

Bariatric Surgery Pilot Analysis

November 2016



PEHP
Health & Benefits

PROUDLY SERVING UTAH PUBLIC EMPLOYEES

State Bariatric Program

- » PEHP Administers State Health Insurance Pool
- » \$550,000 Ongoing Appropriation Starting FY 2012
- » Cover up to 40 people a year + Complications
- » Stable Employee Population after 5 years
- » Capture long-term ROI and Improve Quality of Life
- » Limited Promotion as Pilot in Weight Loss Program
- » Bypass (59%) Sleeve (36%), Lapband (5%)

Member Information

Bariatric Pilot Members

Number of Members: 94

Average Age: 44

Average BMI: 45.3

Proportion Diabetic: 30%

Control Group Members

Number of Members: 479

Average Age: 46

Average BMI: 42.0

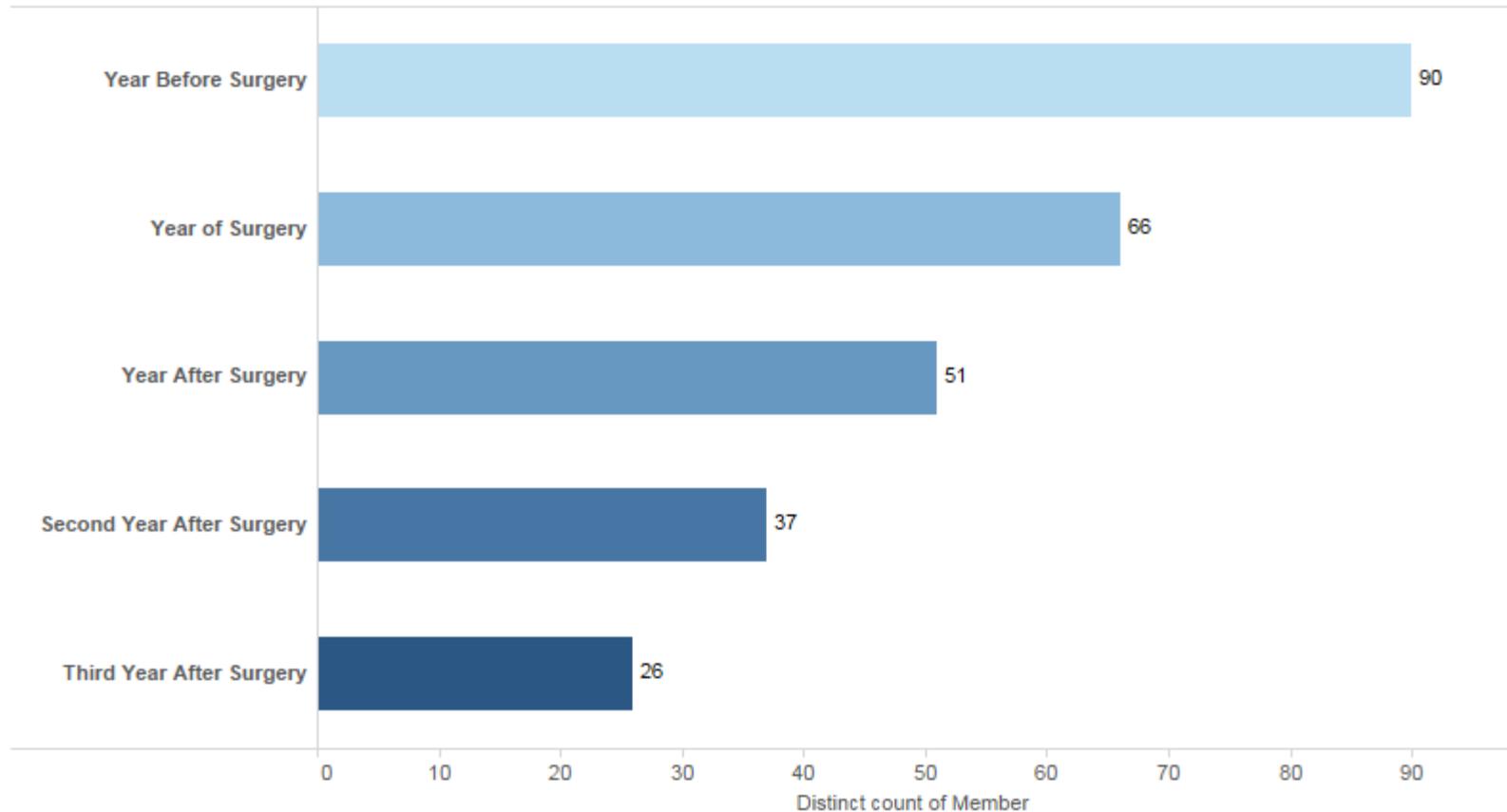
Proportion Diabetic: 26%

- » Member enrolled in State Insurance Risk Pool.
- » Excludes Cobra, Early Retirees, and LTD.
- » Members with BMI > 40, or covered members with BMI ≥ 35 with at least one serious co-morbid condition.
- » Male BMI < 55; female BMI < 60.
- » Covered member has been severely obese for at least five years, and metabolic causes have been ruled out.
- » No previous bariatric surgery.
- » Participation in weight loss program.

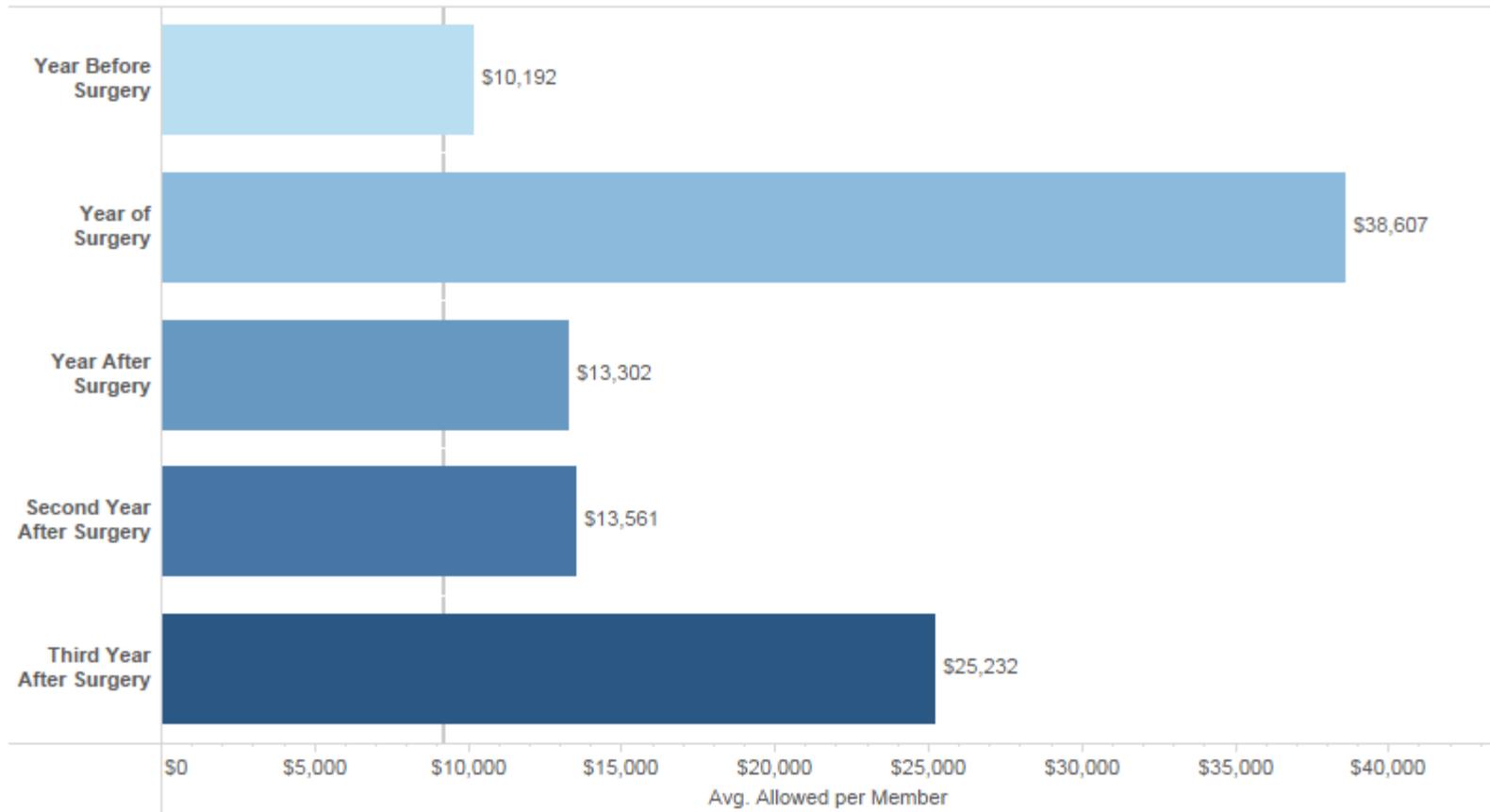
Catastrophic Members

- » Catastrophic Members:
 - › Claims over \$100k in a 12-month period
 - › 4 catastrophic members out of the 94
 - › Costs for 3 of 4 started from month of surgery
 - › 4th member had stroke 3rd year after surgery

Number of Members with 12 Months Data (Excluding Catastrophic Members)

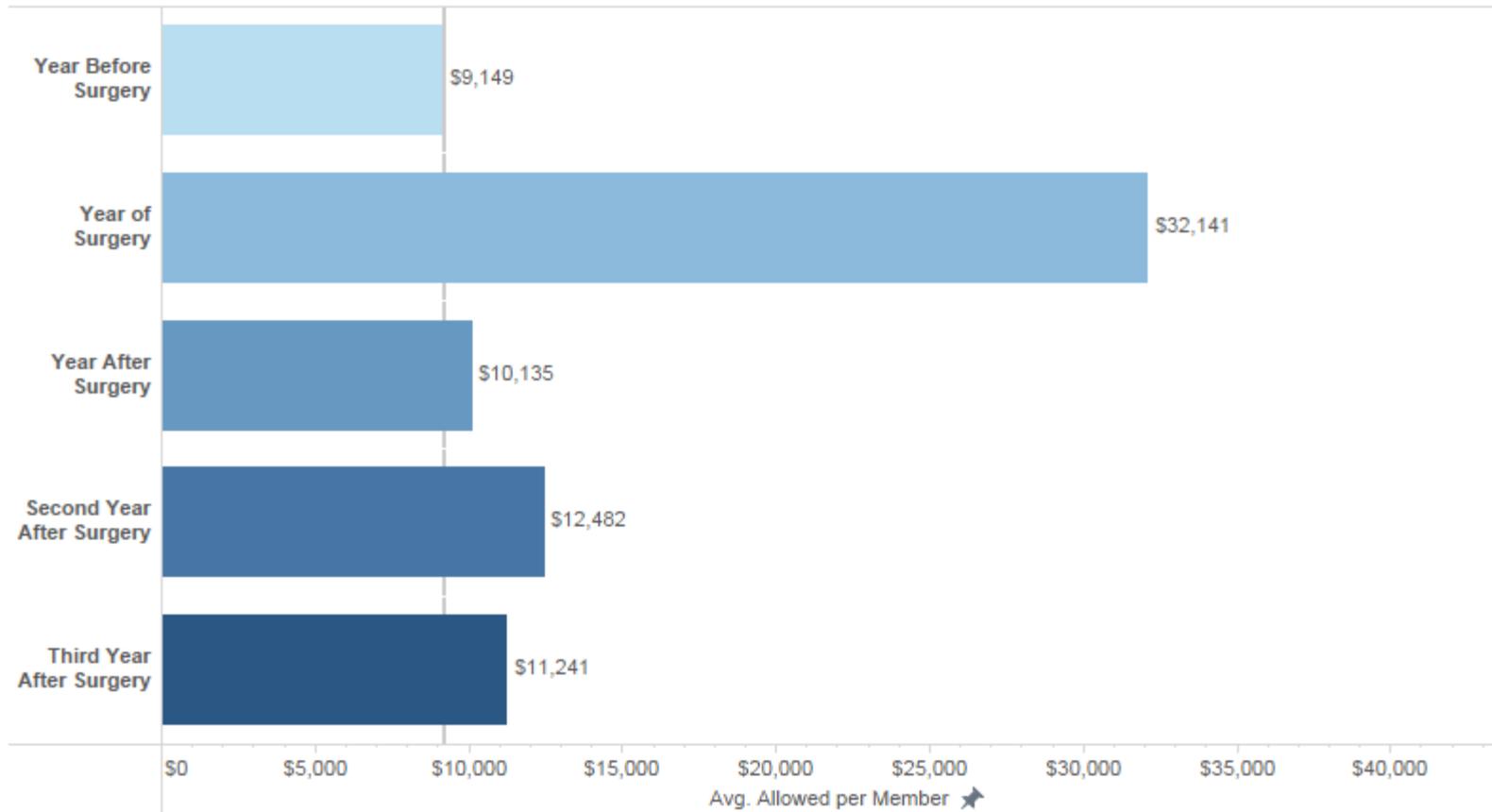


Average Allowed per Member (All Pilot Participants)



The grey line behind the graph is the average claim level for the control group.

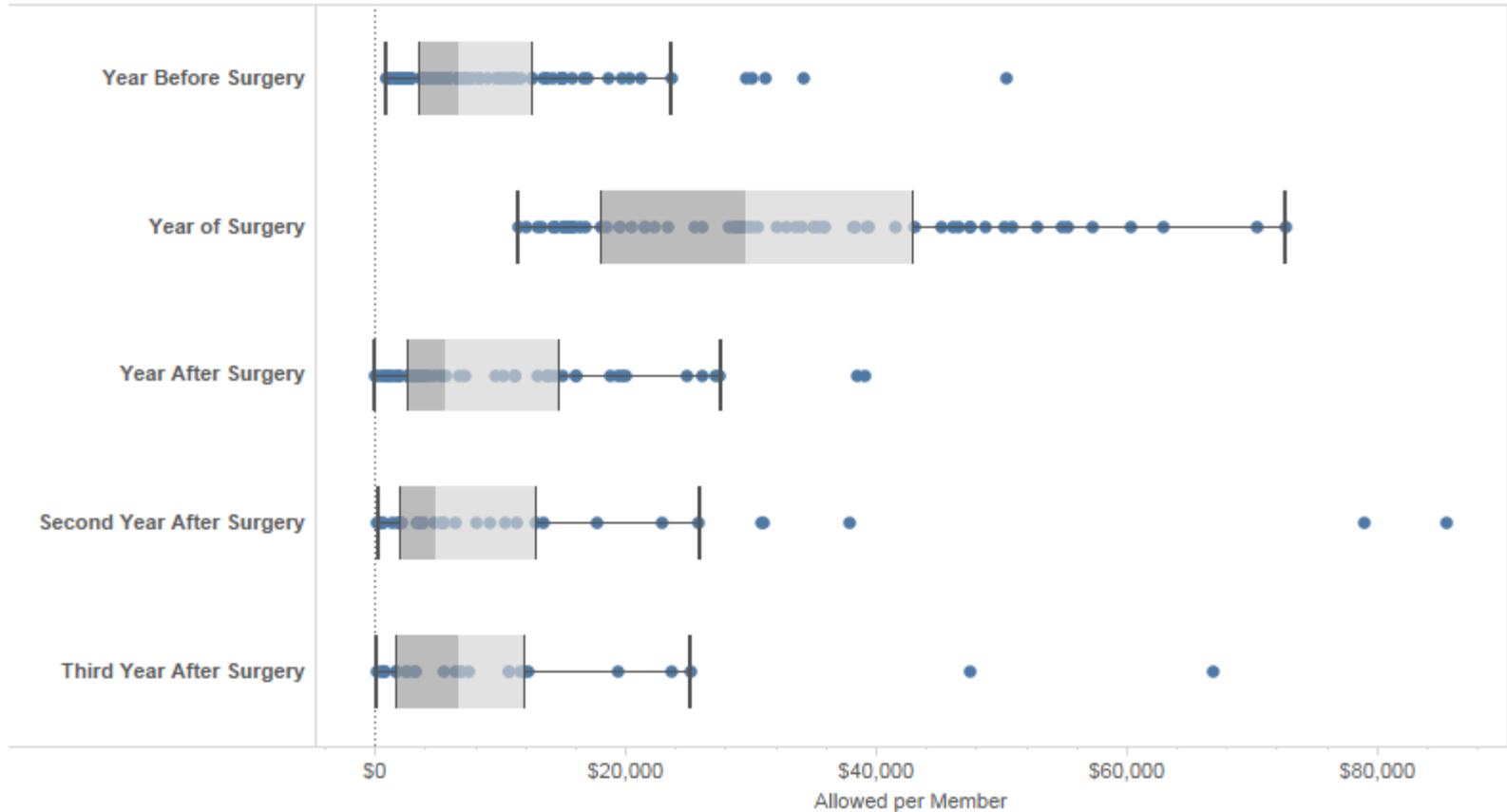
Average Allowed per Member (Excluding Catastrophic Members)



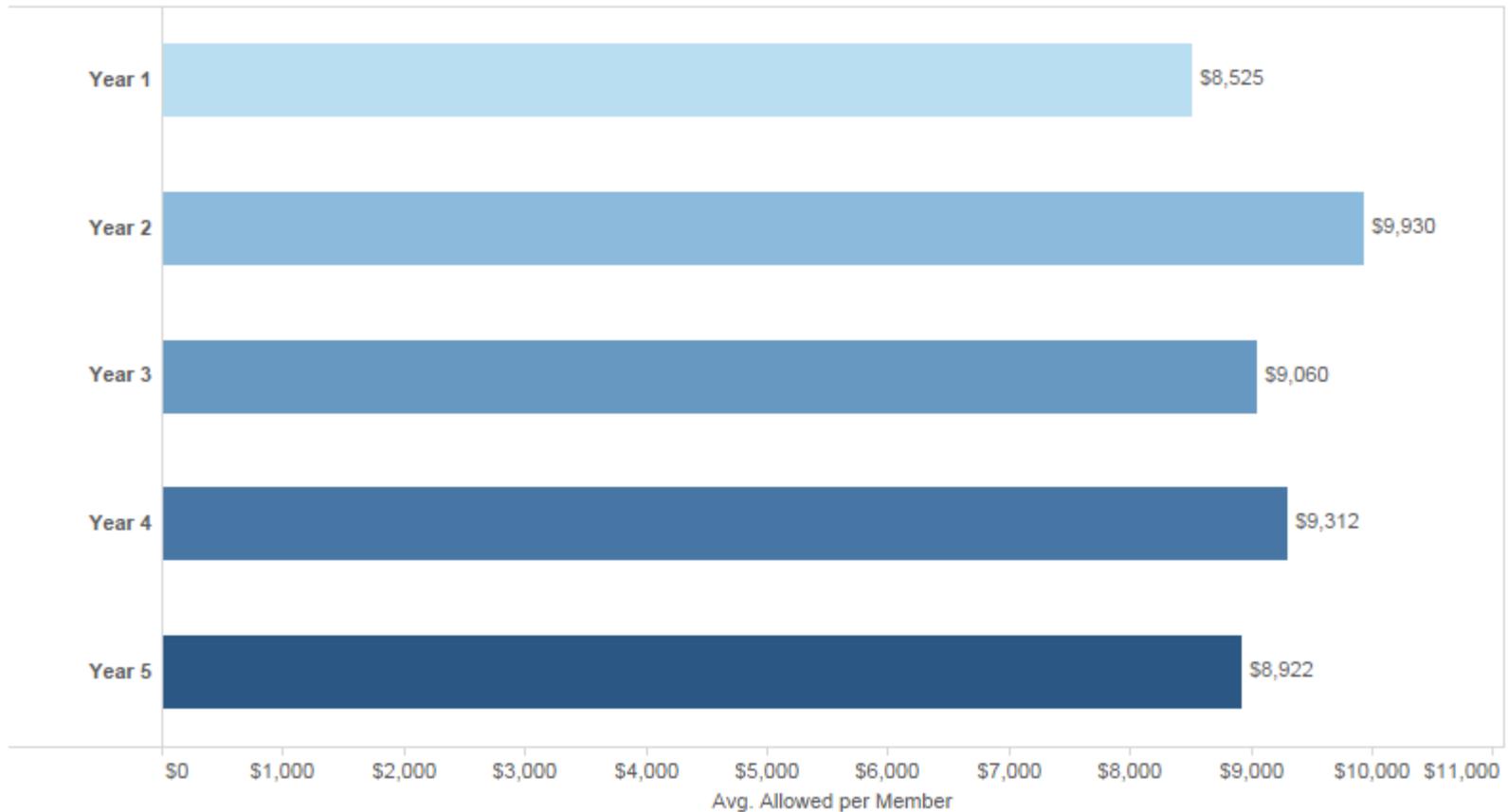
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Allowed per Member

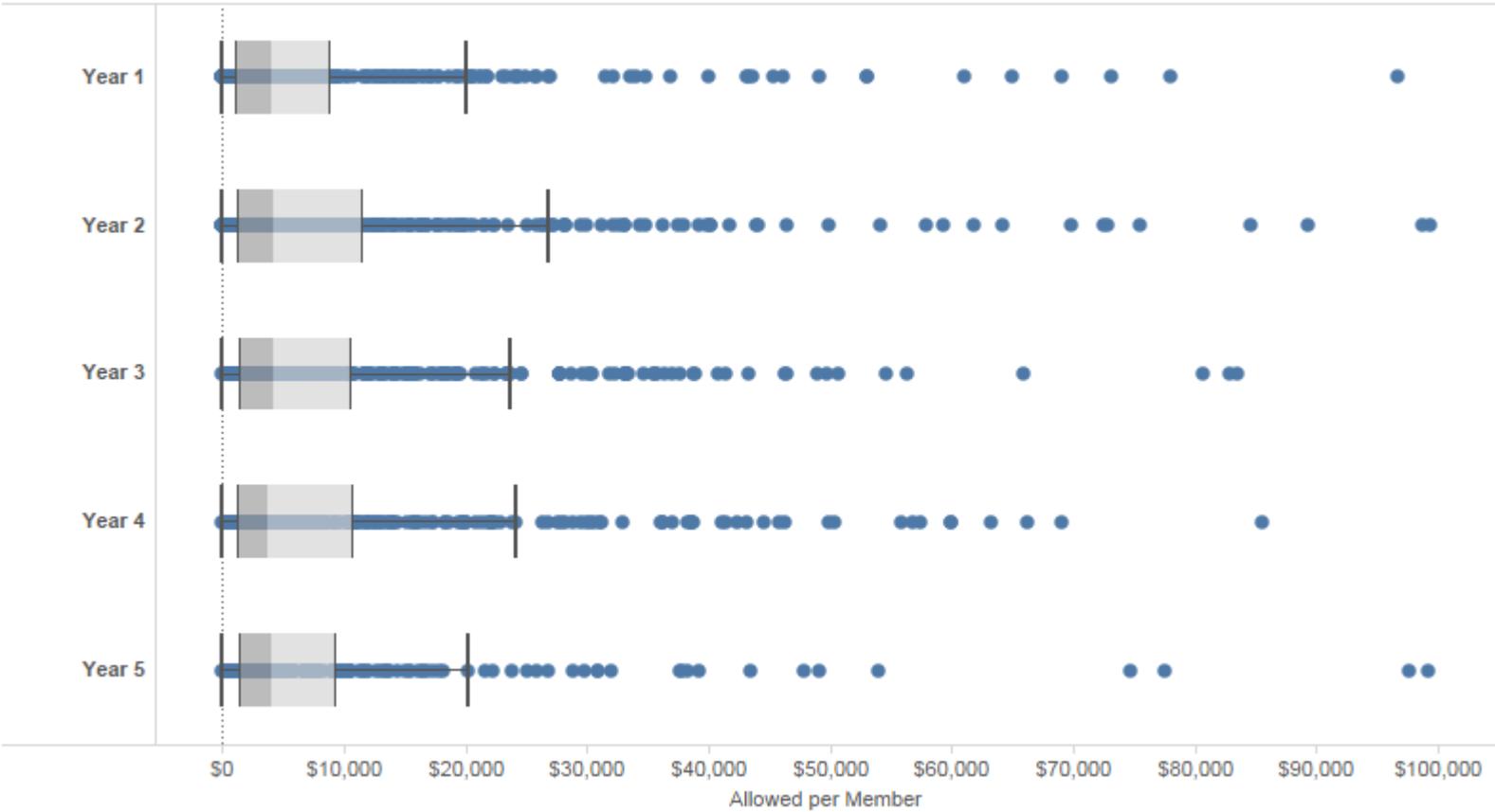
(Excluding Catastrophic Members)



Control Group: Average Allowed per Member (Excluding Catastrophic Members)

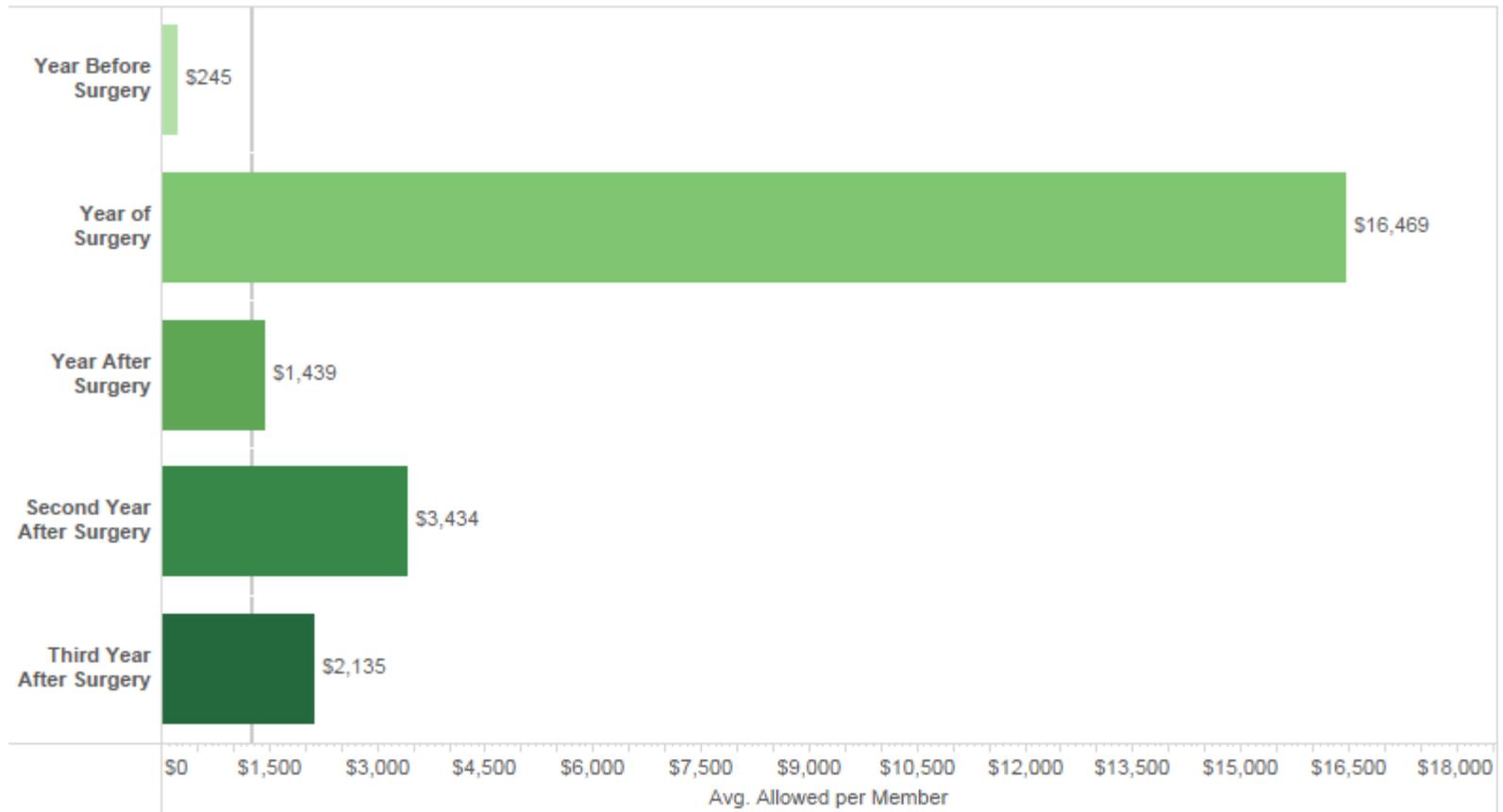


Control Group: Allowed per Member (Excluding Catastrophic Members)



Average Inpatient Allowed per Member

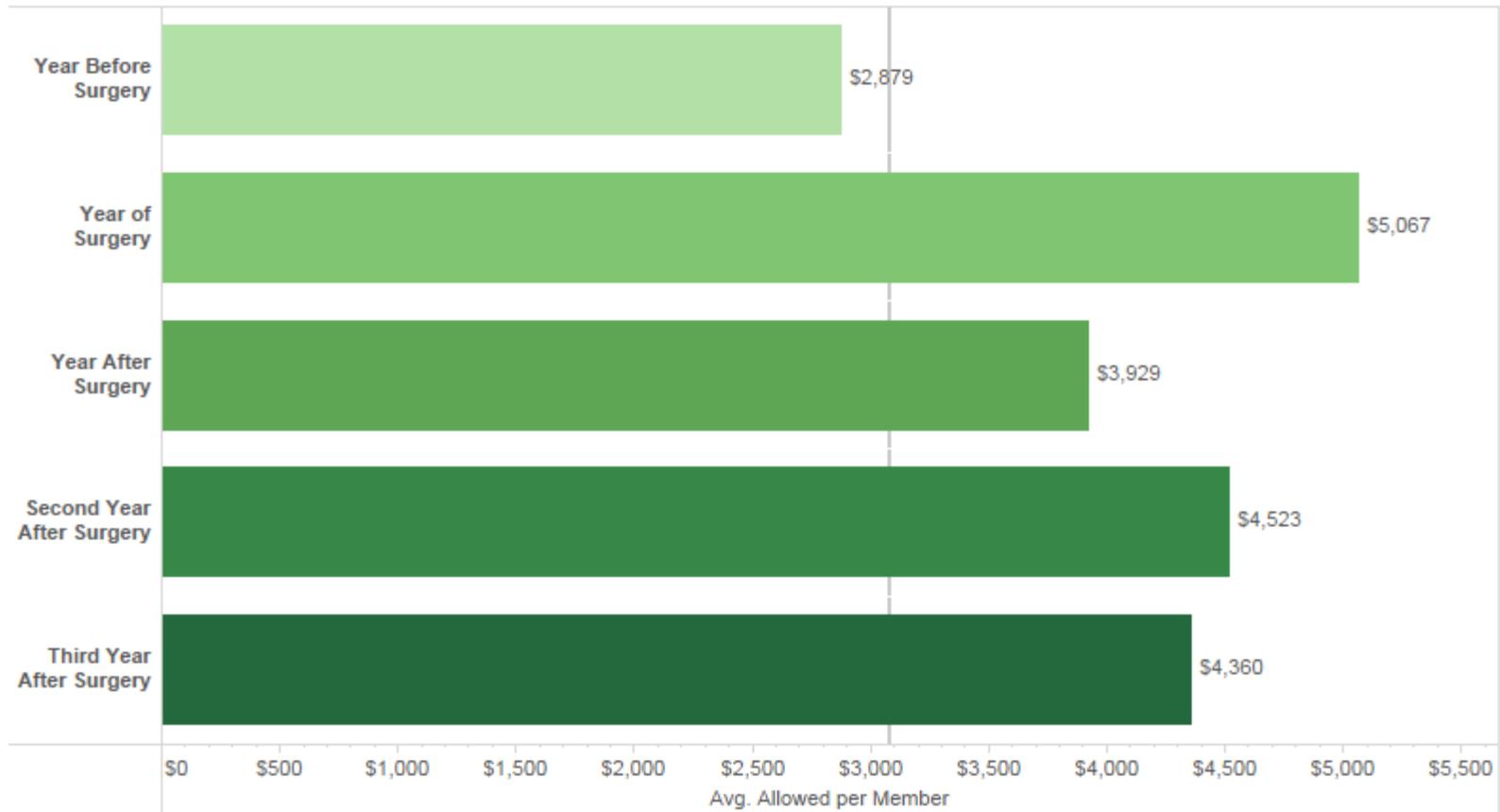
(Excluding Catastrophic Members)



The grey line behind the graph is the average claim level for the control group.

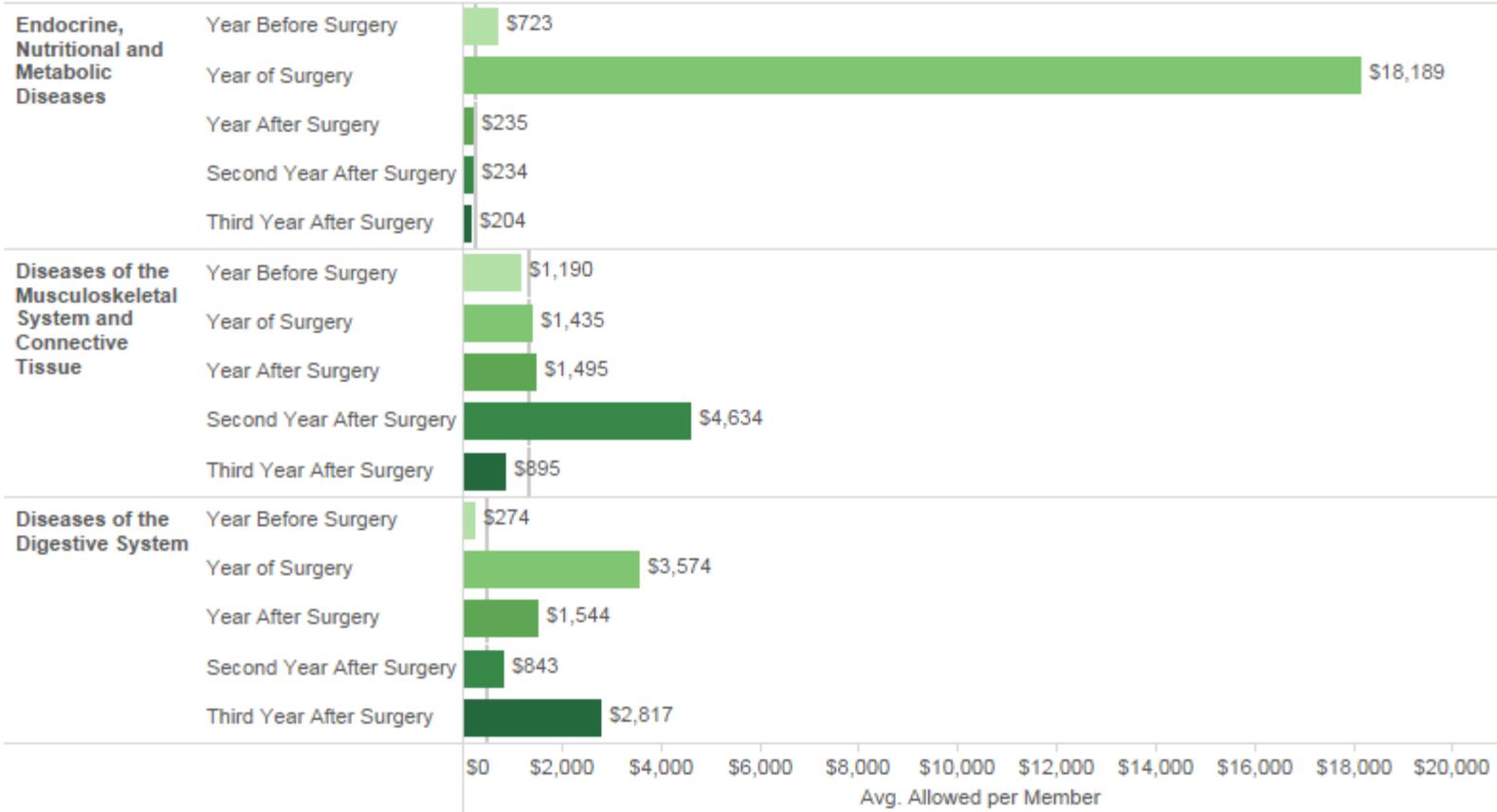
Average Outpatient Allowed per Member

(Excluding Catastrophic Members)



The grey line behind the graph is the average claim level for the control group.

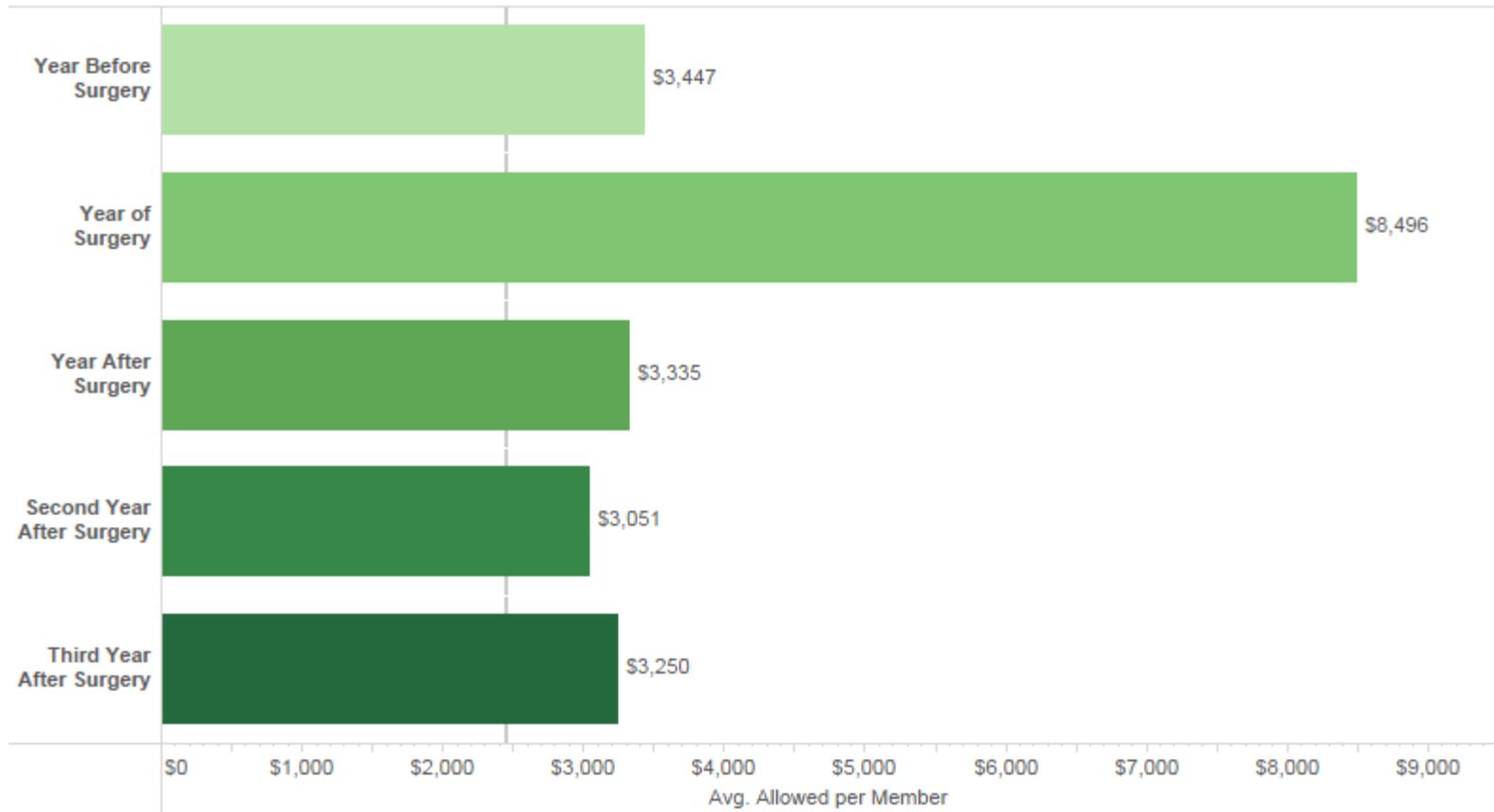
Clinical Condition Drill Down



The grey line behind the graph is the average claim level for the control group.

Average Professional Allowed per Member

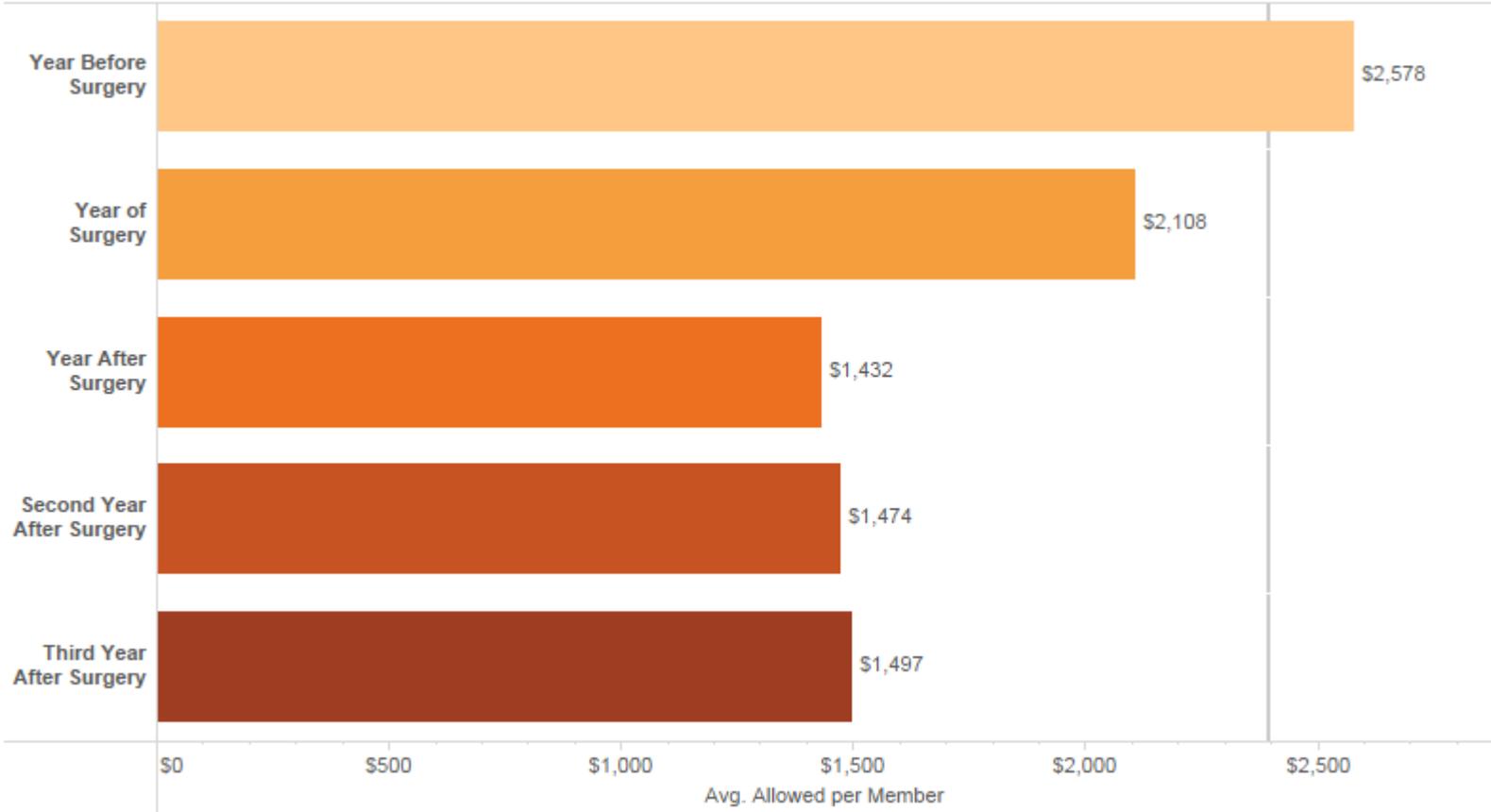
(Excluding Catastrophic Members)



The grey line behind the graph is the average claim level for the control group.

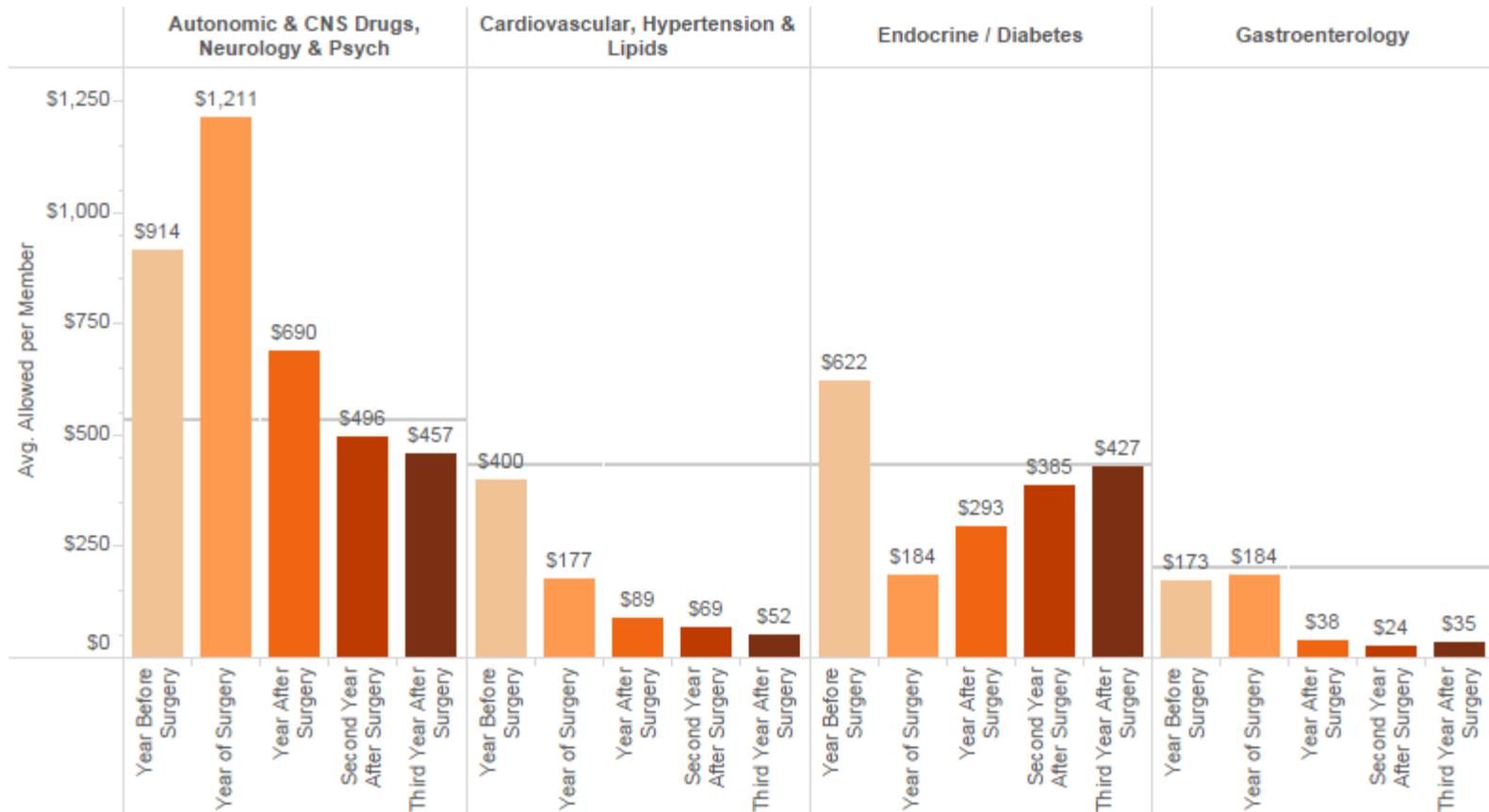
Average Pharmacy Allowed per Member

(Excluding Catastrophic Members)



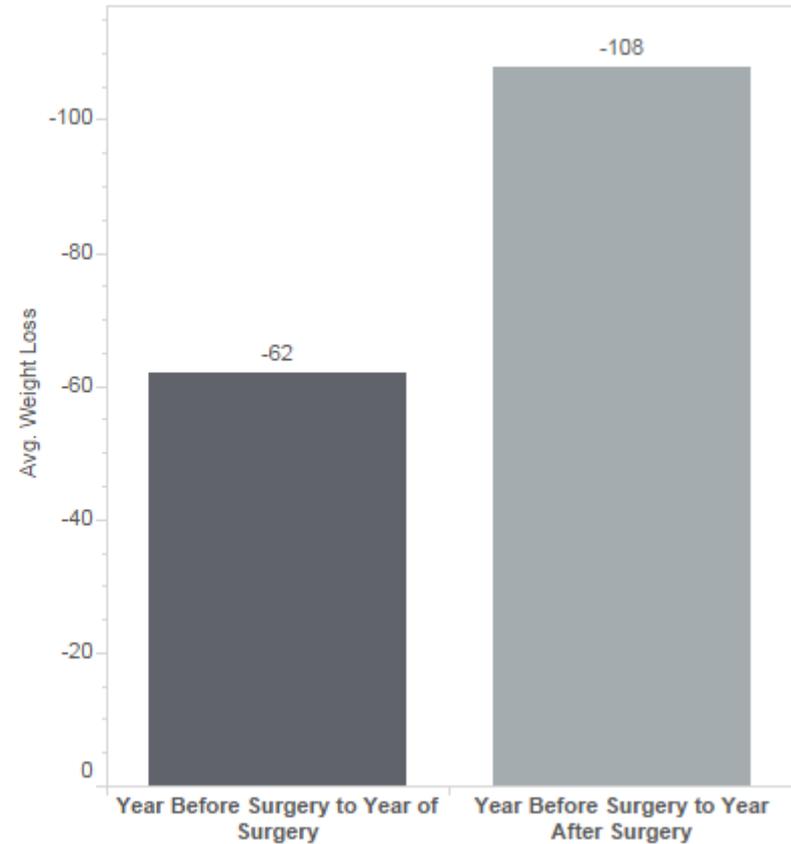
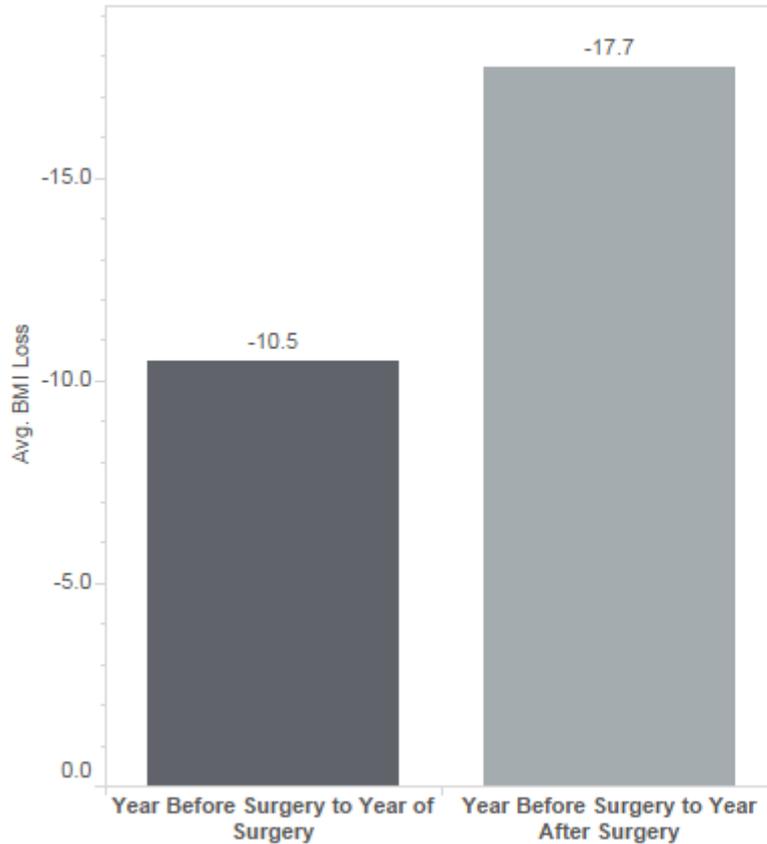
The grey line behind the graph is the average claim level for the control group.

Rx Therapeutic Category Drill Down

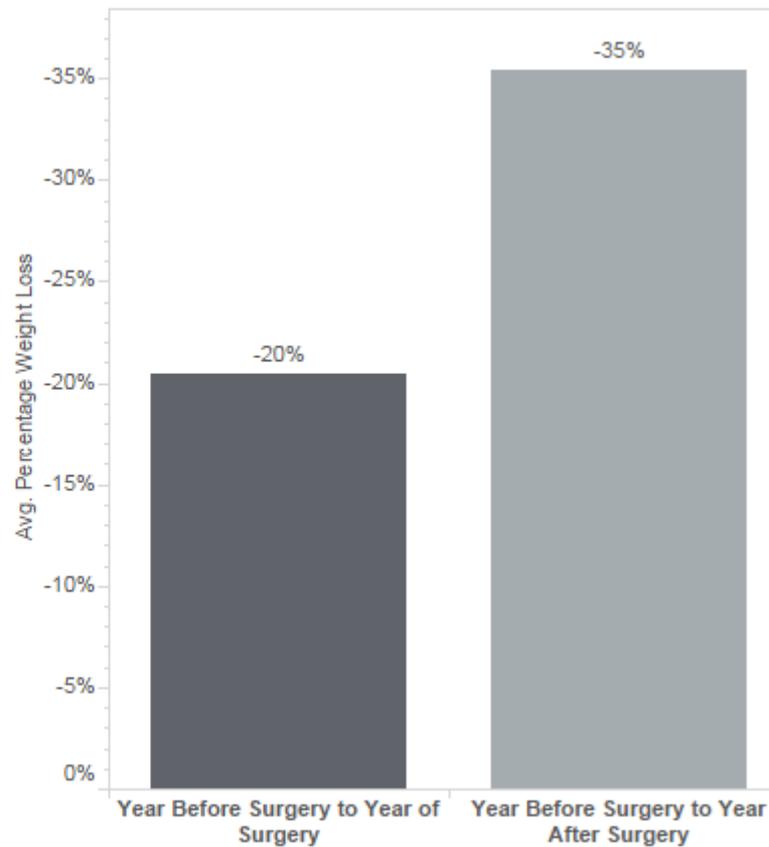
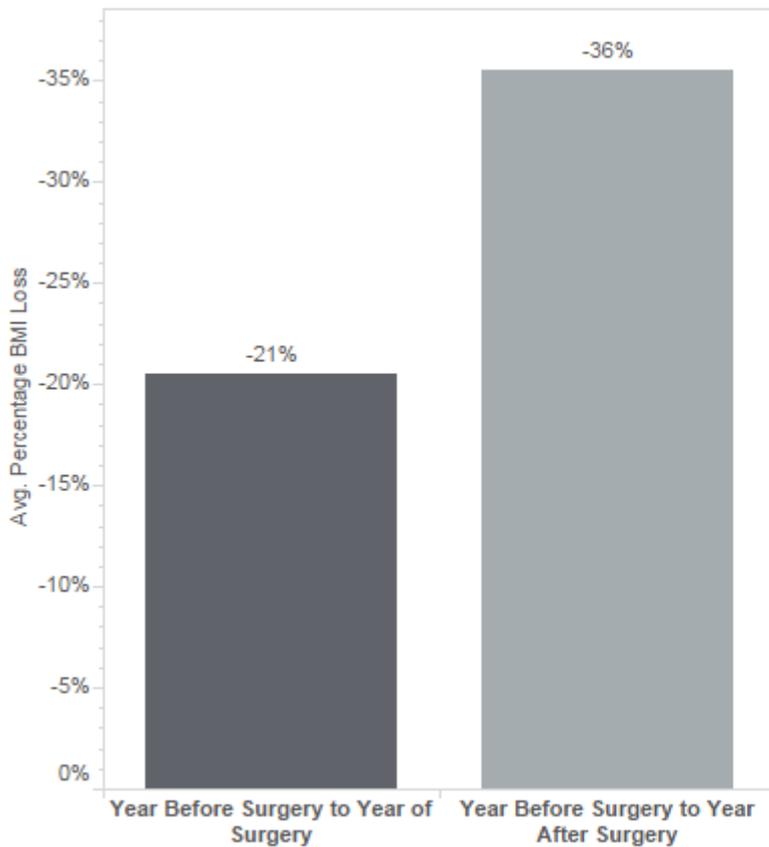


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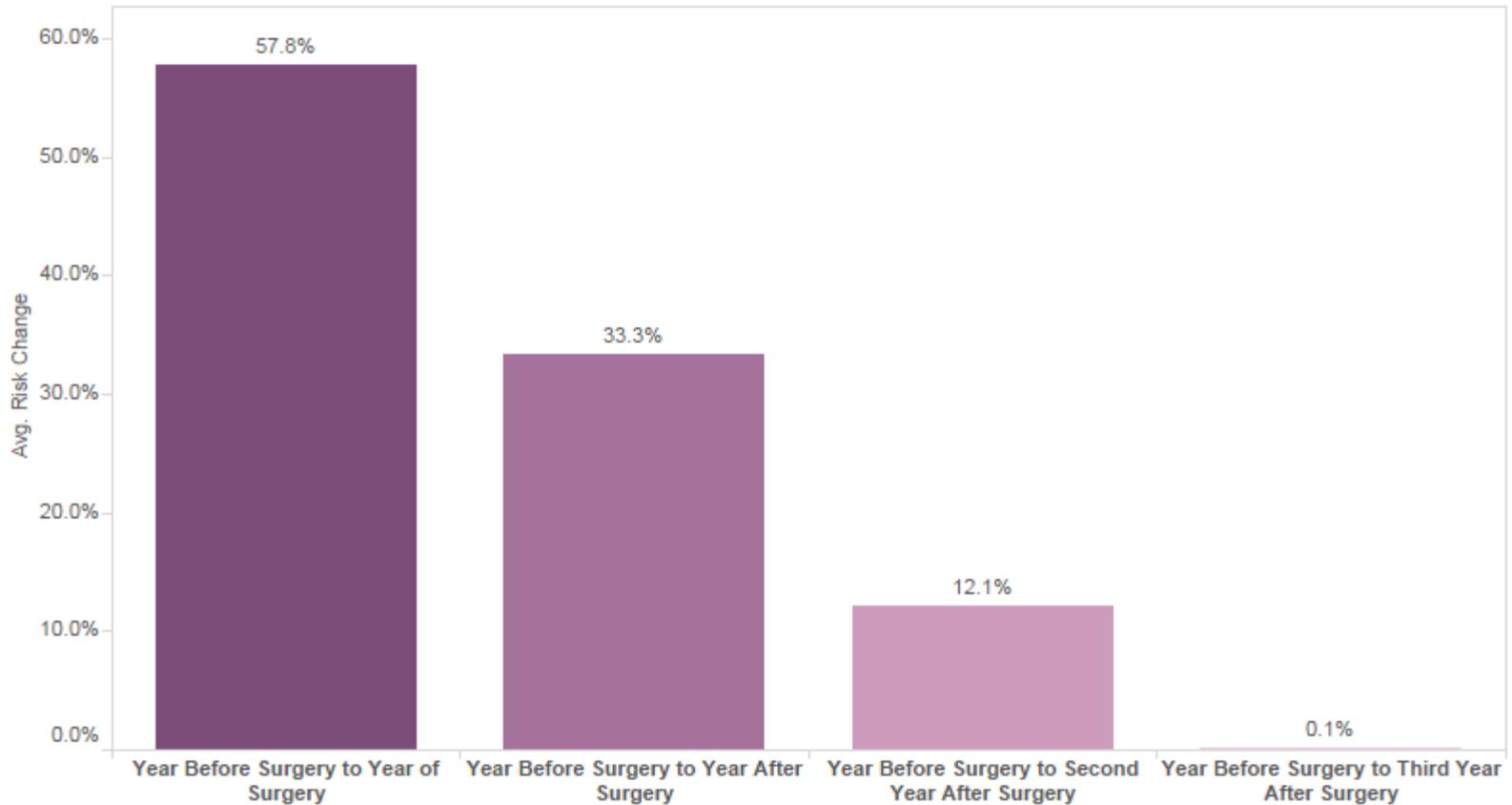
Average Weight and BMI Loss



Average Percentage Weight and BMI Loss



Average Percentage Change in Prospective Risk



Main Takeaways

- » The average surgery year cost around \$20,000 more than average year prior to surgery or an average year for member in control group.
- » Average costs have not come down in the few years after surgery due to facility claims. If removed, costs are \$2,000 lower per year compared to pre-surgery.
- » Including the additional facility claims in the 3 years post bariatric surgery, we expect costs to break even after about 14 to 15 years and 10 or less years if those costs are excluded.
- » Data on post-surgery weights and BMI values is limited and should be increased.
- » Other studies on bariatric surgeries suggest targeting those with diabetes for enhanced cost savings. Targeting those members may help improve ROI.
- » Members continue to express sincere appreciation for the surgery and the positive impact it has had on their lives.