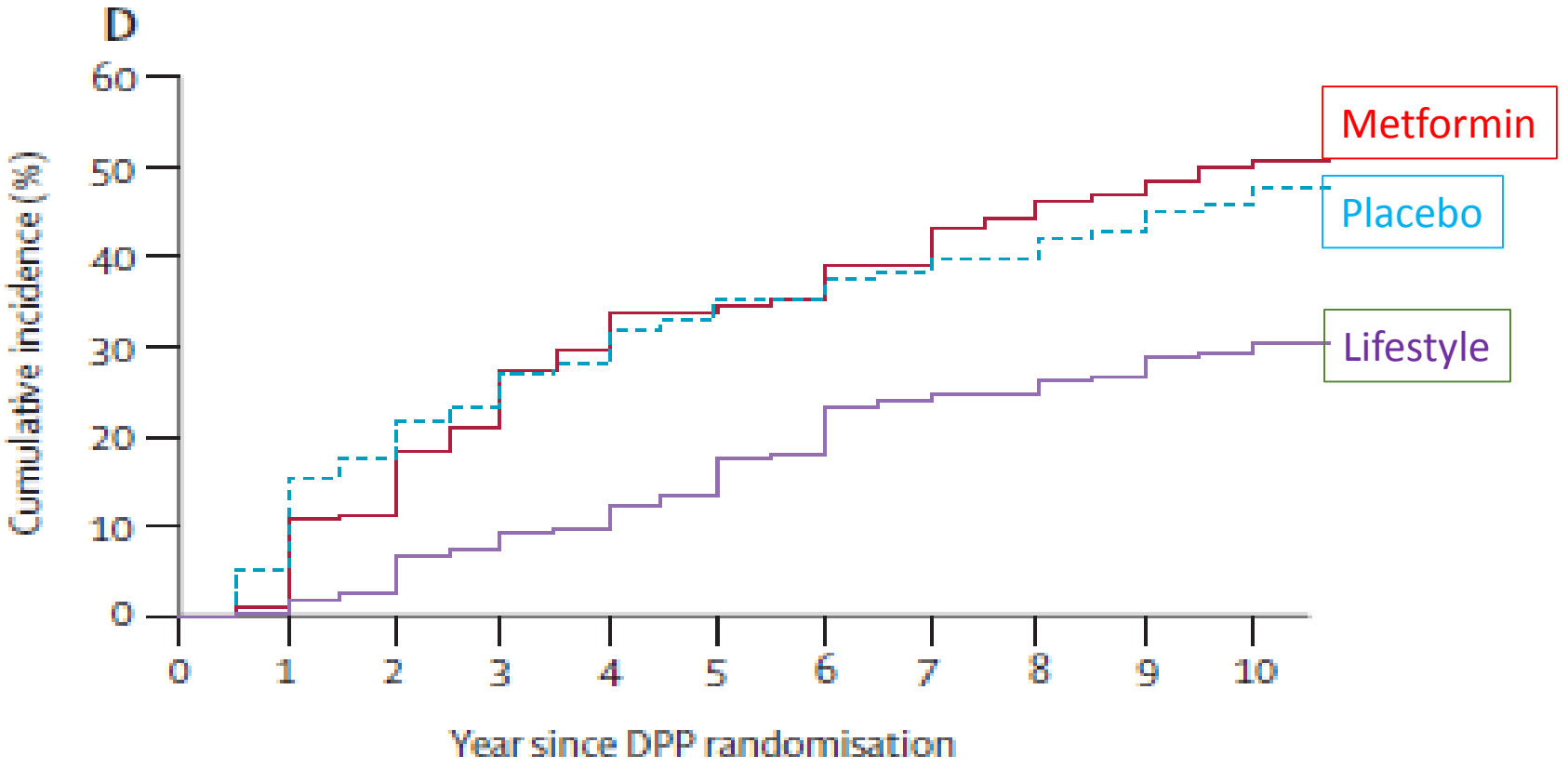
Value-Based Weight Management and Physical Activity: An Inside View of a Federal Payer's Decision To Pay or Not to Pay

Darshak Sanghavi, MD

Chief Medical Officer, OptumLabs

@darshaksanghavi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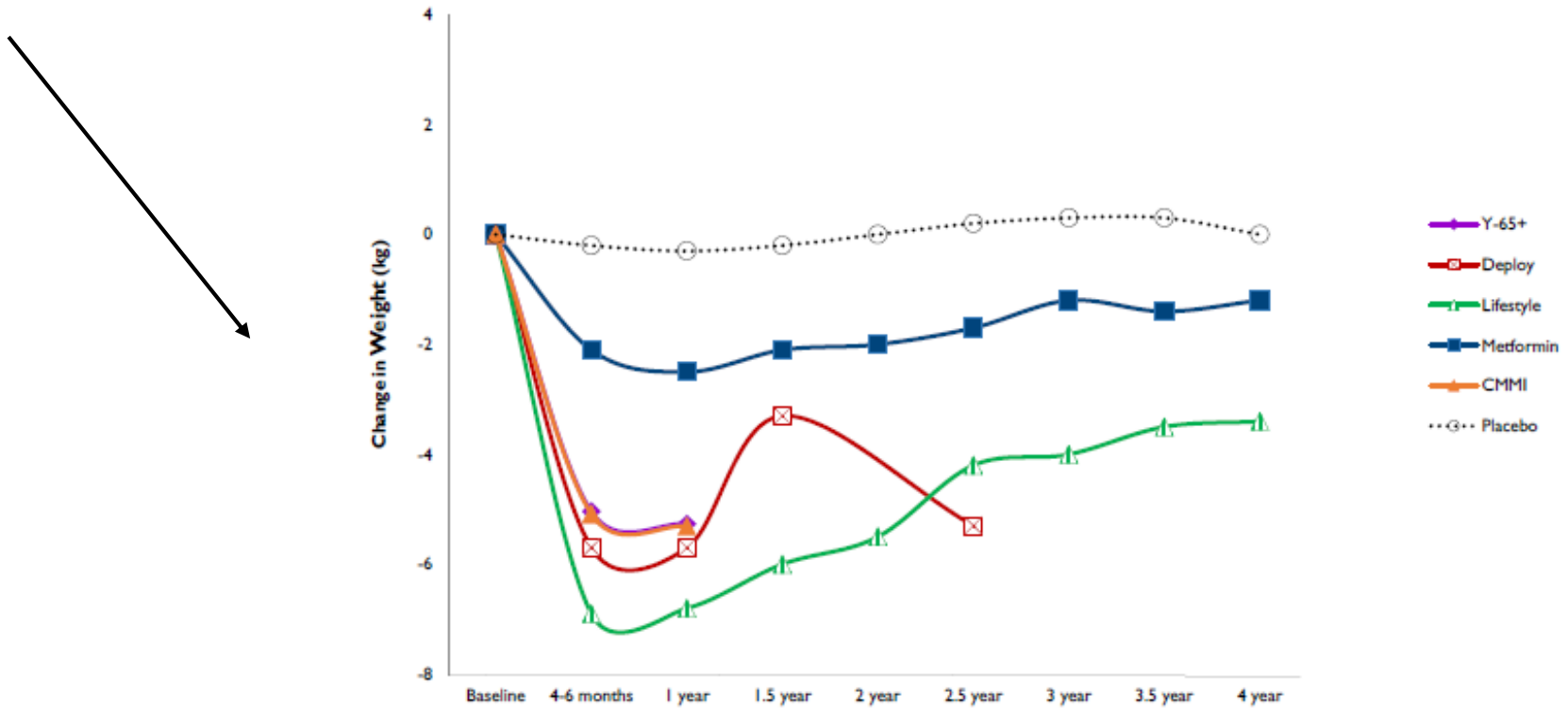
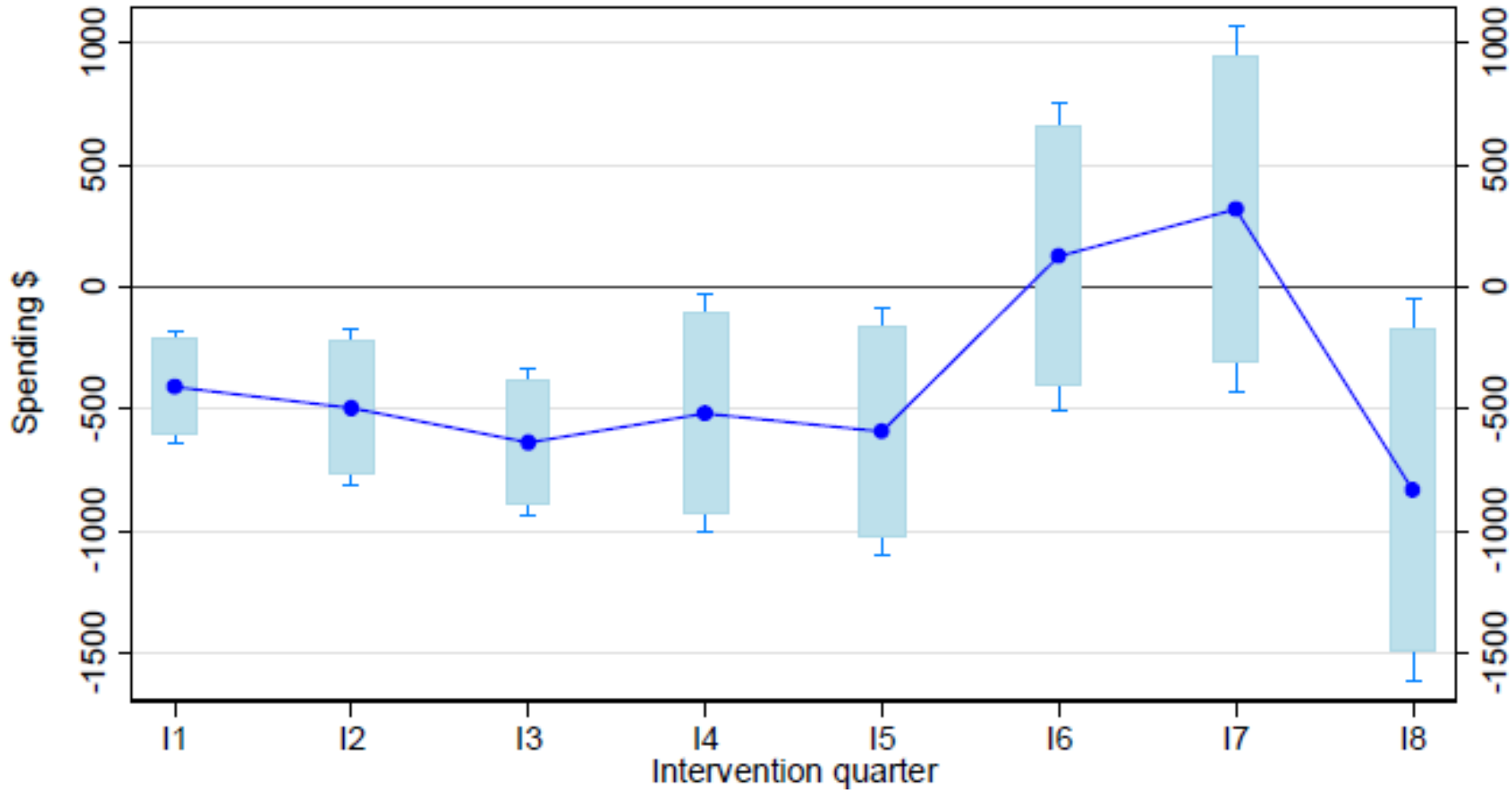
Cumulative incidence (%)
60
50
40
30
20
10
0
0
1
2
3
4
5
6
7
8
9
10
Year since DPP randomisation
Metformin
Placebo
Lifestyle

Background History and Challenges

- Y-USA wasn't a randomized trial, so no direct comparator group in terms of weight loss (and diabetes incidence was not assessed)
- Actual cost savings from preventive interventions over the life-time of a typical 3-5 year model may not be possible; required long term projection to find cost saving
- Sample size was small (~1000 FFS benes)
- DPP recognized entities like Y-USA weren't Medicare providers

Measure	Q1	Q2	Q3	Q4	Q5	Q6	Q7
Average weight loss for Medicare participants	—	—	—	—	—	—	—
Average weight loss for non- Medicare participants	—	—	—	—	—	—	—
Percent achieving 5% weight loss	—	—	—	—	—	—	—
Individual weight loss	—	—	—	—	—	—	—
Starting BMI	—	—	—	—	—	—	—
Average starting blood sugar levels (HbA1c, fasting glucose, other risk factors)	—	—	—	—	—	—	—




Spending $
1000
500
0
-500
-1000
-1500
I1
I2
I3
I4
I5
I6
I7
I8
Intervention quarter

Awardee Number	Description	Intervention Quarters							
		I1	I2	I3	I4	I5	I6	I7	I8
Intervention Group									
1C1CMS 330965	Y-USA								
	Spending rate	$1,384	$1,601	$1,435	$1,777	$1,723	$2,369	$1,907	$1,104
	Std dev	$3,815	$4,463	$3,656	$5,189	$4,370	$5,596	$4,154	$1,414
	Unique patients	1,679	1,429	1,136	765	515	362	138	57
Comparison Group									
1C1CMS 330965	Y-USA								
	Spending rate	$1,827	$2,125	$2,095	$2,271	$2,238	$2,184	$1,497	$1,726
	Std dev	$5,343	$7,746	$6,370	$8,419	$7,515	$6,079	$3,578	$4,682
	Unique patients	1,678	1,427	1,133	764	519	365	135	56
Savings per Patient		$443	$524	$660	$494	$515	−$185	−$410	$621

Service Provided	Payment
Core Sessions	
1 session attended	$25
4 sessions attended	+ $50
9 sessions attended	+$100
5 percent weight loss from baseline	+$160
9 percent weight loss from baseline	+ $25
Maximum Total for Core sessions in Year 1	$360
Maintenance Sessions (Maximum of 6 monthly sessions over 6 months in Year 1)	
3 Maintenance sessions attended with maintenance of 5 percent weight loss	$45
6 Maintenance sessions attended with maintenance of 5 percent weight loss	+ $45
Maximum Total for Maintenance sessions in Year 1	$90
Maximum Total for Year 1	$450
Maintenance Sessions After Year 1 (minimum of 3 sessions attended per quarter with no maximum)	
3 Maintenance sessions plus maintenance of 5 percent weight loss	$45
6 Maintenance sessions attended plus maintenance of 5 percent weight loss	+ $45
9 Maintenance sessions plus maintenance of 5 percent weight loss	+ $45
12 Maintenance sessions attended plus maintenance of 5 percent weight loss	+ $45
Maximum Annual Total After Year 1	$180

When A Wall Was Hit?

- In December 2015, OACT concluded that the DPP would result in net INCREASE in costs
- No change in input parameters or other assumptions could fix this
- The major driver: DPP would save lives, resulting in higher long term Medicare costs
- Following OGC and OA concurrence, a policy was posted online by CMS

To: Paul Spitalnic
Chief Actuary, Centers for Medicare &Medicaid Services

From: Patrick Conway, MD, MSc
Acting Principal Deputy Administrator, Centers for Medicare & Medicaid Services

Date: February 18, 2016

Subject: Actuarial Certification of Prevention Models

The goal of the Center for Medicare and Medicaid Innovation (Innovation Center) is to test innovative payment and service delivery models to reduce program expenditures while preserving or enhancing the quality of care furnished to beneficiaries. The Innovation Center is testing various innovative models that focus on improving outcomes for beneficiaries by preventing the progression of disease. As a consequence, beneficiaries may experience greater longevity as a result of these interventions.

One of the criteria for expansion of Innovation Center models under section 1115A(c) is that the Secretary determines that expansion is expected to improve quality without increasing spending or not reduce quality while reducing spending. The Centers for Medicare & Medicaid Services has made a determination that costs associated with expected improvements in longevity are not appropriate for consideration in the evaluation of net program spending.