



American Association of Preferred Provider Organizations

**American Association of PPOs
Initiative to Improve Diabetes Care and Outcomes in
Preferred Provider Organizations**

**Resolution Approved by the
Board of Directors
January 28, 2007**

The American Association of Preferred Provider Organizations (AAPPO) is the leading national association of preferred provider organizations (PPOs) and affiliate organizations. It was established in 1983 to advance awareness of the benefits – greater access, choice and flexibility – that PPOs bring to American health care. PPOs have worked in collaboration with the medical community, respecting the sanctity of the patient-provider relationship.

Currently, more than 151 million individuals are enrolled in a PPO program, which means 61 percent of Americans with healthcare coverage receive their healthcare services through a PPO delivery system. PPOs are offered as a cost-saving component of many insurance arrangements, including health savings accounts and consumer directed health plans. PPOs have delivered exactly what the public has called for – choice, flexibility and a balance between the delivery of appropriate care and cost control. That is the primary reason for this growth.

In 2007, AAPPO has **resolved** to initiate a one-year campaign to support member PPOs in improving care and outcomes of diabetes. This resolution is being adopted for the following reasons:

1. **Diabetes Prevalence:** There are 20.8 million children and adults in the United States, or 7 percent of the population, who have diabetes. While an estimated 14.6 million have been diagnosed, 6.2 million people (or nearly one-third) are unaware that they have the disease.
2. **Diabetes Impact on Patients:** Diabetes increases patient risk for a number of serious, sometimes life-threatening complications, including:
 - Heart disease and stroke account for about 65 percent of deaths in people with diabetes. Adults with diabetes have heart disease death rates about 2 to 4 times higher than adults without diabetes. The risk for stroke is 2 to 4 times higher and the risk of death from stroke is 2.8 times higher among people with diabetes.
 - Diabetic retinopathy causes 12,000 to 24,000 new cases of blindness each year, making diabetes the leading cause of new cases of blindness in adults 20-74 years of age.
 - Diabetes is the leading cause of kidney failure, accounting for 44 percent of new cases in 2002. In 2002, 44,400 people with diabetes began treatment for end-stage renal disease (ESRD).

3. **Diabetes Impact on Payers and Employers:** The total annual economic cost of diabetes in 2002 was estimated to be \$132 billion. One in 10 of every dollar spent on health care is related to diabetes. Direct medical expenditures totaled \$92 billion and comprised \$23.2 billion for diabetes care, \$24.6 billion for chronic diabetes-related complications, and \$44.1 billion for excess prevalence of general medical conditions. Payers also are responsible for the indirect costs resulting from lost workdays, restricted activity days, mortality and permanent disability due to diabetes. These indirect costs totaled \$40.8 billion.
4. **Evidence that Quality of Care Improvements Result in Better Patient Outcomes:** Improving the quality of care for people with diabetes has a dramatic effect on the health and economic toll of diabetes. Both patients and healthcare providers contribute to improvements:
 - Improved glycemic control benefits people with either type 1 or type 2 diabetes. In general, every percentage point drop in A1C blood test results (e.g., from 8.0 to 7.0 percent) reduces the risk of microvascular eye, kidney and nerve complications by 40 percent.
 - Blood pressure control reduces the risk of cardiovascular disease (heart disease or stroke) among persons with diabetes by 33 to 50 percent, and the risk of microvascular complications (eye, kidney, and nerve diseases) by approximately 33 percent.
 - Improved control of cholesterol or blood lipids (for example, HDL, LDL, and triglycerides) can reduce cardiovascular complications by 20 to 50 percent.
 - Detecting and treating diabetic eye disease with laser therapy can reduce the development of severe vision loss by an estimated 50 to 60 percent.
 - Comprehensive foot care programs can reduce amputation rates by 45 to 85 percent.
 - Detecting and treating early diabetic kidney disease by lowering blood pressure can reduce the decline in kidney function by 30 to 70 percent.
5. **Evidence that PPOs can Make a Difference:** AAPPO's research on incentive programs shows that PPOs, regardless of their business model, can reach patients, payers and providers through a variety of options including:
 - Selective contracting with high quality providers **or** increasing patient awareness of quality providers through directory recognition;
 - Consulting with payers to create benefits that include incentives for patients to seek care and take care of themselves as necessary;
 - Using web based information, including health risk assessments and patient education to improve patient care;
 - Collaborating with other local organizations for a community-based education, information or quality improvement campaign;
 - Coordinating data and care management with disease management vendors

Therefore: Because PPOs offer the networks of providers that deliver care for this serious condition and because PPOs can add to the value they deliver to payers, AAPPO and its members **Resolve to Take on Diabetes**, and to use a variety of strategies available to PPOs to promote identification and better care to improve outcomes for patients with diabetes.

Contact:

Karen Greenrose, President
American Association of PPOs
222 South First Street
Suite 303
Louisville, KY 40202
Phone: (502) 403-1122 Fax: (502) 403-1129 www.aappo.org

* Diabetes information adapted from the American Diabetes Association (<http://www.diabetes.org/diabetes-statistics.jsp>), the National Institutes of Health (<http://diabetes.niddk.nih.gov/dm/pubs/statistics/index.htm>) and the Centers for Disease Control and Prevention (<http://www.cdc.gov/diabetes/statistics/>).