



CASE STUDY

WRITTEN BY:

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ABOUT THE AUTHOR

Karla Lubinski is Provider Network Director at Western Wisconsin Cares, based in LaCrosse, WI. She joined Western Wisconsin Cares in 2002, and currently oversees contracting responsibilities for the agencies to ensure quality of services by providers in the network. She has a Bachelor of Science degree from Upper Iowa University.

Wisconsin Managed Care Finds the Balance Between Improved Member Care and Significant Cost Savings

Who We Are

Western Wisconsin Cares operates under a contract with the Wisconsin Department of Health Services, providing services under the Family Care Program to approximately 3,800 eligible residents. Family Care is intended for those who need extended care services, including frail seniors and people with disabilities. Our mission is to improve the quality of life for those we serve and promote their independent living.

The managed care aspect of Family Care is designed to optimize the health and independence of adults through the provision of a flexible benefit package that includes both traditional Medicaid services such as nursing homes, durable medical equipment, physical therapy as well as home- and community-based “waiver” services such as home modifications, supportive home care and respite.

Our Challenges

In 2012, potential changes in Medicaid funding loomed. As a publicly funded Managed Care organization we are under constant pressure to scrutinize all services and reduce cost per member. This scrutiny revealed that we were spending nearly \$1.2 million per year on incontinence products, or about \$638 for each of our 1,860 incontinent members. At that time, we had built a network of small regional providers to help manage these services for our members at a reasonable rate. Upon further review, it became clear these regional providers didn’t have the volume of business to provide quality products below the Medicaid reimbursement ceiling.

Additionally, working with multiple providers meant our Care Managers often struggled to understand the different products, causing them to frequently rely on members for insight into product differences and preference. Simply put, we didn’t have the product knowledge we needed to manage incontinence supplies and utilization. We were looking for the technical expertise that would help us educate staff on product usage.

By the Numbers

\$1.2 million

amount spent in 2012
on incontinence
products prior to
working with Medline.

\$638

amount spent on
each of the 1,860
incontinent members
prior to change.

29%

increase in incontinent
members since 2012.

Our Care Managers ordered a variety of products from multiple providers at different prices. Because the product list and delivery methods were not standardized it caused a lot of variation in what was authorized as well as making inventory control difficult.

A Customized Solution

These challenges compelled us to put out an RFP for help. We chose Medline, an established manufacturer and distributor in the healthcare industry, based on their approach to thoroughly examine our process and look at our business holistically. Medline determined that in some cases, we were overbilled by providers. Lack of oversight contributed to our escalating costs, leading us to take control by entering into a sole-source partnership with Medline. We were comfortable with our solution to help streamline incontinence supply orders through one provider and control costs with direct-from-manufacturer purchasing.

Initial evaluation of our membership product requirements allowed quality product selections on a discounted fee schedule. Medline also managed each member's utilization, which reduced monthly spend and created the development of a product formulary list that aptly suited members' needs.

The results were almost immediate, and by 2014 our incontinence supply costs fell to about \$820,000, even with an additional 250 incontinent members. This year, the spend forecast is approximately \$755,000, a 36 percent drop since we contracted with Medline. Even more impressive is that we have a 50 percent cost reduction on a per-member basis in just three years, down to \$314 from \$638, even after adding 29 percent more incontinent members since 2012.

This reduction has come from the cost efficiencies associated with direct from manufacturer purchasing, and careful supply management that takes into consideration how much product the member has on hand, making adjustments as needed. This eliminated the time Care Managers were spending on tracking utilization, freeing their time to get back to managing care, instead of chasing paperwork and calling providers.

Armed with the right tools and training, our interdisciplinary team now provides members with an incontinence assessment, and collaborates with Medline to identify products matching the member's specific type of incontinence. Our new confidence gives us the ability to discuss options

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with members which ultimately improves their outcomes.

Initially, the transition was challenging because members had to accept a new product, and some didn't want to switch. Medline provided samples to the more reluctant members, which facilitated increased acceptance. Often, members found the formulary products worked just as well or better than ones previously utilized. Even if a member demonstrates a medically necessary reason to utilize a non-formulary product, Medline can provide it—in some cases at discounted rates.

Smooth Transition Through Training and Education

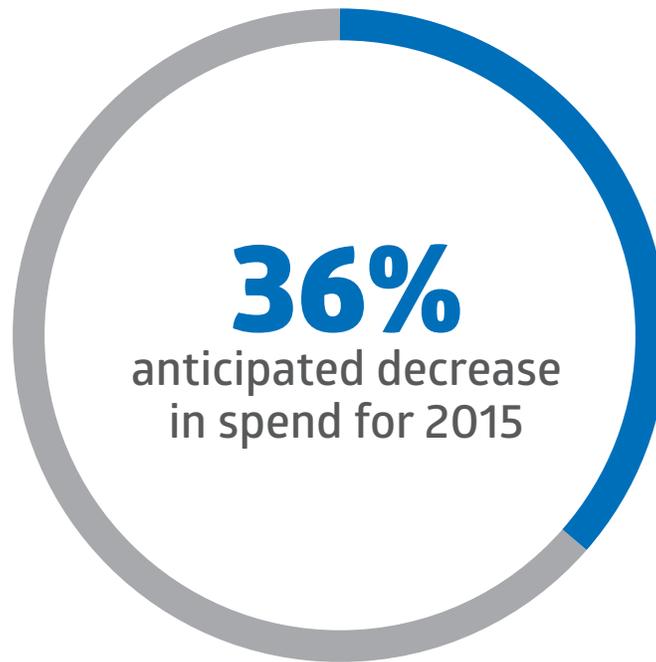
Our transition to Medline's products was a smooth process, thanks to the training and education provided to members and case managers.

Purchasing Efficiencies

Controlling cost with direct from manufacturer purchasing

	2011	2012	2013	2014
Paid Claims Prior to Implementation	\$1,193,752	\$1,186,923	\$828,652	\$820,257
Population	3,439 (Avg.)	3,860 (Avg.)	3,941 (Avg.)	3,850 (Avg.)
Incontinence Patients	1,661	1,860	2,086	2,139

Data on file with Western Wisconsin Cares



We realized early on many members had not received products in the appropriate size or absorption level. To correct this, Medline trained case managers to measure and assess members properly.

Following these assessments, Medline sent 2,000 product samples so we could get the right size the first time, even for members with special incontinence needs and medical conditions. Our members and case managers were thrilled.

Additional transition efforts included training 200 of our staff members over 60 days in each of the counties we serve. This was a comprehensive effort in which Medline's sales and clinical services experts spent three hours a day in each facility educating our staff on the different types of incontinence products available. To maintain our success with this program, Medline conducts this extensive training for our staff annually. The entire process was quite collaborative in spirit and truly helpful for everyone, including our nurses and social workers.

This additional education has given our Care Managers a high level of confidence when helping members make a selection; this is something our previous provider network could not provide. In addition, our staff learned they can prevent skin breakdown and unnecessary hospital admissions by assisting members in using the right products appropriately.

Improved Patient Satisfaction and Service Accompany Lower Costs

Shortly after partnering with Medline, we conducted a patient satisfaction survey. Results were very positive and indicated improvements in all quality of life measures.

In some cases, the positive feedback came from the improvement in service and delivery times. Specifically, the convenient online ordering system and next day home delivery improved customer satisfaction. It eliminated the expense and inconvenience of paying for transportation so a member could pick up an item, or having the caregivers make an extra stop for delivery.

The Partnership Expands

At first, we were apprehensive that a sole-source provider would limit product choice, but that has not been an issue. Medline has a full array of products they manufacture and distribute, and they can provide other brands if necessary. Because we've been so happy with Medline as our incontinence products supplier, we have decided to expand our relationship and include them as one of our providers for wound care, urology, ostomy and enteral nutrition.

Conclusion

Our decision to enter into a sole-source partnership with Medline for incontinence supplies has paid off in important ways for both our members and staff. We are providing better, more efficient care to those we serve, while simplifying our internal processes. One of our primary goals was to provide choice and convenience to our members, and I am pleased to say we've accomplished that through Medline. In addition, we held true to our mission to improve the quality of life for those we serve and promote their independent living.



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