

BUSINESS

Dieting for dollars: Paying patients to lose weight

One way to get people to live healthier is to reward them for their efforts.

By **ROBERT KAZEL**, amednews staff. June 28, 2004.

Trying to persuade patients to lose weight, stop smoking or improve their lifestyles in some other way? Don't just appeal to their common sense. Appeal to their wallets.

That's the decidedly pragmatic philosophy behind several initiatives now being sponsored by insurance companies, employers and at least one physician. The programs all share the assumption that patients can be motivated to break entrenched unhealthy habits if offered tangible rewards, including cash, discounts and rebates.

"The American way is money," says Joseph Chemplavil, MD, a cardiac endocrinologist in Hampton, Va. "I have no problem bribing [patients]."

For more than a year, Dr. Chemplavil has enrolled patients in a voluntary program, "Dollar for Pound," in which he pays them a dollar for each pound they take off. But if they gain a pound, they must pay him a buck. Accounts are settled every time patients come in for an appointment and weigh in. The successful ones remove cash from a jar on his desk, and those who have gained weight deposit money.

Dr. Chemplavil dreamed up the program in the fall of 2002, he says, when he shook the hand of an elderly patient who'd lost five pounds since her last visit. She joked that since she did all the work of taking off the weight, she should receive money, not just congratulations.

"It occurred to me maybe I should reward them," says Dr. Chemplavil, who sees many patients who are overweight or obese and have conditions such as hypertension, diabetes and high cholesterol.

One doctor paid

\$1,044 to 150 of his patients

who lost weight.

He offered the slim-down-or-pay-up program to any patient with a body mass index of at least 27. Patients were not advised how they should take off weight except to eat less and exercise more. "I left it to the patient," Dr. Chemplavil says. "My theory is most patients who are obese in this country know what to do to lose weight. They have the skill but they don't have the will. This was the incentive for them."

The program started in April 2003, with 191 patients signed on at the start. A year later, at the end of the trial, 41 had dropped out. But for the 150 who remained, 118 patients had a net weight loss of nearly nine pounds each, on average.

Dr. Chemplavil paid out a total of \$1,044, or an average of \$8.84 to patients who lost weight during the year. As for the 30 patients with a net weight gain, they paid Dr. Chemplavil an average of \$5.53 over the same period, or a total of \$166 for all patients, he says. Two patients' weight remained unchanged.

The patient with the greatest weight loss, a 51-year old woman, took off 35 pounds and will get a vacation to Las Vegas, a bonus prize Dr. Chemplavil threw in as an added enticement.

Dr. Chemplavil says he was encouraged that eight out of 10 patients who finished "Dollar for Pound" managed to lose weight, and 11 patients lost 20 pounds or more. The outcome was significant because many of the patients had struggled for years with weight problems, unable to find a diet or exercise regimen that worked. Perhaps most important, many of the patients are continuing to lose weight even though the cash incentives have stopped, because they've taught themselves to live in a more healthy way, he says.

He believes that the program is preliminary proof that money, even token amounts, can inspire patients who have difficulty motivating themselves but are receptive to a challenge. He has signed up a new set of 60 patients for a second one-year program, though this time he's charging a \$10 enrollment fee to offset his costs.

The Rhode Island

Blues plan offers members

15% off premiums if they enroll

in a wellness activity.

Dr. Chemplavil thinks insurers and employers can adapt his methods to create their own monetary incentive programs to make healthy lifestyles more palatable. In some cases, that effort has already begun.

Later this year, Blue Cross Blue Shield of Rhode Island will roll out a new product, HealthMate Personal Choices, which will effectively reduce premiums by 15% for members enrolled in a variety of wellness

and disease management programs. Employees in Personal Choices pick a "core program" and an "elective" from among the following areas: exercise, weight management, smoking cessation, stress management, nutrition improvement, back care and prenatal care. Case-management programs for those with chronic health issues also can be selected.

The program was rolled out on a test basis to the Blues plan's own employees Jan. 1, and about 97% of workers are participating, said company spokesman Scott Fraser. "Even if you're the picture of health, there are educational programs designed to keep you there."

The Blues plan doesn't require members to attain their health goals to get the lower premium, Fraser said. An obese patient, for example, would complete a weight-loss program but does not have to prove himself on the scale.

"All we're asking is people to make an effort," Fraser said.

It's legal for insurers or self-funded employers to design carrot-and-stick approaches to wellness incentives, within certain limits. They can offer premium discounts, or other rewards such as lower deductibles or co-payments, to employees who achieve health and fitness goals, such as reaching a desired body mass index.

Under HIPAA regulations, however, such programs could be deemed discriminatory unless they adhere to several guidelines. The difference in insurance premiums between employees who meet health goals and those who fail is limited to 10% to 20%. The program must be "reasonably designed" to promote health and disease prevention, meaning that employees should be eligible at least once a year to try to qualify for reductions.

Also, employees who can't reach their goals because of health problems beyond their control must be offered alternative goals. For instance, a company or payer can offer premium discounts to nonsmokers, but because nicotine addiction is a medical condition, another option -- such as participation in a smoking cessation program, regardless of success -- must be enough for a discount.

Working toward health

Some employers now are offering workers cash or insurance discounts for participation in wellness plans, in the hope that healthier employees will reduce overall expenses over the long haul.

This year IBM began offering employees a \$150 one-time bonus if they agree to exercise three times a week for 10 weeks, said Kendra Collins, an IBM spokeswoman. The program runs on the honor system, with employees recording their workout schedules on a Web-based log. About 57% of the company's 170,000 workers had joined the program as of May.

IBM offers employees a \$150 one-time bonus if they agree to exercise three times a week. Giving breaks in health insurance premiums for employees in wellness programs is another approach. El Segundo, Calif.-based DirectTV started a program called WorkWell in 1996 -- when the company was part of

Hughes Electronics -- that offered employees without health risks, as determined by a written self-assessment, \$200 off yearly health premiums.

Workers with health risks were offered the option of enrolling in wellness programs and also getting the reduction, said Pamela Hymel, MD, the company's former vice president of medical services and benefits. The discount has since increased to \$300, she said. The program, like the Blues plan in Rhode Island, rewards employees simply for participating in health promotion activities, not for reaching desired goals.

Dr. Hymel credits the program with improving workers' health and keeping PPO premium increases to 8% for 2004, compared with 13% to 23% for the company's HMOs, which are not part of the WorkWell initiative.

"It's the way to go," she said. "With the trends being what they are, I don't think everyone can share equally in those premium increases."

Academia is providing new evidence that motivating workers to pursue fitness improves the corporate bottom line as well as workers' health. In a study released in May, researchers at the University of Michigan said companies can realize big savings on health care expenses by encouraging employees to pursue modest exercise. Getting them to do light exercise two or more days per week reduced corporate costs by about \$500 per employee annually. Savings were most significant for obese employees who were sedentary before starting to exercise.

But is it fair to base insurance premiums on participation in wellness activities, no matter how laudable the intention? Even in cases of more liberal programs -- those that reward employees for simply trying to improve their health -- the approach may strike some as inconsistent with the traditional, inclusive philosophy behind group insurance coverage, said Christopher J. Bartnik, a Washington-based principal with Palmer & Cay, a national benefits consulting firm.

"Now you're, at some level, singling out people for different reasons, and some people may be uncomfortable with that," he said. "It kind of flies in the face of the purpose of insurance [where] the concept is to bring more people to the table and everyone can buy at a better price."

Furthermore, incentive programs would be most welcomed by younger, healthier employees, and might be shunned by "the 300-pound smoker who eats Krispy Kreme doughnuts every day" and who's anxious about having his health status scrutinized, Bartnik said.

Nevertheless, Paul Berger MD, a principal in Atlanta with Mercer Human Resource Consulting, said rising premiums are causing many more plan sponsors to look at financial incentives for wellness participation than before.

"We're seeing cash, we're seeing gift certificates, we're seeing lowering of the deductible, or additional contributions to a flexible spending account, and for those chronically ill, financial incentives for

enrollment in case management," he said. "Frankly, people didn't care [until recently]. It wasn't until the last few years when the trend has gone to the double digits. It's all about money."

And while physicians might think it's more their role than that of payers to nudge patients toward healthier habits, Dr. Berger said, many doctors "don't have the time or the training" to change their patients' ingrained behaviors.

Even with monetary incentives, however, some doctors doubt their patients can be motivated easily. Insurance companies, like physicians, often find it extremely challenging to persuade certain patients with serious health risks to follow through with preventive programs, says Tilak Verma, MD, president of the Rhode Island Medical Society.

A pulmonary/critical care and sleep specialist, Dr. Verma says it's hard to picture many of his patients, most of whom are elderly, becoming interested in taking on the challenge of wellness goals.

"It's an uphill task to change habits that late in the game," he says. "It shouldn't deter us from trying, but it's not easy."

ADDITIONAL INFORMATION:

Cheaper insurance: A payoff for wellness?

Can workers be awarded insurance premium discounts, rebates, etc., for achieving health or fitness goals in a wellness program? Under HIPAA, such a program must be "bona fide." Some guidance from regulators:

- Discounts on coverage should be no greater than 10% to 20%.
- Employees should get a chance to qualify for discounts at least annually.
- Employees who can't attain goals because of health difficulties, or because they're medically inadvisable, should get an alternative way to qualify.
- Insurance plan materials generally should mention that alternative ways to qualify might be available.

Source: U.S. Dept. of Health and Human Services

Weight-loss contract

"I, (Patient's name), hereby promise to myself and to Dr. Chemplavil, that I will make every effort to lose my weight and I will pay \$1 to Dr. Chemplavil's Dollar for Pound Fund, for every pound of weight that I gain, on each visit to the office, by cash. I also understand that I will receive \$1 from the same fund for

each pound of weight that I lose. I will not hold Dr. Chemplavil responsible for any harm whatsoever arising out of this program."

Source: Joseph Chemplavil, MD

Insurer plans discounts for weight-loss programs

One of the nation's leading for-profit insurers announced in June that it would be paying a lot more attention to obese patients -- and that its customers who have healthy lifestyles could one day pay less.

Aetna and other big payers generally offer the same premiums to employees in group health plans regardless of their health status, but William Popik, MD, Aetna's chief medical officer, predicted that insurers eventually might reward healthier, fitter members with less costly premiums. "We haven't thought about doing that yet ... but I see that coming," Dr. Popik told Reuters at an obesity summit meeting organized by Time magazine and ABC News in Williamsburg, Va.

Aetna plans to begin a pilot version of a new anti-obesity program in October and will roll it out to its total membership in January 2005. The program would give overweight and obese members discounts on community-based weight loss programs, offer support from nurses and weight-loss counselors, and give away free pedometers.

The company also plans to greatly increase its outreach to doctors to explain the usefulness of weight-loss counseling and to inform them about Aetna's resources to help patients.