A New Prescription for Health Management

A shift in emphasis and better tools cut employer costs, improve results

McGriff

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In recent decades, traditional worksite wellness programs have helped create a healthier workforce, but because they focus on the vast majority of employees who are healthy – rather than the few who have chronic or acute medical conditions and drive the lion's share of employer health care costs – their return on investment (ROI) has been difficult to demonstrate. As a result, many employers today are turning to a more comprehensive, data-driven, population health management approach that's reducing costs and keeping employees healthier and more productive.

Traditional Wellness Programs

Traditional worksite wellness programs have been a staple at larger companies for years. Geared toward developing a culture of health within an organization, the programs typically include health assessments and biometric screenings while challenging employees to exercise more and eat better. Many of these programs feature wellness coaching, sometimes offered over the phone or online, and often use financial incentives to drive participation.

Over the years, many studies have been conducted to assess the effectiveness of worksite wellness programs. While most research suggests they can positively impact the health of participants, the answer as to whether they give employers a solid return on investment has been unclear.

A major Rand Corp. study sponsored by the federal government, released in 2013, reported "participating in a wellness program over five years is associated with a trend toward lower health care costs and decreasing health care use." However, researchers added the reductions were not "statistically significant."[1]

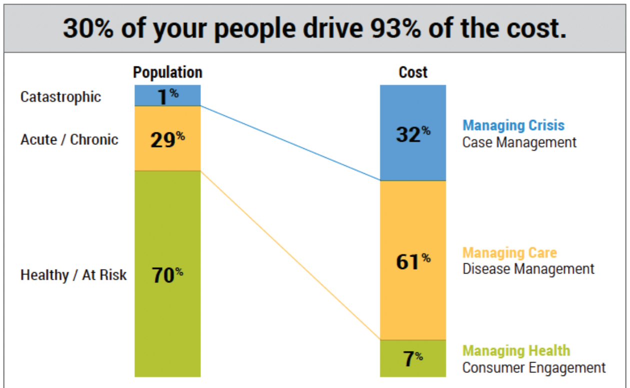
A growing number of innovative companies are taking a new approach to cutting health care costs that involves harnessing big data.

The ROI picture is no clearer following a study published in April 2019 by the medical journal JAMA. Researchers from the University of Chicago and Harvard evaluated a fairly typical wellness program at a big-box retailer. After 18 months, participants self-reported healthier behavior, but their efforts had not yet impacted how much the employer spent on health care (or health measures, how often employees missed work or job performance).[2]

From an ROI perspective, part of the problem has been wellness programs have traditionally focused on the vast majority of the employee population that is healthy or has some health risks. As a result, the expected impact – preventing future disease – would occur over a longer time frame, and many ROI studies would not capture that impact. Furthermore, programs often fail to address the small portion of the employee population already ill with chronic or acute conditions that incur the vast majority of current health care spend.

[1] Workplace Wellness Programs Study, Rand Corp., 2013
[2] *"How Well Do Workplace Wellness Programs Work?"* Kaiser Health News, April 16, 2019

There is abundant research showing as much as 30% of health care in the U.S. is unnecessary or inappropriate, that misdiagnosis is common and that evidence-based medicine is not always followed. Therefore, this group represents a significant opportunity to not only improve the quality of clinical care and outcomes, but also to create greater and more immediate cost relief for employers who pay for this care.



Source: McGriff analytics partner Cotiviti's 2019 database, representing over 46 million lives.

Combining a wide range of data within an analytics engine can provide a company with a deep understanding of health risks and cost drivers.

A More Comprehensive, Data-Driven Approach

A growing number of innovative companies today are taking a new approach to cutting health care costs. They're using big data to develop and refine strategies for preventing chronic conditions and better managing costs related to the chronic and catastrophically ill in their employee populations.

To institute this approach, companies use data analytics applications to comprehensively evaluate the health and health care of their employee populations. This involves evaluating data related to medical claims, pharmacy claims, health assessments, biometric screenings, and case and care management programs. Organizations can pull that data from a variety of sources, such as medical and pharmacy insurance carriers, engagement program managers and third-party vendor solutions.

Combining a wide range of data within an analytics engine can provide a company with a deep understanding of health risks and cost drivers, both for the company's overall employee population and the individuals within it.

By using the multiple data sources cited above, a company can create a more complete profile of the risk within a population than with claims information alone. By integrating case and care management participation and engagement data, a company can assess the effectiveness of these programs and address low use through targeted communication – in some cases through mobile phone and web applications – as well as incentives.

State-of-the-art risk assessment algorithms allow a company to compare the overall health status of its employee population to a similar comparison group, which tells whether the population is healthier or less healthy than expected. The technology also allows a company to produce a risk score for each individual that can be used to target messaging to appropriate subgroups – for example, educating individuals with a high likelihood of hospitalization about case management.

Shaping a Health Management Program

Analyzing comprehensive health care data related to an employee population can help a company determine the most appropriate and relevant health management programming. For example, if the data shows a high incidence of diabetes within the population, and screenings reveal high levels of diabetes risk factors such as obesity and high cholesterol, these findings might guide a company to add a diabetes prevention component to its program.

What to Evaluate in Your Employee Population

To implement targeted health management programming, assess the following:

Highest-cost claimants ($50,000+ in a benefit year)

- Rate per 1,000 compared to age-sex-geographic-adjusted benchmark
- High cost claims as a percentage of total claims compared to benchmark
- Total cost that is potentially preventable/modifiable through lifestyle change (i.e., some cancers, cardiovascular, diabetes-related, etc.)
- For claims not preventable, what percentage is involved with a health plan case manager (so the case is managed for cost-effectiveness and good outcomes)?

Chronic Disease

- Rates per 1,000 compared to age-sex-geographic-adjusted benchmarks
- Cost drivers: Which chronic diseases are driving the greatest costs?
- What percentage is involved in health plan or third-party disease management programs to optimize self-management?
- What percentage has clinically important gaps in care (i.e., are not receiving optimal, evidence-based care)?

Risk Factors for Chronic Disease

- Based on biometric screening/health assessment/claims data, which lifestyle-related risk factors are highest in your population (e.g.,overweight, sedentary lifestyle, high blood glucose, high cholesterol, high blood pressure, etc.)? These will drive future costs.

Understanding current and future cost drivers/risk factors and implementing targeted strategies across the continuum of wellness/illness will provide the greatest value.

The approach can also drive down large claims and related costs by improving chronic disease management. Supporting better self-care and good clinical care will prevent or slow progression to the serious and costly complications of diabetes such as renal failure and amputations. Likewise, if the data shows a high incidence of breast or colon cancer – diseases where screenings can prevent serious onset – a company can respond by increasing efforts to promote screening for those cancers, catching them at earlier stages where outcomes are likely better and less costly.

In addition to driving program strategy, analytics can be used to monitor the impact of a health management program and prompt refinements over time. This comprehensive, long-term, evaluative approach offers a much higher likelihood of effectively managing both current and future costs – and, importantly, of improving the overall well-being of employees and their families.

Proven Results

McGriff employs this new, more data-driven approach in helping companies maximize their health management programs. Our 2019 Health Management Impact Study reveals the significant improvements its long-term health management consulting clients experienced over a one-year period, including:

- **Lower costs** – a per employee savings of $460.
- **Higher use rate** – fewer and more appropriate inpatient admissions, fewer and more appropriate emergency room visits, and more preventive care visits.
- **Favorable chronic disease progression** – a slower increase in lifestyle-related chronic illness such as hypertension, hyperlipidemia and diabetes.

To learn more about how you can harness big data to retool your health management program, contact your McGriff relationship manager.

The Data-Driven Approach: Results

Here are the results McGriff was able to help a couple clients achieve using its data-driven approach to health management:

Defense Contractor

This company has an older employee population with relatively high risk factors for disease. In assessing the 7,000 members in its health management program, from 2016 to 2019, the company saw improvements in 6 of 11 of those factors, including total cholesterol, blood pressure, blood sugar, body mass index, diet and smoking. Additionally, the company reported:

- A decrease or maintenance of rates of 7 of 10 chronic diseases
- Improvements in screening rates for breast, cervical and colon cancer
- Improvements in adult well visit rates for both men and women

Financial Services Firm

This company, with 60,000 members in its program, previously conducted case management through its health insurance carrier and had only a 5% engagement level. By working with McGriff, the company increased engagement to 33% in just two years.

Strategies employed included enhanced communication, encouraging referrals at onsite clinics, collaboration with the carrier clinical team and $500 employee incentives.

By reducing the number of emergency room visits and admissions, these efforts generated an estimated $12,000 in savings per case.

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