

## Disease Management: Has Anyone Managed To Make It Work?

Joseph J. Hreben, MPA

**D**isease management. Consider that 40% of Americans are afflicted by chronic medical conditions, which account for 80% of all illnesses. Consider as well that only seven disease conditions consume half of all annual healthcare expenses in the United States, or nearly \$400 billion yearly.<sup>1</sup> These and other data overwhelmingly bolstered the realization that a mechanism to truly manage disease was necessary. Thus, the concept of “disease management” was born.

Indeed, disease management has become a mainstay in the jargon of managed care, with agreement that in it lies the future of healthcare. Nevertheless, healthcare professionals have failed to develop a consensus as to a working definition of “disease management,” nor do they agree on how to implement the idea.

Does disease management really exist, or is it a myth? Some will contend that, in its strictest form, physicians have been carrying out disease management for years. Can we afford to dismiss it as a new name for what the field of medicine has been striving for decades to achieve? Or, is it simply too early in its development to be judged? This article will attempt to clear away the mystique that surrounds the concept of disease management so that one may better understand its substance and true potential.

### What Is Disease Management?

Disease management may be viewed as the concentration of resources targeted to any of several elements, such as disease condition, with the intent of achieving an improved medical outcome in a more cost-effective manner. Note that this definition does not specify the types of resources needed to develop and deliver an effective disease management program.

The omission is deliberate, however, as one point is implicit in the definition: disease management must be *dynamic*. Modern disease management should focus on *total* health management and must be created with the “whole” patient as the primary focus of a program’s design.

Thus, effective disease management is more than simply the intervention of treatment for a particular disease or diseases. The element of intervention should not be the primary focus of disease management. When considering disease management with outcomes in mind, intervention actually becomes secondary, and is minimized in the spectrum of the elements of disease management. Rather, emphasis is placed on activities that promote disease prevention, healthy lifestyles, and the earliest possible detection of disease. Of course, when treatment is required, it must be optimally effective and efficient. One could argue, however, that the most successful form of disease management is management that makes treatment unnecessary.

Putting into practice the concept of disease management that focuses on *total* health management is extremely complicated. It demands a well-coordinated approach among many lines of activity, including gathering and analyzing clinical, economic, and outcomes data; identifying and segmenting the member/patient audience; developing accepted treatment guidelines and optimal protocols; creating and providing ongoing delivery of both effective provider education and comprehensive patient education; and following up and obtaining feedback from all elements of the healthcare delivery system.

Too often, single elements are mistaken for disease management itself. Disease management is actually a process that can incorporate any combination of elements, several of which are outcomes analysis, assumption of risk, patient compliance, physician education, patient education, and program documentation; alone, however, none of these initiatives can claim to comprise disease management. Many pro-

From Sudler & Hennessey, New York, NY.  
Address correspondence to: Joseph J. Hreben, MPA, Vice President, Managed Care Marketing, Sudler & Hennessey, 1633 Broadway, New York, NY 10019.

grams identified as disease management actually implement only one or two initiatives and therefore fall short of the ultimate goal of improved overall patient health.

### Who Created Disease Management?

By some accounts, the term "disease management" was first used by The Boston Consulting Group, in 1993.<sup>2</sup> However, no one has pinpointed its origin. Total quality management initiatives, such as the development and implementation of critical pathways and treatment protocols, certainly predate the penning of the term. Furthermore, the goal of total health management always has been part of the concept of successful healthcare.

*The Pioneering Work of Prescription Benefit Managers.* The earliest applications of disease management probably were implemented by prescription benefit managers (PBMs). Traditionally, PBMs provide complete carve-out pharmacy benefit programs to a wide array of plan sponsors, including employers, health and welfare funds, and health maintenance organizations (HMOs). Before they were known as PBMs, their primary function had been to process pharmacy claims. As technology evolved, the concept of integrated pharmacy networks became more relevant to claims processors, because newer systems allowed for a greater level of interactivity between processors and pharmacies.

Claims processors gradually understood the effect that interactivity potentially could have on shifting market share between pharmaceutical agents, from brand-name to generic products and, subsequently, from one brand to another. Coupled with the extent and level of data retrievable in the normal processing of claims, the natural extension for claims processors was to focus a proportion of their resources on specific disease conditions that, in most cases, consumed a disproportionate share of a plan sponsor's costs. By interjecting inferred diagnoses based on drug consumption, the claims processors could add the element of interactivity between themselves and the dispensing pharmacists to effect changes in pharmaceutical utilization. Prescription claims processors then began to "manage" prescription benefits for plan sponsors.

*The Influence of the Pharmaceutical Industry.* Pharmaceutical manufacturers often are credited with developing disease management into an innovative way to promote their products to managed care organizations (MCOs). Their involvement was thought to be triggered by the realization that traditional methods of

pharmaceutical sales and marketing were less effective in a managed care setting. For pharmaceutical manufacturers, therefore, the intended result of applying disease management was to increase the market share for their products within specified drug classes. As growing enrollments enabled the managed care industry to gain ground, the involvement of pharmaceutical companies in the area of disease management increased.

*The Increasing Importance of Managed Care Organizations.* Today, although PBMs and pharmaceutical manufacturers remain integrally involved in the process, the driving force behind disease management arises from the needs and motivations of *payers*, especially MCOs. These organizations are seeking and developing multilevel alliances or partnerships with manufacturers, PBMs, and providers. For example, MCOs expect these partnerships to assume a share of financial risk, rather than merely to lower plan costs. The introduction of risk sharing gives providers and manufacturers the opportunity to substantiate outcomes claims, and to reinforce their commitment to the overall health and care of the patient.<sup>3</sup>

### Who Is Practicing Disease Management Today?

Many MCOs are the primary "buyers" or "providers" of disease management services, whereas PBMs, pharmaceutical manufacturers, and spin-off subsidiaries of both entities are among the "specialists" and "practitioners." Attempts to deliver total quality care in a more efficient, cost-effective manner have created various complex problems. There have been allegations that the activities of some practitioners of disease management were purely self-serving, and were carried out without the intent of improving patients' medical outcomes. As a result, a rash of mergers, alliances, and acquisitions was spurred among manufacturers and PBMs with the aim of providing innovative solutions to these problems. Many companies, committed to providing the best level of care possible to their patients, have redefined their emerging role in fulfilling partnership relationships with MCOs.<sup>4</sup>

Several drug manufacturers have been closely involved in the delivery of disease management services to MCOs. A 1995 study of 31 leading healthcare plans identified three manufacturers—Zeneca Pharmaceuticals, Eli Lilly, and Schering Corporation—as leaders in the successful marketing of their disease management expertise to managed care.<sup>4</sup>

Another pharmaceutical manufacturer that has been aggressive in this area is Glaxo Wellcome Inc. In

response to managed care and disease management initiatives, Glaxo has assumed the role of an *enabler* of disease management. To meet the challenges of this role, the company has redefined its commitment and has realigned its resources to provide and deliver healthcare management services for its clients. Glaxo focuses on the delivery of care and health management through an integrated model, which includes patient self-management, patient awards and incentives, and high-level specialty care, such as centers of excellence. The process, according to Glaxo, begins with prevention and continues through the patient's return to work.

Merck-Medco Managed Care, one of the nation's largest PBMs, is another company that is committed to the management of clinical outcomes and overall healthcare costs. Its exposure to the healthcare industry totals 48 million covered lives and 56.1 million processed/dispensed prescriptions. Through its largest health management programs, which include diabetes, gastroesophageal reflux disease, and hypercholesteremia, Merck-Medco is able to touch the lives of more than 285,000 members. In addition, the company has implemented other health management programs on such issues as smoking cessation and congestive heart failure, with plans to launch at least eight additional programs in early 1997.

### What Is the Future of Disease Management?

The initiatives discussed here make it clear that the principles of disease management are being put into practice in a variety of ways. However, because the results of the initiatives are incomplete, disease management technically remains theoretical. By its very nature, disease management as a topic of discussion demands committed study of its application to thousands of patients over a number of years. Consequently, definitive proof of the value of disease management—and of the best ways to provide it—will not emerge for another 5 to 10 years.

Eventually, the evolutionary process will produce a configuration that may resemble, but that also may differ significantly from, current disease management concepts and initiatives. New and innovative strategic partnerships will continue to be forged. For example, partnerships will emerge among both traditional managed care organizations (ie, HMOs, preferred provider organizations [PPOs], mental health benefits managers, and dental benefits managers) and new players from the pharmaceutical and health insurance industries.<sup>5</sup> The mode of delivery of disease management services undoubtedly will vary from plan to plan, and

from disease condition to disease condition. Advances in information technology will permit the coupling and integration of carve-out initiatives and disease management projects that are developed and administered internally. In any case, the future of disease management will assuredly hinge on the processes of total health management.

### Discussion

The guiding principles of disease management, a population-based approach to improving healthcare, have gained attention as a possible way to achieve a "cure" for the ailments of the US healthcare delivery system. Disease management attempts to break down the walls in the system that hinder disease prevention and full-time health management. Episodes of treatment are being replaced with continuum of care. In time, after "hard" documentation confirms its value and optimal methodology, disease management will change the way in which all Americans receive healthcare. Rules of coverage, imposed by plan administrators, will become more flexible to ensure access to appropriate care in the appropriate settings. Providers will have incentives to assume complete management of patients and their healthcare. The interrelationships among all providers will play a greater role in managing the patient and in guiding the patient through the system. The delivery of healthcare is evolving from a system that treats acute problems into one that focuses on the interrelationships of primary caregivers in order to integrate disease prevention with long-term care and with all intermediary elements of care. As this evolutionary process continues, it is likely that disease management eventually will be referred to as "long-term health management" or "total health management."

However, only the providers of true managed care will be able to implement disease management (or health management) effectively. The resources necessary to promote better patient health must come from the complete integration of the entire continuum of healthcare services. This continuum is drawn from the providers of services (eg, primary care physicians, pharmacists, home care practitioners, health educators, therapists, laboratories, and PBMs), the plan administrator (eg, the HMO and PPO), and the patient. None of these elements can stand alone in the promotion of better patient health. Without the complete commitment of each of these players in the system, disease management will continue to be merely "disease treatment."

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