

# **Lifestyle Medicine for Health Systems: A Sustainable Approach for Success**

ACLM Health Systems Council

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Ken Beckman, ASA, ACAS, MAAA, CFA

[ken.beckman@actuariesforsustainablehealthcare.org](mailto:ken.beckman@actuariesforsustainablehealthcare.org)

# Why Health Systems Should Implement Lifestyle Medicine

- (1) Legal liability / reputational / financial risk of not adopting Lifestyle Medicine principles
- (2) Marketing opportunity
- (3) Maintain and enhance future profitability

# (1) Legal Liability / Financial / Reputational Risk of not adopting Lifestyle Medicine principles

- For chronic health conditions, health systems that do not inform all patients of lifestyle-based treatments that are not invasive and have no side effects expose these entities to **significant malpractice and legal liability and reputational damage** should a patient experience adverse side effects or complications from a drug or surgery
- Many health systems continue to serve processed meats after **World Health Organization** has declared them carcinogenic which introduces additional liability
- **Actuaries for Sustainable Health Care** has passed a resolution (see text at right) that calls upon payers to not provide financial reimbursement to health care facilities continuing to serve processed meats

## Actuaries for Sustainable Health Care

### Resolution on Health Care Facilities that Serve Carcinogens

**Whereas** it is well established in the scientific literature the significant negative impact some foods have on health, particularly with respect to noncommunicable (chronic) diseases;

**Whereas** the cost of treating these diseases results in significant expenditures by individuals, governments, and private payers;

**Whereas** the World Health Organization has classified processed meats<sup>1</sup> (sausage, bacon, ham, salami, hot dogs, lunch meats, corned beef, beef jerky, canned meats etc.) as “carcinogenic to humans,” using the same classification as tobacco and asbestos;

**Whereas** the American Medical Association has also passed a resolution, H-150.949, calling for the elimination of processed meats from health care facility menus and making plant-based meals available;

**Whereas** many health care facilities continue to serve processed meats to patients, staff and visitors;

**Whereas** many actuaries play an integral role with payers (insurers, private employers, health plans, governments) in determining reimbursement amounts that health care facilities receive for services rendered (including food service) which are intended to treat and improve the health of patients;

**Whereas** the ultimate responsibility of actuaries is to the public as stated by the Code of Professional Conduct (US) and Rules of Professional Conduct (Canada),<sup>2</sup> and supporting a reimbursement process that financially benefits facilities that expose patients and others to carcinogens is contrary to this responsibility.

Resolved, that Actuaries for Sustainable Health Care:

(1) calls upon health care facilities to certify that their in-house menus, food supplied by external caterers, vending facilities and any other food service for patients, staff, and visitors do not include any form of processed meats; and

(2) calls upon insurers and other payers to reimburse only those health care facilities that have made this certification.

**APPROVED BY VOTE OF MEMBERSHIP - MAY 18, 2022**

[actuariesforsustainablehealthcare.org/ashc202205.pdf](https://actuariesforsustainablehealthcare.org/ashc202205.pdf)

## **(2) Marketing Opportunity**

### **Marketing to patients**

- Health systems focused on drugs and surgery -- current marketing is vague, nonspecific and ineffective
- Health systems following LM principles can quantify and promote specific, positive patient outcomes such as:
  - Number of cases of diabetes that were reversed
  - Amount of weight that was lost
  - Number of medications that were reduced

### **Marketing to medical professionals as potential employees**

- LM-focused health systems allow employees to spend sufficient time with patients without excessive caseload
- Frees up capacity to work on more complex (interesting/unique) cases rather than simply dispensing drugs and performing routine procedures
- More job satisfaction – (Dr. Michael Klaper – “I’m the happiest doctor I know—my patients actually get healthier”)

## **(3) Maintain and Enhance Future Profitability**

### (3) Maintain and Enhance Future Profitability

Non Sequitur by Wiley Miller



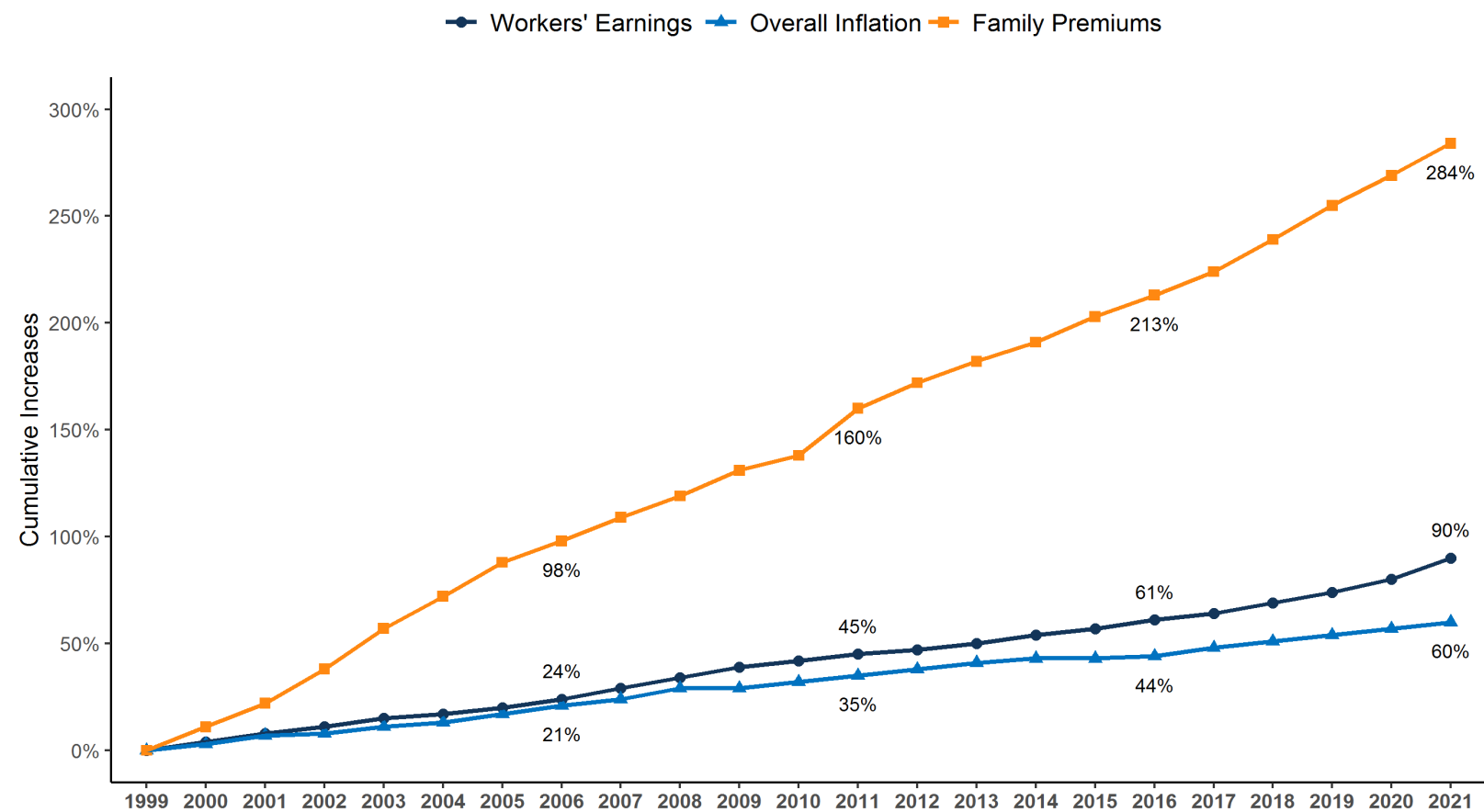
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November 19, 2014 from [www.gocomics.com](http://www.gocomics.com)

<http://www.gocomics.com/nonsequitur/2014/11/19>

# Employers are the Largest Source of Funding for Health Care Services: Not Financially Sustainable

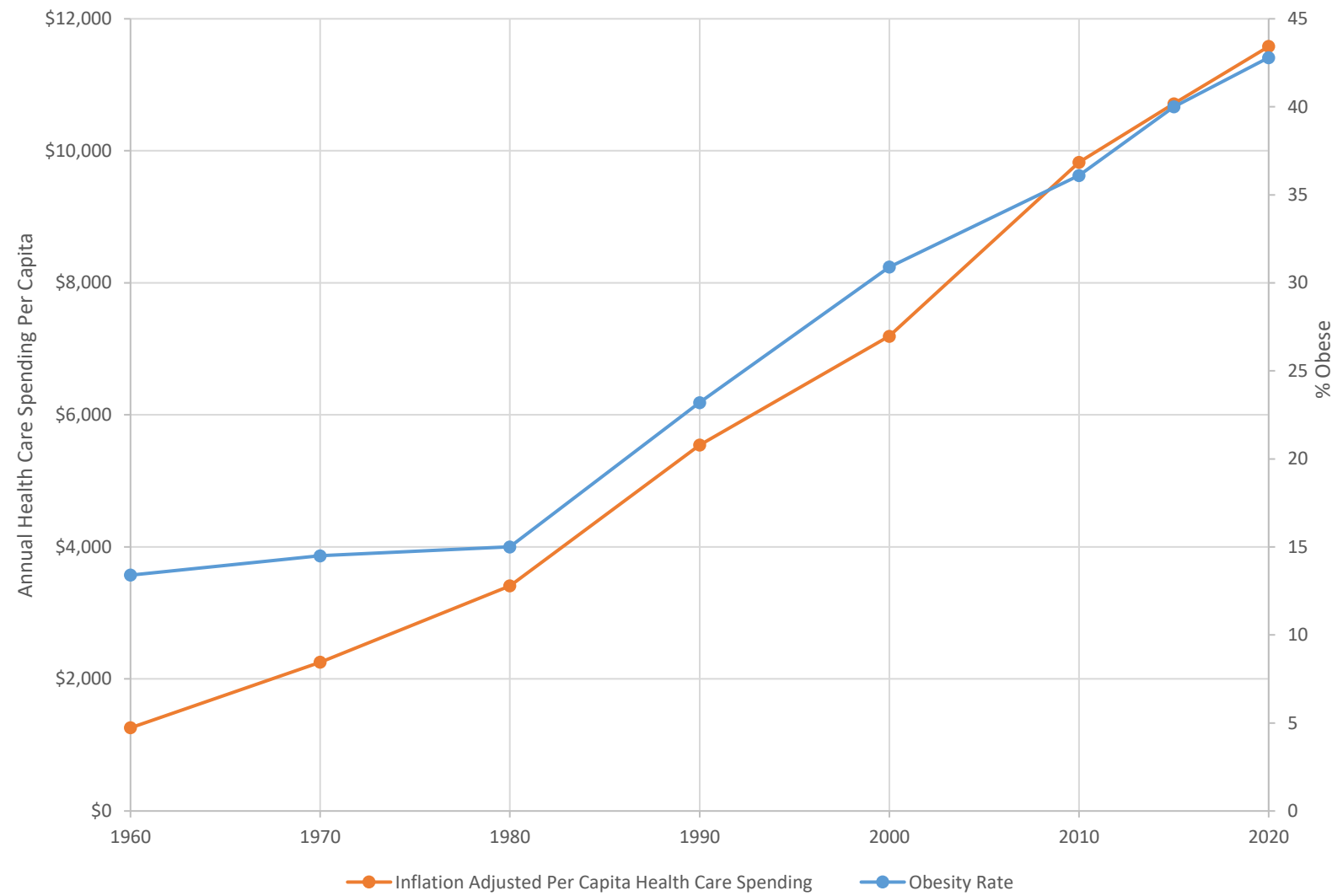
Cumulative Increases in Family Premiums, Inflation, and Workers' Earnings, 1999-2021



**Current Family Premium for Employer Provided coverage: \$22,221**

SOURCE: KFF Employer Health Benefits Survey, 2018-2021; Kaiser/HRET Survey of Employer-Sponsored Health Benefits, 1999-2017. Bureau of Labor Statistics, Consumer Price Index, U.S. City Average of Annual Inflation, 1999-2021; Bureau of Labor Statistics, Seasonally Adjusted Data from the Current Employment Statistics Survey, 1999-2021.

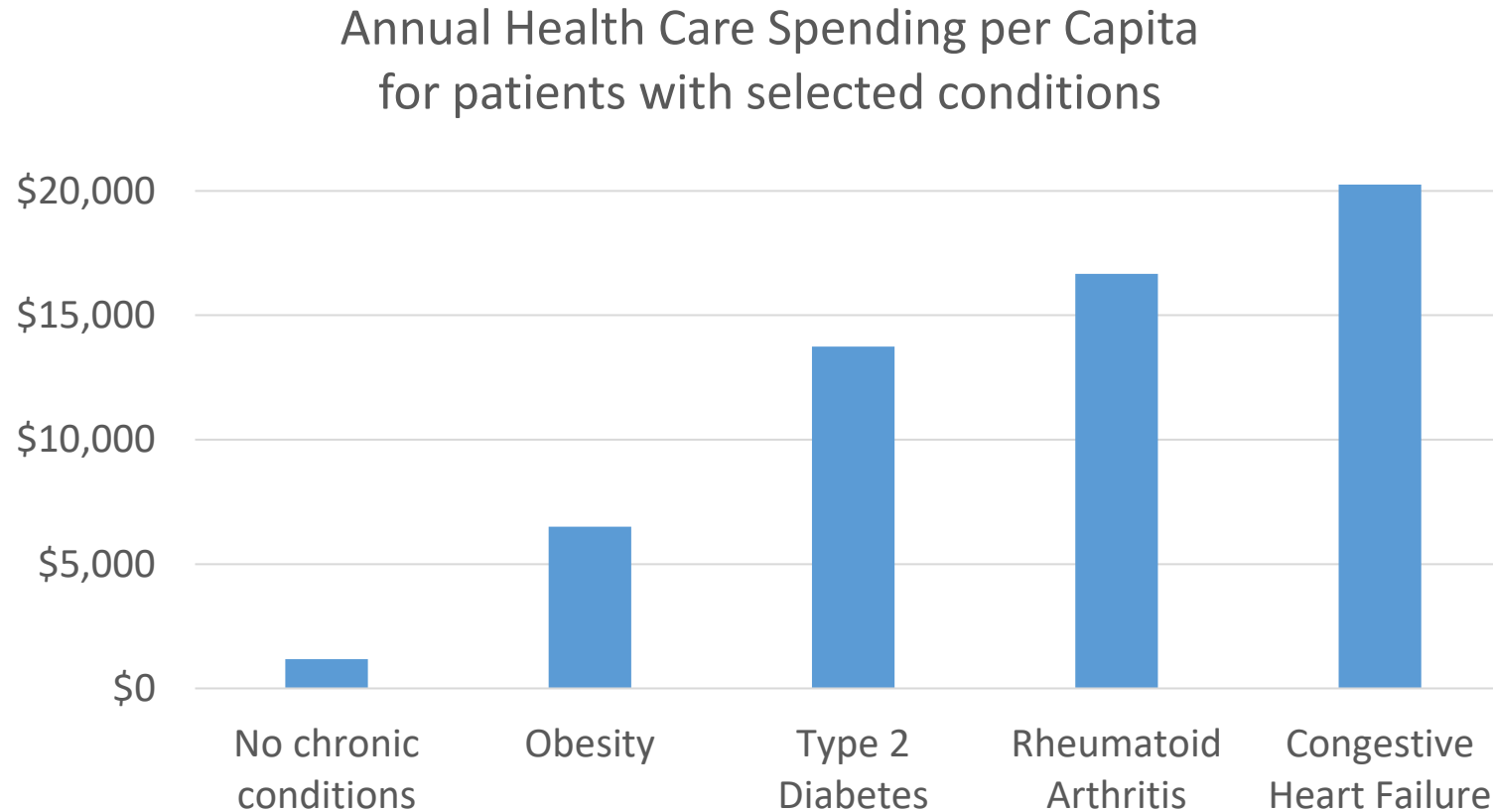
# Current Strategy of Pills/Procedures/Screenings is Not Working



**Unless lifestyle factors are addressed, highly funded employer-based health care will be replaced by government funding at low levels of reimbursement**



# What is the financial opportunity with Lifestyle Medicine?



**Example: Nearly half of Type 2 Diabetes costs are for diabetic supplies and prescription drugs**

# Health Systems Can Maintain and Enhance Profitability using Lifestyle Medicine: Actuarial Patient Value Model

	Treatment Year				
	1	2	3	4	5+
<b>Diabetic Patient with HbA1c of:</b>	9.0	6.5	6.5	6.5	6.5
<b>Expected Total Health Spending:</b>	\$15,000	\$7,500	\$7,500	\$7,500	\$7,500
<b>Health System share of spending:</b>	\$7,500	\$3,750	\$3,750	\$3,750	\$3,750
<b>Incentive Payment to Health System:</b>		\$3,750	\$3,750	\$3,750	\$3,750
<b>Total Health System Revenue:</b>	\$7,500	\$7,500	\$7,500	\$7,500	\$7,500
<b>Payer Savings Relative to Year 1:</b>		\$3,750	\$3,750	\$3,750	\$3,750

- Health System revenue is maintained
- Profit margins increased with a less-capital intensive team approach of physicians, dietitians, health coaches that allows patient to avoid diabetic complications/bypass/bariatric surgery/dialysis/expensive drugs.

# Action Steps for Health Systems to Maintain and Enhance Profitability using Lifestyle Medicine

- (1) Work with local self-insured employers (or other payers) to implement Actuarial Patient Value model
- (2) Identify key decision makers at these payers and initiate discussion/meetings
- (3) Clarify how this model is different than “wellness” programs the company may be familiar with
  - This is a chronic disease reversal approach (not a wellness or prevention program)
  - How many employees have reversed diabetes, heart disease, or rheumatoid arthritis with their current “wellness” program?
  - No significant upfront capital expenditures (no risk to the employer)
  - Pay for Results: Incentives only paid for documented health improvements and amounts are based on actuarially determined cost savings
  - Long-Term Time Horizon: Recurring incentives to maintain improved employee health over their future lifetime

# Summary

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