

A person in a blue suit is holding a tablet. The background is a light blue gradient. Overlaid on the right side of the image are several financial charts: a candlestick chart with red and white bars, a line graph with blue and white dots, and a bar chart with blue and white bars. In the top right corner, there is a small green box with a white triangle and the text '+1.035' and '+5.724%'.

CONIFER
HEALTH SOLUTIONS®

The Cost Crisis in Healthcare

How Managing Both Patient Outcomes and Costs are Critical to Employers' Bottom Lines



The average cost of providing healthcare insurance in 2021 was \$6,440 for an individual and \$16,253 for a family.¹ This is a 47% increase over the previous decade.

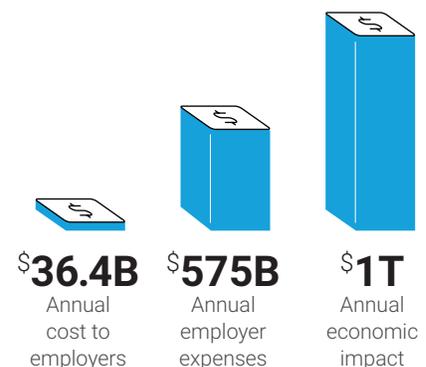
The cost of providing healthcare for employees has risen drastically over the past decade. This is evident by the broad adoption of high-deductible health plans, which put more of the financial burden on the patient. In theory, higher out-of-pocket healthcare costs should result in patients taking better care of themselves to reduce costs. In reality, the higher cost of care has led many individuals to delay or skip care altogether. The result is a sicker employee population, poorer outcomes, and ultimately, increased healthcare costs. It's a downward spiral.

The increasing impact of chronic disease

Today, 60% of adults in the U.S. have a chronic disease and 40% have two or more². Diseases such as diabetes, obesity, and hypertension have grown exponentially. Besides higher healthcare costs, chronic disease costs employers dearly in terms of absenteeism, presenteeism, and reduced productivity.

The cost of unmanaged care

- **\$1T** – Annual economic impact of unaddressed chronic disease among employees.³
- **\$36.4B** – Annual cost to employers from reduced productivity due to unaddressed chronic disease.⁴
- **\$575B** – Annual employer expenses incurred due to employees' poor health.⁵



One of the top hurdles in managing chronic disease costs is noncompliance. Most chronic conditions require individuals to make lifestyle changes, like eating healthier and exercising more. But a lifetime of poor habits can be challenging to break. Another hurdle is nonadherence to prescribed medications, which can lead to complications, avoidable hospital admissions, and emergency room visits.

The epidemic of nonadherence



50%

of all U.S. patients do not fully adhere to their prescribed care plan⁶



30%

of prescriptions for chronic health conditions are never filled⁷, and 50% aren't taken as directed⁸



~65%

of medication-related hospital admissions are due to poor adherence⁹

While the U.S. spends more on healthcare per person, we have some of the poorest outcomes among other high-income nations.

What employers can do

Research shows that personalized health and wellness programs return better results than standard one-size-fits-all programs. A program can be personalized using data from health plans, PBMs, labs, TPAs, and provider networks to identify the most at-risk employees and then customize a program to address each employee's unique healthcare needs. Following are four key components employers need to look for when choosing a program provider.

Utilization Management

Research shows that about 5% of the population accounts for nearly half of all healthcare spending each year. Those most at risk are likely to be high-dollar claimants or ineffective benefit utilizers. Effective utilization management can help. By leveraging claims data, program providers can perform risk stratification to identify utilization patterns and trends that impact medical spend. This data is then used to ensure that the highest-risk employees are given the right level of attention and support. Utilization management is essential for delivering true cost savings for an employer's bottom line.

Personal Health Nurse

Providing employees with a dedicated health nurse is critical to a program's success. Through a holistic approach, personal health nurses help hold employees accountable while also providing encouragement and support throughout the healthcare journey. When choosing a program, look for one with personal health nurses who:

- Conduct one-on-one education about the employee's condition, lifestyle factors, diet, and medication.
- Provide care navigation to help employees better navigate our often-complex healthcare system.
- Collaborate with the employee's primary care provider to help ensure care plan adherence and medication compliance.
- Actively monitor patients and intervene as needed.

A highly personalized approach to healthcare can improve health literacy, drive accountability, reduce costs, and improve the lives of employees.

Disease Management

Personal health nurses leverage many tools to help employees better manage their chronic diseases. To create a disease management program, they first identify conditions that contribute to instability and then educate employees on the management of those conditions as well as the implications of noncompliance. This includes helping members set goals and develop a disease management action plan. Other factors of disease management should include:

- Ensuring employees have a primary care provider.
- Encouraging employees to work with their providers to manage their disease.
- Identifying factors that can inhibit compliance and providing resources and guidance on overcoming those barriers.
- Providing primary care providers with a synopsis of the health nurse's interactions with the employee.

Case Management

The ability to access high-quality care and the resources for healthy living is dependent upon many factors. For example, individuals who lack reliable transportation, live in food deserts, or have economic hardships can find it more difficult to manage their chronic conditions. Case management can help employees overcome these barriers. Acting as a case manager, personal health nurses ensure each patient has access to the resources they need when and where they need them. This includes providing referrals to community and financial resources.

It is also important to find a program provider who works alongside the employer's HR team to actively promote the program to achieve a high rate of employee engagement. This should include introductory letters, initial phone calls, and follow-up phone calls for those who haven't responded.



Success story

One of Kentucky's first Medicare accountable care organizations is a clinically integrated network of 2,000 providers managing more than 100,000 lives, including 20,000 employee health plan lives and 48,000 commercial lives. They needed a way to improve data integrity to enable its fast-growing provider network to migrate successfully to a fee-for-value model. They also wanted to be able to better attract and retain a diverse group of employed and non-employed physicians.

The client chose to partner with Conifer Health Solutions for its actionable data insights, care management, provider engagement, and ongoing advisory and industry benchmarking services.

- Care managers utilized ConiferCore® Outcomes Optimization to set goals and track activity, including core assessments, motivational interviewing and education, evidence-based medicine adherence, and closing gaps in care.
- Conifer developed custom care protocols and tracked outcomes for most prevalent diseases, allowing care managers to efficiently manage member care plans.
- Conducted outreach and tracked progress in ConiferCore® Population Health Intelligence analytics to improve medication adherence for members with diabetes and hypertension.
- ConiferCore® Provider Engagement portal were used to give providers the visibility they needed to manage members attributed to them.
- Quarterly executive meetings are used to review client performance against overall industry trends and to highlight areas for continuous improvement and better outcomes.

Today, the client is in value-based contract discussions and/or implementation with a number of commercial and Medicare payers.

Results



\$28.9M

in Medicare share savings
in first four years



10.7%

total benchmark
savings



Top 10%

of ranked MSSP ACOs
nationwide by CMS



Approved for CMS Next Gen ACO program

Creating a healthier workforce and changing lives

We are living in challenging times. The COVID-19 pandemic has taken its toll on health systems and employers alike. As we work towards creating a new sense of normal, we should also take the opportunity to look at what we can do better. Unlike many population health management companies, Conifer encompasses a holistic approach to members. While management of each individual component (Utilization Management, Personal Health Nurse, Disease Management and Care Management) is critical, Conifer combines these components to create an engaged and tangible program that is sustainable for each member. Success is found in the combined holistic approach.

We know that the increase in unmanaged chronic diseases drives costs for everyone—especially employers. By partnering with a population health management company like Conifer, employers can better stratify risk to lower costs and sustainably improve outcomes among their employees.

Sources

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Conifer Health leverages data aggregation, risk stratification and care coordination to deliver better health outcomes. We are passionate about caring for the people that power your business.

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