



evidence-based rewards for a healthier world.

**FOR IMMEDIATE RELEASE**

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## **OKLAHOMA COMPANY ANNOUNCES RESULTS OF BREAKTHROUGH STUDY TO HEALTH CARE INNOVATORS AT NATIONAL SUMMIT**

*Results support viability of pay-for-performance model*

PARK CITY, Utah – MedEncentive, an Oklahoma City-based health management program, today released the final results of a year-long study, offering quantitative evidence that its model of pay-for-performance health care management is effective at reducing health care costs as a by-product of better quality of care, more knowledgeable patients and healthier behavior.

The announcement was made to hundreds of health care innovators from across the nation at the 5<sup>th</sup> Annual Information Therapy Conference held in Park City.

“The results of this study have huge implications for the future of health care in this country,” said MedEncentive chief executive officer Jeff Greene.

As part of the study (conducted from August 1, 2004 through August 1, 2005), independent physicians voluntarily agreed to provide evidence-based medical care and information therapy to approximately 600 city employees and dependents of Duncan, Oklahoma, a community of approximately 22,000 residents.

Physicians were compensated for accessing MedEncentive's website to declare compliance to or provide a reason for deviation from evidence-based medicine guidelines and for prescribing information to their patients for each office visit.

Patients were instructed to go online to receive the prescribed information about their diagnosis and treatment and to confirm they followed the doctor's advice in exchange for reimbursement of their office visit co-pay. Both parties were also asked to confirm the others declarations, thus creating a powerful interactive check and balance.

Four hypotheses were tested to confirm the program's cost containment impact:

- A re-distribution of expenditures among cost categories (hospital, doctor, pharmacy, administration and other) would occur.
- Defensive medicine would be abated.
- Patients would perceive the program's information therapy as a useful health management tool.
- The degree of voluntary participation by independent physicians and city government employees, retirees and dependents would be adequate to affect cost containment

All four hypotheses were confirmed by the study. The final report completed on September 15, included the following summary results. A copy of the entire report can be downloaded at [www.medencentive.com](http://www.medencentive.com).

Voluntary participation by all physicians and local physicians was 35.5 percent and 47.5 percent, respectively. Overall patient participation was 43.8 percent. However, participation among the patients who incurred the highest costs was 72.5 percent. These participation levels proved to be adequate to affect cost containment.

A patient satisfaction survey was conducted to measure perception of the program. Patients were asked to rate the program on a scale of 1 – 5 for how helpful the information was in managing their disease or condition (1 being not helpful at all and 5 being very helpful). More than half (51.4 percent) gave the program a 5. The average rating was 4.23.

Global expenditures for the city's health plan decreased 11.5 percent for a savings of \$267,149 and a return on investment for the city of more than 930 percent.

Greene said that of the more than 100 pay-for-performance programs in existence today, the MedEncenitive program in Duncan was the first to simultaneously gain an adequate level of voluntary independent doctor participation plus interactive patient participation, while achieving a positive return on investment for the employer.

“Most pay-for-performance programs only offer incentives to doctors and hospitals. Our program is unique in that we also reward patients, which we have long believed to be the missing link. This study shows we were right. The key is to enlist the participation of the patient and the doctor, interactively. When performance is rewarded in this way, health care is fundamentally reformed.”

Don Kemper, chief executive officer of Healthwise and recognized as the father of the concept of information therapy used in the program, lauded MedEncenitive as exceptional, pointing to what he believes are three pivotal reasons for the program's success.

“It's the most substantial P4P payouts I've seen, and it prescribes information to the patient and asks them to rate the doctor's performance against evidence-based guidelines and vice versa, plus it rewards both parties,” Kemper said.

Doctors can earn up to 20 percent more than the area average by prescribing information therapy and patients can earn a \$25 reward for accepting the information prescriptions and scoring their physician's performance.

Based on results in Duncan and with other trial employers, a growing list of hospitals, cities and organizations in Oklahoma and elsewhere are becoming early adopters of the program.

For more information about MedEncenitive, please visit [www.medencentive.com](http://www.medencentive.com).

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