

Controlling Healthcare Costs in Large Companies: Waste Management, Inc. Installs KelseyCare High Performance Network

Employer:

Waste Management, Inc. (more than 4,000 Houston-based employees)

Objective:

Identify and maximize usage of a “high performance” network in Houston to help lower overall healthcare costs.

Results:

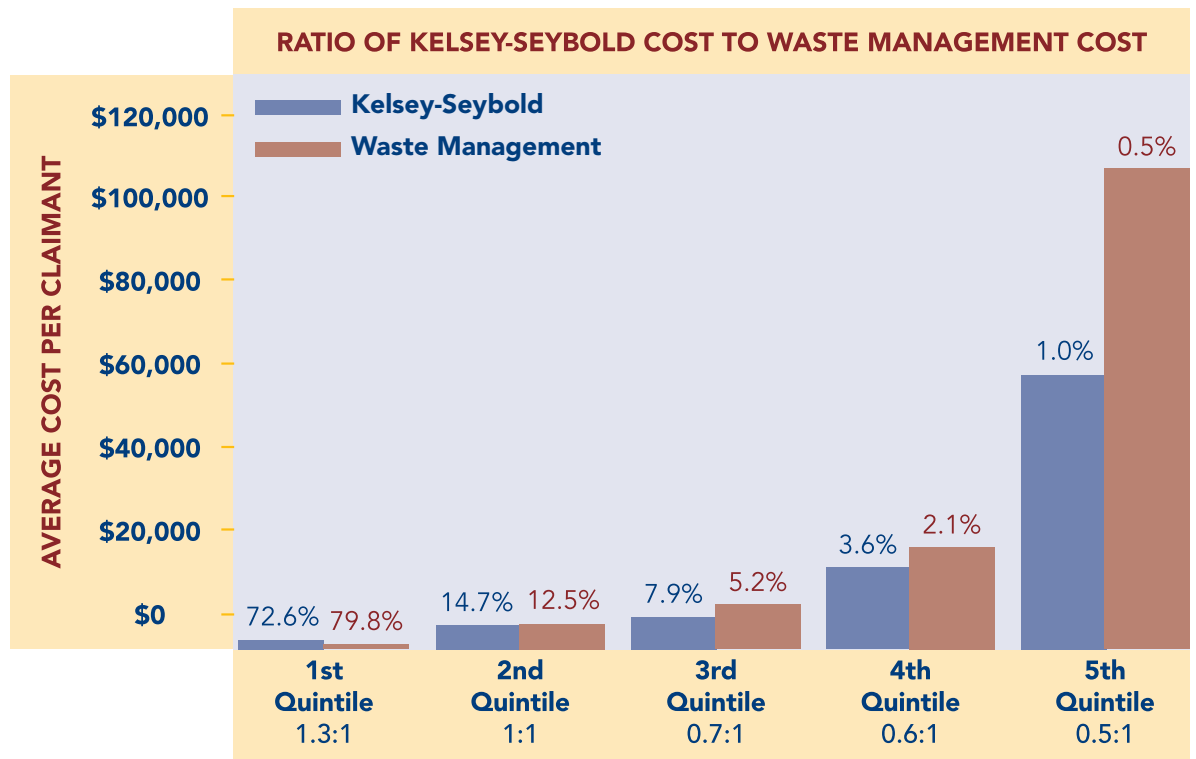
- Waste Management, Inc. (WMI) chose KelseyCare after an internal analysis showed that the Kelsey-Seybold network was managing high-risk patients at a significantly lower cost.

Analysis:

Waste Management, Inc. (WMI), a company headquartered in Houston with approximately 55,000 employees across the country, had a serious problem: 20% of the company’s employees (the employees in the 5th Quintile in the below charts) were responsible for 80% of its total healthcare costs. For WMI, one solution was to identify a “high performance” network in Houston and focus on strategies to increase its use of this network.

A comprehensive analytical report by HCMS Analytics revealed that the highest utilizers of healthcare benefits were the employees in the 5th Quintile (see above). This group had the highest number of diagnoses per person, saw more providers, used more prescription drugs and had more tests than employees in the 1st, 2nd, 3rd, and 4th Quintiles.

WMI EMPLOYEE QUINTILE COMPARISONS		
	1st Quintile (N=53,608)	5th Quintile (N=155)
Number of Diagnoses per person	1.35	15.38
Number of Providers per person	1.10	10.52
Number of Drugs per person	1.51	16.82
Number of Tests per person	1.58	46.37



WMI chose KelseyCare after their own analysis definitely showed that the Kelsey-Seybold network was managing high risk patients at dramatically less cost. The second chart above shows that KelseyCare (indicated by the pink bars) was managing high risk claimants much more efficiently than WMI’s larger network (indicated by the blue bars). In the 5th Quintile—the employee group accounting for 80% of WMI’s total healthcare costs—KelseyCare was twice as efficient.

KelseyCare’s performance was further validated by two national benchmarking analyses conducted by Hewitt Associates. According to the 2005 Hewitt Health Value Initiative Market Analysis, KelseyCare’s financial index is 15.7% higher than the HMO market average. When combined with the plan performance index, KelseyCare is 14.3% more financially efficient than the Houston HMO average.

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