

# PPO

## Best Practices

Assuring Successful  
Bariatric Surgery  
Outcomes



## **PPO BEST PRACTICES FOR ASSURING SUCCESSFUL BARIATRIC SURGERY OUTCOMES**

### **ISSUE BRIEF**

### **CASE STUDY – STATE OF MAINE STATE EMPLOYEE HEALTH COMMISSION BARIATRIC BENEFIT CHANGE**

In May 2009 the State of Maine State Employee Health Commission announced health plan changes that would take place in July, 2009. In making the change, the State noted that after five years of relatively good claims experience and low rate increases, the State employee health plan experienced a significant jump in plan expenses. Medical claims in 2008 increased by over 10% compared to the prior year for the point-of-service plan (covering active employees and non-Medicare retirees). Payments for medical services increased by over \$16 million in 2008. The State noted that most of this increase is due to a greater use of medical services and a small group of high-cost claims. There were eight cases that exceeded \$350,000 and these eight cases alone accounted for \$4.6 million. Plan changes were implemented for members in the Point of Service PPO plan.

The State Employee Health Commission was forced to examine ways to reduce plan costs and to ensure that the plan costs did not exceed the amount budgeted. In addition to changes impacting use of emergency services (the State increased the emergency room co-payment to \$75 but increased the number of walk in centers that would provide treatment for a \$15 co-payment), the State modified its bariatric surgery benefit program to direct plan members to more efficient programs with better outcomes. For the Bariatric Surgery benefit, all deductible and copayments will be waived if members receive this procedure from “Centers of Excellence.” Through Anthem, the state insurance carrier, the State designated two major medical centers in the state as designated centers of excellence eligible for the benefit incentives.

In information provided to members, the State noted that bariatric surgery is considered to be a high risk procedure for many patients. For that reason it is important for members to have access to providers who have demonstrated quality care and outcomes. Bariatric surgery includes approved gastric bypass and laparoscopic band treatment of clinically severe obesity. Maine’s two Centers of Excellence are Blue Distinction Centers for Bariatric Care. The Blue Distinction specialty center network was developed to help consumers identify those facilities that have met or exceeded the rigorous evaluation of clinical data on the facility’s structures, processes and outcomes of care.

The State noted that Centers of Excellence tiering for bariatric surgery complements “Hospital Quality Tiering” with a benefit design tailored to bariatric hospital and surgeon services. Bariatric surgery (hospital and surgeon charges) performed at the two selected COEs are covered at the “Preferred” level of benefits. Bariatric surgery performed at all other hospitals are covered at the “Referred” level of benefits. The bariatric surgery tiering applies only to that surgery, and hospitals can continue to be Preferred for other procedures even if they are not preferred for bariatric surgery. Benefits will continue to be available for bariatric surgery at any hospital in Maine that performs the service; however the preferred level of benefits will only be available when the bariatric surgery is performed at the Blue Distinction Centers for Bariatric Care.

To educate members about benefit changes, the State encouraged its plan vendor, Anthem to post information and develop "Frequently Asked Questions." In addition, a series of informational meetings were held at locations across the state in June and early July to go over these plan changes.

This case study was adapted from the State of Maine Web site,  
<http://www.maine.gov/beh/HealthBenefits/documents/MoreHealthPlanChanges709.doc>

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