

# Managing Expenses and Improving Outcomes

## Cost Containment through Care Management



*The following programs are already in place to assist us in providing high quality healthcare while still containing costs. We will continue to review, evaluate, and implement similar cost containment mechanisms—just let us know if there's a particular program you'd like us to investigate.*

### Case Management and Utilization Review

The PacificSource Health Services Department provides catastrophic and chronic case management services. Situations in which case management may be appropriate are flagged by identifiers such as daily hospital census reports, concurrent review, preauthorization requests, retrospective review, customer service calls, and our hospital audit system. Prospective case management begins with identifying clients with catastrophic illness or injury, mental health and chemical dependency, NICU, transplantation, home health/outpatient IV, and special needs, such as hospice care. An unusual diagnosis, prolonged hospitalization, or excessive charge can trigger retrospective review.

Once cases are identified for case management, they are referred to our participating hospitals and those with which we have contracts for special services, such as transplantation and open-heart surgeries. One of our Case Managers concurrently follows the inpatient stay on a daily basis, tracking the length of stay and assisting with discharge planning and procurement of outpatient services when necessary.

Treatment plans are usually handled in conjunction with the attending practitioner or on-site care coordinators. The case manager educates the patient and the healthcare team about case management, community resources, insurance benefits, cost factors, and all related topics, so that informed decisions can be made. The case manager encourages appropriate use of medical facilities and services, strives to improve quality of care, and works to maintain cost effectiveness on a case-by-case basis.

### Individual Case Management

Our Health Services Department provides individual case management for members who require specific help in managing their healthcare needs. Members are identified for this one-on-one assistance through several avenues including member, family, or physician referral, hospital review activities, preauthorization and referral requests, and claims review. We have a process in place to help ensure continuity of care for new clients and to prevent breaks in needed services. Healthcare coordination forms are available on the PacificSource Web site.

Case Managers build relationships to improve members' health outcomes and quality of life and to reduce healthcare costs. Examples of cases referred for case management include special-needs children, transplants, chronic pain, extended hospital care or skilled nursing, and coordination of home services and equipment.

### Transplant Management

PacificSource partners with LifeTrac<sup>SM</sup> Transplant Network to ensure that our members requiring transplant services have access to nationally recognized centers of excellence. Our Case Managers assist members by coordinating all phases of transplant services, including supplemental travel benefits when approved.

### Maternity Management

#### Prenatal Program

The Prenatal Program program provides an early assessment of the mother's risk for complications, subsequent education, and proactive management.

The program aims to encourage healthy pregnancies to decrease the incidence and severity of low birth weight infant cases. This is accomplished through:

- Early identification and management of increased-risk pregnancies
- Education on healthy pregnancy habits through e-mails, mailings, newsletters, books, and articles

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- Support for the physician’s plan of care in managing increased-risk pregnancies by encouraging compliance
- Assistance in arranging for services to support the physician’s plan of care
- Education and reinforcement of the signs and symptoms of preterm labor and the appropriate action to take when symptoms arise
- Telephone assistance via a toll-free number that allows participants to speak with a nurse regarding questions or concerns throughout their pregnancy

## Disease Management

### Integrated Services

Our cross-functional disease and case management team works with targeted populations and individual members who meet the following criteria:

- High prevalence rates or a large population with the condition
- High costs (charges per episode, high prescription drug utilization, etc.)
- High utilization treatment patterns
- Poor clinical outcomes
- Potential for patient lifestyle changes to improve outcomes

Our disease management model improves outcomes by focusing on prevention and resolution, increasing patient compliance, and providing full care continuity. Disease management is designed to assist members in managing conditions to improve their overall health and well-being. This is accomplished by:

- Offering access to best disease/clinical practice guidelines and most current information and technology
- Educating patients extensively and encouraging communication with their doctors
- Providing access to case management for members with advanced conditions or complications

### Disease Management Programs

We are pleased to provide these disease management programs and services with our group health plans at no additional cost to our members.

- Condition Management Program—for members with asthma (including members younger than age 18), diabetes, heart failure (HF), chronic obstructive pulmonary disease (COPD), or coronary artery disease (CAD). This program is available for groups with 51 or more employees. The program is also available to HealthyKids Connect and Portability Members.
- AccordantCare® Rare Disease Management Program
- Brown Bag Wellness Seminars tailored to the specific wellness interests of employers with 100 or more employees.

To learn more about these value-added programs, please see our Health Management flier or contact your PacificSource Sales Representative.

## Pharmacy Benefit Management

With our contracted pharmacy benefit management firm, CVS Caremark®, we have implemented several mechanisms to ensure appropriate, cost-effective drug therapy.

### Plan Design Strategies

We have a Preferred Drug List (PDL) that provides incentive for members to use generic drugs whenever possible. More limited than a standard drug formulary, the PDL includes approximately 430 commonly prescribed brand name medications. It’s an effective method of containing prescription drug costs.

In addition to the PacificSource PDL, our pharmacy plans are based on a “MAC B” cost structure that provides further incentive for generic drug use. Our participating CVS Caremark® pharmacies can substitute generic drugs for brand name medications upon request when generics are available, and when the prescription doesn’t specifically state “no substitutions.” Further, if a member chooses to purchase the brand name drug when an equivalent generic is available, the member is responsible for not only the appropriate copayment, but also the cost difference between the generic and the brand name drug.

### CVS Caremark® Specialty Pharmacy Services

CVS Caremark® Specialty Pharmacy Services is our exclusive provider for high-cost injectable medications and biotech drugs. A pharmacist-led CareTeam provides individual follow-up care and support to our members with prescriptions for specialty medications. The CareTeam provides comprehensive disease education and counseling, assesses patient health status, and offers a supportive environment for patient inquiries. We ensure that our members receive strong clinical support, as well as the best drug pricing for these specific medications and biotech drugs.

**Questions? If you need more information about our products or services, please contact us.**



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