

Demand Management: Introduction and References

In this month's piece we briefly describe demand management, the name given to a package of programs and processes designed to improve health and encourage appropriate use of medical services for consumers and patients.

Compared to all the other care management strategies in health care today—disease management, utilization management, case management, referral management, etc.—demand management is the most patient-centered tool. It combines patient empowerment through self-care and health promotion information with professional support through 24-hour hotlines and triage services. It seeks to improve the patients' health status and their decision-making. Demand management has its roots in the wellness and self-care movements, which emerged in the 1960s and 1970s, with a focus on the healthy consumer and an appreciation of the benefits of healthy lifestyles.

Like many programs and interventions, demand management is a strategy for cost containment as well as patient care. Research has repeatedly shown that the intensity and volume of services do not necessarily correlate with better outcomes; on the contrary, a good deal of care provided in physician offices is for information and reassurance rather than treatment, and many emergency room visits remain nonurgent. By reducing unnecessary services, demand management programs control spending, allow physicians and other providers to focus their time on acute and serious cases, and relieve patients of the bother of emergency room visits, office appointments and lost time from work and home.

Not surprisingly, employers and health plans embraced demand management first. For employers, its components can educate employees about health issues for their own good, while reducing absenteeism, improving productivity, and reducing the costs of care. Health plans share these concerns, and they also want to develop programs to support and complement their panel of participating physicians and practices.

A growing number of physician practices and delivery systems have also incorporated demand management into their infrastructure for managing their patient population. They recognize the value of tools and techniques for involving patients in their own care, advising patients on how to proceed during times of need, and helping the practice to care for its patients efficiently and cost-effectively. Delivery systems set up telephone services to answer patients' questions when they are sick or need information between physician visits. Physicians who already provide health education by distributing printed materials or recommending websites can organize their efforts and involve other practice staff to help out. Practices can implement health risk appraisals to identify patients at-risk and implement targeted interventions. More information for physicians can be found in the articles cited below.

We close with some findings on the impact of demand management programs as reported in the literature:

- Capital Blue Cross, Harrisburg, PA, and Berk-Tek, a manufacturing company: employees who received a self-care guide had decreases in both the frequency and

total costs for all types of physician office visits, lab tests and emergency room visits: 24% decreases in costs; 18% fewer office visits; and 20% fewer emergency room visits.

- Dow Chemical Company: after implementing a health decision support hotline in 1995, 15% of its employees used the call-in service; more than 40% of the callers said the service kept them from making an unnecessary trip to the doctor, and almost 30% claimed the support line prevented the loss of at least one workday.
- Florida Hospital Medical Center, Orlando: after a self-care program for employees was implemented, there were fewer office visits and emergency room visits, for a savings of \$85 per employee in five months. In a separate program, the hospital gave parents of pediatric patients a children's self-care guide, which resulted in fewer office and ER visits, for a savings of \$90 per family in five months.
- Hannaford Bros., a New Hampshire supermarket chain with 16,000 covered lives: after implementing a nurse hotline in 1993, its health care budget decreased by 20%, most of which it attributed to the call-in service.
- HealthPartners, Minnesota: In a study of modifiable health risks (physical inactivity, obesity and smoking), researchers found that these adverse health risks translate into significantly higher health care charges, from approximately \$1,500 to more than \$2,500. They concluded: "health plans that do not systematically support members' efforts to improve health-related behaviors may be incurring significant short-term health care charges that may be at least partly preventable." (Pronk et al, JAMA, 1999)
- Stanford University Kaiser Permanente, Northern California Region, and the University of California, San Francisco: The Chronic Disease Self-Management Program (CDSMP): program participants were helped to reach self-selected dietary, exercise and medication goals, to manage symptoms and to solve disease-related problems; compared with controls, the CDSMP group significantly improved their overall health status and had fewer hospitalizations; overall savings in health care costs were about \$750 per participant, more than 10 times the cost of the program. (Lorig et al, Medical Care, 1999)
- United HealthCare's Optum NurseLine: customer satisfaction is higher than 95%, and cost/benefit studies show more than a 4:1 return on investment.

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