

# Leading Disease Management Organizations

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**WELLNESS: THE NEW FRONTIER IN HEALTH MANAGEMENT**

**Definition**

Wellness is defined in the health management marketplace as a series of strategies to keep employees healthy and productive. Most programs include a Health Risk Assessment (HRA) and then, for people who qualify with enough risk factors (smoking and obesity being prime examples of risk factors), online or telephonic coaching. Wellness may also include on-site biometrics screenings, usually voluntarily but they are becoming increasingly mandated. Finally, some wellness programs include discounts on health club memberships or rewards for other healthy behaviors. It is still believed to be illegal to reward actual goals (as in weight loss) as opposed to rewarding participating towards those goals.

Unlike in disease management, outcomes are generally not provided financially but rather in terms of health risk factor reduction.

**Statistics**

No statistics are available on the size of the field for several reasons:

- (1) All of the companies are private or are divisions of large public companies.
- (2) There are several hundred of these companies.
- (3) Unlike in disease management, where one consulting firm handles most of the health plan and state procurement efforts and can provide HIRC with revenue estimates, wellness RFPs are done by dozens of consultants.

**Success of the Field**

The field has been successful in that roughly 80% of all commercial health plan and employer RFPs now include a wellness component. Generally the other 20% don't because the entity issuing the RFP already has a solution. This is a large increase,

since in November 2005 Carefirst Blue Cross Blue Shield was the first RFP to include wellness. Large employers themselves have been emphasizing wellness for at least five years now. This is why health plans have increasingly entered the field.

**Success as Measured by Outcomes**

The other measure of success, outcomes, is much more controversial. Wellness vendors are notoriously both poor and optimistic measurers. The best example is Trestletree, which was claiming a "300% reduction in absenteeism" on its website before the impossibility of this claim was brought to their attention. Further, wellness vendors don't recognize that "regression to the mean" inflates their results in risk factor reduction just like it does in disease management financial savings. For instance, suppose the highest risk factor score on an HRA is 4. The algorithm for qualifying for coaching is to have all 4 risk factors. It has been shown, and is intuitively obvious, that when one re-measures people with 4 risk factors, the average number of risk factors will decline. It can't go up since 4 is the maximum. And if just one person quits smoking or loses weight, the average will decline.

The best recently published example of poor measurement, even before the above phenomenon of regression to the mean is taken into account, would be Navistar. In the company's "Body-for-LIFE 2 for 2 Challenge," 92 obese people lost an average of 3 pounds each, with three people losing an average of 70 pounds each. So three people lost 210 of the 276 pounds shed in total, meaning the remaining 89 lost about 12 ounces apiece.

That result is therefore questionable even before regression to the mean is taken into account. Since the weights of obese people rarely remain constant and can't rise forever, the 92 people with the highest body mass indexes at any given point are likely on average to lose weight as a group regardless of any intervention. Meanwhile 92 other people who weren't obese enough to qualify as being among the heaviest 92 might gain weight, leaving the total weight of the 184 roughly unchanged.

## Chapter IX – Leading DMOs

**Table IX.9 – Wellness Programs**

Name of Vendor	Online HRA	Online Coaching	Telephonic Coaching	Motivational Interviewing	Revenues (DMPC Estimates)	Largest Customers	Comments
CareGuide, Inc.	Yes.	No	Yes	Yes	\$2,500,000	States of Indiana and New York, Commerce Bank, BCBS of Michigan and Wellpoint	Company says that customer case studies averaged a 5.1% decrease in medical expenses and an 8:1 ROI based on year-over-year population costs.
Gordian Health Solutions	Yes	Yes	Yes	Yes	\$16,300,000	BCBS Michigan, BCBS Tennessee, Missouri Consolidated Health Care Plan, New Hampshire Local Government Centers, Ohio Public Employees Retirement System (OPERS), Toyota Manufacturing	The company provides an extensive variety of preference-based online and telephonic tools and services to educate and motivate individuals to pursue healthier lifestyles, increasing individual productivity and quality of life and lowering health costs.
HealthMedia, Inc.	Yes	Yes	Yes	Yes	\$25,000,000	Kaiser Permanente, Aetna, AstraZeneca, GSK, Johnson and Johnson, McKesson, Physicians Plus, Scott & White, UPS, Cleveland Clinic, Highmark, Eight BC/BS customers, State of Arkansas, Humana, Lockheed Martin, Tufts Health Plan, Health Alliance Plan, eBay, MellonBank, APS Healthcare, Advocate Health System, Health Alliance Plan, States of Ohio and Mississippi, Henry Ford Health System	By combining innovative technology with over 30 years of behavioral science research, HealthMedia's interventions deliver positive, measurable outcomes across the entire care continuum. Received DMPC certification for Critical Outcomes Report Analysis. Database includes extensive productivity data on 750,000 people.
Hummingbird Coaching Services	Yes	Yes	Yes	Yes	\$8,000,000	United Behavioral Health, Google, US Bank, Virgin Lifecare, Gordian	Provides online coaching effective enough that other wellness companies subcontract.
OHSU Health Management Services (HMS)	Yes	Yes	Yes	Yes	\$1,200,000	OHSU, Aetna, McKesson Health Solutions, CareOregon, ODS Companies, Portland General Electric, Hoffman Construction, Oregon Department of Forestry, Swanson Group, Energy Corporation of America	Small, but growing, non-profit practice set in academic center. Strong emphasis on program evaluation with peer-reviewed outcomes. Third-generation HRA with three embedded validated surveys. Leaders in health coaching practice, training and consulting.
Quality Health Solutions, Inc.	Yes	Yes	Yes	Yes	\$17,000,000	1) Employer groups 80% Pharma 15% Other Vendors 5% 2) Employer Group Eligible Member participation rate is 92%	1) QHS was developed in a collaborative relationship with James O. Prochaska, Ph.D., co-creator of the readiness to change model. 2) Certification for Small Group Outcomes Measurement Honor Roll issued by the Disease Management Purchasing Consortium International, Inc. 3) Wachovia Insurance Services named QHS as the top rated health promotion company in the US.
VirginHealthMiles	No	Yes	Yes	Yes	\$6,000,000	Humana, Spectrum Athletic Clubs, City of Louisville, KY, American Diabetes Association / Shaping America's Health, Hospital Corporation of America PAS, Benjamin Moore, Jack-in-the-Box, Lenscrafters, Circle K	Members get Polar monitors, which sync up to their personal accounts on the website. Also they can spend their miles online and earn rebates from selected retailers.

Source: DMPC estimates and HIRC *Health & Disease Management Service*, Summer 2008.

The same would hold true with smokers. Most try to quit at some point or multiple points. Suppose there are 100 smokers. Each smokes for six months and then quits for six months, and then repeats the cycle. If an HRA qualifies the 50 who are smoking for a cessation program, intervenes and then re-measures those 50, it will find a 100% quit rate. This does not take into account the 50 who weren't being tracked (because they didn't smoke at the time of the HRA), who started smoking again. Thus the total smoking rate is unchanged despite the 100% quit rate.

The other indicator that these reported results are overly optimistic would be national statistics. Obesity continues to rise even as employers all over America report that their employees are losing weight. And smoking rates, after forty years of declines, have leveled off, even as smoking cessation programs claim success after success.

### **Examples of Leading Vendors**

Consistent with the national statistics and measurement fallacies above, most vendors in wellness are not sufficiently competent to “bend the needle” on population health. Or, if they are bending the needle, they lose credibility because their reports hugely overstate the amount of change, with no plausibility testing. To qualify for the leading vendor list in wellness requires a third-party review by a competent reviewer. For 2008, seven wellness vendors once again achieved this distinction (Table IX.9, previous page). All are repeaters from last year. No new wellness vendor was found which could “move the needle.”