



Employers' Coverage Decisions in Private Insurance: Deciding What to Cover and Include in Benefit Designs

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Insurers and employers are rarely debating what to cover and what not to cover.

Because...

- Behavioral Health is costing 1-2% of total health care benefits
- Energy is being spent on improving access, rather than suppressing unnecessary treatment
- Investing in behavioral change is more fruitful for bottom-line oriented employers than just investing in behavioral health benefits

“There is no health without mental health”

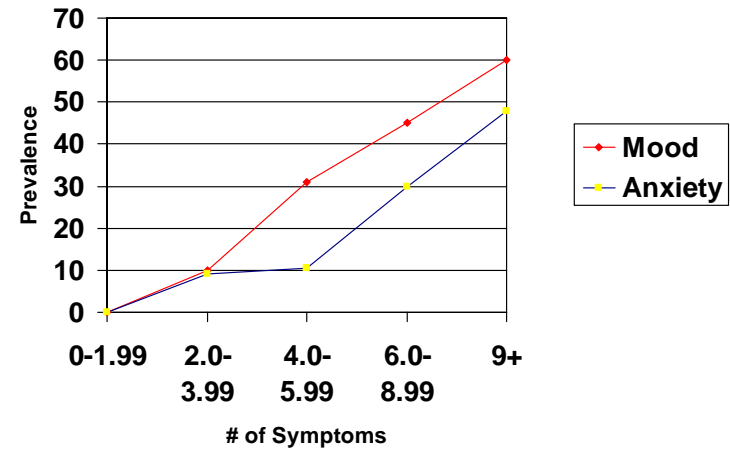
- Dr. David Satcher, Surgeon General 1998-2002



Why Focus on Behavioral Health Access?

- Depression undermines treatment adherence¹
 - Only 20% are completing SSRI courses of treatment
- *Poor diagnosis of depression: 25% have it, 10% diagnosed*
- 2.7% of workforce file BH claims; SAMHSA rpts prevalence of 8.2% ('03)

Relationship Between Physical Symptoms & the Prevalence of Mood/Anxiety Disorders

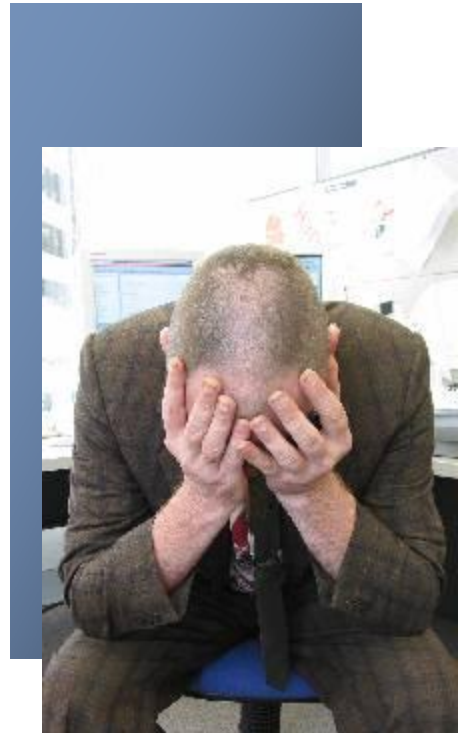
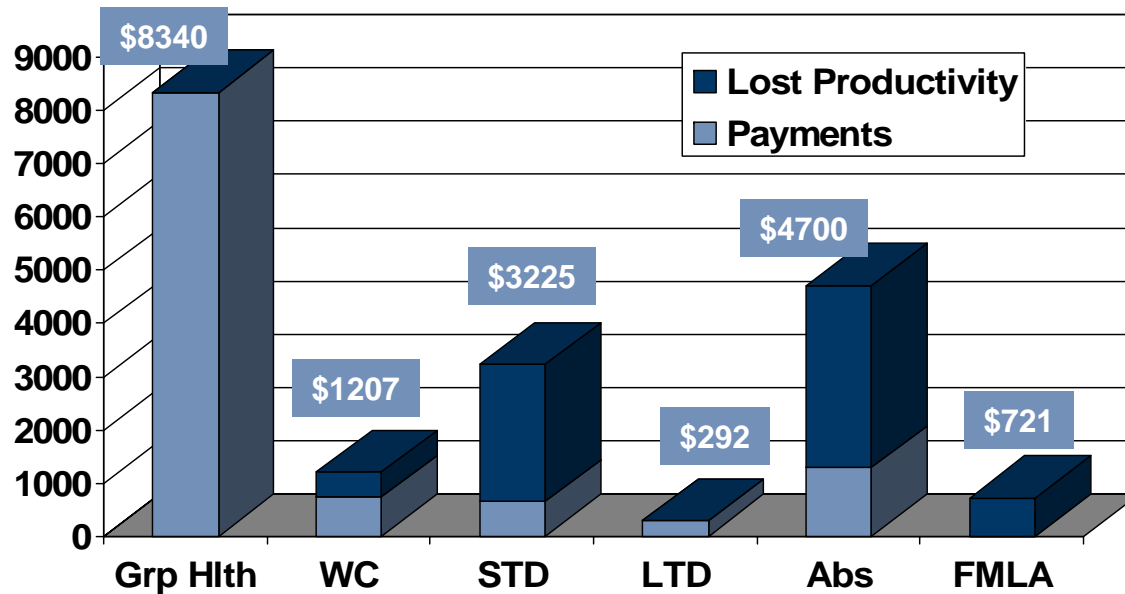


- 60% of all health care costs are linked to behavioral health issues²

Impact of Beh Hlth ²	PMPM w/o Beh Hlth	PMPM w/ Beh Hlth	Inc % due to Beh Hlth
Asthma	\$380	\$891	135%
COPD	\$752	\$1520	102%
Diabetes	\$653	\$1231	85%
CHF	\$2135	\$3400	58%
CAD	\$883	\$1358	54%

1. Whooley et al, *Archives of Internal Medicine*, Nov. 2005
 2. S Melek, The True Cost of Mental Healthcare, *Milliman Health Perspectives*, Winter, 2005, pgs 9-12

Depression: Medical Plan Costs Only 1/3 of Full Costs



Depression-related absences:²

- 9% of workforce
- Will miss 25.6 days on avg. per year at a cost of \$4,741/individual³

1 Based on 2002 IBI Survey of 88 Employer CFOs (3.3 million lives) and 2006 Hewitt Health Value Initiative

2 Business and Health Institute, 2005

3 Goetzel et al, Absence, Disability and Presenteeism Cost Estimates...*Journal of Occupational and Environmental Medicine* 46(4):398-412, Apr, 2004

Why Care About Behavior Change?

Primary cost drivers are often preventable:
chronic disease & serious acute conditions



70-80% of
Costs



20% of the
Claimants

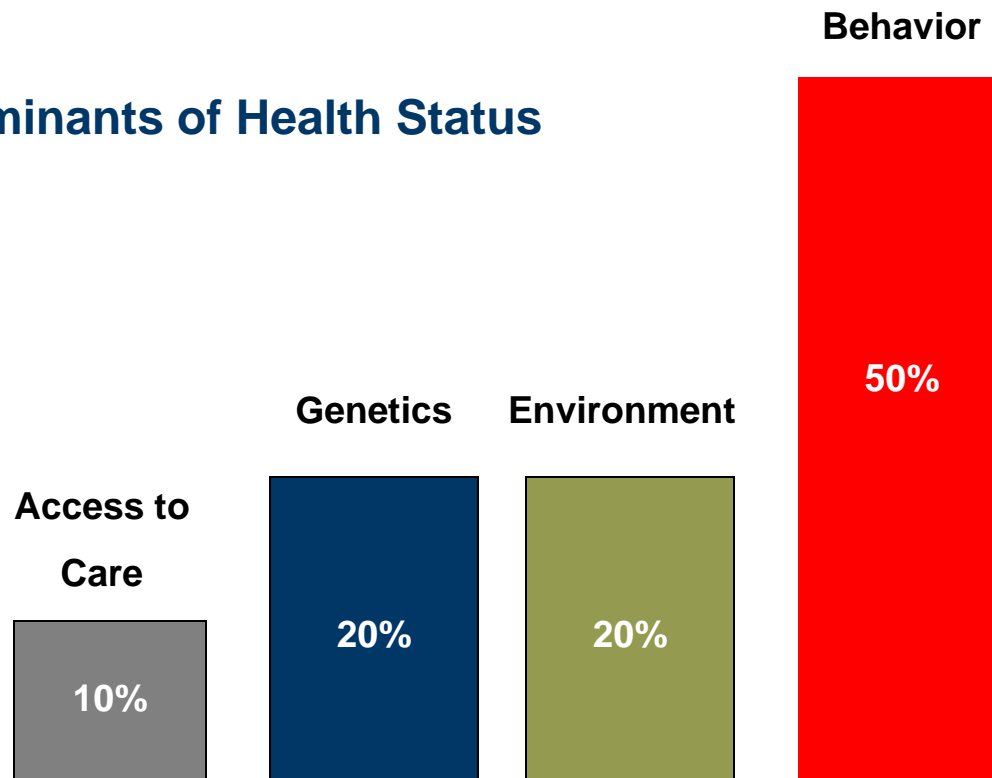
75% of
Costs



Stem from Preventable
Chronic Conditions

Why Care About Behavior Change?

Determinants of Health Status



Source: Institute for the Future (IFF), Centers for Disease Control and Prevention. Health and health care 2010: The forecast, the challenge (2nd Ed.). San Francisco: Jossey-Bass. 2003.

Behaviors Cause or Exacerbate Virtually All Chronic Medical Illnesses



Eating



Smoking



Drinking



Human Behavior

Inactivity



Treatment Adherence



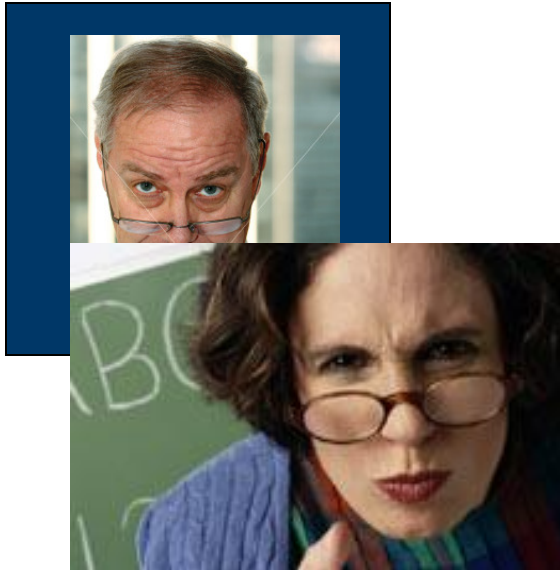
Behavioral Change¹ When Practiced by Clinicians Unfamiliar with the Psychiatric and Psychological Field

- ***Crisis & Fear Impels Change***
90% of coronary bypass patients fail to change their unhealthy lifestyles
- ***People Act When Benefits Exceed Costs***
Self-sabotage and instant gratification are not rational, but are predictably human
- ***The Facts Will Set us Free***
Do MDs and RNs have information deficits regarding smoking, obesity & drinking?



1. A. Deutschman. *Change or Die*, 2006

People don't resist change... They resist **being** changed!



Attributes of Successful Change:

- Chemistry of Change Agent
- Rational Self Talk
- Knowledge Finding
- Motivation
- Internal Locus of Control
- Behavior Modification
- Incentives
- Small Steps

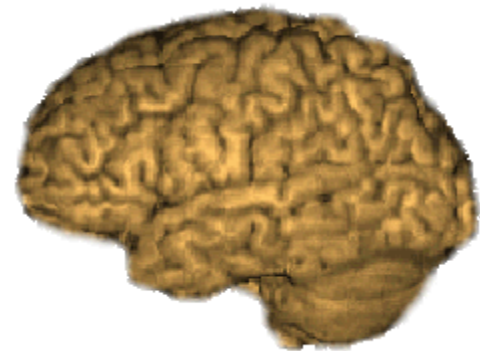
Successful Change – A Positive Chemistry

- Research on non-specific therapeutic factors - Jerome Frank
 - All therapies (group, individual, cognitive, psychodynamic) work equally well
 - Key differentiator: Chemistry between patient and change catalyst
 - **Warmth, empathy & therapeutic alliance**
- Placebo effect: **Hope** is instrumental in positive outcomes.
 - Faux Knee Arthroscopy Study, 2005



Successful Change – Rational Self-Talk & Knowledge Finding

- Rational cognitions
 - Awareness
 - Avoid “catastrophic” thinking
 - Avoid “all or nothing” thinking
 - Examine whether your cognitions are realistic
- Knowledge Finding
 - **How to acquire knowledge**
 - How to navigate the health care system
 - “Give a man a fish, feed him for a day; teach a man to fish, feed him for a lifetime.”



Successful Change – Motivation & Internal Locus of Control

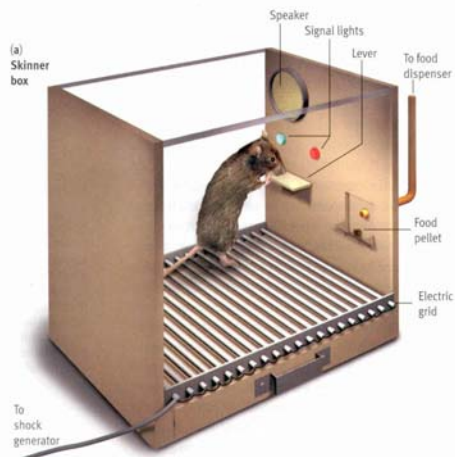
- Motivation
 - Personalized and unique
 - Accept and expect that motivational levels vary
 - Work with coach and others to overcome fears and maintain progress

- Internal locus of control
 - Self-efficacy
 - Change is in your hands
 - Don't cede your success to others
 - Pills
 - Surgery
 - Quick fix



Successful Change – Behavior Modification & Incentives

- Behavior Modification Techniques
 - Premack principle
 - Stimulus control
 - Shaping
 - Healthy habit formation
- Incentives and Self-Reinforcement



SMART

Set clear achievable & measurable goals

Monitor progress routinely

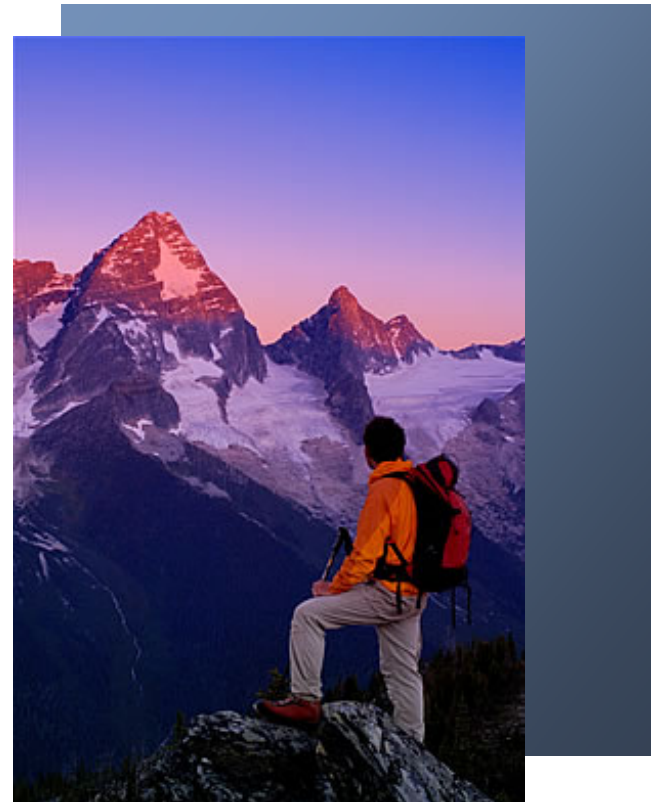
Arrange the environment for success

Recruit a support team

Treat oneself in order to reinforce positive movement

Successful Change – Small Successful Steps

- Ultra-brief personal action plans
- Small steps
 - Highly achievable
 - Mitigate against demoralizing early failure
 - Confidence level 70% or higher
 - Create a momentum for change
 - Small steps add up to big change



Dialogue, Questions & Answers

Employers' Coverage
Decisions in Private
Insurance: Deciding What to
Cover and Include in Benefit
Designs



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