

# *Eighth* Award

## *for Excellence and Innovation in Value Purchasing*

Presented to Dr. Martín-J. Sepúlveda

March 11, 2010



**National  
Business  
Group on  
Health**



*Dr. Martín-J. Sepúlveda accepts the 8th Annual Award for Excellence and Innovation in Value Purchasing; Helen Darling (right), President, the National Business Group on Health, and Dr. Pamela Hymel, Corporate Medical Director, Cisco Systems, Inc. and chair of the Business Group Board's Award Committee, made the presentation at the March 11 ceremony.*

*Dr. Martín-J. Sepúlveda is one of the world's most outstanding medical directors, a global corporate health and productivity visionary, a leader in anti-obesity efforts at IBM and a driving force in the nation for making primary care the cornerstone of a reinvigorated health care system. In recognition of his many contributions, the National Business Group on Health's Eighth Annual Award for Excellence and Innovation in Value Purchasing was given to Dr. Sepúlveda, IBM Fellow and VP, Integrated Health Services.*

Winners of the award must have proven results and a track record in increasing value in health care purchasing, and also must have developed excellent practices to encourage efficient and effective use of resources. The prestigious award was bestowed in March at the Business Group's annual Business Health Agenda Conference in Washington, D.C. In another form of recognition, Dr. Sepúlveda recently became the first physician to be named an IBM Fellow, that company's highest technical achievement and a great honor.

A magna cum laude graduate of Yale University, Dr. Sepúlveda went on to Harvard Medical School and then trained in the Epidemic Intelligence Service of the Centers for Disease Control and Prevention. He is board-certified and a Fellow in the American College of Physicians (internal medicine), the American Academy of Family Physicians and the American College of Occupational & Environmental Medicine (occupational medicine).

As IBM's vice president for Integrated Health Services, the award honoree is responsible for implementing IBM well-being programs that are proactive and relevant, as well as effective in meeting the highly complex and ever-changing health and safety needs of 340,000 employee benefit participants in the U.S. and around the world.

### **Bringing IBM's Legacy of Concern for Employees to the Global Arena**

IBM has a long history of dedication to employee safety and well-being, and Dr. Sepúlveda has built on this foundation, leading the organization to address today's high-visibility health challenges such as obesity and depression, among others. "The health, safety, well-being and vitality of our global workforce are absolute priorities across our enterprise," said Dr. Sepúlveda. "We make a commitment that not only supports employees and their families, but also encompasses the environments in which employees work and the communities in which they live."

Over the years, Dr. Sepúlveda has been very active in Business Group activities and currently serves on its Board of Directors. He has successfully advocated on numerous fronts, including promoting changes in the area of payment for primary care, as part of the push for health care reform. He also led the Board to establish the Global Health Benefits Institute

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*— Martín-J. Sepúlveda*

(GHBI), recognizing that IBM, a global technology giant, and many other Business Group company members were attaining a greater number of employees outside than inside the U.S. Since its founding in 2005, GHBI has grown to 37 members under his stimulating leadership.

Especially sensitive to issues in the wider global business arena, Dr. Sepúlveda has encouraged the Board to focus on changing the status quo, such as pressing companies to develop health care coverage for employees when the public systems in those countries cannot effectively ensure workers' health and productivity. He has also led companies to take a strong stand in areas such as tobacco cessation, HIV coverage in China and India, and in fighting discrimination against people infected with Hepatitis B. Dr. Sepúlveda inspires everyone around him to be real "game-changers," a term that expresses his personal philosophy. His colleagues and those with whom he works will often quote him. A favorite quote is, "When you visit another country, don't tour the plant! Go where the employees go. See how they live, hear what they care about and where they have problems."

### **Rebuilding the Primary Care System**

The IBM executive has made one of his greatest marks and "been tireless as a national leader in the active promotion of primary care," said Pamela

Hymel, MD, MPH, FACOEM, Corporate Medical Director, Cisco Systems, Inc., and chair of the Business Group Board's Award Committee. "He has pushed policymakers and stakeholders to ensure better payment methods and contracting to increase the number of primary care physicians in the U.S., and encouraged consumers to establish or maintain continuous, patient-centered, evidence-based primary care as foundational in their lives."

Dr. Sepúlveda recently helped spearhead a relationship between IBM and UnitedHealthcare, one of the nation's largest networks of physicians and health facilities, to collaborate with primary care physician practices in Arizona. The result is the Patient-Centered Medical Home (PCMH) model whose purpose is to strengthen the primary care patient/physician relationship and enhance communication and service across the health care delivery system. Through PCMH, comprehensive, information-supported primary care is provided to children, youth and adults.

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"Because primary care as we know it is not viable, the patient-centered primary care model is the alternative sought in the market now," said Dr. Sepúlveda. The PCMH model, then, builds on Dr. Sepúlveda's and IBM's belief that in order for the U.S. to once again possess a high-performance health care system, the focus must shift from fragmented specialty care to a comprehensive primary care environment that fosters greater and higher-quality interaction between patients and physicians.

Research in Western industrial societies comparable to the U.S. indicates that the absence of primary care in people's lives exacts a hefty cost in terms of health quality, said Dr. Sepúlveda in a recent interview. "We die sooner, we carry higher burdens of chronic diseases and we receive fewer preventive services," he argued, pointing to just some of the negatives.

Among the goals of the PCMH model is more efficient and cost-effective care. But Dr. Sepúlveda said all the eventual gains may not be realized over night. "Immediately, however, we expect increased value for paid services," he said. "We expect better adherence to evidence-based care, and better coaching, counseling and care coordination. We expect higher levels of patient engagement in chronic management than is possible from disease management firms."

He went on to say that in the short term there should also be a large value gain from practices using registries to manage populations; a diminishment in errors through e-prescribing; a reduction in adverse drug events; and, with improved consumer-doctor relationships, better decision making regarding the use of specialists when they are needed.

## **Addressing Obesity: IBM's \$150 Cash Rebate Program**

While at IBM, Dr. Sepúlveda has also worked to address the obesity epidemic in the U.S. and its implications for businesses. "Employers are at risk of inheriting a future workforce with a high prevalence rate of obesity and early manifestations of obesity-related conditions," said Dr. Sepúlveda in an article he wrote for the March 2010 issue of Health Affairs. A key component of IBM's strategy has been to direct its efforts at the entire family, instead of solely targeting the IBM employee.

In 2007, IBM launched its Children's Health Rebate program to promote healthy weight behavior. The family-centered program provides parents with incentives for changing family patterns such as eating too much fast food and living largely sedentary lifestyles that lead to weight gain. It opts instead for family activities in food preparation and management, exercise, and addressing the issue of personal screen time. Enrollment is voluntary, and using Web-based technology, families develop their own action plans and assess their improvements in the areas they have identified.

The different ways of becoming more physically active and improving the family diet, and the variety of levels that can be achieved, depending on where one is starting from, are taken into consideration by family members as they develop their action plans to curb obesity. Typically, the plans involve family-specific activities such as trips to the supermarket to purchase food and getting into the habit of cooking a healthy meal at home for the whole family at least three nights a week instead of eating out at a restaurant; as well as finding healthy alternatives to excessive TV-watching and computer use such as taking walks. The activities take place over a twelve-week period and are reported online. The hope is that a radical lifestyle shift will take hold in the family for the long term.

IBM only reviews aggregate group and financial data and uses strict data privacy protections.

Families that complete the program receive a \$150 cash rebate. Both the cash incentive and the Web-based approach to behavior change seem to match up well with the access needs of a highly mobile and distributed IBM workforce and have resulted in high rates of participation.

In summing up the honoree, Helen Darling, President of the National Business Group on Health, said the following: "Dr. Sepúlveda has contributed very substantially to new thinking about health, productivity, vitality and human capital. He has redefined what is important to do when trying to control costs, improve quality of life and get the highest return on our investments in human capital."

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She went on to say, "Dr. Sepúlveda's highly strategic approach of fighting obesity at the family level, and his efforts to bring about a more cohesive and holistic approach to health care—emphasizing prevention and comprehensive primary care—are an inspiration to all who work toward reforming our health care system. We thank him for all of his contributions over the years to the Business Group and its members, and we congratulate him on receiving this prestigious award."



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