

## Better Health & Lower Costs: Diabetes & the Asheville Project

Facing rising healthcare costs and productivity losses, the city of Asheville, North Carolina decided to take a different approach to better manage its bottom line by helping employees better manage their health. The focus was on employees suffering from diabetes and other chronic diseases. In March 1997, the city launched "the Asheville Project," a pharmaceutical care program, in partnership with the North Carolina Center for Pharmaceutical Care (NCCPC).

Specifically, the city and NCCPC agreed to implement a pharmaceutical care demonstration project that could be expanded and used in other settings or diseases, and that would provide measurable clinical and financial benefit to the payers, the City of Asheville and Mission-St. Joseph's Health System.

Under the program, NCCPC trained community pharmacists in diabetes management and offered pharmaceutical care services for city employees with diabetes. The city waived employee co-payments on prescription medicines and medical supplies and offered employees other incentives to participate in the program. Employees agreed to go through a diabetes education program and to meet regularly with a specially trained pharmacist. The pharmacist monitored the patient's condition, educated the patient on medications, and acted as a partner in managing all aspects of the disease.

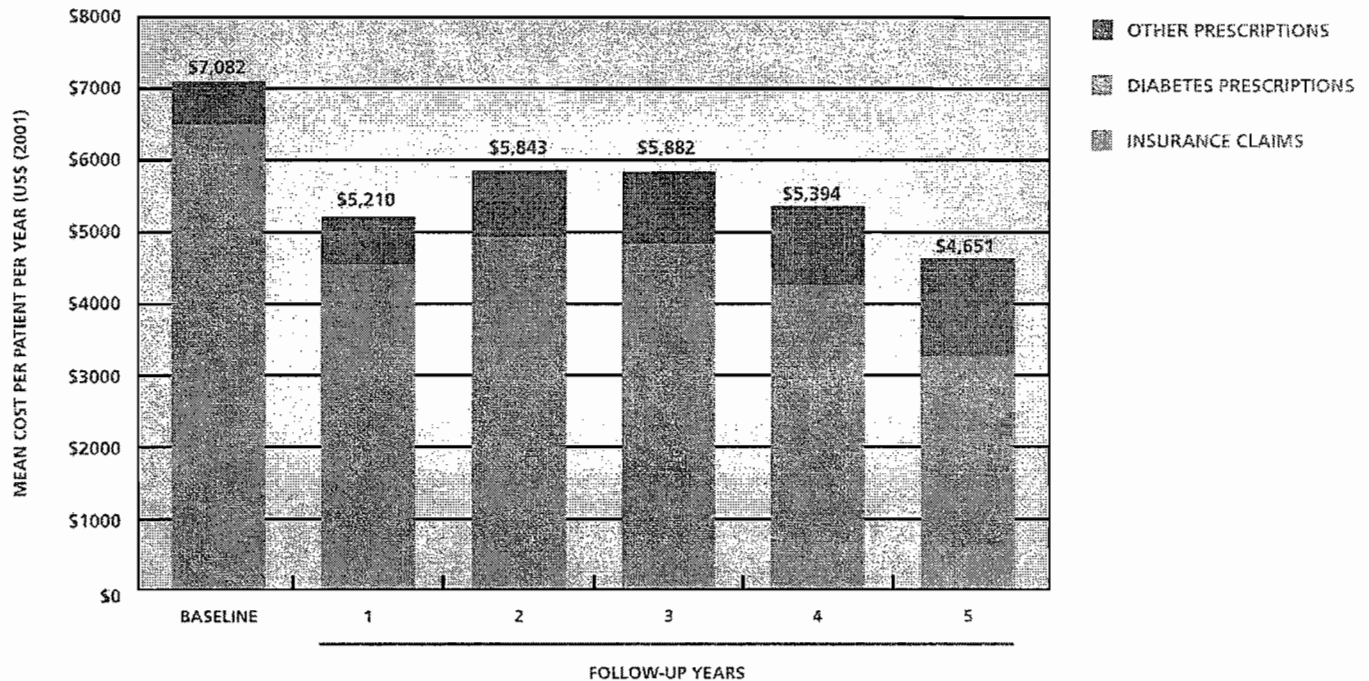
Five years into the program, project leaders found that both patients and the payers achieved significant results:

- Total annual prescription costs increased over five years from \$762 to \$2,958 per patient due to shifting of costs from inpatient and outpatient services to prescriptions.
- Annual average insurance claims decreased by \$2,704 per patient in the first follow-up year and by \$6,502 per patient in the fifth follow-up year.
- Payers realized significant reductions in overall, annual direct medical costs – with savings ranging from \$1,622 to \$3,356 per patient.
- Patients' A1c (glycosylated hemoglobin) concentrations, the primary clinical measure, decreased (improved) at every follow-up for more than half of the patients, and the number of patients with optimal A1c levels increased over time as well.
- Employees reported a greater quality of life and greater success in managing their diabetes; absenteeism was cut by more than half – from 12.6 days to 6.2 days a year. The result was increased productivity valued at \$18,000 per year for the city.

# POLICY Briefing

FACTS AND FIGURES ON IMPORTANT  
PHARMACEUTICAL ISSUES

## THE ASHEVILLE PROJECT: CONTROLLING MEDICAL COSTS



Source: Cranor CW, Bunting BA, Christensen DB. "The Asheville Project: Long-Term Clinical and Economic Outcomes of a Community Pharmacy Diabetes Care Program." *J. Am. Pharm. Assoc.* 2003; 43(2):149-59.

The success of the Asheville Project demonstrates the benefits and value of looking at healthcare spending as a whole and encouraging the appropriate use of medicines. Rather than trying to cut expenses and manage employee health and well being by a "budget line" approach, the City of Asheville managers used the right medicines, patient education, and other resources to achieve dramatic improvements in employee health and productivity while decreasing diabetes-related healthcare spending for the city.

Sources: Cranor CW, Christensen DB. "The Asheville Project: Factors Associated with Outcomes of a Community Pharmacy Diabetes Care Program." *J. Am. Pharm. Assoc.* 2003; 43(2):160-72; Cranor CW, Bunting BA, Christensen DB. "The Asheville Project: Long-Term Clinical and Economic Outcomes of a Community Pharmacy Diabetes Care Program." *J. Am. Pharm. Assoc.* 2003; 43(2):173-84; Cranor CW, Christensen DB. "The Asheville Project: Short-Term Outcomes of a Community Pharmacy Diabetes Care Program." *J. Am. Pharm. Assoc.* 2003; 43(2):149-59; Garrett DG, Martin LA. "The Asheville Project: Participants' Perceptions of the Factors Contributing to the Success of a Patient Self-Management Diabetes Program." *J. Am. Pharm. Assoc.* 2003; 43(2):185-90; Posey ML. "Proving That Pharmaceutical Care Makes a Difference in Community Pharmacy." *J. Am. Pharm. Assoc.* 2003; 43(2):136-39.