaccine
- Administration of latest influenza vaccine
- Documentation of exacerbation frequency in last year
- Prescription of at least 1 long-term bronchodilator and consideration for an inhaled corticosteroid for patients with a history of exacerbation or hospitalization
- Assess O2 sat on room air at rest at least once annually

Measurement and Scoring
Bridges to Excellence (BTE), a national leader in P4P program implementation, has established processes to collect and review physician quality data for the COPD program. For more information, visit: [http://www.hci3.org/node/31/#/6](http://www.hci3.org/node/31/#/6)

Health plans and employers can also take the measures and other details of the COPD P4P program and integrate them into their own new or existing P4P efforts. The full blueprint for the COPD P4P program is available in the document “White Paper and Technical Specifications: Pay-for-Performance for COPD,” found in the references section of the COPD Foundation Employer Toolkit.

Rewards
Rewards act as a motivation for physicians to improve the quality of care. Savings from this P4P program accrue to payers as a result of decreased hospitalizations, and decreased hospitalizations are a result of reduced complications through better physician care, and some of these savings are shared with physicians through the P4P program.

Health plans and employers that sponsor COPD P4P could adjust the amount of the rewards, keeping in mind that the rewards must be large enough to motivate physicians. Bridges to Excellence recommends rewards from $45 to $140 per COPD patient, depending on how completely the physician meets the quality standards.

Take Action Now! Talk with your health plan, local business coalition, or a group such as Bridges to Excellence about how you can use P4P to improve care and reduce costs for COPD patients.