

The societal impact of pain from a payers point of view

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DAK-Gesundheit: Germany's longest-standing and third-largest SHI company is a quality leader

- Germany's third largest nationwide statutory health insurance company
- Health experts since 1774
- Approx. 6.5 million insured, approx. 8.8% market share
- Annual expenditures [2011]:
EUR 18.4 billion in health insurance
EUR 2.5 billion in nursing care
- Drug spendings [2011]:
EUR 3.9 billion
- Test winner – many awards for quality performance and services

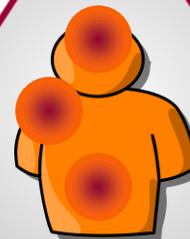


In its healthcare offering, DAK focuses on the benefits for all involved

- Easy access to specialist
- State-of-the-art treatment
- Short waiting times

- Innovation
- Guideline orientation
- Service provision in line with requirements

**CUSTOMER
BENEFIT**



Pain

- Containing cost increases
- Reducing healthcare service consumption over time
- Ensuring risk structure equalization (RSA) margins

QUALITY

**COST
EFFICIENCY**

The large number of prescriptions makes pain a relevant issue for DAK

Type of medication	No. of prescriptions	DDD volume	Rank in DAK drug spending
DIAZEPINE, OXAZEPINE etc. (N05BA)	> 260,000	> 9,300,000	13
NATURAL OPIUM-ALKALOIDS (N02AA)	> 490,000	> 8,900,000	14
OTHER OPIOIDS (N02AX)	> 789,000	> 21,600,000	34
COXIBE (M01AH)	> 175,000	> 8,800,000	70
OTHER ANALGETICS AND ANTIPYRETICS (N02B)	> 115,000	> 3,200,000	80
Total	> 1,829,000	> 51,800,000	

1) Number of insured including double counting

2) The figures shown relate to total drug spending by the insured affected

Source: DAK Q4 2009 until Q3 2010

Legislators have also realized the relevance of pain and given it explicit consideration in AMNOG

Regulation on the assessment of drug benefits

§ 2 Definitions

(3) For the purposes of the Regulation, the **benefit of a drug** is defined as a **relevant** therapeutic **effect on the patient, especially** in terms of

- Shorter disease duration
- Longer survival
- Reduced side-effects

or a general **improvement** in the **quality of life**

IQWiG¹⁾, general methods for assessing the ratio of costs to benefits, Oct 12, 2009²⁾

EQ-5D: A tool to assess the health-care-related quality of life across diseases in terms of everyday activities:

- Mobility
- Self-care, usual activity
- **Pain / discomfort**
- Anxiety / depression

1) Institute for Quality and Efficiency in Healthcare 2) https://www.iqwig.de/download/General_Methods_for_the_Assessment_of_the_Relation_of_Benefits_to_Costs.pdf

The key question for us as payers is whether our members get the right treatment

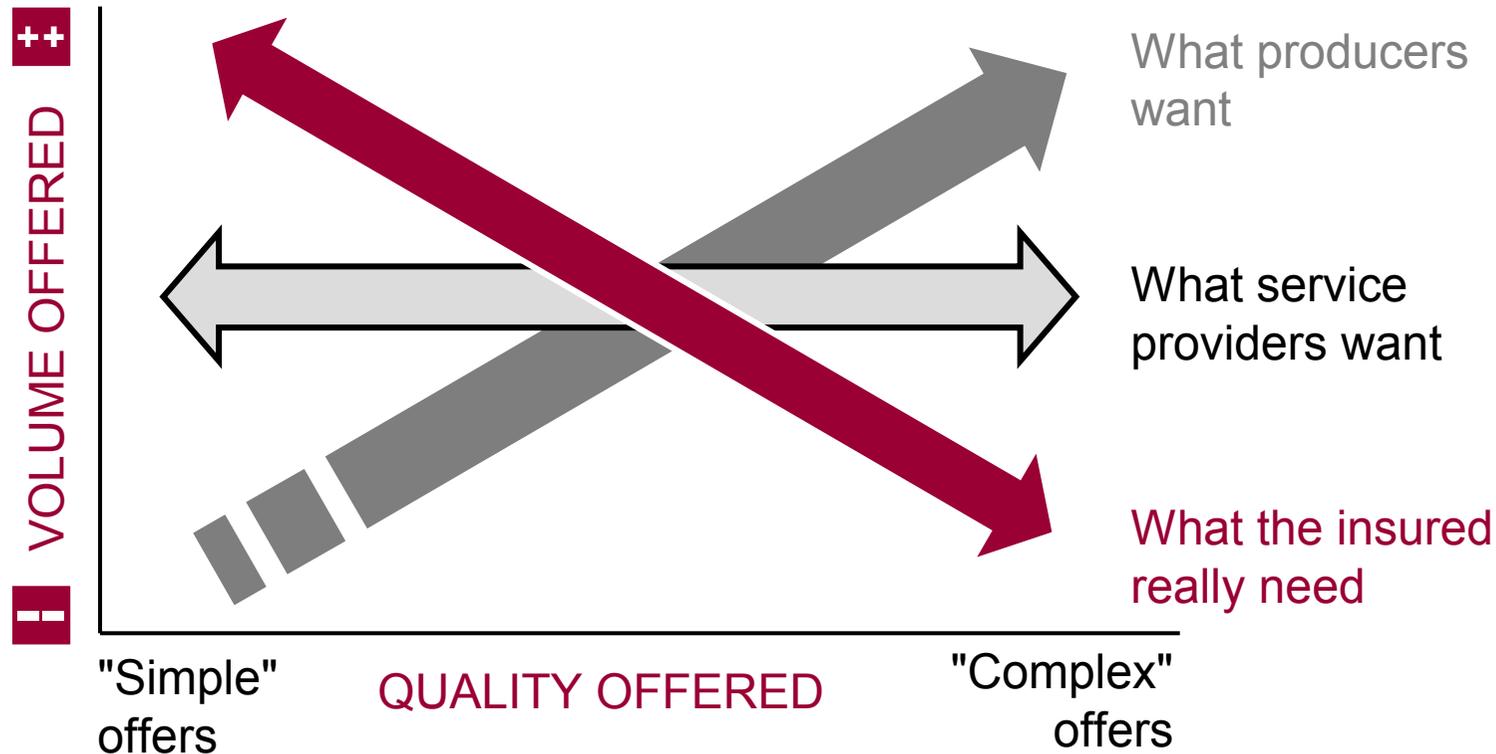
- Do all prescriptions make sense?

- What is the (unreported) number of members who do not get treatment?

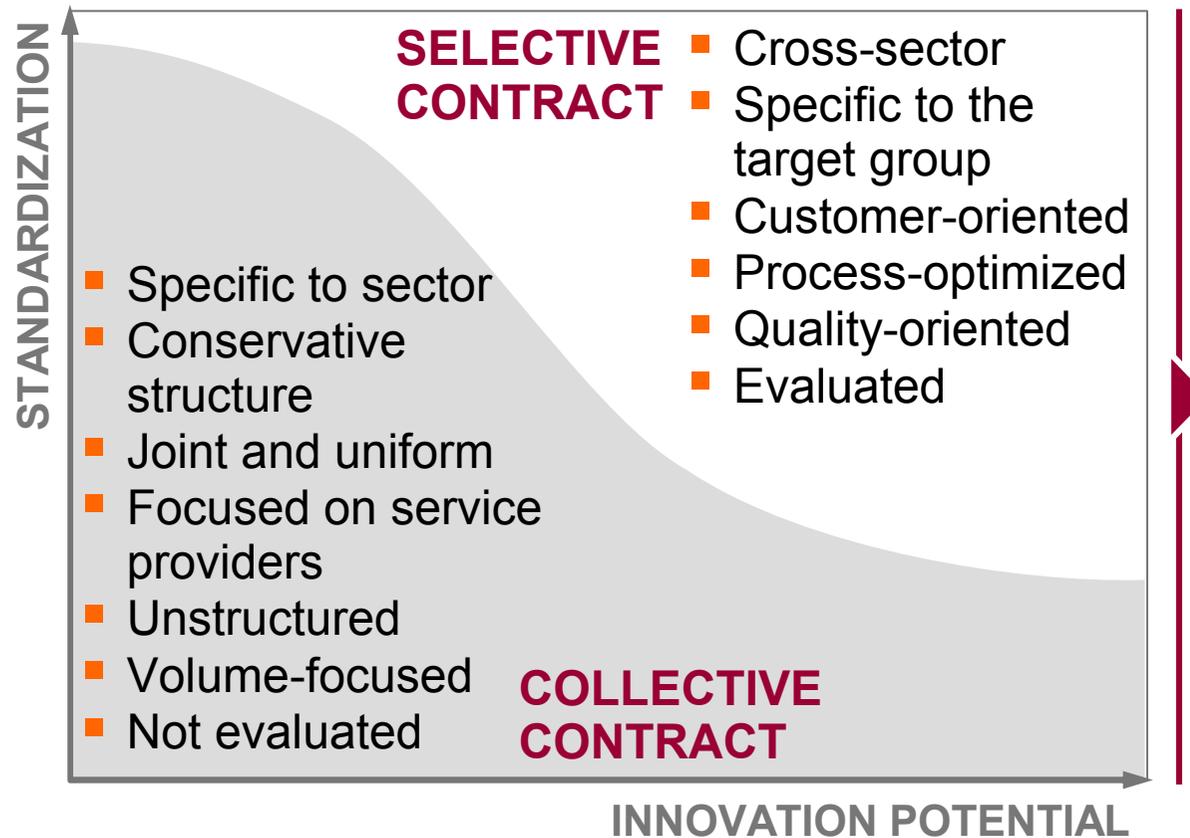
- What is the rate of painkiller misuse (OTC)?

- Do our members get the services that meet their requirements, from
 - Doctors
 - Suitable diagnostics
 - Availability of pain therapists
 - Payers
 - Support programs
 - Selective contracts
 - Pharma ind.
 - Adequate and affordable products
 - Patients
 - Do they have the required adherence?
 - Does their environment accept the disease?

The main challenge is providing need-based care in the face of diverging interests



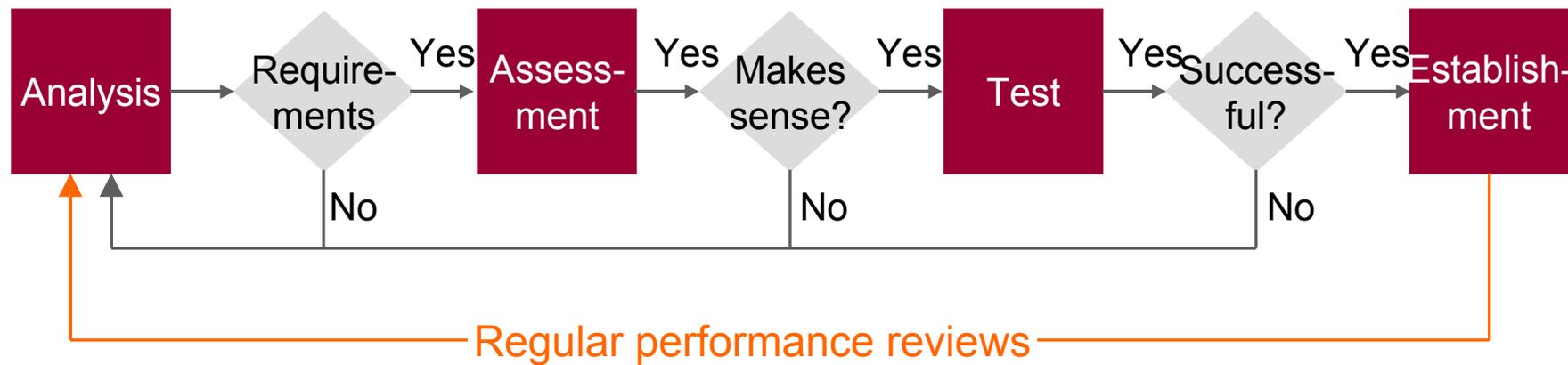
DAK focuses on tailored offers that complement standard care



Challenges

- Heterogeneous types of pain
- Differentiated types of patients
- Regional care situations
- Insufficient care transparency
- Lack of evaluated pain concepts

Contract development must be seen as a continuous learning process

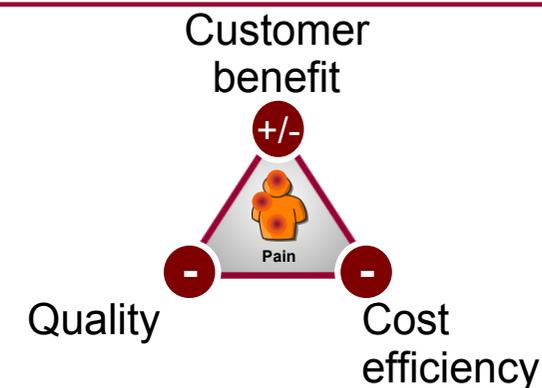


Unsuccessful contracts must be terminated if they cannot be adjusted

MIGRAINE/HEADACHE

Contents and goal

- Optimized state-of-the-art treatment
- Less cost and time required
- Patient seminars with relatives, short waiting times, case managers



Evaluation result

- Very high additional service spending at the beginning of treatment (add on)
- No change in service consumption over time
- Too extensive inclusion of too "easy" cases

ACTIONS IDENTIFIED

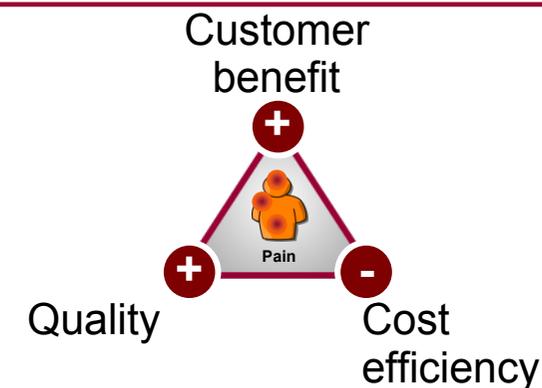
- Renegotiate
- Terminate contract if required

Partially successful contracts must be turned into successful ones by making them more precise

BACKACHE

Contents and goal

- Avoid chronification of the condition by phasing patients into the system in a targeted manner
- Start treatment at an early stage
- Significantly reduce utilisation of healthcare resources



Evaluation result

- More patients could be given outpatient treatment
- Disease duration slightly reduced
- Some participants were "too healthy"
- After a year, the actions turned out to be not sustainable enough

ACTIONS IDENTIFIED

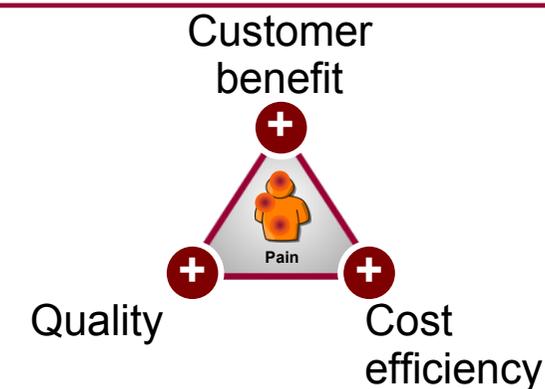
- Analyze causes together with provider
- Define target group and evaluation system more clearly
- Improve the financial cornerstones of the contract together with service provider

Successful contracts should be rolled out and established as standard care

INDICATION

Contents and goal

- Permanently improve the pain disease
- Significantly reduce painkiller consumption
- Make patients take their own regular actions to avoid/reduce pain
- Make all therapists involved pursue one common treatment plan



Evaluation result

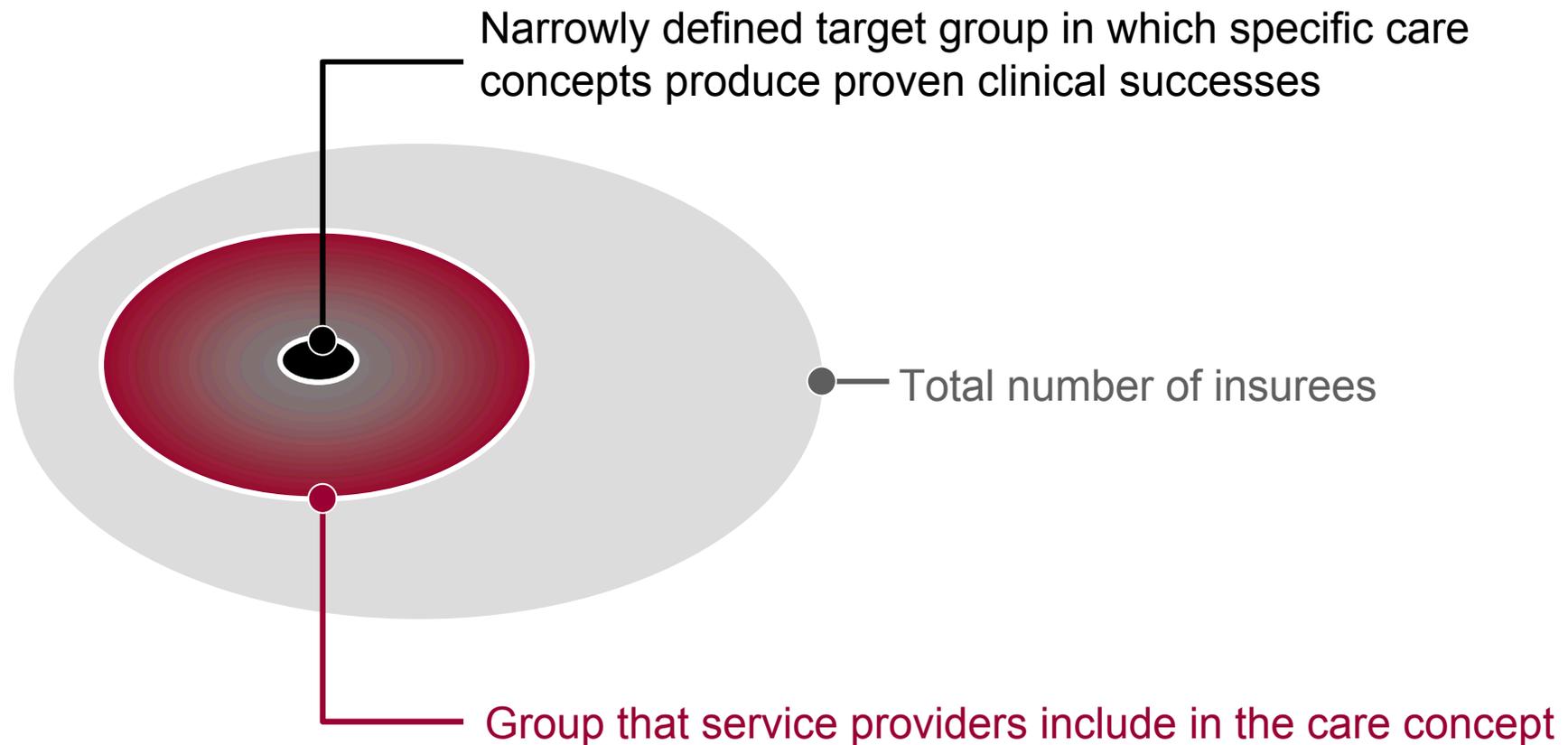
- Patient say their pain situation has significantly improved
- Pain-induced periods of illness have been significantly reduced
- Patients require perceivable less healthcare ressources

ACTIONS IDENTIFIED

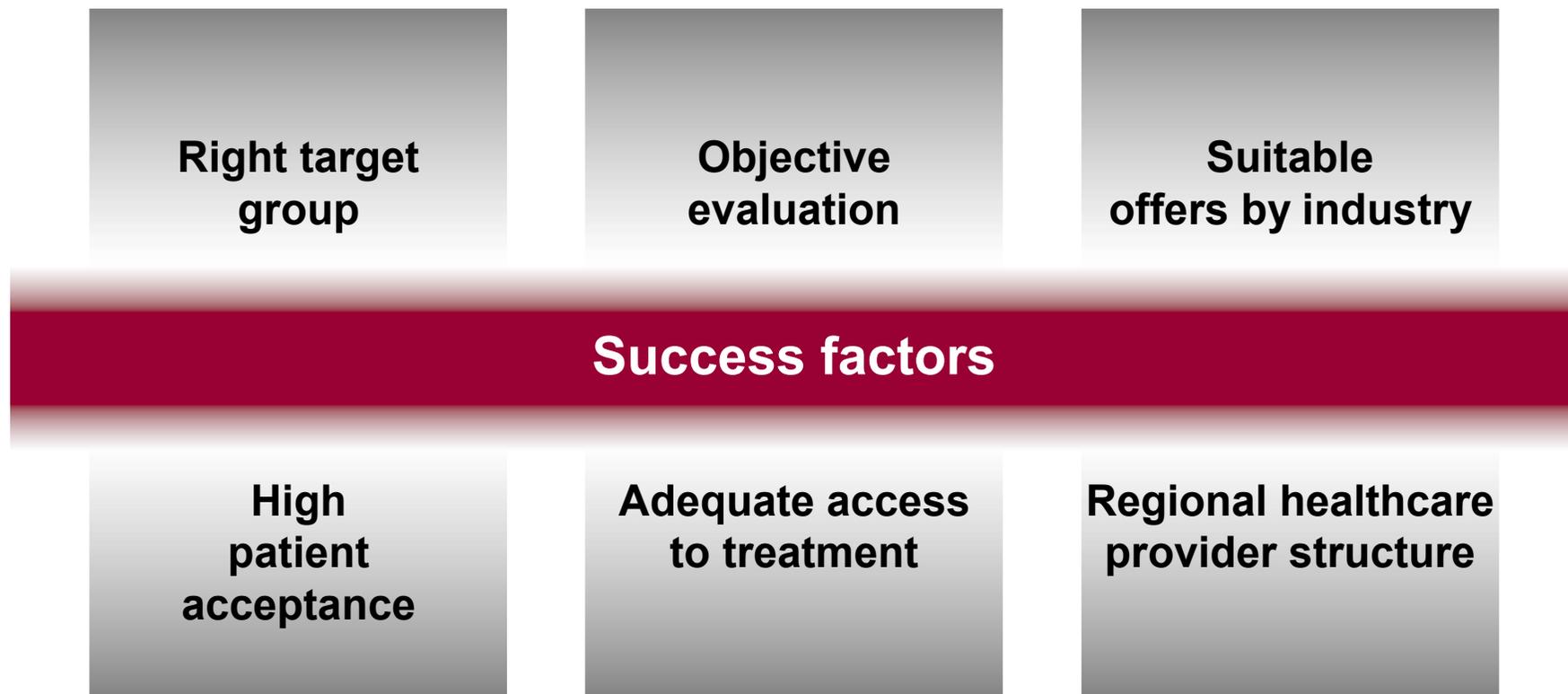
- Advertise the contract more intensively in the media
- Expand the concept to include all of Germany
- Intensify contract inclusion by DAK

Unfortunately, we were not able to find a contractual model that is successful in all dimensions

Many programs fall short of their potential success because they include the "wrong" participants



Lessons learned: In pain therapy, there are no perfect, ready-made contracts



We therefore need to develop new programs based on the following criteria

- DAK needs to test innovative approaches and concepts
- Contracts must be intensively supported by contract participants and monitored immediately
- The right program participants must be attracted at a early stage
- Programs must be tailored to the target group and appropriately communicated to it
- To map the contract effects fairly, risk-adjusted performance monitoring must be introduced

A German payer's diagnosis: The issue of pain is so complex that we must tackle it together

take-away message

For DAK, pain is a relevant issue that will become even more important in the future

We must focus our resources on the right offers for the right patients

Innovative care concepts allow us to test innovative processes and treatment methods

All players must be involved right from the start

To set up adequate pain therapies in the long term, new models must be tested in practice

Thank you for your attention

Don't hesitate – lets talk about it!