THE BUSINESS OF SLEEP

THE CHANGING LANDSCAPE
The importance of sleep is gaining more attention as media outlets from Smithsonian.com 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 U.S. 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 Specialty Health, Inc. (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 Provider Portal, 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

UNMANAGED | RIGHT TEST | RIGHT PLACE | TREATMENT OPTIONS | COMPLIANCE
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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 polysomnography (PSG) “out-of-center” sleep testing. 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

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. 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.

It is also good because we know that OSA is an under-diagnosed condition, which results in poor clinical outcomes and high cost of care.
PROLIFERATION OF ORAL APPLIANCES

The use of Oral Appliance Therapy to treat sleep apnea has been around for many years. In recent years, 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. AIM is currently tracking neurostimulators for the treatment of obstructive sleep apnea.

AIM continually monitors such data, and will continue to update our Sleep Clinical Guidelines as new evidence becomes available to ensure appropriate care for members.

HOW AIM CAN HELP:

Just a few years ago, requests for oral appliances for our Sleep Solution clients were relatively low. In 2016, however, demand jumped dramatically and continues to hold strong. Our comprehensive solution helps ensure that oral appliances are used only when appropriate and conform to established quality standards.

We screen and restrict requests from dentists ordering oral appliances to encourage appropriate treatment assessment from a sleep practitioner.

Source: AIM Data
**Value-based reimbursement grows**

**GOVERNMENT PAYERS UP THE ANTE**

Studies show that within one year of initiation of PAP therapy to treat OSA, more than 50 percent 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.

**WHAT THE TREND MEANS FOR YOUR PLAN:**

DME providers may continue to ship supplies—and submit claims, while 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 AHEAD**

Our study, Untreated Sleep Apnea: An Analysis of Administrative Data to Identify Risk Factors For Early Noncompliance, quantifies the diagnostic and therapeutic opportunities missed when testing is approved, but not performed. AIM will continue to share insights from our ongoing research to help you maximize the benefits of sleep management.
The Business of Sleep: The Changing Landscape

THE CHALLENGE

More than 22 million Americans suffer from (OSA). Studies show that eight to ten percent 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

AIM MARKET LEADING PRESENCE

50 PAYERS IN 50 STATES

50M LIVES COVERED ACROSS ALL 50 STATES

PROGRAM ENGAGEMENT

96% PROVIDER SATISFACTION

1,500 PEER-TO-PEER CONSULTATIONS CONDUCTED DAILY

Learn how the AIM Sleep Solution drives clinically appropriate sleep testing, promotes affordable and effective care, and supports sleep treatment adherence.

Go to www.aimspecialtyhealth.com/sleep