WORKING DRAFT

Last Modified 09/11/2011 10:13:42 AUS Eastern Standard Time Printed

PCEHR – benefits at stake and the role of Health Insurers

AHIA

Conference presentation 9 November 2011

CONFIDENTIAL AND PROPRIETARY
Any use of this material without specific permission of McKinsey & Company is strictly prohibited

Today's discussion about the PCEHR

What is the value at stake?

What will it take to realise the value?

How can Health Insurers contribute?

Printed

There are 5 high-level categories of direct benefits for the PCEHR

Quality



Quality of care

- a Improved assessment
- a Improved treatment
- Increased consumer participation
- a Improved preventative care

Safety



Safety of care and services

- a Reduced errors
- a Promotion of the health of the population

Access



Access to health services and care appropriate to patient needs

- a Improved access to providers according to clinical and personal need
- a Increased choice
- a Increased responsiveness

Efficiency



Efficiency of care and services

- a Higher clinical efficiency
- a Improved use of funds
- a Improved use of infrastructure

Population †

Healthier and more robust population

- Support of government initiatives
- a Increased innovation
- Enhanced workforce
- More resilient economy

The PCEHR creates potential value oportunities for private health insurers and their members

In the short term



- Improved continuity of care and health out-comes for members that transition between care settings (e.g. chronic care patients, mobile patients, presenting to ED)
- Greater member involvement with own health and healthcare via update of consumer portals
- Ability to provide timely recommendations to members based on primary care data (e.g., "flag" to enrol in a program)
- **M** Streamlined administration

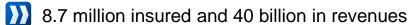
In the longer term (subject to legislation)

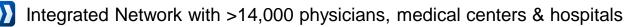


- De-identified population data analysis
- Improved clinical decision support for health service provision
- Stronger relations with members (through delivery of more value-added services and interfaces)

Kaiser Permanente uses EHR to drive new program for patients with CAD











Key facts of program



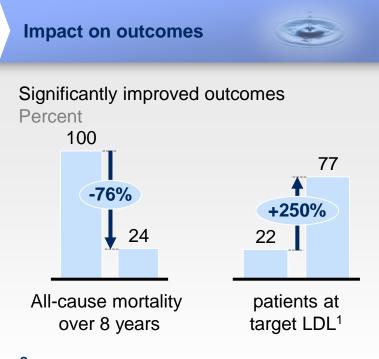
- Collaborative Cardiac Care Service for patients with CAD
- Started in 1996, now 12,000 patients enrolled



disciplinary teams facilitated by integrated IT tools such as electronic medical records



- Real-time electronic medical record as key enabler
- Detailed tracking of pathways and performance



Annualized savings of \$3m/year based on a reduction of 266 major cardiac events/year

1 Low-density lipoprotein cholesterol

Kaiser leverages the potential of an EHR with value-added enhance for its members and network physicians





Information management

- KP HealthConnect (EMR¹)
 - All interactions, treatment choices, test results and medications documented



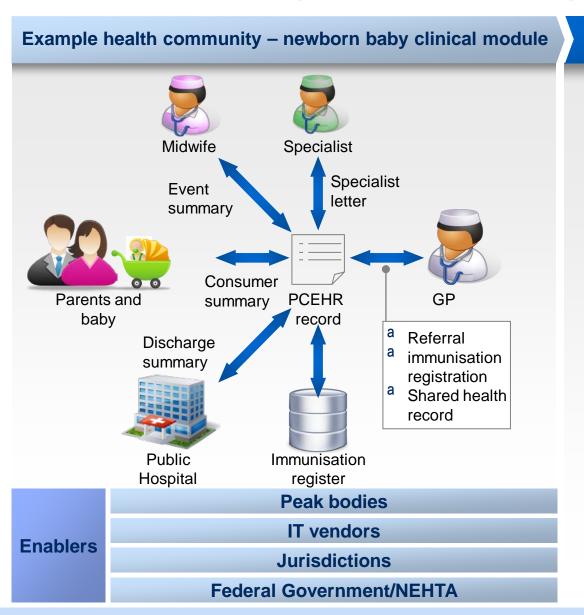
- Continuous tracking of outcomes to identify abnormal values and periodic review to reinforce prescribed therapies
- Scheduling of follow-ups according to care pathway
- Reminder system for patients
- KP "My health manager"
 - Online at-home access of personal health information for patients



Impact on stakeholders High satisfaction rate with care Percent being (very) satisfied 95 88 **Patients Physicians**

Self-scheduling of appointments

Benefits realisations requires coordinated adoption in local systems



Features of the system

- Geographical granularity people see providers in their local area
- Requires coordinating multiple players
- Feedback loops critical mass of stakeholders needed

PCEHR adoption will be a journey



Usage and benefits will increase over time as:

- Adoption of current functionality increases (e.g., by consumers, GPs, AHPs)
- Additional functionality is incorporated in PCEHR National infrastructure or 3rd-party applications, e.g.
 - Clinical decision support
 - Broader medication management functionality (e.g., consolidated medication lists)
- New or improved models of care are designed and adapted, using PCEHR functionality

How Health insurers can contribute to PCEHR adoption and benefits



Example actions

- Joint public statement of support
- Direct communication with members encouraging registration and sharing registration guidelines
- Assisting registration of members via existing support channels
- Sponsorship and development of consumer-side applications to enhance value to rest "at risk" members
- Making 3rd-party applications available to members (e.g., health assessments)
- Transitioning existing applications and databases to a conformant repository

Questions?

