THE CHANGING LANDSCAPE

THE BUSINESS OF SLEEP

AIM
SpeciallyHealth
The importance of sleep is gaining more attention as media outlets from Time Magazine to The Huffington Post highlight the connection between sleep and health. Awareness has also heightened as the Centers for Disease Control declared insufficient sleep a national health epidemic.

For those of us in the industry, the importance of sleep is nothing new. We’ve seen that while sleep disorders remain underdiagnosed, more Americans than ever before are seeking treatment. This trend is expected to continue as the US population ages and becomes more aware of the critical role sleep plays in overall health.

At the same time, costs for these services continue to rise and patients, payers, and employers are seeking ways to gain better value.

The following Sleep Medicine trends have implications for AIM and for you, our clients and colleagues, as we navigate the changing landscape of our industry to ensure that members benefit from a good night’s sleep.
Keeping informed of industry trends is part of our commitment to you as we seek to help you ensure care that’s appropriate, safe, and affordable. Each year we participate in numerous industry conferences — listening, presenting, and sometimes just roaming the exhibit halls.

We stay on top of current medical literature and industry publications. By understanding how our industry evolves, we’re better able to tailor our Sleep Solution to meet the needs of our clients and their members.

MANAGING OBSTRUCTIVE SLEEP APNEA:
OUR CLINICAL EXPERTISE AND TECHNOLOGY DELIVER VALUE

Providers, health plans, and members benefit from the broad specialty expertise of the AIM clinical leadership team and advisory panels. Our sophisticated cost and quality transparency tools, and our popular online ProviderPortal™ drive better decision support.

Our Sleep Solution is further supported by a dedicated team of physicians and registered nurses who review sleep testing and therapy requests and consult with providers to help ensure appropriate, safe, and affordable care for members.

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Addressing the Full Spectrum of Sleep Management

- Managed Right Test
- Right Place
- Treatment Options
- Compliance

INCREASED COST OF CARE

QUICK IMPACT SAVINGS

LONG-TERM SAVINGS
Home Sleep Testing Gains Traction with Clinical Practices

Home Sleep Testing (HST) is used to confirm diagnosis and gauge severity in individuals at high risk for Obstructive Sleep Apnea (OSA). The testing unit is portable and often referred to as limited-channel unattended polysomnography (PSG). For appropriate patients, HST has several benefits including:

- More acceptable, accessible, and convenient for patients when performed in the comfort of the home or other location
- Significantly lower costs than facility-based PSG
- May reduce the “first night effect” of a facility based study which can lead to increased time and costs

HST acceptance has grown among sleep specialists, but there has also been an increase in utilization of this diagnostic tool among primary care providers. Industry consultants looking for ways to help practices maximize revenue have been actively offering advice on the most advantageous coding approaches to ensure reimbursement. This perfect storm has contributed to a doubling in volume of HST.

WHAT THE TREND MEANS FOR YOUR PLAN:

To help ensure clinical appropriateness of any form of sleep disorder testing, plans should make sure their management programs:

- Include robust clinical guidelines that address both home testing and facility-based options
- Track credentialing of all sleep providers, including physician practices, testing facilities, and Durable Medical Equipment (DME) vendors
- Provide clarity on provider credentials required for the interpretation of study results
- Support your plan’s specific reimbursement policies

HOW AIM CAN HELP:

At AIM, we’ve seen a consistent increase in the volume of requests for home studies. For some of our clients, requests have nearly tripled. And that’s good news because we know that home testing is often the most appropriate, affordable option for Obstructive Sleep Apnea (OSA) patients. That’s why our Solution directs more sleep studies to the home. In fact, our clients have seen the volume of facility testing reduced by more than half after adopting our Solution.

Source: AIM Data

= Total Home Study Exam Requests
PROLIFERATION OF ORAL APPLIANCES

The use of Oral Appliance Therapy to treat sleep apnea has been around for many years. Recently, however, dentists and orthodontists have begun promoting oral devices to consumers, highlighting their ease of use compared to the more cumbersome traditional therapies, typically Positive Airway Pressure (PAP) devices.

These advertising efforts appear to be effective as insurance claims for oral appliances are on the rise. Payers are seeking ways to manage these requests; sleep therapy is generally covered under medical benefits while dental practices are not participating providers under most medical plans.

At the same time, most sleep medicine practitioners continue to view oral appliances as a line of treatment to be used only when PAP therapy is not effective.

WHAT THE TREND MEANS FOR YOUR PLAN:

While the claims made for these devices are enticing to consumers, health plans should be aware that evidence to support their use is not well documented. New studies are emerging that promise to provide better guidance on appropriate utilization of these devices. AIM is monitoring this data and will update our Sleep Clinical Guidelines when new evidence becomes available to ensure appropriate care for members.

HOW AIM CAN HELP:

Based on oral appliance requests for our Sleep Solution clients, we expect the upward trend to continue. In fact, we expect requests this year to be 30% higher than last year and 70% higher than 2013. Our comprehensive solution helps manage this trend by ensuring that oral appliances are used only when appropriate and conform to established quality standards.
GOVERNMENT PAYERS UP THE ANTE

Studies show that within one year of initiation of PAP therapy to treat OSA, more than 50% of patients are no longer using it. Since OSA has been linked to many serious and costly health conditions, making sure that members use the equipment they’ve been prescribed is of critical importance. Therefore, the Sleep Medicine industry, including government payers, is placing more emphasis on patient compliance.

AS MEDICARE GOES, SO OFTEN GOES THE REST OF THE HEALTH INDUSTRY

The Sleep Management industry is greatly interested in the Center for Medicare and Medicaid Services (CMS) proposed rule to require preauthorization for certain Durable Medical Equipment (DME) and supplies that are costly and subject to a high rate of unnecessary utilization. Sleep DME providers who previously were able to only submit claims post-service, may now be required to gather and submit supporting data from physicians earlier in the process in order to comply. Some providers fear that the new rule, if passed, will increase the administrative burden for physicians and sleep DME suppliers and jeopardize patient access to care.

Value-Based Reimbursement Grows

WHAT THE TREND MEANS FOR YOUR PLAN:

It’s been shown that over half of patients who receive treatment for OSA stop using it within a year. Yet DME providers may continue to ship supplies—and submit claims, while these non-compliant members are at risk for serious health conditions. Plans should make sure their management programs consider treatment compliance to avoid wasteful spending on unused equipment and ensure members get the care they need to stay well.

HOW AIM CAN HELP:

For AIM Sleep Solution clients, preauthorization of the DME used to manage OSA has always been a requirement, and we continue to outpace government payers. Our program securely captures usage data providers transmit directly to PAP equipment manufacturers while protecting private health information. Our comprehensive Solution promotes better health while reducing waste.

Missed Opportunities to Diagnose and Treat OSA Still Exist

LONG-TERM HEALTH IMPACT

Sleep disorders like OSA have been associated with many critical and costly health conditions. While effective treatment is often available, we know that many health plan members go undiagnosed, untreated, or receive care that may not be optimal.

WATCH FOR MORE IN 2016:

Our recent study, presented at the Diagnostic Error in Medicine 7th International Conference, quantifies the diagnostic and therapeutic opportunities missed when testing is approved but not performed. Over the next year, AIM will continue to share insights from our ongoing research to help you maximize the benefits of sleep management.
AIM Sleep Solution

THE CHALLENGE

More than 12 million Americans suffer from (OSA). 5-7% go undiagnosed and untreated, putting them at risk for serious health issues such as cardiovascular disease, diabetes, and hypertension.

Those who seek help often don’t receive testing and treatment that’s most appropriate. Making matters worse, nearly half of all patients who receive treatment stop using it within a year, repeating the cycle of risk for poor health.

How can health plans manage member health while reducing overall cost of care?

EFFECTIVE MANAGEMENT

Our Sleep Solution provides a comprehensive approach that’s clinically appropriate, quick to implement, and supports health plans and their providers with our industry-leading technologies.

Our solution considers all sleep challenges and is designed to:

- Align the diagnosis and treatment of OSA against clinical guidelines
- Enhance member access to high-value providers and facilities
- Ensure member treatment compliance before dispensing supplies

BOTTOM LINE RESULTS

STUDY SITE OF SERVICE

50-75%

APPROPRIATE REDIRECTION TO HOME
1-3% PRE-PROGRAM

ROI

5:1 to 9:1

MARKET LEADING PRESENCE

26 HEALTH PLANS

18M LIVES COVERED ACROSS ALL 50 STATES

PROGRAM ENGAGEMENT

96% PROVIDER SATISFACTION

5,000 PEER-TO-PEER CONSULTATIONS PER MONTH

SEE HOW OUR SLEEP SOLUTION CAN DRIVE VALUE FOR YOUR ORGANIZATION AND MEMBERS.

Learn more and request a complimentary market profile, tailored to your member population and specific market factors

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The Business of Sleep: The Changing Landscape
Outlook Series
Trends, research, and perspectives for our clients and connections