

Five ways innovators are driving plan performance.





Reduce costs, improve health.

Health care costs are overwhelming both organizations and individuals. Health benefits design is one way to ensure people have access to high-quality, convenient care, and are inspired to live healthy lives at affordable costs. What are the most strategic and innovative leaders doing to address rising costs as they design and manage benefits and plans in 2024?

Here are the five key strategies we see leading-edge companies focusing on to manage costs in new and effective ways:

1. Create smart GLP-1 policies.
2. Supplement with high-performing programs.
3. Optimize for social and environmental factors.
4. Understand total well-being health connections.
5. Engage with omnichannel and convenient care.

Organizations are leveraging information produced and available in the health care industry to drive performance today, optimize for long-term savings opportunities in the future, and get more value from programs, partnerships and investments.

Read on to see the health data and analytics leading organizations are using to drive results, so you can crush it at your organization.

1

Create smart GLP-1 policies

GLP-1 drug class costs are exploding. One employer study showed GLP-1 costs exceeded anti-neoplastic (chemotherapy) drug class by 81% for their population in 2023.

As organizations and health plans define policies, deep insights and understanding are critical to influence effective treatments and overall cost considerations. Innovative organizations are designing policies based on these deep insights. What could that look like? For example, a GLP-1 prescription may only be covered for certain conditions with prerequisites or if a member is also actively enrolled and engaged with another program.



Expand on your knowledge of GLP-1 script volumes and costs by seeing for what conditions scripts are being written.

Next, explore demographics about your GLP-1 audience. Dig into comorbidities, engagement in lifestyle or weight management programs, and mental health care needs.

From here you will have deeper quantified knowledge as you design for total well-being.

What analytics are useful?

Trends

Organizations are starting by deepening their understanding of current utilization — the conditions and demographics of current utilizers. Very importantly, they are watching how fast this is changing, and in which sub-populations.

Cohorts

Next, organizations are looking to understand differences between total well-being choices of people taking GLP-1 drugs and those that are not, when diagnosed with the same conditions. Who is actively seeing a PCP? Who is engaged in lifestyle or weight management programs? How do total wellness factors affect outcomes with and without this prescription?

Deeper dives

Progressive organizations are also leveraging

biometric data and lab results in cohort studies to understand quantified health impacts, both short- and longer-term. Program engagement data shows how programs contribute to health outcomes.

Side effects

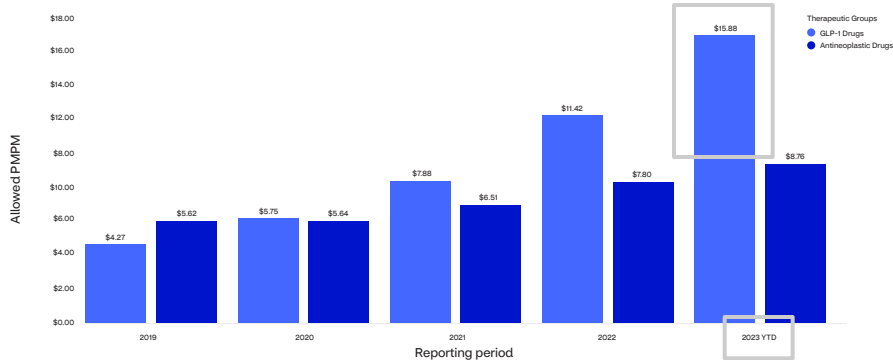
Treating side effects introduced by GLP-1 drugs is a hidden cost that merits consideration. Organizations are tracking costs associated with research-based reported side effects, using their cohorts to compare population-level differences. We've seen the numbers — it is not pretty.

Abuse

Providers may also be outside of policy compliance. Organizations are watching prescribing patterns to monitor for excessive patterns and signs of costly abuse.

Get context: How does cost compare to cancer drugs?

Total pharmacy costs driven by GLP-1 drugs*



81% more PMPM than chemotherapy drugs: 2023, YTD

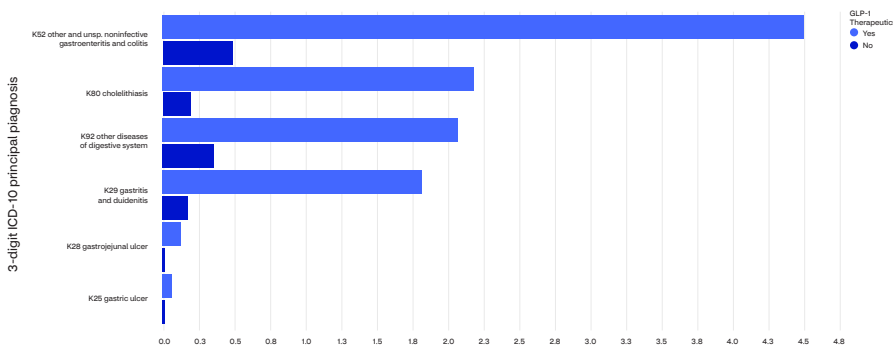
For this large employer population, GLP-1 drugs cost 81% more than chemotherapy drugs.

This report includes Feb. to Sep. data for 2023 only.



Cohort analytics: What about side effects?

Cohort comparison: GI side effects for members with same conditions, with and without GLP-1 drugs*



Over 1,000% higher for members taking GLP-1 drugs

There are GI-reported side effects associated with GLP-1 drugs.

For members with the same conditions (diabetes and/or obesity), the services/1,000 for some of these GI-related issues is over 1,000% higher for those taking GLP-1 drugs.

*These results are specific to a single employer's population. Results vary by population.

Now what?

Organizations are using basic information about GLP-1 drug utilization and costs along with population condition prevalence to estimate costs associated with GLP-1 drugs. They are also estimating additional costs for GI side effects.

Organizations are also looking at the impact of policies that offer Rx coverage if a member is actively participating in a lifestyle or care management program.


Supplement with high-performing programs

Point solutions enhance health benefits programs and fill in gaps in the health care system by being very focused on specific health considerations or populations. A point solution could be focused on diabetes, weight management, mental well-being, musculoskeletal health or fertility, as examples.



How are organizations designing and delivering high-performing programs?

Here are some best practices:

1. **Strategy:** Use population health data to drive high-level strategy. Ask where do we have high costs, highly prevalent conditions and needs. 
2. **Targeting:** Identify members within a population who would benefit from a program. Create a communication execution plan that considers who needs what information, when, and how to reach them at the right time. Successful engagement strategies are continuous in nature, not just one-time communications.
3. **Optimize performance:** Most important, after designing a program and selecting the right point solution or partner, lean into health data to actively manage what value is truly being delivered.

Basic metrics like visits or logins do not necessarily equate to value. Let's see what organizations are measuring to really drive results.

What analytics are useful?

The unique value a program or point solution delivers is best measured by comparing cohorts and understanding associated or influenced changes. What are some ways to measure these things?

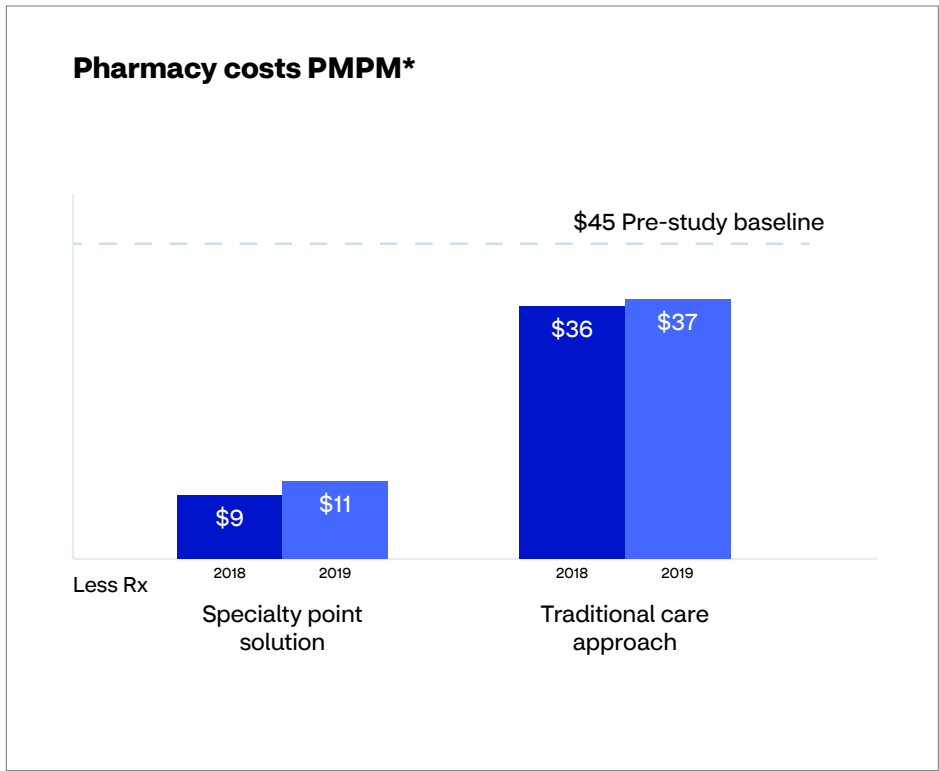
Using cohorts, compare costs and indicators of continued health engagement behaviors for members who use the point solution as compared to those with the same conditions who do not, but do utilize some care services.

Do you see differences across:

- Rx duration and dose for MSK (or depression, anxiety, hypertension, etc.), for 12 months following a new diagnosis?
- Average leave duration for comparable conditions and severity? Any additional leave within six (or 12) months?
- Follow-up care after return to work or a condition milestone (number of PT visits, a PCP visit within 12 months)?
- Gaps in care for care or prevention services (like screenings)?

Must-have analytics and what they tell us.

How is our mental health solution influencing prescription needs, refills and costs?



The employer has been able to serve increasing health needs related to anxiety, depression and a few other conditions. They meet a broader set of member needs with an effective and cost-efficient targeted approach.

This employer’s study found a mental health point solution resulted in lower prescription costs driven by reduced need and duration. By digging into demographics and conditions, the study further clarified the ideal profile and conditions the point solution served.

**These results are specific to a single employer’s population. Results vary by population.*

Now what?

Define one or more health objective(s) to track against. Assess and compare value in year 2 and 3 (and beyond where possible). There can be dramatic drop-offs after initial introduction, the classic honeymoon effect. Inversely, programs may really take off after a slower start.

3

Optimize for social and environmental factors

Excess costs are driven by social and environmental factors.

Organizations combine claims data and SDoH indices for new insights. By quantifying these factors and understanding what is driving excess costs, leading organizations create visibility.

Measured insights move us from talk to action. Quantified results help with prioritization and scope, creating a reasonable focus instead of an overwhelming issue.

Health benefits design decision makers are also partnering with other parts of the organization to design ways to address change with collaborative gains. This often includes programs that shift the organizational culture, leveraging internal employee resource groups to increase awareness, education and engagement, and learning how to better support diverse needs within a population.




Get started!

- Quantify and communicate where health equity gaps exist.
- Show how social determinants are measurably manifesting health inequities in the population your organization cares about.

What analytics are useful?

Start by evolving traditional population health analytics and metrics. Investigate familiar reporting metrics by SDoH indices like socioeconomic index, food availability index, transportation index.

Some places to investigate include:

- Non-utilizers (by average household income range).
- PCP visits (by socioeconomic index). 

- ER visits without a PCP visit 12 months following (by English Language Deficiency index).
- Cancer stage at first diagnosis (by Education index).

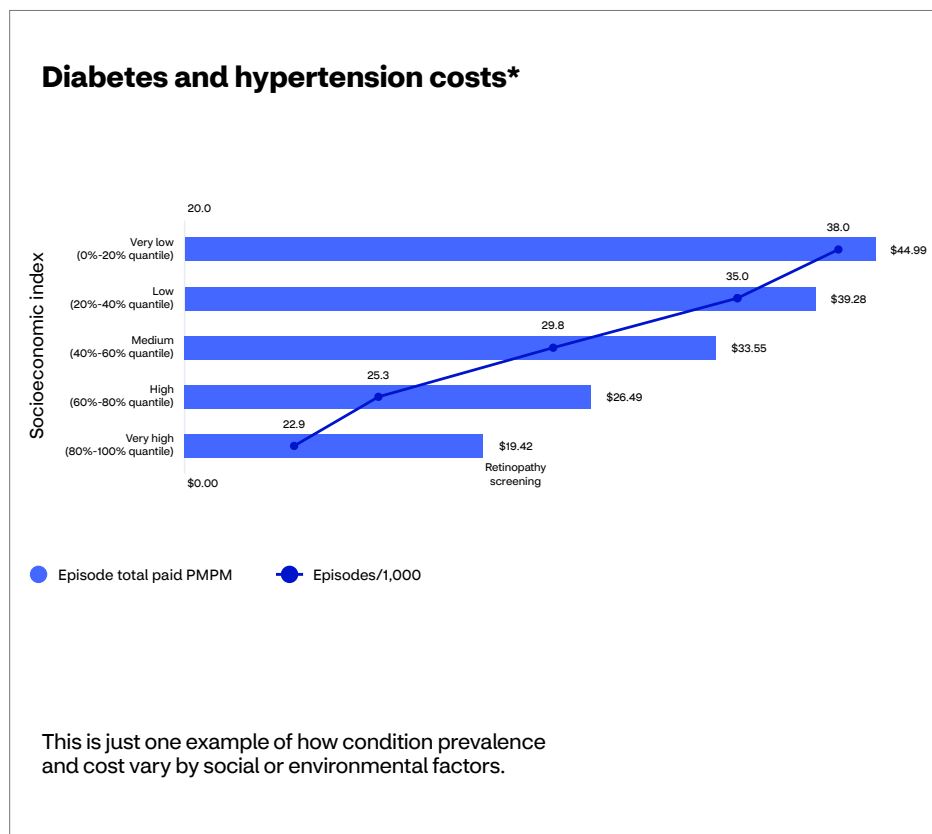
Why?

Quantified metrics specific to your population of interest do two things:

1. It makes the problems more real and specific enough to unpack.
2. It provides a baseline to measure improvements, after changes are in place or barriers are addressed.

Must-have analytics and what they tell us.

How do chronic condition costs and prevalence vary by socioeconomic index?



There are **65%** more members with diabetes and hypertension in this low socioeconomic population segment vs. this very high segment.

A lower socioeconomic index indicates higher social and economic disadvantage.

* These results are specific to a single employer's population. Results vary by population.

Now what?

Organizations have shared it has been easier to obtain organizational attention, develop collaborative partnerships with other parts of the organization, and prioritize next steps when armed with data-driven facts. Use analytic facts that show how SDoH influence health care decisions and costs within your specific organization.

4

Understand total well-being health connections

Benefits and plan design consider health needs across physical, mental, emotional and financial dimensions. Investments to support people across all these dimensions easily add up.

Analytics show where additional well-being costs are offset by reducing costs associated with poor health, or improving productivity and retention.

Leading organizations use these insights to enhance existing programs, evolve policies (like a bereavement benefit after a miscarriage) and invest to evolve organizational culture to encourage total well-being for increased productivity and long-term cost savings.



Physical health



Mental health



- Look across health dimensions.
- Create cohorts and isolate costs to surface inter-relationships.
- Use analytics to illustrate the importance of supportive and effective mental health care.

What analytics are useful?

The presence of a mental health condition can be shown to drive increased costs around medical conditions. The cost comparisons below show only the costs of the medical condition. The cohorts are defined by the presence (or lack of) a specified mental health condition, as a comorbidity.

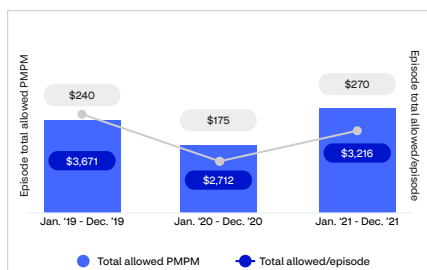
Some places to investigate include:

- What is the cost of diabetes with versus without depression as a comorbidity?
- What is the cost of hypertension with versus without anxiety as a comorbidity?
- What are the top conditions for the population segment with low food access?
- How does attrition differ between low and high well-being benefit utilizers?

Must-have analytics and what they tell us.

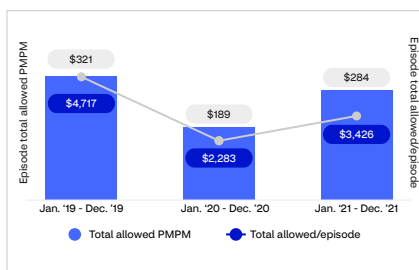
What is the annual cost to treat diabetes?

Without comorbidity



Members with diabetes but no mental health conditions*

When anxiety is a comorbidity



Members with diabetes and depression or substance use disorder*

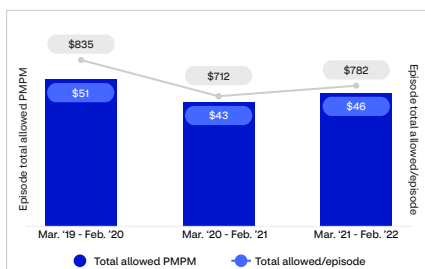
+\$13 PMPM in 2021

Diabetics without vs. with depression for cost of diabetes alone.



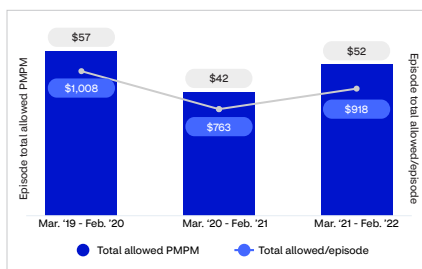
What is the annual cost to treat hypertension?*

Without comorbidity



Hypertensives without a mental health or substance use disorder comorbidity*

When anxiety is a comorbidity



Hypertensives with anxiety

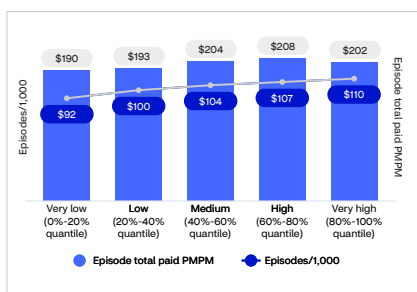
How does mental health influence physical health care costs?

+\$6 PMPM in 2021

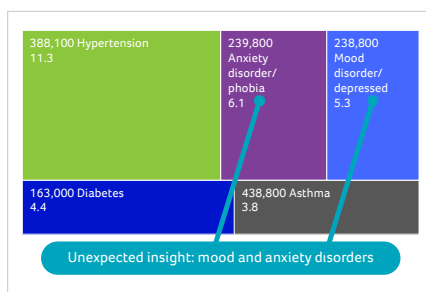
Hypertensives without vs. with anxiety for cost of hypertension alone.

~30% members newly diagnosed with anxiety were also diagnosed with hypertension for the first time.

Access to food is associated to mood and anxiety condition prevalence.*



Does cost and frequency of chronic condition episodes vary by food insecurity level?*



Top five chronic conditions in food-insecure communities

What are the top conditions in food-insecure communities across physical and mental health?

19% more episodes / 1,000 for 'Very high' vs. 'Very low.'

* These results are specific to a single employer's population. Results vary by population.

5

Engage with omnichannel and convenient care

Omnichannel care will continue to rise in importance across this year. It reflects the reality that what is considered convenient and affordable will vary across geographies, people and time. The best way to reach and engage with members requires variety and choice.

If we want people to make their health a priority, then easy access to care and innovative approaches are critical.



How can we encourage continuous care with omnichannel strategies optimized for cost and convenience?

Investigate how care is consumed across sites for the same set of conditions. Use analytics to explore how care can be improved for those members where engagement gaps are noticed.

The analytics below show differences in utilization and cost across virtual care and PCP office visits.

Below, we see members with diagnoses who have not utilized care for their known conditions. Can we re-engage or better serve their needs with additional convenience options to reduce long-term high costs?

What analytics are useful?

We can break omnichannel care into smaller classes of analytic investigations:

1. Care delivery

Where and how is the best way to deliver care or a mix of care services across locations, including virtual care? How do technology improvements help – for instance apps or messaging reminders with links and helpful next steps at fingertips?

2. Communication preferences

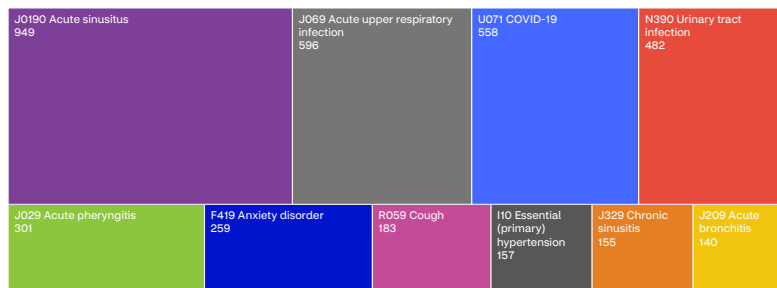
What's best to effectively raise awareness and engage people in a varied care delivery plan?

Must-have analytics and what they tell us.

Explore why members consume care through different channels.

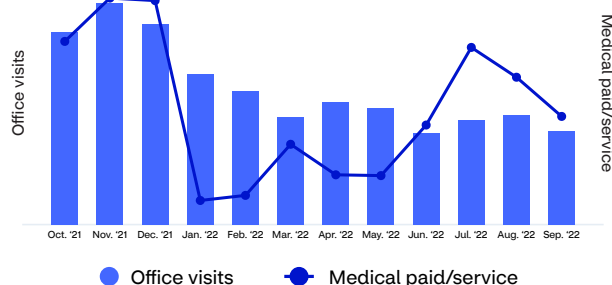
The chart shows that 949 members in this population sought virtual care for acute sinusitis and 596 members for respiratory infections. Next, explore if these are initial or follow-up visits. Can you expand care engagement that is more convenient and affordable with a plan design that optimizes for this pattern?

Telemedicine medical claims*

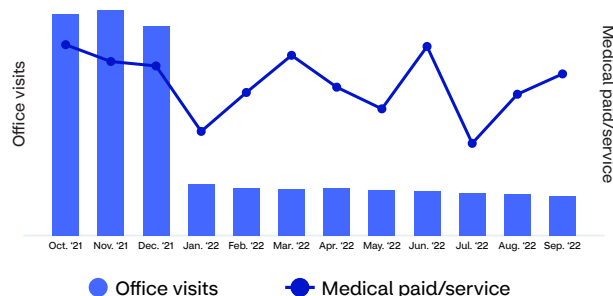


How does mental health influence physical health care costs?

Telehealth or virtual care visits for mental health evaluation or therapy

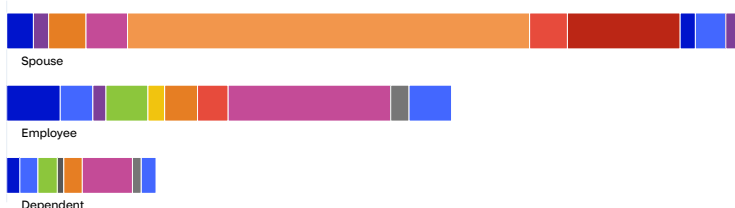


PCP visits for mental health eval or therapy



What are the top conditions in food insecure communities across physical and mental health?

Medical claimants



3-digit principal diagnosis

- F10 Alcohol related disorders
- F11 Opioid related disorders
- F12 Cannabis related disorders
- F17 Nicotine dependence
- F19 Other psychoactive substance related disorders
- F31 Bipolar disorder
- F32 Depressive episode
- F33 Major depressive disorder, recurrent
- F41 Other anxiety disorders
- F43 Reaction to severe stress, and adjustment disorders
- F52 Sexual dysfnct. not due to a substance or known physiol. cond.
- F64 Gender identity disorders
- F80 Specific developmental disorders of speech and language
- F82 Specific developmental disorders of motor function
- F84 Pervasive developmental disorders
- F88 Other disorders of psychological development
- ▲ 1/2 ▼

* These results are specific to a single employer's population. Results vary by population.

To summarize:

More diverse populations, more needs, more preferences, higher costs.
Cost-effective benefits design is really hard.

Innovative organizations are crushing it with health analytics. Here's how:

1. Create smart GLP-1 policies
2. Supplement with high-performing programs
3. Optimize for social and environmental factors
4. Understand total well-being health connections
5. Engage with omnichannel and convenient care

HDMS Fast Facts



HDMS is a CVS Health® company.



HDMS provides analytics solutions for users of health care data, including employers, health plans, brokers, consultants.



HDMS processes 19,000+ data feeds and files monthly.



People use HDMS solutions for:

- Strategic benefits design
- Plan performance
- Population health investigations
- Standardized reporting



HDMS enriches data:

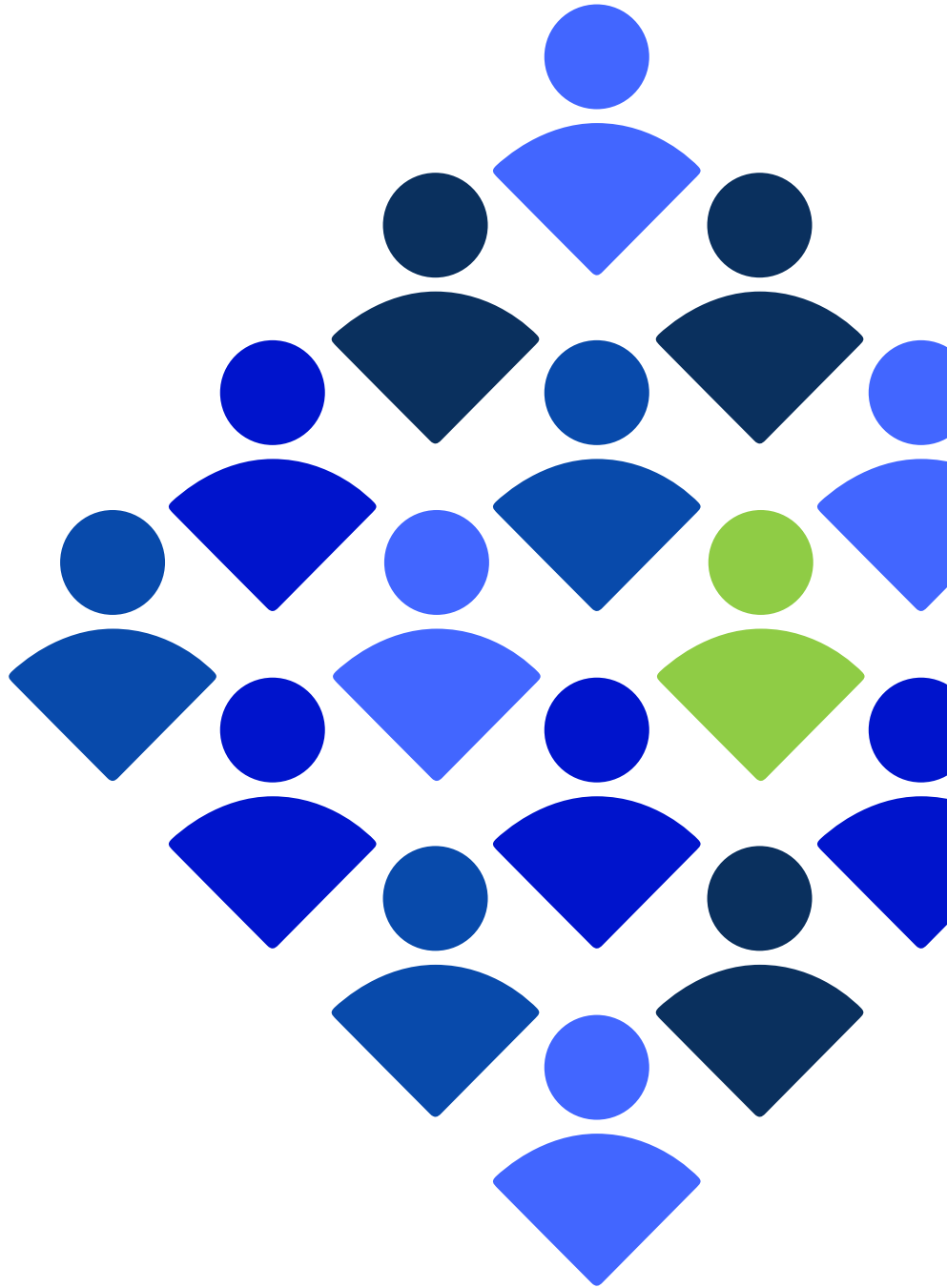
- 40+ industry methodologies
- 7+ predictive models
- 25+ SDoH indices – get started with member-level address data

Scan the QR code to
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Analytic results vary for each population

Health Data & Management Solutions (HDMS) provides health data and analytics solutions to payors. Based on the unique needs, health care consumption, and costs for each organization, analytic results will vary. The insights reflected in this paper are real results but specific to the populations studied. These results will vary for each unique population.



We'd love to help you learn more about your population.

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