

How One Employer Beat the Trend with Coordinated Strategies

By Mary Delaney, President Vital Incite and Cameron Hilt, Assistant Strategist Vital Incite

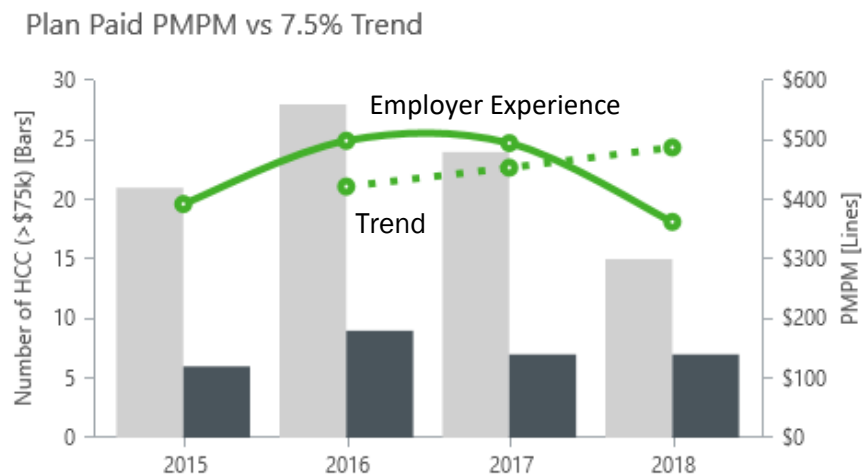
Healthcare costs in the United States continues to rise yearly and over time it has become the responsibility of employers to create innovative solutions to beat this trend. Employers are invested in the healthcare of their employee's as health insurance is a valuable recruitment and retention tool. But with rising costs, employers are forced to raise deductibles to blunt the blow of rising premiums for their employees. This strategy redistributes the cost, but it does not reduce them in the long term. This problem has employers and benefit advisors searching for more effective ways to deliver healthcare to employees, with the aim of reducing the cost for the employer and the employee, while still improving health outcomes. So, what happens when there is strong collaboration between an employer, benefit advisor, and onsite clinic?

One Employer sought out to answer that very question. Prior to 2017, this Employer put many strategies in place to provide better and more cost-efficient care for their employees and their families. Although they had initial success, they found their annual spend for medical and pharmacy was increasing at a rate higher than the national trend. They provided an onsite clinic, but the outcomes were falling below expectations. To address these issues, the Employer replaced their onsite clinic providers in 2017 and brought in a new Benefit Advisor. The employer, advisor, and onsite clinic collaborated and utilized data from Vital Incite to develop strategies that provided quick and strong outcomes.

Impact on Plan Spend

After three years of rising spend above the national trend, in 2018 the Employer beat the trend (Figure 1). In 2017 and 2018, medical spend decreased considerably and the amount of high cost claimants decreased by 46%. There was a strong engagement in the onsite clinic, members started utilizing medications less frequently, and pharmacy cost per unit decreased.

Figure 1: Trend in Per Member Per Month Medical Spend by Year Compared to National Trend



One of the key initiatives to reduce cost was to create a more efficient approach to provide the needed medications for the covered lives. The initial onsite clinic was providing specialty medications for a nominal co-pay. The Employer's goal was to provide access to these medications to best serve their employees and families. When the New Onsite Clinic Provider took over administering the clinic, they were slowly able to encourage the use of an outside pharmacy vendor to deliver these medications at a lower cost to the Employer. Then, the new Benefit Advisor was able to add another pharmacy resource to provide more cost-efficient access to a subset of the specialty medications. Figure 2 illustrates some of the savings that were found for three targeted specialty medications by using these new pharmacy strategies.

Figure 2: Savings on Medications from Sourcing Options

30-Day Supply Cost	Advair	Zetia	Januvia
Carrier	100%	100%	100%
Outside Pharmacy Vendor	33%	43%	76%
Pharmacy Resource	27%	24%	38%

Savings per 30-day supply amount including cost of program, showing the cost as a percentage of the carrier 30-day supply total cost.

While the New Onsite Clinic Provider was working to help improve the health choices of patients, they were also working to move them to more cost-efficient medications. In 2018, persons engaged in the clinic were 25% less expensive than non-participants. These strategies have yielded a high ROI in a short period of time.

Impact on Risk

Although initial financial savings were welcomed, the team realized that savings without reduction of risk and improvement of chronic condition control, any savings will be short-lived for any employer. Prior to the New Onsite Clinic Provider, the Employer noted that 9% of their moderate risk persons did not follow with any care in the next year. With the change to the New Onsite Clinic Provider, that compliance immediately improved to only 4% (Figure 3).

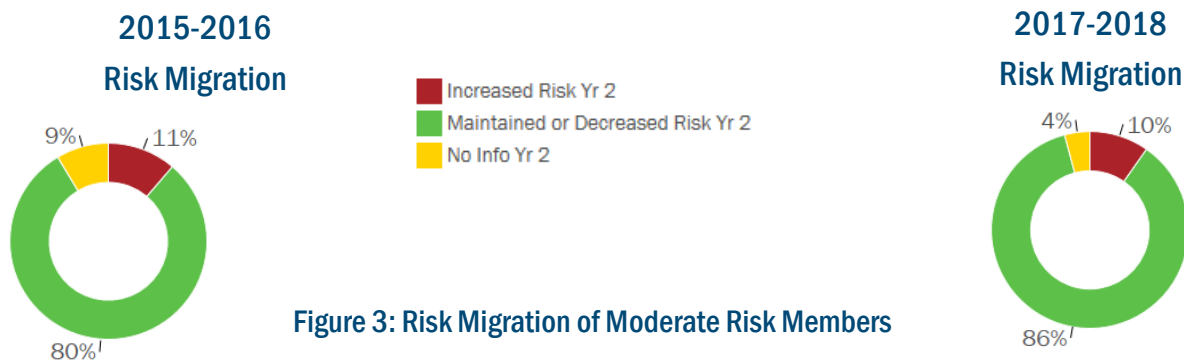
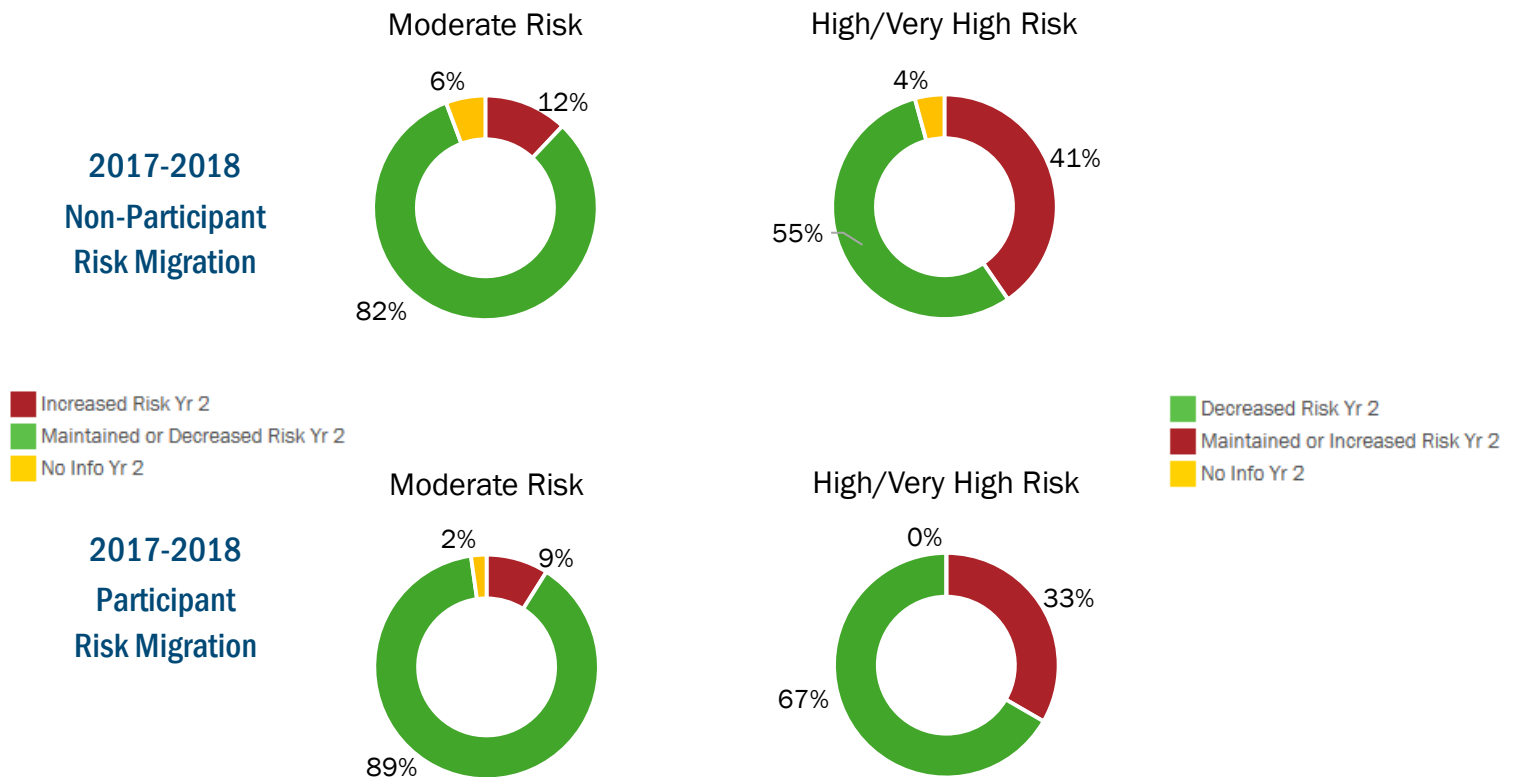


Figure 3: Risk Migration of Moderate Risk Members



Not only was the Employer quickly able to improve members staying engaged in care, but they could also see the New Onsite Clinic Provider was having a significant impact on decreasing their risk for those that utilized the clinic (Figure 4). Their results showed that members who utilized the clinic reduced their risk at a much higher level than those not engaged in the clinic.

Figure 4: Clinic Risk Migration



Impact on Hypertension and Diabetes

The Employer also realized that in order to help reduce their dependence on the healthcare system, they had to improve their ability to control chronic conditions. When considering chronic conditions like hypertension and diabetes, engagement in care and improved lifestyle management is crucial for control and cost improvement. The strategies proposed to control pharmacy spending coupled with the Patient Centered Medical Home model from the New Onsite Clinic Provider reduced pharmacy spending while improving health outcomes for hypertensives and diabetics. As seen in Figure 5, between 2016 and 2019 the percentage of members on expensive medications was reduced significantly, contributing to savings in medications per member per year (PMPY).



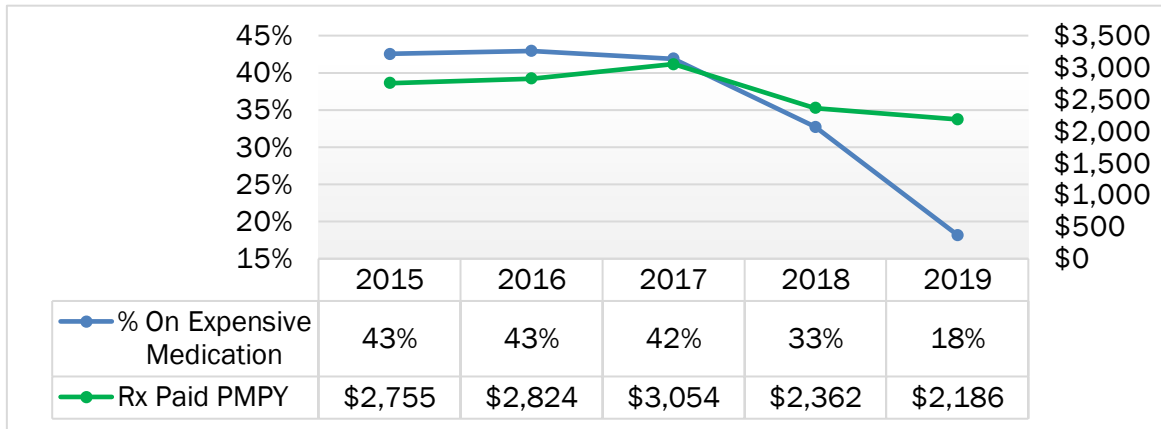


Figure 5: Trend of Expensive Medications and Rx PMPY Hypertension

With fewer members being treated with medications and utilizing cheaper medications, the concern could be that members are not getting the care that they need. This is not the case for this Employer. 73% of hypertensives who engaged with the New Onsite Clinic Provider reduced their blood pressure into a controlled range, and only 14% were taking expensive medications in 2018. Demonstrating that expensive medications do not always equate to better health outcomes.

A similar trend has been observed among diabetic members. As seen in Figure 6, between 2017 and 2019 the percentage of members on expensive medications has been reduced providing savings in medication spend.

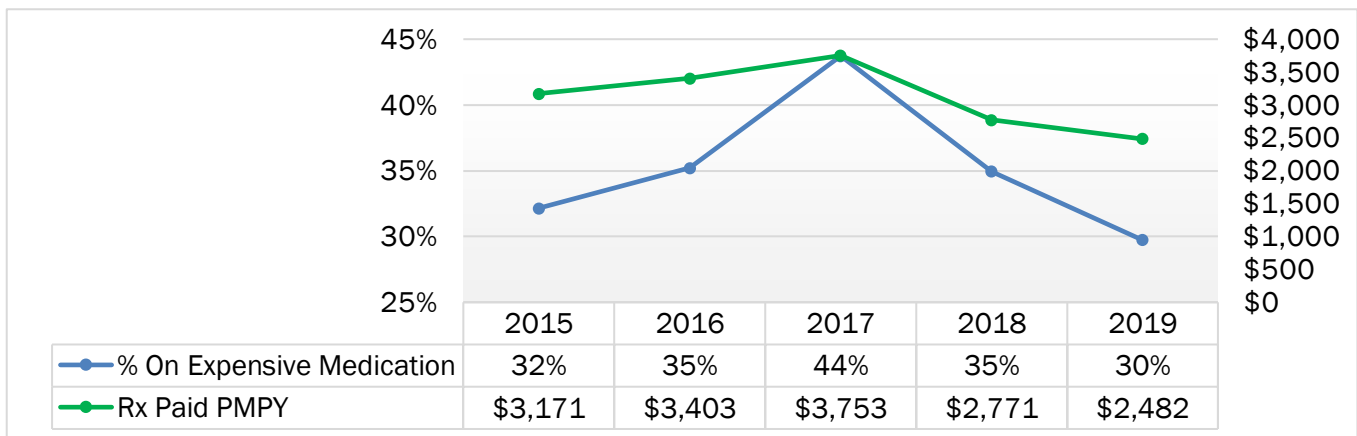


Figure 6: Trend of Expensive Medications and Rx PMPY Diabetes

With an emphasis on lifestyle and behavior change through the New Onsite Clinic Provider, 18% less members were taking medications to treat their diabetes. Additionally, 70% of diabetics who engaged with the New Onsite Clinic Provider reduced their A1c into a controlled range.



Factors of Success

A few factors differentiate the success of these strategies. One, is the partnership between Vital Incite, the Employer, the Benefit Advisor, and the Onsite Clinic Provider. Through the advice of the Benefit Advisor, the Onsite Clinic Provider made an adjustment to their formulary and redirected members to obtain their medications using these cost-efficient strategies. The willingness to do what was best for the Employer among these two groups stands out as a huge contributing factor of success. Creating effective, less expensive, and attractive alternatives to care such as the Onsite Clinic Provider, the outside pharmacy vendor, and the pharmacy resource created better outcomes and savings that were quickly passed down to the Employer. Lastly, the creation of a “culture of wellness” by HR and the Onsite Clinic Provider staff produced higher member engagement and efficiency.

