



Expert to address value-based health care to city coalition

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05/20/2010 12:00 AM | Updated: 08/08/2014 9:57 AM

Here's A. Mark Fendrick's take on what's wrong with the current system of health care:

The typical patient pays the same amount for a drug that cures his diabetes as for a drug that cures his toenail fungus.

Employers "should insist on buying those services that produce health," not ones that treat every doctor's visit or prescription or procedure the same, he said. That does nothing to better health.

It's time, he said, to return health to the health care debate, which until now has been all about cost.

Fendrick is co-director of the University of Michigan's Center for Value-Based Insurance Design.

He'll be in Wichita as the featured speaker at Friday's annual meeting of the Wichita Business Coalition on Health Care.

The center, in Ann Arbor, Mich., was established in 2005 to develop, evaluate and promote value-based insurance initiatives.

"This is all about business," said Fendrick, who is a practicing physician.

In a phone interview, he said value-based insurance design isn't a panacea for health care's ills.

But, he said, it does make sense to align consumer incentives with the results that employers are seeking. The goal of value-based insurance design "is to maximize the amount of health you get at any price."

That fits with the mission of the Wichita Business Coalition on Health Care, which came into existence in May 2008.

According to a presentation Fendrick gave earlier this month, only 45 percent of those with diabetes get the care they should. The numbers are similar for other chronic conditions. When co-pays for medication, doctor's visits and testing go up, adherence drops even more.

Pitney Bowes tried to change those numbers among its employees by lowering co-payments for asthma and diabetes medications in 2001, to encourage employees to take them as directed. The company saved \$1 million from reduced complications, Fendrick's center says.

Fendrick said about 200 organizations have value-based insurance designs now.

The Wichita school district is among employers who have used value-based insurance design, by making routine diabetes care more accessible for employees. As a result, its health care expenses have gone up at a much slower rate.

In Fendrick's presentations, he stresses to employers that they are the ultimate purchaser of health care but have been left out of the discussions about what they're getting for their money.

"I'm not a blamer, but it's clear that there has been a lack of attention to where the money is going from all the key stakeholders," he said.

He knows the Wichita Business Coalition on Health Care has focused efforts on value-based purchasing. His point in speaking here, he said, will be "to energize them further and help them along."