

## Snapshot of a growth industry

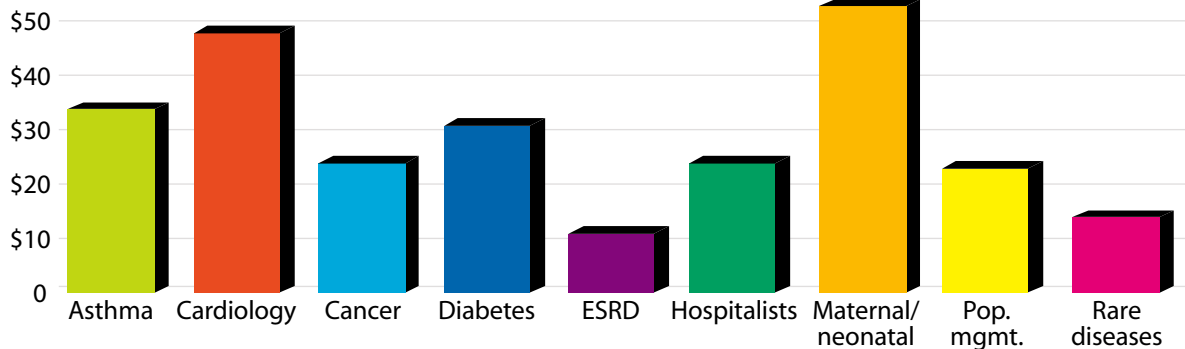
The Disease Management Purchasing Consortium & Advisory Council tracks the growth and success of the industry, based on first-hand information from the roughly 70 percent of all purchases of DM programs that go through the consortium, and from information gleaned about the other 30 percent.

The numbers the organization has gathered suggest that the \$340 million DM industry is one of the fastest-growing investments in health care.

### Dollars spent on DM, 1997–1999

Of course, each condition within DM represents its own little growth area. Which franchises are most popular? Between 1997 and 1999, the dollars appear to be heading toward cardiology and maternal/neonatal, says the consortium.

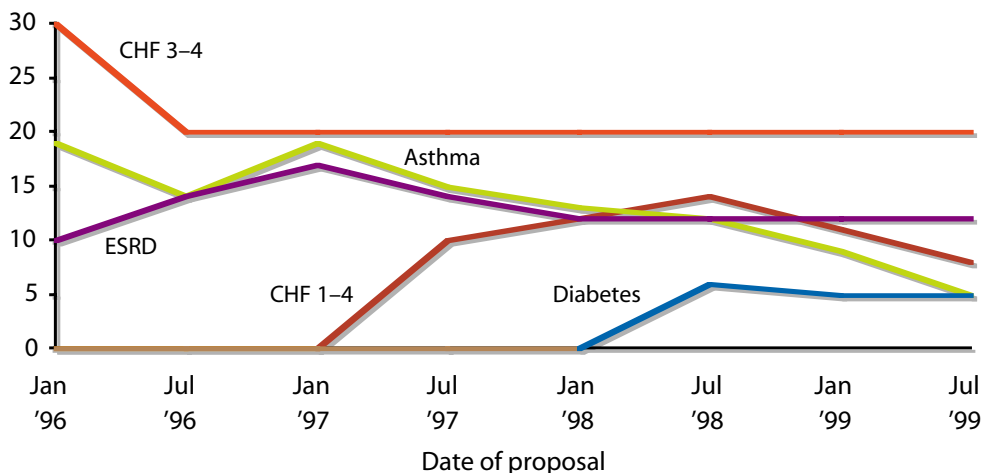
1997–1999 (\$ millions)



### Getting a better deal: guaranteed savings by disease category

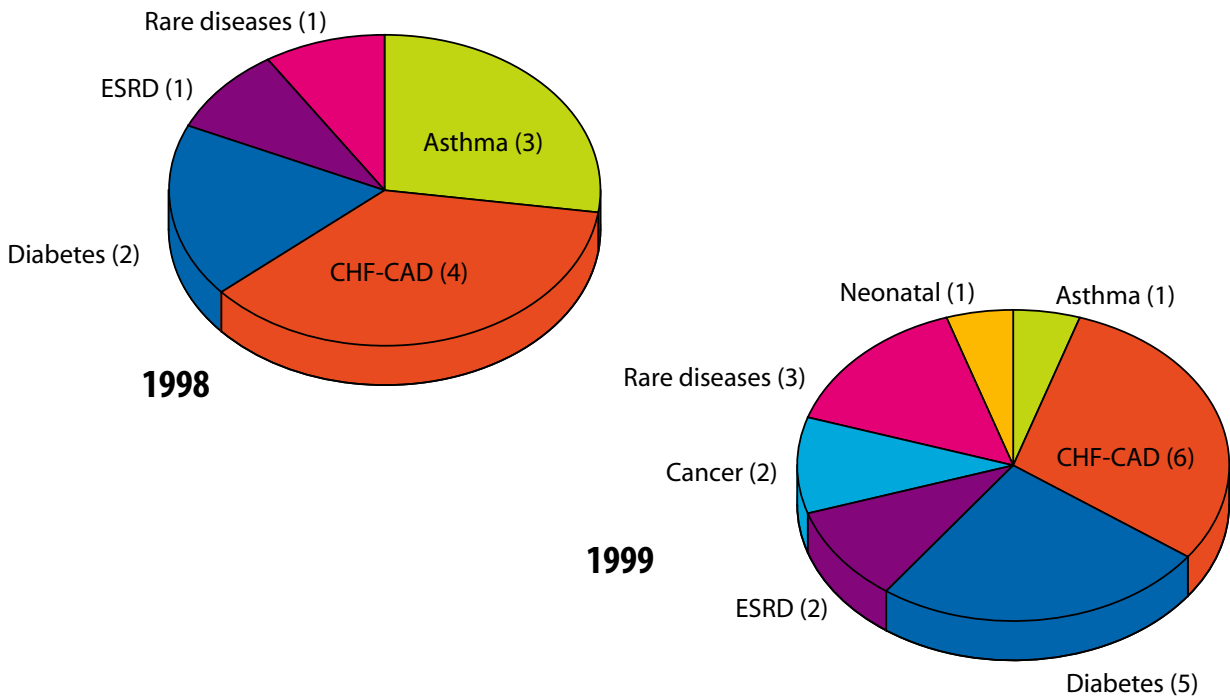
The consortium is so sure of itself that it tells prospective clients that it can guarantee a certain amount of savings for certain diseases. Al Lewis, the consortium's president, suggests that the savings will be largest by combining multiple diseases into a single program. For a plan with considerable Medicare business, doing cardiac disease, diabetes, and COPD together can reduce medical losses by a combined total of several percentage points, even after the disease management fees themselves.

% guaranteed year-one savings



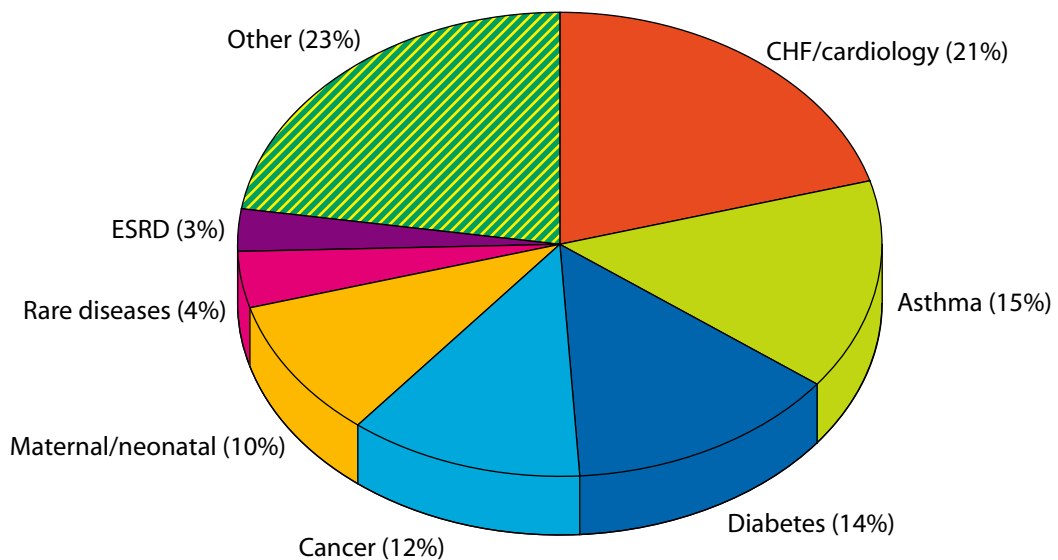
## Mix of RFPs by disease type 1999 vs. 1998: Asthma down, others up

At least among Disease Management Purchasing Consortium members, demand for new asthma programs dipped in 1999, but all other categories showed strong growth in requests for proposals.



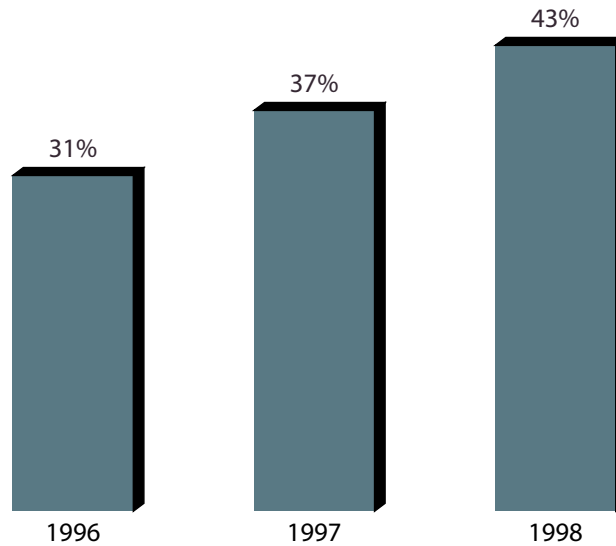
## Industry trends: market sizes and compositions (1999)

A total of \$290 million in contracted disease management programs were in force in 1999. What's interesting is that so many categories are of similar size, says Al Lewis of the Disease Management Purchasing Consortium, which collected the data. Figures are percent of \$290 million.



## Employers turning toward DM

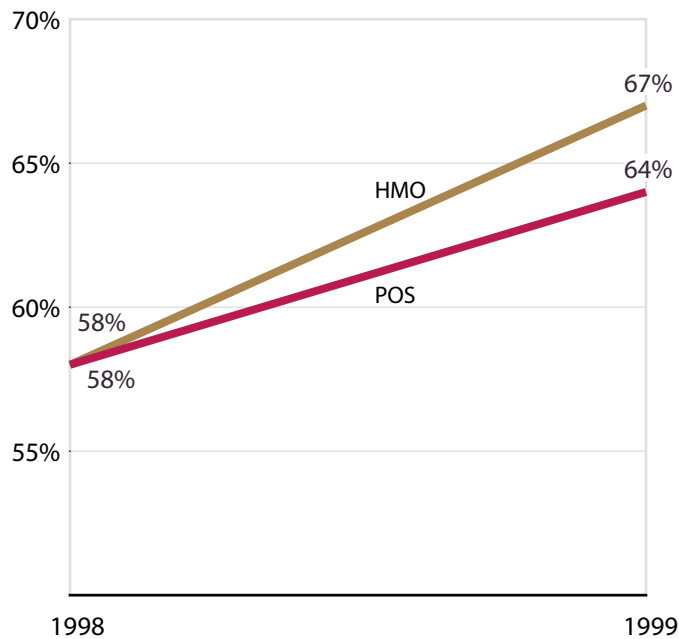
The purchasing consortium isn't the only one spotting a growing interest in DM. Wyeth-Ayerst Laboratories surveyed 375 employers representing nearly 12 million beneficiaries and found increasing DM use.



SOURCE: 1999 WYETH-AYERST PRESCRIPTION DRUG BENEFIT COST AND PLAN DESIGN SURVEY REPORT

## HMOs, POS plans embrace disease management

Disease management showed "remarkable growth" in 1999, according to a survey conducted by the William M. Mercer consulting company. That spurt was evident in both HMOs and point-of-service plans.



SOURCE: WILLIAM M. MERCER NATIONAL SURVEY OF EMPLOYER-SPONSORED HEALTH PLANS, 1999