Talking Pop Health
Episode 5: Dr. Sadhna Paralkar on employer health care initiatives
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Eric Tower: Welcome to the Thompson Coburn podcast series Talking Pop Health. I'm Eric Tower, a health care transactional attorney at Thompson Coburn. In our last episode we chatted with Mike Englehart, Senior Vice President Medical Groups and Ambulatory Strategy at Trinity Health care, about acute care and medical care transformational strategies, and establishing clinical alliances and strategic partnerships. In this episode, we're shifting gears and introducing Dr. Sadhna Paralkar of Segal Consulting Group. In this episode, we're going to explore how large employers view and buy health care for their employees and what initiatives they are considering to keep health care costs under control.

Welcome, Dr. Paralkar. Why don't we start off with you telling us a little about your career and what you've done?

Sadhna Paralkar: Thank you, Eric, for having me. I'm a physician by training but I switched to non-clinical track a long time ago, pretty young in my career. Right after my Masters in Public Health, I started working for a large employer here in Chicago for Navistart and that was purchasing health care from a large self-insured employer side. After that, I moved to United Healthcare. Kind of learned my one-on-one of managed care. Now I am in the consulting side of health care where I'm helping large employers buy health care for their beneficiaries. So all my career really, I have been in employer consulting as well as managing care side of things.

Eric Tower: Obviously because you're on the broadcast we can assume that employers are really interested in population health. How do you define population health care?

Sadhna Paralkar: Absolutely, population health is what the employers who are self-insured for their population have to manage. When you talk about population health it is really the health outcome of a group of individuals. Whether they're employees, the membership that is sponsored by a particular health plan but it's really a group of individuals and their health outcome including the distribution of such outcome within the group. So regardless of how you define the group, it's not individual health care anymore. It's about the health of the group. And that's where you have to sort of strategize within the group, see how the health of the group is behaving in terms of their distribution and then manage it accordingly. Do you want me elaborate?

Eric Tower: -- yeah, please.

Sadhna Paralkar: On typical normal occurrence sort of speak you do have about 80 to 85% of your people who are not consuming any health care so they are healthy people and then the rest of the 15 to 20% is the group that really consuming health care. Every payor of health care, whether they're a self-insured employer or they insure health plan, should have a good idea about what that group is and how that group is behaving in terms of health care.

Eric Tower: Why do you think employers should care? I mean, you offer insurance and your employees either use or they don't. Why should they get involved with population health?

Sadhna Paralkar: Yes, mainly to control health care costs. As we all know health care costs continue to rise; they will continue to rise. We are living longer. We are not living with any discomfort anymore so for every illness and discomfort there is a drug, there is a treatment, there is some sort of imaging so all health care costs are just going to continue to rise. The objective of population health is really to keep healthy people healthy, to keep the at-risk or people with chronic illness managed unless better and then the episodic management. I call that catastrophic or chronically ill people managing their health in terms of getting them to the right providers, getting them to the high quality and making sure that they are getting the care they need at the time they need. So when you do all these things together, that's where it involves in population health which eventually does lead to managing costs sort of speak.

Eric Tower: Let's get an understanding about what you mean about costs. Are you talking about the cost of the insurance product or the medical care or how do you define the cost?

Sadhna Paralkar: Thank you for asking that question because everything I'm talking about today is really about employers' health care costs. The health care expenditure that they have to pay on behalf of their membership. By employer, I mean either a self-insured employer or a trust that is owned by a union label association or a public sector employer. But those who are insuring their members, even though they are self-insured, it's the expenditure on health is what I'm talking about, that continues to go up, double-digit plans and they need to have some handle on how to manage it.

Eric Tower: Why don't you tell us a few approaches that employers are using towards pop health at this point.

Sadhna Paralkar: It's really when we did – it doesn't start with the diagnosis. I mentioned earlier that about 80% of your people are healthy but the remaining 20% is usually what consumes 80% of the health dollars that the group spends on their health care. I recently saw the statistics that the top 1% of the high-cost claimants, we call them high-cost

claimants, or the people who cost the most who are either chronically ill or have catastrophic cases, they consume about 30 to 33% of the entire expenditure of that employer. There is not much you can do about it – about that particular population other than just making sure they are using the right providers, they have an accurate diagnosis so we have programs like Second Opinion and then early intervention with high-quality providers. But the remaining population, for example, my middle bucket which is at-risk individuals getting better or people living with some sort of illness that's manageable. Diabetes is a great example. A diabetic can manage his or her health by following certain diet, weight management. They need to kind of be on the drug if they need to but they can completely sometimes manage by lifestyle modification.

The Type II diabetes especially. So those are the ones that we think the population health can help with health education by managing their endurance to the drugs that they should be taking, by self-care as well as some of the core morbid conditions like obesity, if you manage that well by diet and nutrition. And then the healthy bucket is the 80% of the people who have no illness right now. The objective is to keep them at that level and prevent them from moving from the healthy to the at-risk bucket. And that's where most of the wellness efforts come in. Which is really promoting healthy lifestyles, doing some health risk assessments so you know where they stand in terms of their risk, engaging them in preventative screening, getting them to do flu shots and other immunizations, other self-care education as well as promoting healthy lifestyle. There is one statistic that there are 8 behaviors and risks that result in the top 15 most costly conditions and these behaviors are something that we try to alter by doing a variety of different things and trying to engage the population in a variety of ways.

Eric Tower: What are the eight activities?

Sadhna Paralkar: The eight lifestyles or behaviors are poor diet, physical inactivity, smoking, stress management, lack of health screening, alcohol consumption, poor care compliance or adherence to drugs and inefficient sleep. Those are the 8 behaviors that lead to top 15 of the most chronic conditions and they make up the 80% of the cost. Those are very, very high-level statistics. But if you just focus on those conditions and behavior alteration, lifestyle modification plans like healthy nutrition and coaching on – cooking classes or education on what's healthy to eat. Physical activity and getting people to be active about their physical health. Avoiding risky behaviors like excess alcohol consumption or tobacco smoking, quitting smoking. Wellness screenings, which are very important for some of the cancer screenings and I have many, many cases where I've heard early screenings did help them detect cancer earlier and with the treatment earlier. The most challenging is stress management. Everybody has stress in their life and it's impossible to tell somebody not to have stress. Instead, show them how to deal with it when you have stress

in life with whatever cause it is for, that's where we have to make programs for people to go to or seek care from.

Eric Tower: What organizations standout to you as being particularly successful in this area?

Sadhna Paralkar: There are organizations that have been doing these wellness programs for a long time and that's where they're able to develop the culture of wellness. And I strongly believe in that culture. Where you are of a group or a community where everybody's engaged in a healthy activity, you are bound to do that. And that's something that we found out through extensive research we did in what motivates people to take care of their health. There are two kinds of motivations. One is intrinsic motivation and one is extrinsic motivation. So organizations often offer incentives for employees to engage in certain behaviors. But those incentives only go a short way, they usually do the least necessary thing and they result in short term behaviors but they don't necessarily do that long term.

For example, giving somebody an incentive to finish the health risk appraisal or health risk assessment or get them in a biometric screening. That's something that will result in a short term behavior. But the organizations who have had or seen success in healthy employee behavior is really working on the intrinsic motivation which sustains the behavior change. Which is what's in it for me? And what is everyone doing about it? So that whole culture is where – this is where the culture comes into play. Where you do a certain activity because you're part of a group that does that certain activity. There are people who take walks during lunch, for example.

There are activities where groups are – they compete with each other and I'm talking about workplace wellness, the different locations or different groups compete with each other for finishing certain kinds of wellness activities which is like either walking or taking part in biometric screenings or some of the other activities I talked about earlier. Participating in lunch & learn sessions, online health education classes, gym memberships, provider employer-paid fitness trackers and the use of that. Those are the kinds of activities that people engage in. That's what creates that culture and what we've seen is companies who engage in these cultures or organizations who engage in these activities for a long time create a wellness culture. Which is what yields success into keeping that healthy population healthy. Employers can do very little about preventing some sort of hereditary diseases or genetic diseases or accidents for that matter, we can do very little about but these are the areas where chronic illnesses can be prevented from going good, to bad, to worse. That's where some of these activities come into play.

Eric Tower: How do you respond to an employee who says hey, I work here; I don't want this company getting all this information; I don't want big

brother looking over my shoulder. How do you get the employees to accept that?

Sadhna Paralkar: Every wellness activity and program that an employer holds out has to be HIPAA compliant. Patient privacy is of utmost importance and unless the patient willingly participates in those, you cannot force somebody to participate in these programs. It is completely up to the employee to decide whether they want to participate and engage in wellness activities or not. No HIPAA, patient privacy information is shared with the employer in a way that will violate any of the laws that govern the health benefit area so that is definitely taken into account and the – really the onerous is on health education. About educating the employees, about what is good for them, what is healthy for them, what is good for them when they're not even employed with you but when they're old, what healthy would be retirement and living life healthy once you're retired as well. So that education, the way you give it and for how long the organization has been doing it, all that plays a role in employees willing to listen to that message.

Eric Tower: Does that lack of information that the employer has make it harder or more challenging to create that culture of fitness? How have people found a way to kind of address that?

Sadhna Paralkar: You cannot start without having any baseline data to know whether your program is working or not. You can definitely keep on doing all these programs because there is – no matter what the data suggests, it still works best if you educate your employees on healthy nutrition and help them quit smoking and help them with getting physically active and it will teach them about how to engage in healthy sleeping activities, make them engage in preventative care.

All of those things you can keep doing without having any data. So those are sort of the healthy behaviors that we were talking about earlier. Where the data is important is to know what you're doing is actually yielding results or not. So we have some metrics that we have created to gauge the success of the program and if the metrics are going in the right direction which are directionally favorable, as I call it, that means your program is working. It may not necessarily reflect on your health dollars because what you spend on health care as an insurer, a self-insured employer, depends a lot on other factors, what new drugs are coming in the market. We are actually creating cures nowadays or finding cures for diseases we didn't even know existed 10 years ago. So all of those things play a role in increasing your health care cost going forward anyway but if some of those metrics, meaning population as a whole, are they getting better? Are they getting healthier? We have some metrics that can tell you whether your wellness program is working or not, just based on those metrics.

Eric Tower: Are those focused on particular morbidities or is this some sort of way of scaling across the entire population?

Sadhna Paralkar: No, they can be scaled across the entire population. But particular morbidities like diabetes or cancer patients or hypertension patients, whether they are taking their medications or not, your claim that I can tell you because you know at what interval they refill those. So that means they are compliant with the medication that was given to them. Some of the biometric screening data can tell you a lot about whether the population as a whole getting better in terms of their weight management. If the smoking numbers are dropping year after year, that means your smoking cessation program is working. Eventually it should reflect in some of the utilization patterns as well. If people are using emergency rooms less. If people are using specialists care less. Primary care visits, I would encourage them to do, at least, their annual preventative screening, actually the whole study but even if it goes up we know they have a primary care physician that they are seeking care from. But some of the metrics we look at are also utilization methods that I mentioned earlier that can tell you sort of the movement of the population as opposed to just health care dollars.

Eric Tower: So this isn't a very simple three-point targeted observation. You're really looking at a whole slate of different factors and coming up with a picture based upon that, right?

Sadhna Paralkar: I can tell you for a large group of the population's chronic conditions that make up the top 4 complex conditions are chronic conditions that can do more 25% of your cost are usually cardiovascular disease, musculoskeletal disease, cancer care and chronic kidney disease, chronic renal disease. Those are your four chronic conditions that are predominant reasons of your more than 25% of your dollars. And then you have some of the wellness activities that I talked about or the lifestyle drivers of chronic diseases. That give rise exactly to that so if we work on those eventually we should see some benefit of engaging in those wellness activities in reducing these types of chronic conditions. That's the ultimate goal.

Eric Tower: So conceptually you start with those four conditions and you try to get programs up that address those conditions and that's really the initial focus for when you start of these programs?

Sadhna Paralkar: Exactly. That is exactly the initial focus when you start with the program is focusing on these conditions which are really the result of those 8 different high-risk behaviors that I talked about that we can alter and then there are different activities that you can engage in which result in those – in reduction of those 8 behaviors that ultimately give risk to the chronic condition. So it does depend a lot on the person's willingness to even undertake those. That's still a million-dollar question.

Eric Tower: How did demographics and social-economic factors tie into this?

Sadhna Paralkar: Changing demographics has been a very interesting topic to me. A few years ago I studied the millennial population and I wrote a small

article on that. The millennial's behavior in health care, it's a positive trend because they have so much information available to them. In that demographic, the positive – the ability to have that health education at their fingertips has helped them a lot in understand how to eat healthy and how much physical activity they can engage in because of the tracking devices that have made available to us.

All of that is a positive moment, especially with the changing demographics. The older population, on the other hand, did not have all these means of instant information or tracking devices. At that time we used to engage in mailings at home and a lot of times they were probably unopened. But again, the invention of smartphones has come to our rescue.

Eric Tower: So you've been doing this 24 years. Have you seen an evolution in how patient engagement occurs? You've eluded to that with the millennials and with the cell phones but why don't you take us back and tell us here's what we used to do and maybe we go forward and figure out what are some of the things you see that you think are particularly interesting in going forward.

Sadhna Paralkar: When I started in this career 20 plus years ago, we used to actually send mailings to people's houses. Half of the time we didn't have the correct address or they were unopened. So I think most of that effort was wasted. Anything we did at the workplace or worksite was because people at least would come to work and they would see the flyers in the lunchrooms and some healthy activity competition going on at work – they would see that through a flyer. Not everybody had computers at work at that time so the email was not prevalent as well.

As the years go by the usage of emails became more and more predominant and it was a more targeted communication you could do using emails. When I was talking about earlier when we used to send flyers at home, as you know, chronic care management or disease management where a third party would pick up the phone based on your claim data and they would call to people houses. Most of those calls probably went unanswered, too, because those were calls from some random professional that you don't want to hear from especially if the calls comes during your dinner hour or when you're not home. Those were wasteful as well. But then the smartphone came and I'm particularly excited about smartphones because you can develop apps that people like.

Let me come back to another evolution which is the tracking devices like your Apple watch or a Fitbit. That's something somebody's wearing 24/7. We were simply not privy to that data before about how much you walked today. We just take it based on what the people would tell you or based on the distance that I walked from the train station to the office but now the tracking devices and actually monitor their walk even within the office. So if somebody's taking the trouble of taking the stairs or walking everywhere within the building, it tracks

their steps as well and they can get rewards or incentives based on the walking they completed and nobody has to lie about that data because that data you can feed directly the monitoring device if they are willing to do so, obviously.

Eric Tower: We've talked a lot about physical health. How do you feel behavioral health interventions tie into pop health?

Sadhna Paralkar: That's a difficult one. That's a very difficult one because behavioral health is a – still a very delicate issue and people may or may not seek when they should. A lot of times they don't even know they need to seek care because if you're depressed you don't know that you're depressed. Again, the health education has helped us in kind of making people aware that they may need help. What we have observed is the millennials population is more open to seeking behavioral health counseling. They're okay to tell each other "hey, I'm going to see my shrink today". As opposed to the previous generation where it was sort of looked down upon or taboo.

So behavioral health has been a tricky issue but area that I see very often with behavioral health is tele-health or tele-medicine. Having run some of the behavioral health programs…we know there is a big scarcity of behavioral health professionals in some parts of the country, but tele-health is really here for the rescue. We've seen some statistics from tele-medicine organizations where they are fulfilling the void of behavioral health counselors in areas where there was a lack of those professionals. By having tele-health available to them, obviously, you have to still abide by the state rules of licensure, which they all do. A lot of physicians are licensed in multiple states so you could be seen by somebody from outside the state as well. But that counseling works very well because it is a one-on-one counseling. You can do that at the privacy of your home or office and you don't need much physical contact. So all of those things are favorable for delivering behavioral health counseling through tele-medicine. And the younger generation is adopting it very, very quickly.

Eric Tower: So what are some ways payors of health, employers, you know, advance in population health?

Sadhna Paralkar: Self-insured employers typically engage in population health by hiring a specialized vendor to deliver that. Some of your large payers, like the BUCAs (Blue Cross, United, Cigna, Aetna) as, we call them, they do have their own wellness/chronic condition management, subset of forms that they can have your employer contract with. It's usually an add-on benefit or it could be part of the entire bundle that they're offering. But, that's usually not a core competency of most of the large payers. We rely on some of the specialized providers to help our self-insured clients buy population health programs, like the wellness or chronic condition management or even tele-medicine. Even though it is sort of…could be available to your payer, we think it's best done by

a third party, just because they have spent more time researching and delivering those programs based on their experience so far.

Eric Tower: Do you think a utilization review is an effective tool in the context of population health?

Sadhna Paralkar: Not so much population health per se. Utilization review is an effective tool just to make sure that the right coverage is made available to the right member if it is part of their benefit plan. It is also useful in weeding out some excess or unnecessary services that could be asked by the provider community of that patient as well. So, it's helpful in utilization management, but I don't necessarily call that population health management.

Eric Tower: Right. Where do you think the future's going, in say, the next five years with population health. Are there any trends you're seeing or anything particularly exciting?

Sadhna Paralkar: So I actually feel, as I mentioned, the exciting things are the smart phones and the wearable devices. And those are really, really, adding a lot of value. I really think the future of health care is in the smart phone. Whether you – how you consume health care, how you educate yourself, and how you monitor progress, how you – kind of reward and send somebody and them reward them. Everything can be done through smart phones.

The wearable technology is another one that helps you track your progress. But that also allows us to have this personalized communication, which I think is very important for somebody to engage a consumer. The personalized communication – my Apple watch every day in the morning tells me, Sadhna you closed two rings yesterday. There will usually be three fitness rings that are available on your Apple watch will know and it tells me that personally, "Sadhna, you can still do it. Get all three today. You closed one yesterday, get all three today." That kind of personalized communication I think is very important. It tells you to stand every hour because that's one of the goals is to stand every hour.

And then the interactions that you can have, you can share your available smartphone data with a group health population so there is a competition involved. If I share my data with some of my peer groups – today I'm ashamed to do that because I didn't really walk much today. But on the day that I really do well, I love to share it with my group. And it's one of those things that makes you engage in the right behavior if you have groups. Integrating this technology with providers is something that we all need to do. We don't do a good job of that. We are then, I mean, by that I mean either the employers or the payers, we don't do a good job of integrating this with the physician community or the provider community. This message to lose weight and to kind of take care of better health of yourself. If that message comes from that person's physician it is taken much, much, much

more seriously by the patient. So if we have that information, about like the weight gain, that the physician otherwise doesn't know, if we shared it…if we shared that with the patient's physician, the physician's advice to the patient about losing weight is taken much more seriously and is much more effective. So I think we can leverage physicians by use of these devices as well where you kind of create the eco-system.

Eric Tower: You set forth a lot of factors that really make it seem that pop health can be quite successful in the workplace. Can you address the population health outside the workplace and why it might be effective or not or what particular hurdles you see in that regard?

Sadhna Paralkar: My experience really is limited to the workplace, so I cannot speak much about outside of workplace. But, if again for population health you need to be part of a group or…but a group of individuals so you could be part of a church or part of a school or school district and that could be the population health and that's where they can have programs where one school competes with the other for their children's healthy behaviors. I would say that is part of population health or one church can compete with the others if they have programs within the church which are about nutrition counseling and weight loss and smoking cessation. So I've seen some of the communities engaged in that, as in public community, a public park. One public park engaged in competition with another public park about who's population ran most that month and if you have communities involved in doing that, that becomes population health outside of workplace. But again, you have to have certain ownership as well as certain incentives in engaging in that. Employers have that incentive because their hope is they're going to manage costs by engaging in population health because I'm preventing these people from getting from bad to worse or getting from good to bad. I want to keep my healthy people healthy so they cost me less. The ultimate hope is that they cost me less when they are employed with me.

Eric Tower: Well, Dr. Paralkar, thank you so much for appearing on Talking Pop Health. If anyone has any questions, followup criticisms, concerns or anything else, please feel free to email me at etower@thompsoncoburn.com. Thank you.

Sadhna Paralkar: Thank you, Eric.