



Testimony of Michael F. Roizen, MD to the Senate HELP Committee

Chairman Alexander, Ranking Member Murray, members of the committee, my name is Dr. Mike Roizen and I thank you for the opportunity to testify today before the Committee to share the Cleveland Clinic story. Since 2007, I have served as the Chief Wellness Officer at the Cleveland Clinic. In this capacity, I lead the Cleveland Clinic's work in preventing illness and helping people live longer, healthier lives. Keeping people well and enabling them to live their best lives is not just my professional goal. It is my passion, my life's work, and the passion of the Cleveland Clinic. Thank you for your leadership in holding this important hearing.

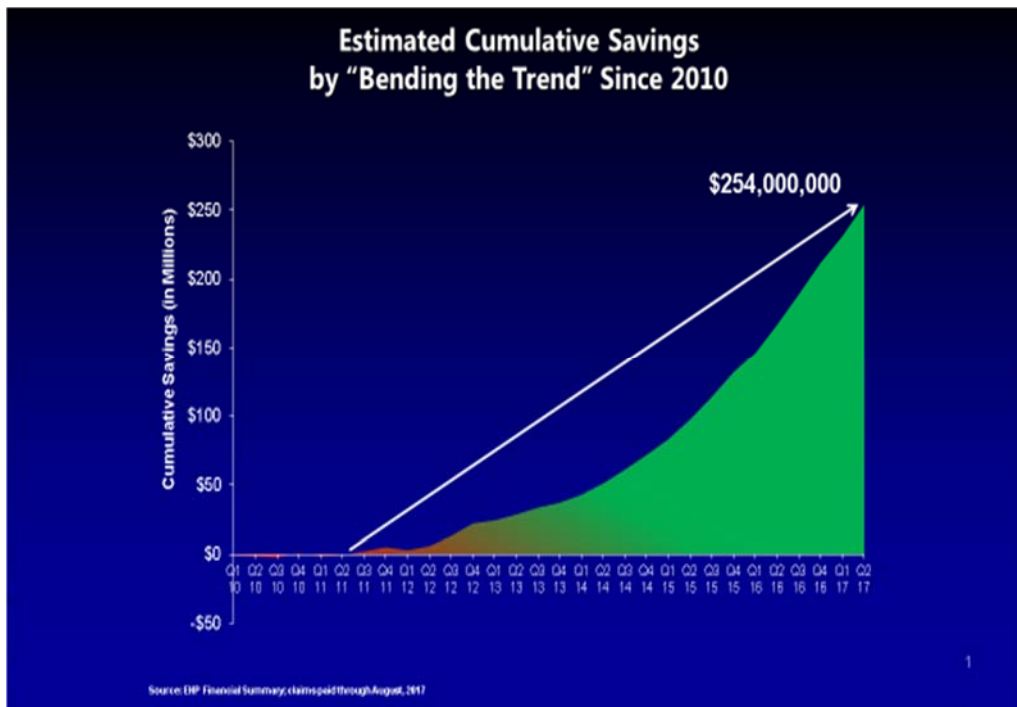
The title of today's hearing encapsulates the Cleveland Clinic story, that is, how healthy choices can improve health outcomes and reduce costs. We are hopeful that sharing our journey over the last 9 years can demonstrate that we as a nation can make very positive and real impacts on the health of people while resulting in billions of dollars in savings for both the private sector and the federal government. And, today, I look forward to providing this committee with insight regarding how our work can be replicated by private employers around the country.

Cleveland Clinic is an internationally-recognized provider of health care services. The 2017 US News and World report ranked Cleveland Clinic as the number 2-ranked hospital in the nation, with recognition in more than a dozen specialties.

In addition to being Ohio's highest-ranked hospital, we are also its second-largest employer. Across our enterprise, we employ roughly 50,000 clinicians, caregivers, and other staff. I am proud to be part of an institution that prides itself not only on the health of its patients, but also the health of our workforce.

The culture of wellness at the Cleveland Clinic has generated remarkable results that I will highlight for you. That commitment has led to shared benefits – healthier, happier employees, as well as lower costs for our self-funded insurance program, and lower costs for our employees and for the communities and patients we serve. At the root of our success - our employees have voluntarily (with substantial incentives for 6 healthy outcomes) chosen to get and to stay healthy. **Yes, we pay our employees to get and stay well.** Today, we have more than 62% of our employees participating in our Healthy Choice incentive programs. That participation has saved Cleveland Clinic and those we serve over \$254 million dollars in the last seven years.

This model for success is not limited to the Cleveland Clinic. We have shown that a formula such as this for achieving saving can be replicated in other companies, and that any business, large or small, self-insured, or part of a group market, can benefit from the lessons we have learned. Those savings can mean better health and more money in the pockets of the 172 million employees and taxpayers in this country.



Cleveland Clinic believes in starting a national dialogue about how best to reduce the cost of providing healthcare. The simple fact is that if our nation is going to reduce the cost of health care, we need to deliver that health care more efficiently, and we need to focus on getting and keeping people well.

Imagine if the majority of Americans took steps to live their best life and, in turn, minimized the suffering and costs associated with preventable chronic diseases.

The fact is that chronic disease is a major driver of cost to our economy and is **increasing 5-7 fold faster** than the population is growing as seen in these charts . Reversing this trend is not easy, but as I'm about to show you, it's far from impossible.

Type 2 Diabetic Prevalence In USA

- 1974: **2.2** million of 211 million = 11/1000
- 1983: **4.6** million of 235 m = 24/1000
- 1994: **6.8** m of 260 m = 30/1000
- 2004: **15.0** m of 292 m = 55/1000
- 2014: **29.0** m of 320 m = 91/1000
- 2050: Predicted **120-180** m (CDC incr predictn for 2050 to **220** m on 9 15 15 = 500/1000)

Total Hip & Knee Arthroplasties in USA

- 1974: **0.067** million of 211 million = 0.003/1000
- 1990: **0.327** million of 235 m = 0.13/1000
- 2006: **0.675** m of 292 m = 0.02/1000
- 2010: **1.05** m of 320 m = 0.03/1000
- 2050: Predicted **6.33** m (4.17 K & 1.86 H) = 0.2/1000

Cleveland Clinic's Employee Health Plan

Like many large employers, Cleveland Clinic offers comprehensive health coverage to full-time employees – and has for decades. In 2017, Cleveland Clinic's Employee Health Plan (EHP) covered nearly 100,000 lives.

In 2005, Cleveland Clinic had a problem that is all too common for employers across the nation. The costs for our employee health plan were growing at an unsustainable rate. At the same time, the health outcomes of our employees, including the rates of chronic diseases, obesity, and smoking among our employees, reflected the same rates in the general public. Our Per-Member, Per-Month (PMPM) costs were increasing at a rate of 7.5% per year. Without a significant change in course, we faced difficult choices, including drastic cuts to the benefits for our then enrolled 60,000+ employees and their family members or begin charging premiums in excess of cost of living adjustments

In 2007, we put a plan in motion to do something about it.

We undertook many of the “conventional” cost-saving measures. We identified the biggest cost drivers and conditions in the system. We began developing standardized care paths to tackle variations in care, which reduced costs for things like imaging in patients with back pain. We developed contracts for our durable and disposable medical goods.

As we made these changes, we were cognizant that a bigger shift in culture was needed. To really bend the cost curve, we needed to shift our model from paying to treat sick people to investing in keeping people well.

A 2009 American Journal of Public Health study provided evidence that the medical community had long suspected: that bringing five critical health metrics within normal healthy levels could reduce the incidence of chronic disease and drastically reduce overall health care costs, even after accounting for the cost of the preventive medical interventions. Helping all of our employees achieve specific measures related to these “Five Normals” -- LDL Cholesterol less than 130, Hemoglobin A1C less than 7%, BMI of less than 27, Blood pressure less than 140/90, and no tobacco use – became an enterprise goal.

We quickly recognized, as well, that these Five Normals are almost impossible to reach in an individual dealing with chronic stress, so we added stress management as a “Sixth Normal.” We had a new care objective.

We launched the Healthy Choice plan for our employees in 2009, and it’s changed the way we approach wellness at the Cleveland Clinic and for those we serve.

We started by providing our employees and their dependents free wellness, stress-management, smoking cessation and weight loss services. We partnered with organizations like Weights Watchers and Curves, and started offering yoga and meditation and guided imagery on campus to any caregiver who wanted to attend.

The uptake of the initial program was somewhat encouraging. However, only 11% of our covered employees took advantage of these programs. We learned many of those 11% were beneficiaries already engaged in managing their own health.



We also made what was then considered the “radical” decision to stop hiring smokers. We test new potential hires now for the presence of cotinine in their blood – a marker for nicotine use – and delay the hiring of smokers while they undergo smoking cessation classes and medications. Those who complete a smoking cessation program are then eligible for hire.

Taken alone, these changes didn’t drastically shift health outcomes or impact top line costs. However, they represented a first step in changing our culture. Our employees started seeing a message that said “We are a workplace where wellness is valued.”

Next, we made modifications to the food and drinks available on campus. We eliminated sugar-sweetened beverages from our cafeterias and vending machines. We launched a new brand – go! Foods – that highlighted foods that were low in sodium, fat and sugar. We included a visual sticker on foods that met our wellness criteria so employees and visitors alike could make healthier food choices. Flyers and posters with reminders about dietary needs were placed near the cafes. We started ensuring that every café had at least one “healthy” entrée and side dish every day. Healthier options were highlighted in signage and placement in the cafes, and the pizzas and burgers were made healthier and relegated to the back of the line.

We even took the nearly unheard-of step of deciding not to renew the contract we had with the McDonald’s that had been in our main hospital for more than a decade.



We encourage employees and visitors to incorporate exercise into their daily routines in small and sustainable ways. “Take the Stairs” or “Free Exercise” signs are placed in front of stairwells and near elevators. Hallways are outfitted with walking maps and mile markers, so employees walk and exercise indoors during the snowy Cleveland winters. Managers in administrative areas are encouraged to schedule walking meetings when appropriate, to both encourage exercise to advanced wellness team-building and stress reduction into the daily routine. Today, every hallway inside a Cleveland Clinic property is decked out with visual reminders that everyday wellness is at the heart of our Cleveland Clinic culture.

However, our core question remained how to get all plan enrollees engaged and focused on their “Six Normals.” We offered some modest financial incentives to those who enrolled in weight loss, smoking cessation, or chronic disease care coordination programs. We sent out emails and made phone calls to employees who had one or more conditions that didn’t meet the “Six Normals,” including obesity, tobacco use, diabetes, high blood pressure, and elevated cholesterol, encouraging them to enroll in disease management programs. Today every employee is offered voluntary access to a choice of multiple managed care programs, where they receive coaching, medication management, stress management, and provider consultations free of charge.

Current Framework for the Cleveland Clinic Plan

In 2011, we continued to our journey toward employee engagement, and established an aggressive reward and incentive plan with our Plan beneficiaries. We gave each and every employee an opportunity to receive up to a 30% discount by either enrolling in a disease management plan, if they had a chronic condition, or participating in regular exercise or other wellness plan if they had healthy benchmarks.

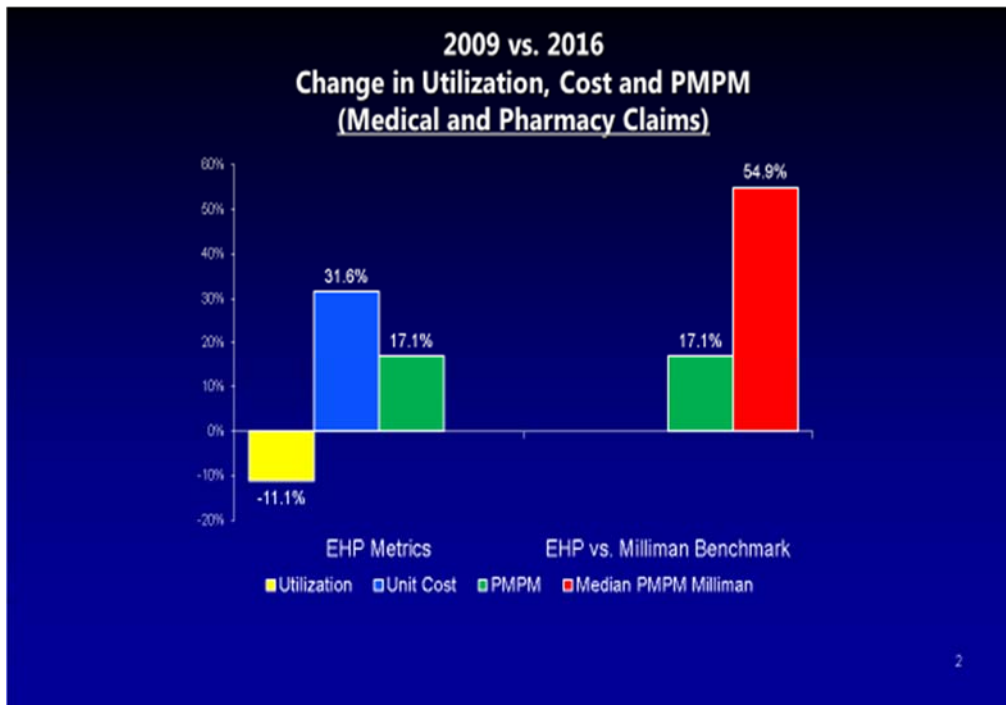
The response from our employees was dramatic: participation in our Healthy Choice program rose by more than 20% in the first year. In 2014, we extended the incentive program to include both employees and their spouses. Now we have achieved a participation rate for employees and spouses above 62%.



Today, the costs to take care of the 100,000+ members of the Cleveland Clinic Employee Health Plan are no longer growing. The EHP's net rate of cost-growth over the last four years has been almost flat at 0.6%. That's right: it costs almost the same per member per month to take care of our members today as it did in 2013. That figure reflects the total cost of care to the Cleveland Clinic including the incentive payments, the medical and pharmacy cost claims, and all administrative costs.

Hospitalization rates for chronic diseases such as asthma, diabetes, and high blood pressure have dropped profoundly. Hypertension inpatient admissions per 1,000 have dropped more than 22%; asthma emergency department visits by more than 16%. Chronically ill enrollees, through timely outpatient visits and medication compliance, are getting healthier, and taking control of their own health outcomes.

Over the last 7 years, we have saved a cumulative \$254 million in total costs over what we projected based on that initial 7.5% annualized growth rate. These astounding savings have been achieved during a time when the cost per unit has risen at market rates. That is, while the rate per cost-adjusted unit of care has risen by 31.6% since 2009 (as it has nation-wide), our utilization has dropped by over 11% across the same time period. That translates to only a 17.1% total increase in PMPM over the last 8 years, versus a National Milliman Benchmark increase of 54.9%. Significantly, this is during a time when our per-member pharmaceutical costs have increased by nearly 70%.

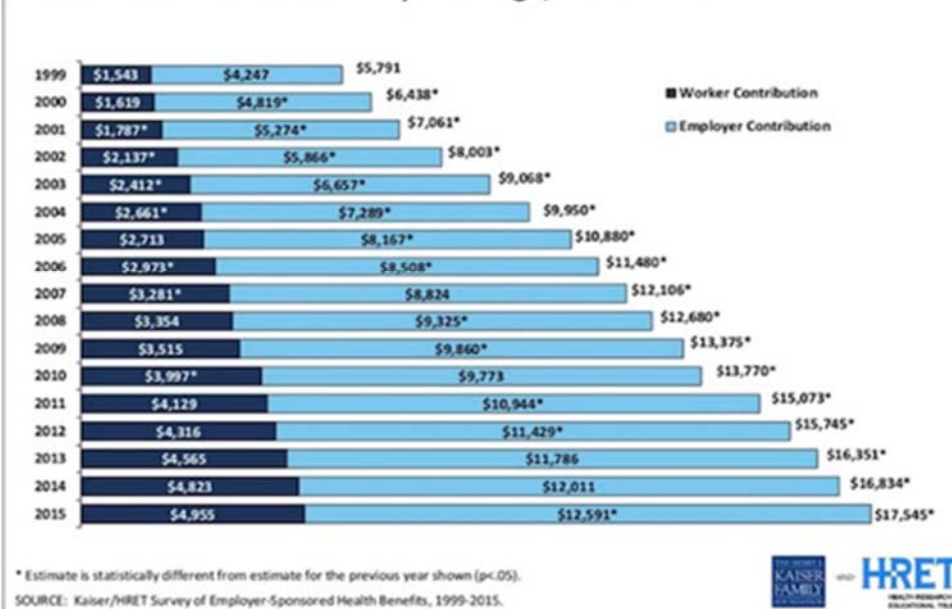


But the cost benefits to our self-insured health plan pale in comparison to the health benefits our employees and their spouses have gained over the same period. Our members with diabetes have seen a 20% improvement in the percentage with Hemoglobin A1C scores to less than 8%, with a more than 50% improvement in the percentage with LDL Cholesterol scores less than 100mg/dL. Plan members who are enrolled in the weight management program consistently lose an average of 2 pounds per year, versus a 1.5 pound weight gain per person in the general public. And significantly, the cultural changes have resulted in an average 0.5 pound-per-year weight loss in our overweight employees who are not participating in the program. And the smoking rate has decreased from 15.4% in 2005 to 4.3% today.

Medication compliance among our plan members who have a chronic disease is among the highest in the CVS Health/Caremark Employer book of business, which tracks more than 1200 employers nationwide.

This culture shift has a positive impact on patient experience as well as on employees as our caregivers became more confident discussing lifestyle management with patients. Bottom line is this: wellness and the prevention of chronic disease is now a way of life at the Cleveland Clinic and can be for America, with resultant massive increases in savings for corporations, individuals and the federal government.

Average Annual Worker and Employer Contributions to Premiums and Total Premiums for Family Coverage, 1999-2015



As employers, the benefits of this improved health are not limited to dollars and cents saved in premiums and direct medical expenses. Since putting the Healthy Choice program in place with our employee health plan, the rate of unplanned absence among our employees has dropped substantially. Our employees are less likely to get sick, and we are more productive. Employee engagement scores are improving and turn-over is down.

When we observed the PMPM trends among commercial insurance plans, which have put similar effort into utilization and case management, we see that their costs have increased on average 4-5% over the last five years, at the same time that our costs have increased an average of 0.6%, including incentive and administrative costs. We believe we can attribute this additional savings to having a more activated and engaged beneficiary pool, with incentives in place that have achieved overall better health.

The savings are also tangible for the plan enrollees. They save money on premiums, co-pays, and lost wages. And not only is **the plan voluntary** but it also **decreases income inequality** caused by the rise in out of pocket, and employer insurance costs. Most importantly, the plan pays off for employees in improved quality of life.

A Blueprint for the Country

Cleveland Clinic's successes are real. We have healthier employees, and we have lower costs associated with providing health benefits. The journey was not easy and it required a long view. But this is a meaningful template for the country. This plan is exportable. But we think this is a template that the majority of the 172 million workers and individuals who are responsible for their own or a dependent's coverage, and those covered by government programs can use.

As this committee considers ways to reduce the burden of disease through investments in health and wellbeing, the Cleveland Clinic would be pleased to serve as a resource. The Healthy Choice Plan is a meaningful template for all Americans.

While I understand this Committee's jurisdiction does not include Medicare, I believe I would be remiss in not mentioning the great work being done by Senators Wyden and Portman to introduce legislation extending the Cleveland Clinic's Healthy Choice program to Medicare. We are grateful for their leadership.

Thank you again for holding this hearing to advance the national dialogue on wellness care. I look forward to answering your questions.