

PPO Action Plan: For Improving Weight Loss Surgery Outcomes

What: Obesity is one of the most significant chronic conditions in the U.S. One third of the adult population and 15% of children are obese - with a Body Mass Index greater than 30¹. Obesity costs over \$147 billion in annual medical spending, largely in part to co-morbid conditions that accompany severe obesity.² Physician-developed clinical practice guidelines recommend prevention of obesity and medically supervised weight loss as first line treatments.³ For severe obesity, bariatric surgery is the most effective intervention for weight loss and resolution of co-morbidities.⁴ Surgery results in remission of diabetes in the majority of cases.⁵

Why it Matters: Employers care: obese adults incur annual medical expenses almost 40% higher than non-obese adults. Adults with extreme obesity have 118% more lost time from work, and also have twice as many work limitations.⁶ The cost of obesity is projected to double by 2020, and may account for 15-17% of national health care expenditures by then.⁷

Why PPOs? Creating the right network for customers and meeting the needs of patients is a business imperative for all PPOs. PPOs, the dominant delivery approach in the U.S., need to take a leadership role on addressing obesity as an important cost driver to their customers. PPOs can work closely with employers and payers to improve the delivery of obesity prevention and treatment benefits.

About Bariatric Surgery:

- Bariatric surgery is *effective* and *recommended in guidelines*: "Surgery results in greater weight loss than conventional treatment in moderate (body mass index greater than 30) as well as severe obesity. Reductions in co-morbidities, such as diabetes and hypertension, also occur."⁸
- Bariatric surgery is *safe*: the rate of complications for bariatric surgery is comparable to other major procedures and surgery is getting safer as volume and surgeon experience increase.⁹ Extreme obesity also has significant health risks, a factor in considering surgery.¹⁰
- Bariatric surgery is *efficient*: hospital length of stay and total costs are dropping.¹¹ The return on investment timeline for recovering surgical costs is 2-4 years, driven largely by resolution of many co-morbid conditions such as diabetes and sleep apnea.^{12, 13}

Who Covers it? Both CMS and the Veterans Administration recognize that the benefits of bariatric surgery outweigh the risks. Medicare covers bariatric surgery as a treatment for severe obesity for patients with body mass index (BMI) greater than or equal to 35 and a co-morbid condition when medical necessity and an effort at medical weight loss have been documented in the patient record. Approximately 57% of public and private employers offer some type of bariatric surgery benefit.¹⁴ Bariatric surgery is subject to a number of state benefit mandates. Where it is not mandated, many plans exclude bariatric surgery from benefit coverage or make denials more frequently than for other services,¹⁵ often out of concern about adverse selection.

Getting Good Results: Surgery is only one component of treatment for severe obesity. Pre-operative screening and behavioral treatment are essential. Bariatric surgery outcomes are better when conducted by high volume providers in experienced facilities offering a multidisciplinary care team.^{16, 17} Multidisciplinary care includes mental health services, exercise programs, nutrition counseling, and pre/post surgical support. Many insurance organizations including Blue Cross Plans, Aetna and CIGNA designate bariatric surgery centers that offer multidisciplinary care and outstanding quality metrics as Centers of Excellence (COEs). They require care at COEs or offer them at a preferred benefit level.

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What to Do: PPOs have three primary roles in helping to assure best practices relating to bariatric surgery: **contracting** with high quality physicians and hospitals, **creating or supporting** evidence based medical policy, and **advising** employer/payer clients on strategic benefit policy. PPOs will be able to deliver added value to customers by addressing obesity through many directions. PPOs should:

- Provide innovative ideas to customers for improving beneficiary health and managing costs of obesity;
- Administer customizable benefits structures that include integrated or well coordinated health promotion and wellness offerings to prevent obesity;
- Educate payers on standards of care for treatment of severe obesity, including treatment guidelines for determining medical necessity and the implications of severe obesity on payer health care costs and workplace productivity;
- When bariatric surgery is a covered benefit, recommend that multidisciplinary pre and post-operative care are covered;
- Assess the adequacy of the PPO network for expertise in preventing and managing obesity, and develop network capability in this area;
- Educate primary care providers on routine assessment of Body Mass Index (an NCQA HEDIS indicator), on behavioral weight management interventions, and evidence based referral for severely obese patients;
- Track and report to customers on physician performance identifying and treating obesity, including surgical outcomes;
- Negotiate with providers and COEs for comprehensive bariatric surgery services at the most competitive pricing;
- Encourage patient accountability through education and plan design options, and steering members to programs with documented best outcomes;
- Position the PPO to show expertise in assessing and implementing new bariatric product offerings that improve health and productivity outcomes.

As health care organizations dedicated to offering a high value network, PPOs can expect and should prepare for a greater demand in obesity medical, pharmacologic and surgical treatments. Bariatric surgery offers the promise of improvement in health and productivity for patients. PPOs should stay ahead of this trend to ensure they are out front in promoting cost effective approaches with the best outcomes.

Visit AAPPO's Obesity Treatment website at:

http://www.aappo.org/AAPPO_BEST_PRACTICES/ABP_01.cfm

For links to AAPPO Issue Briefs, guidelines, evidence, and quality websites

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** Citations available on AAPPO's web site*

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Citations

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