



TACKLING POPULATION HEALTH MANAGEMENT with Worksite Wellness & Community Outreach



STRATEGIC | HEALTH
SERVICES

Why are hospitals and health systems the linchpin for population health? How can employers increase their use of preventive services by partnering with their local hospitals?

The front door of the hospital is rapidly moving from the emergency room to local employers' place of business, as hospitals and health systems look for innovative ways to find net new revenue streams. As we increasingly look to worksite wellness as a key factor in tackling population health, we also aim to elevate the role of hospitals in preventive health and have employers and communities view their local health system as a trusted health resource and not just a place people go to when ill.

We offer this whitepaper in partnership with the Illinois Hospital Association. Our aim is to help our clients, partners, and others better understand the meaning of population health management, the role of worksite wellness in improving health and reducing health care costs, the current regulatory environment, and how to quantify return on investment from worksite wellness programs.

To effectively manage population health, we ask that you begin the wellness journey with your own employees first, then reach out to employers in local communities to begin a fully integrated health and wellness initiative. We want to be your partner in health and wellbeing, and if there is any part we can play in your population health management strategy, we want to take the journey with you.

This white paper will help make sense of the commonly used term—population health management—its role in worksite wellness, and the impact on patient care, outcomes, and financial stability. Our aim is to help members identify quality programs and learn how these programs can best serve your hospital or place of business.

“By 2020 health care expenditures will be **4.6** trillion and 20% of GDP...By 2030, people over 65 will make up 20% of the population...”

CMS Strategy – The Road Forward (2013-17)



“Implementing and expanding employer wellness programs may offer our nation the opportunity to not only improve the health of Americans, but also help control health care spending.”

U.S. Department of Labor
(October 17, 2014)

HOW POPULATION HEALTH MANAGEMENT ENABLES HOSPITALS AND HEALTH SYSTEMS TO BENEFIT FROM THEIR OWN EMPLOYEE WELLNESS AND COMMUNITY OUTREACH, AS BOTH EMPLOYERS & PROVIDERS

Creating a culture of health in today’s health care environment demands innovation. On all levels, hospitals and health systems seek to elevate the patient experience, improve outcomes, reduce costs, and keep reimbursement levels high. In their unique role as employers and providers, hospitals can make necessary and sustainable changes starting with their own health first, by increasing the use of preventive services and focusing on improving health outcomes for all the populations they serve.

As hospitals and health systems continue to look for new ways to diversify and add net revenue streams, they remain the cornerstone of a healthy community and will play an increasingly active and influential role in the overall Population Health Management of all members.

HOSPITALS WIN ON BOTH SIDES OF THE COIN AS EMPLOYERS AND PROVIDERS

Workforce wellness programs represent one of the fastest growing segments of health care today. Effective wellness programs help identify at-risk patients, enhance communication between providers and patients, improve clinical care coordination, holistically manage care through personal health coaching and help deliver quality patient-centered care necessary for healthy populations.

Through the Affordable Care Act (ACA), the Centers for Medicare & Medicaid Services (CMS) has expanded the meaning of employee wellness programs and created new incentive programs to promote individual and employee engagement and compliance. (Regulatory changes became effective January 1, 2014.)

“95% of companies plan to offer some kind of health improvement program for their employees, and the percentage of companies offering incentives to participate in these initiatives has increased from 57% in 2009 to 74% in 2014.”

Fidelity and National Business Group on Health Annual
Employer Survey (February 2014)

CHOOSING THE RIGHT PROGRAM: PARTICIPATORY WELLNESS PROGRAMS VS. OUTCOMES-BASED PROGRAMS

Participatory wellness programs reward employees or individuals for participating in and completing certain wellness activities. Wellness activities are clearly defined and communicated upfront to employees, usually at the start of the year. Employees are typically given a list of activities to complete within a specific timeframe in order to be eligible for rewards and incentives. Employers that offer rewards can expect to see up to 85% participation.



EXAMPLES OF PARTICIPATORY ACTIVITIES:

- Complete annual Health Risk Assessment (HRA) and biometric screening
- Complete annual preventative care visits (well visit, mammograms, colonoscopies)
- Attend monthly free health education seminars
- Conduct quarterly calls with health coach

“Health-contingent wellness programs require individuals to meet a specific standard related to their health to obtain a reward.”

Centers for Medicare & Medicaid Services
(December 2014)

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Below are the current five metrics identified by the National Institutes of Health for outcomes-based programs:

OUTCOMES-BASED PROGRAMS:

- Blood pressure 120/80 mmHg
(reduce risk of heart disease and stroke)
- BMI \leq 24.9
(weight management)
- Blood glucose \leq mg/dl 100
(manage diabetes)
- LDL cholesterol \leq mg/dl 100
(reduce risk of heart disease and stroke)
- Nicotine not allowed
(manage smoking-related illnesses)



Industry experience to date has shown that the most effective and engaged employee wellness program is a hybrid model of both the participatory and health-contingent programs. Individually, each model is effective in the short term, but together, they achieve sustainable, longterm health benefits, along with reduced costs.

HOW TO MANAGE AN EFFECTIVE HOSPITAL EMPLOYEE WELLNESS PROGRAM AND GET RESULTS

1. Develop a communications plan to promote engagement and participation

The right company culture is one of the most effective forms of non-verbal communication. Wellness programs are a collaborative effort, and a culture of health and wellness must begin at the top. Leadership buy-in is essential, and once executives are on board, employees are more willing to sign up. A formal communications plan to the members explaining the program, its goals and parameters should be part of the solution. Employees should also be privy to the company's blinded aggregated data and be included in the company-wide goal setting process.

Communicating that an independent vendor or hospital, where applicable, runs the program, rather than an insurer, alleviates many privacy concerns.

2. Use tools including biometric screenings, health risk assessment, claims and clinical data integration

Most employee wellness programs begin with a health risk assessment (HRA) and biometric screening. Biometrics screenings capture information on blood pressure, cholesterol and glucose levels, among other metrics. The HRA provides lifestyle insight, such as, does the member smoke, drink, have a mental health disorder or have a great deal of stress. Profiles may be enhanced with prior medial insurance, pharmacy claims and provider notes, typically going back two years.

This clinical data identifies the population's specific diseases and comorbidities, along with gaps in care. The information also helps to create a baseline employee population health model, which is the first step in truly managing health and coordinating care.

3. Employ personal coaches and intervention strategies

From the member perspective, coaching and intervention is one of the most significant components of a quality wellness program. Coaches advise individuals on lifestyle changes and provide much needed health education and realistic goal setting. Typically, members with multiple conditions, such as obesity and smoking, are often only ready to focus on making change in one area. An intrinsic vs. extrinsic coaching methodology is essential in members' willingness to change. Coaches can also play a critical role in helping individuals navigate the complex health care system, including finding the nearest high quality provider to scheduling an appointment. They are easily accessible to members via secure online portals, phone, text and email and can be employed by the wellness program vendor or the provider, as appropriate for the employee and community populations. The coach's ability to integrate and communicate with providers allows for the most effective and coordinated patient care.

4. Encourage participation with incentives and penalties for not reaching goals

The “carrot” vs. “stick” approach drives individual participation and satisfaction.

- Carrot – incentives and rewards are given for participation and completion of activities or meeting certain health goals; they can be both financial and non-financial (e.g. t-shirts, wearable devices, free healthy food choices, etc.)
- Stick – penalties for not meeting certain health goals or standards (e.g. not attending a smoking cessation course or an increase in BMI level). Penalties can take the form of higher premium costs, as per the ACA, as of January 2014, and can range from a 30% to 50% increase.

Incentives and rewards are commonly used in many employee wellness programs; however, employers are trending toward increasing penalties. It is estimated that by 2018, many health and wellness programs will be outcomes based.

“For every \$1 spent on employee wellness, medical costs fall by \$3 and over \$2 in employee absenteeism.”

American Hospital Association

5. Share data via technology, wearable devices and mobile technology

A quality workforce wellness program allows clinical data to be shared securely and seamlessly. With the right data, and enough of it, providers are able to provide better care. Programs collect data up front in the form of health and lifestyle information and then use wearable devices (e.g. Fitbits, jawbones, diabetic blood monitoring) and mobile apps to connect to providers’ electronic medical records. This extensive information can give providers a better understanding of their patients’ lifestyles and daily health habits, thereby enhancing their level of care.

Technology security risks can be a source of concern for many providers, employers and employees. With today’s HIPAA standards, information technology (IT) security is as important as ever, and wellness programs must employ the highest levels of IT security to safeguard individual data. Many vendors partner with IT security firms and continually update their data security platforms and portals, which are accessible to providers, employers and employees with varying levels of access.



6. Using data analytics to measure program effectiveness

Medical insurance claims are used for both predictive modeling and for a retrospective look at a program’s effectiveness. Claims data are mined and analyzed to identify utilization and claims forecasting trends. Predictive modeling software forecasts future costs and pinpoints their origins. Reductions in key risk factors, along with overall costs, are measured and monitored over time, quantifying the program ROI. Claims are the key data element in an effective business analytics tool that examines the following:

- Total claims paid and their respective categories by both active and non-active participants
- Identification of gaps in care by recording expected events, treatment or health appointments missed in the electronic health record
- Risk stratification to identify health and financial risk to enable hospitals to clearly identify and manage the most common health issues.
- Revenue generation opportunities so hospitals can provide meaningful population health services to employer groups in their communities. An effective wellness program includes an outreach component to provide data to local businesses in the community that specifically uncovers gaps in care where services are not being used or are underutilized, such as mammography, colonoscopy and PCP visits
- ROI methodology by stratifying health risk factors and their projected costs based on level of engagement or outcomes
- Participation impact, which tracks HRA completion, portal engagement, biometric completion, health coach engagement and other program-specific metrics

For employers, medical claims represent 70% or more of medical benefit costs, and about 75% of medical claims are due to chronic diseases. Trending and predictive modeling allows employers to make wellness program changes to increase participation, manage population risk and reduce costs.

7. Return on investment

Wellness programs impact the bottom line by adding new sources of revenue, maximizing reimbursement and lowering costs.

- **INCREASE REVENUE:** Hospitals and health systems capture new market share as a result of treating patients, as well as providing services to those enrolled in wellness programs.
- **PROTECT REIMBURSEMENT:** As health care continues to transition to an outcomes-based reimbursement model, accelerated by the ACA, providers will see their payments drop if their patients' health does not improve. Wellness programs are preventive based, directly supporting outcomes-based reimbursement.
- **LOWER HEALTH CARE COSTS:** Wellness programs lower costs across the health care infrastructure. Preventive health management practices can prevent members from becoming ill, and those with chronic diseases can better manage their illnesses. As a result, the need for individuals to undergo costly emergency department visits, expensive tests, surgery and catastrophic care is minimized, decreasing out-of-pocket costs for employers and employees.

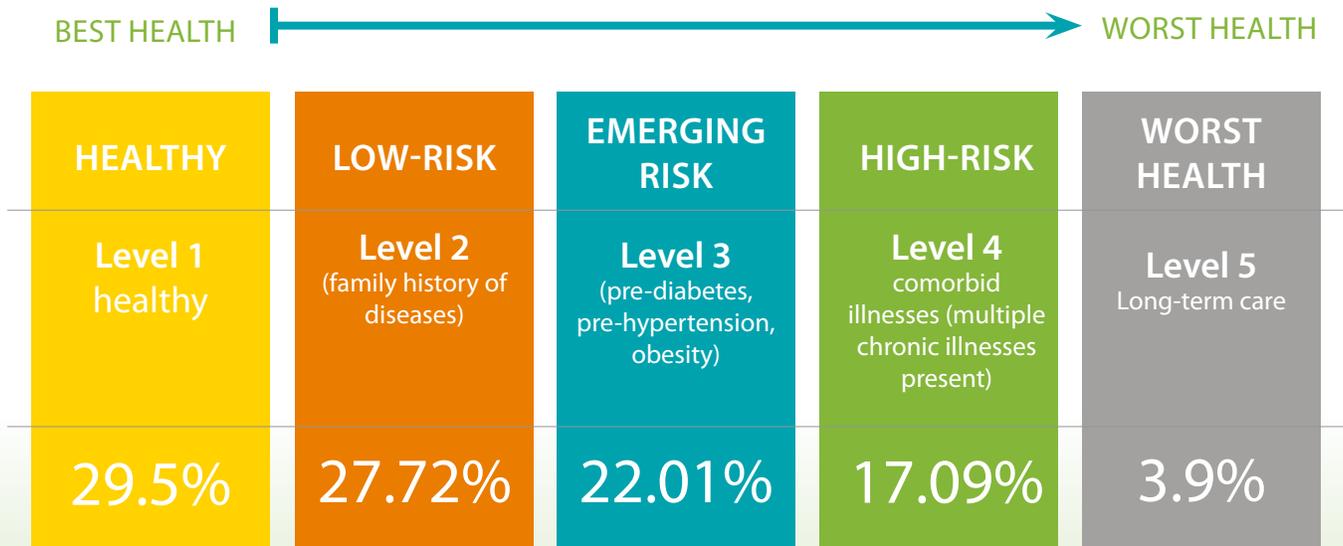
DETERMINING THE RISK STRATIFICATION OF THE EMPLOYEE POPULATION

Risk stratification (medical decisions based on current health that determines preventive intervention) is needed to analyze the employee population in order to engage and serve each group appropriately. The most effective workforce wellness programs are designed to support the full continuum efficiently and effectively.

Many programs focus on moving the emerging risk population into the lower risk category with targeted interventions, or at a minimum, preventing them from moving into the high-risk category. For the higher risk population, these programs use hospital resources and services for disease management and medication compliance.

When a program is successful in moving a member into a lower risk category, there is a positive impact on both the individual's health and overall costs.

POPULATION HEALTH STRATIFICATION



AVERAGE EMPLOYER HEALTH RISK STRATIFICATION

SUMMARY

Hospitals and health systems have the unique advantage of being both employers and health care providers. As such, they have the ability to grow healthier communities by implementing and supporting workforce and employee wellness programs.

The goal of these programs is to strengthen a hospital's position in the market as a leader for health and wellness by offering a portfolio of products, services and technology that is easily integrated and complimentary to community, employer and individual needs.

Hospitals that invest in workplace wellness programs are proactively addressing population health management and are more successful in creating a happier and healthier workforce by:

- Lowering employee turnover
- Raising employee morale
- Becoming an employer of choice
- Reducing health care costs
- Improving productivity
- Reducing absenteeism

Individuals who participate in wellness programs find it easier to access preventive services, stay healthy and avoid becoming hospital patients. Those with chronic diseases receive individualized resources to help them manage their conditions so they do not become sicker and need more costly interventions. Population health management and employee and workforce wellness programs make healthier, happier lives possible.

APPENDIX

DEPARTMENT OF LABOR - NOTE on Health Contingent Wellness Programs - In order to protect consumers from unfair practices, the proposed regulations would require health-contingent wellness programs to follow certain rules, including:

- Programs must be reasonably designed to promote health or prevent disease. To be considered reasonably designed to promote health or prevent disease, a program would have to offer a different, reasonable means of qualifying for the reward to any individual who does not meet the standard based on the measurement, test or screening. Programs must have a reasonable chance of improving health or preventing disease and not be overly burdensome for individuals.
- Programs must be reasonably designed to be available to all similarly situated individuals. Reasonable alternative means of qualifying for the reward would have to be offered to individuals whose medical conditions make it unreasonably difficult, or for whom it is medically inadvisable, to meet the specified health-related standard.
- Individuals must be given notice of the opportunity to qualify for the same reward through other means. These proposed rules provide new sample language intended to be simpler for individuals to understand and to increase the likelihood that those who qualify for a different means of obtaining a reward will contact the plan or issuer to request it.



6435 Shiloh Road, Suite A-1
Alpharetta, GA 30005

(800) 550-2427

info@strategichealthservices.com
www.strategichealthservices.com