

Disease Management in Accountable Care Organizations—Spring 2011

Accountable care organizations (ACOs) are creating a paradigm shift within the health care system from a volume driven to an outcomes/quality driven model. HIRC's research with Medicare executives examines the role of disease management (DM) in accountable care organizations, and identifies leading pharmaceutical firms engaging with this market. The *Role of DM in Accountable Care Organizations* report addresses the following questions:

- How do Medicare executives define accountable care organizations and what is the business model?
- What are key quality metrics for which ACOs will be accountable?
- How do ACOs promote health care cost reductions?
- Which health care segments will benefit from development of ACOs?
- Which pharmaceutical firms are well-positioned within the Medicare market?
- What are key opportunities for pharmaceutical firm engagement?



Health & Disease Management Service

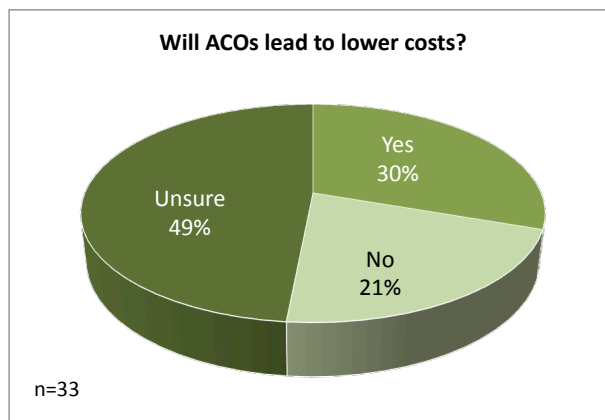
Key Finding

The role of DM in accountable care organizations is evolving as these new provider organizations are being established, however Pfizer, Novartis, Merck, GlaxoSmithKline, and Novo Nordisk are well-positioned to offer DM support to the Medicare market.

Will Accountable Care Organizations Reduce Health Care Costs?

While accountable care organizations create incentives for health care providers to work across care settings to treat Medicare patients, most HIRC panelists are still unsure if ACOs will lead to lower overall health care costs, as regulations and implementation continue to evolve.

Supporters of this new provider responsibility concept believe that ACOs will lead to better results and outcomes through increased accountability.



About HIRC

Health Industries Research Companies (HIRC) conducts strategic market research on trends in health care, pharmaceuticals, and managed care businesses.



HIRC

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Leading Manufacturers Valued for DM Expertise and Investment in DM Program Support

HIRC panelists report that Pfizer, Novartis, Merck, GSK, and Novo Nordisk provide the most DM programs of greatest quality in the Medicare market.

Pharmaceutical Firms Providing DM Programs of Greatest Quality in Medicare Segment



n= 33

Pfizer is noted for DM programs addressing hyperlipidemia and smoking cessation, and is noted by Medicare executives for its expertise.

Novartis provides the majority of the DM programs for hypertension and remains a leader in HIRC's qualitative rankings.

Merck ranks first in expertise, value, outcomes, and savings and provides DM support in diabetes and immunizations.

Research Methodology and Report Availability

In January 2011, HIRC surveyed 33 Medicare executives representing almost 50 million lives. One-on-one follow-up interviews with a subset of 11 respondents were also conducted to enhance ratings and qualitative information.

The *Role of DM in Accountable Care Organizations* report is part of the *Health & Disease Management Service* and is now available to subscribers at www.hirc.com. Other spring 2011 updates to the *Health & Disease Management Service* include:

- Profiles of DM activity by disease state
- DM program opportunities by market
- Impact of health care reform on manufacturer DM investment

About HIRC's Health & Disease Management Service

The *Health and Disease Management Service* highlights health and disease management initiatives within significant managed care customer segments. This research provides benchmarking profiles of manufacturers' disease management program investment across commercial health plan and Medicare segments, an overview of specialty therapeutics disease management, patient-centered medical home, and accountable care organizations. In-depth case studies highlight the key components of disease management program collaborations between pharmaceutical manufacturers and health plans.

Research is conducted via extensive surveys and one-on-one interviews with health care industry executives across four customer markets:

- Health Plan Pharmacy Directors
- Health Plan Medical Directors
- Health Plan Quality Managers
- Medicare Executives

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