

City of Springfield, Oregon

BUSINESS DESCRIPTION: Springfield is a municipality with 241 employees, excluding fire and police, and 1,140 covered lives with a fully insured benefit plan.

INITIATION OF VBID PROGRAM/STRATEGY: December, 2005.

PROGRAM OBJECTIVES:

- Promote a value-based benefit design similar to the successful one embraced by the City of Asheville.
- Produce evidence that the model, which waives copayments and provides pharmacist counseling for diabetics, could positively affect business.

PROGRAM COMPONENTS: Based on the Asheville model, the city conducted a study called EMPOWER for patients with both type 1 and type 2 diabetes. Patients were enrolled from December, 2005, through February, 2006. Copayments and coinsurance were waived for drugs and physician office visits related to diabetes control, and the intervention group also received referrals to a participating pharmacist for individualized consultation. The program focused on improvement in HbA1c and cholesterol levels, medication adherence, and sick leave.

PROGRAM RESULTS: Upon entry into the program, the mean HbA1c levels were 7.25 percent and 7.32 percent for those in the control and intervention groups, respectively. After the waived copayment for both groups and additional counseling for the intervention patients, HbA1c levels decreased 30 percent and 50 percent for control and intervention groups, respectively.

The study also looked at the percentage of patients at an HbA1c target level of less than or equal to 7 percent, as recommended by the American Diabetes Association. Data showed that in the control group the percentage that achieved the target level decreased from 50 percent to 48 percent before and after the program, but for the intervention patients the percentage rose from 46 percent to 63 percent.

Mean serum cholesterol dropped by 8.7 mg/dL for the control group and 13.5 mg/dL for the intervention group, while LDL decreased by 1.6 mg/dL and 5.8 mg/dL for the two groups, respectively. On the other hand, HDL decreased in both groups. Sick leave decreased dramatically for those in the intervention group, from 83.7 hours to 68.4 hours, but rose for the control group, from 87.7 hours to 90.4 hours. Although the average cost per intervention patient was \$950, compared to \$500 per patient in the control group, intervention patients showed better glycemetic control and took fewer days off work.

Ardis Belknap, human resources manager for the City of Springfield, Oregon, is optimistic that the program may translate into improved health for those with diabetes – not immediately, but in the future – and remove barriers to access to care. She says that the value-based design has been adopted by other employers and organizations and is slated to include more diseases, such as depression. Because of the success of the program, the benefit became a regular offering available to all covered lives with diabetes in early 2008.