

Know the numbers

Employers are well aware of the **growing cost of healthcare**, as most of these **burdens** fall on them.


<p>Chronic Diseases a Growing Epidemic</p> <p>75% Healthcare costs attributed to chronic disease</p> <p>25% Increase in chronic conditions among working adults over last 10 years</p> <p>Controlling Healthcare Costs is a Big Lever</p> <p>50% Healthcare costs attributed to chronic disease</p> <p>153B Increase in chronic conditions among working adults over last 10 years</p>	<p>Unhealthy Population Decreasing Productivity</p> <p>69% Adults obese or overweight</p> <p>450M Number of additional days missed by employees with Chronic conditions</p> <p>Large Percent of Costs are considered Waste</p> <p>30% US Healthcare spending is waste, meaning services that are delivered in error/fraud or are unnecessary and do not positively impact the health of the individual</p>
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Imagine


- Running accounting without an accounting system
- Managing Inventory without an inventory system
- Creating your budget and paying bills without knowing how much something costs

Sounds illogical...


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Why do I need data?


- Basic understanding
- Measurable Benefits metrics
- Make informed decisions




Don't miss the mark

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What data should I be reviewing?



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Where can I get all this data?

- Broker/Consultant
- TPA/Carriers – Medical, Pharmacy, Dental, Vision
- Wellness Vendor
- Biometric Screening Vendor
- Payroll System
- HRIS
- Leave Management Vendor/Internal Reporting
- Workers Comp Vendor



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What metrics should I be reviewing?

- Per Subscriber/Member Per Year/Month Cost
- High Cost Claims
- Chronic Conditions
- Prevention Screening Compliance
- Utilization of Plan
- Incidence Rates
- Prevalence Rates
- Audit/Fraud
- Gaps of Care
- Motor Vehicle Injuries
- Cost of Tobacco Users
- Specialty Drugs
- Wellness Participation
- Incentive Compliance
- Wellness ROI
- Biometric Screening Results
- Health Risk Assessment
- ACA Compliance
- Enrollment Reports
- Carrier Eligibility Files
- Workers Comp
- Absence Management
- Talent Management
- Budgeting
- Employee Surveys



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What key metrics should I focus on?

- Financial
- Program Participation
- Health Risks
- Biometric Screenings
- Employee Health Engagement
- Utilization
- Gaps in Care
- Chronic Conditions
- Avoidable ED Visits
- Lost Productivity
- Lost Work Time



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IBI Research: A Pragmatic Approach for Employers to Improve Measurement in Workforce Health and Productivity. By Tom Parry, Ph.D and Dr. Bruce Sherman

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How do I review all of this data?



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What is integrated data?

Data integration involves associating data that reside in different sources and then providing users with a unified view of the data.

How it relates to benefits:

- Benefit data comes from a variety of sources.
- It can be tied together ("Integrated") by finding a common element in each source (like "employee number") and linking the data in a database.
- This can then give you a way to analyze integrated benefit costs to help in strategic planning.



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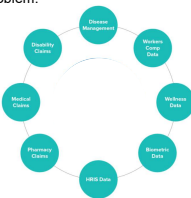
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Why is it so hard?

There are technical issues and business issues

There is no common data model that all vendors use to capture and manage information. So when you merge data you have a difficult matching problem.

- Data sources have different data definitions or semantics; What is an "employee" in one system may be a "member" in another.
- This matching is further complicated by the different timeframes vendors use to capture the data and the timing is becoming more frequent.
- Vendors may be reluctant to share the data.
- Privacy Fears.



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Benefits of data driven strategy

- One source of the truth
- Clearly defined strategy and vision
- Actively being proactive
- Employee at the center
- C-suite involvement
- Ability to communicate success
- Leverage resources outside of HR
- Never forget the 'H' in HR



How to build a benefit strategy

- Start with the data, identify areas to improve
- Find a Solution
- Implement employee friendly solutions
- Measurable metrics
- Monitor the impact



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Data shaping strategy - employer case study

- Mid market size oil and gas company
- 90% male demographic; average age 43
- Top Medical Spend Areas
 - Neoplasms
 - Musculoskeletal system
 - Circulatory system
 - Diabetes
- Challenges
 - 35.7% member population in a risk or high risk state
 - Low knowledge of plan
 - Poor use of benefit plan programs and resources
 - Lack of employee accountability

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Data shaping strategy - employer case study

Benefits Strategic plan will:

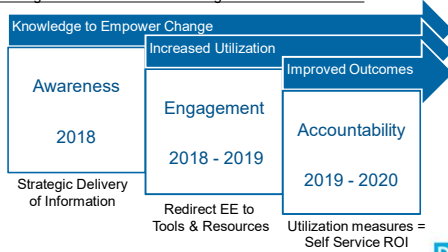
- Determine where benefits program is headed over the next three years
- Improve the effectiveness of the benefits program
- Deliver improved benefit content to seek increased engagement
- Communications will be purposeful and supportive of strategic goals:
 - Weight Loss program (weight loss impacts Diabetes, Disc Disorders, and Hypertension)
 - Cancer Education (improve cancer screenings participation)
 - Re-Introduce and market existing programs (target at risk and high risk members)
- Drive better utilization
- Shift health outcomes

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Data shaping strategy - employer case study

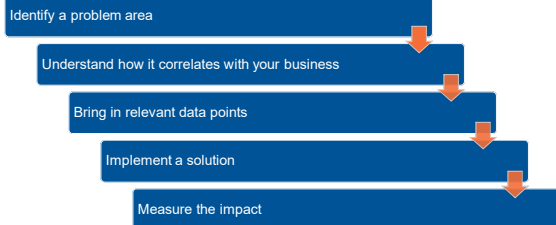
Driving change to shift culture to becoming true health consumers



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Key take away action items



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The Five Essential Elements of Well-Being – Gallup Poll

- **Purpose** well-being
- **Social** well-being
- **Community** well-being
- **Physical** well-being
- **Financial** well-being

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Well-being components



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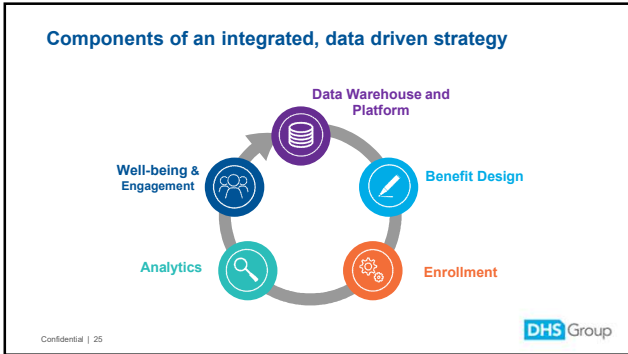
What do Harvard Professors Know About Well-being?

- Overall Medical costs decline \$3.27 for every dollar spent on wellness programs
- Costs from Absenteeism fall about \$2.73 for each dollar spent



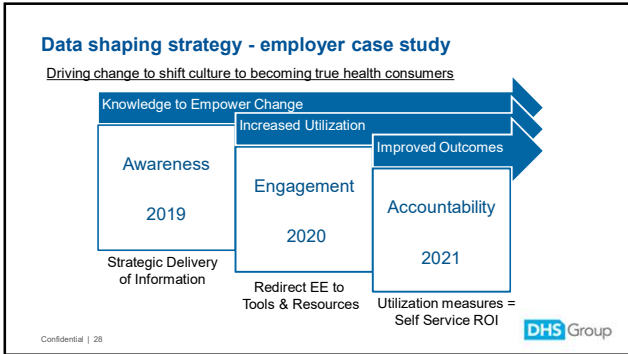
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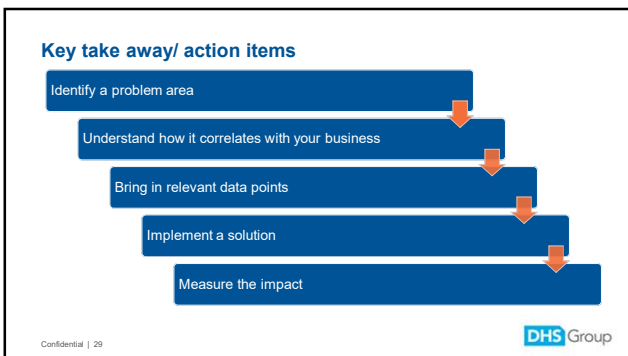




- What Offerings Should You Use for Your Company?**
- Ask your Employees and Leadership Team
 - Use Surveys, HRA, Discussions
 - Observe your Peers - Business Groups and Coalitions on Health, SHRM
 - Develop a Strategy – “Start with the End in Mind”
 - Decide how you will measure success
 - Short-term incentives that are consistent with Long-term objectives
 - Look for a partner that can bring multiple solutions to you
 - Integrate programs to achieve the Big Picture
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- What do we see in the market for Fully insured?**
- **60+ EE professional business**
 - Benefit team presented a *multiple year* plan
 - Executive leadership agreed to support
 - Started with Financial Wellness and Physical Activity Tracking/Challenges
 - Added Mental Wellness
 - Integrated Biometric screenings
 - Tied in Wellness Coaching to screening results
 - Utilize Well-being education resources and resources
 - Instituted Rewards program for employee reduced premiums
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Allow data to drive strategy and culture

Thank you!
John Fosdick

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