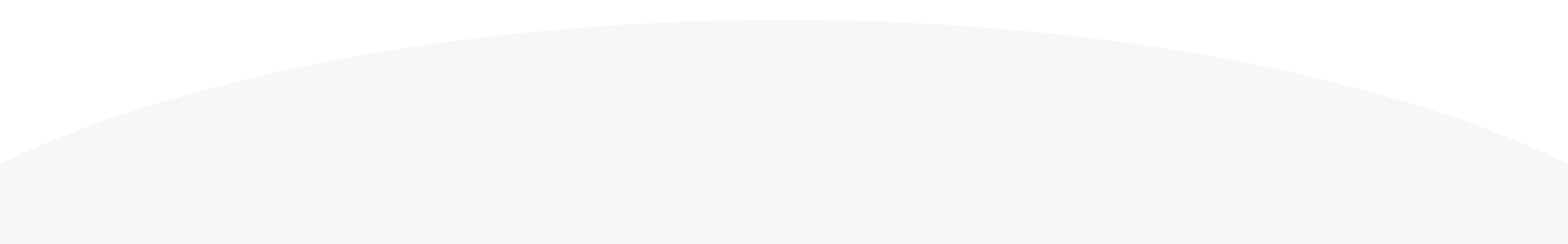




3 Essentials for Reducing Healthcare Waste and Improving Care and Outcomes for Employees

Help your people make the right decisions and get on the right path with personalized advocacy



This paper was completed in February 2020, just prior to the outbreak of COVID-19 throughout the world. As the situation continues to escalate in the U.S., however, it seems vital to update the introduction. The COVID-19 outbreak is placing unprecedented pressure on our healthcare system, exacerbating many existing, long-term challenges, including the misuse, overuse and underuse of healthcare resources—a primary source of healthcare waste in this country. As hospitals face shortages of nurses, beds, and personal protective equipment, for instance, it's critical that only those people who need emergency care show up at the emergency room. As people are told to stay at home, it's important that expectant parents proceed with prenatal care, and that new parents proceed with newborn vaccines on schedule. And as accessibility to chronic care becomes more difficult, it's critical that people with conditions such as diabetes, asthma or heart disease continue to get the support they need.

In short, it's never been more important for people to make the right healthcare decisions and get the right care at the right time. Employers—which provide health insurance to nearly half of the U.S. population—can play an important role in making that happen. They have incentive to do so: Not only do they need and want their people to live their healthiest lives and thrive in their jobs, but they also need to reduce healthcare waste, which accounts for an estimated 25 percent of U.S. healthcare spending.¹ As the cost of employee healthcare grows each year at unsustainable rates—and as employers face unprecedented uncertainty in the time of COVID-19—they must reduce healthcare waste and costs.

An entire industry of specialized health and benefits solutions has emerged to help employers address healthcare waste. To make a substantial and sustainable impact, however, employers need a comprehensive solution that targets the major sources of healthcare waste head on. They need a solution that engages people early, guides them to the best decisions, and prepares them at every step of their healthcare journey. **Early engagement. Trusted guidance. Prepared patients.**

Healthcare savings ranging from \$527 to \$782 per employee per year—over a matched multi-employer control group with personalized advocacy.²



Personalized advocacy is that solution. By reducing healthcare waste, Accolade personalized advocacy not only enables employers to improve health outcomes for their people, but also reduce healthcare costs. With Accolade personalized advocacy, self-insured employers achieve substantial and sustainable healthcare cost savings—ranging from \$527 to \$782 per employee per year—over a matched multi-employer control group.

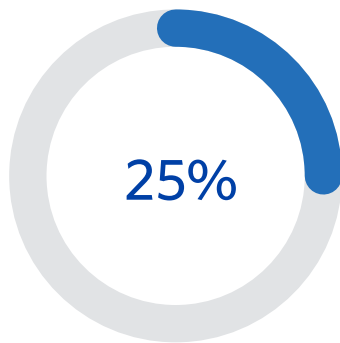
Healthcare waste harms people and business

Unnecessary emergency room visits. Overprescribed antibiotics. Price variability for a single procedure.

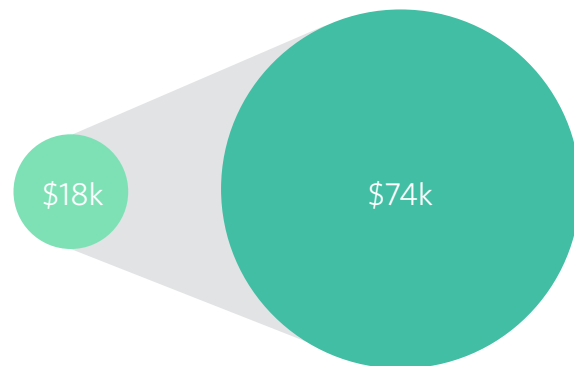
Hyperinflationary medications and prescriptions that go unfilled. These are examples of our country's extensive healthcare waste—waste that accounts for an estimated one out of every four dollars spent on U.S. healthcare.

For employers, this waste shows up in the workplace in many forms, from the production laborer who has debilitating back pain even after expensive surgery, to the young tech professional who uses the emergency room for chronic sinusitis, to the senior manager undergoing chemotherapy but not getting support for their depression.

An estimated 25% of U.S. healthcare spending is waste³



313% cost variation for hip replacement surgery within the city of Boston (\$18K - \$74K)⁴



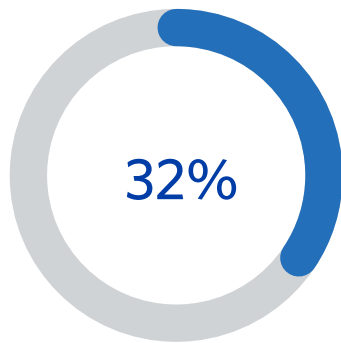
The impact is far reaching. Healthcare waste takes a toll on the physical, emotional and financial health of individuals—and on the bottom line of organizations, as well. Unpaid medical bills are the number one cause of bankruptcy in the U.S., affecting tens of millions of people each year. Employers face lost productivity and unsustainable medical cost trend of 5 percent or more, impeding their ability to invest, compete and grow. To improve the experience, outcomes and costs of employee healthcare, HR teams must find a way to ensure healthcare dollars are efficiently spent.



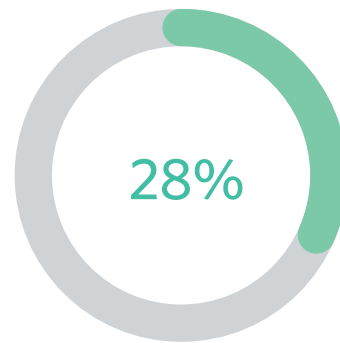
Musculo-skeletal disorders cost employers more than 11 lost work days per person⁵

An industry emerges to address employee healthcare challenges

New health and benefits solutions are rapidly coming to market to help employees get the quality care they deserve. Telemedicine solutions make it easy for employees to see a doctor after hours rather than heading to the emergency room. Provider search and price transparency tools are designed to help people shop for the best value in providers and procedures. Expert second opinion services aim to help people make sound healthcare decisions. And new digital apps and programs target helping people manage diabetes, hypertension, pregnancy and other conditions. Employers have rapidly adopted these specialized and self-serve solutions, adding them piecemeal to their employee benefits in the hopes of big reward.



32% of members say they are uncomfortable with their ability to navigate their benefits and healthcare.⁹



Only 28% of employees are confident they're using their employer benefits to their fullest potential.¹⁰

But the reward has not come. Instead, a new source of waste has emerged as employers watch these solutions largely go unused by their people. Although 9 out of 10 employers (with 500 or more employees) offer telemedicine as an employee benefit, utilization remains in the single digits, rising to just 9 percent in 2018.⁶ Similarly, over the course of a year only 3.5 percent of Aetna plan members took advantage of a price transparency tool made available to them.⁷ In fact, nearly half of employees say they haven't used a single health program offered by their employer in the previous year.⁸ With the introduction of each new solution comes one more location to remember, one more app to install, one more password to recall, and one more disconnected experience. It's not surprising that employees say their benefits programs are confusing, too hard to use or irrelevant in their lives, causing them to disengage.

Digital engagement hubs are an important step but not enough

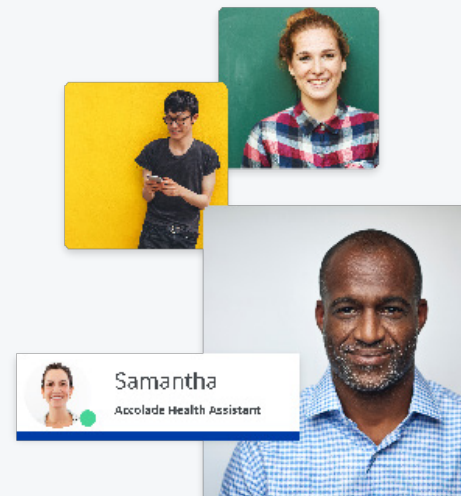
For many HR departments, the answer is more technology. They are adopting digital engagement hubs that bring together all these discrete programs in one place to create a simpler member experience and improve engagement. The National Business Group on Health expects two-thirds of employers will be using a digital engagement platform by 2021.¹¹

But simply aggregating benefits is not enough. Left to navigate healthcare and benefits on their own and in reactive fashion, employees and their family members often go down a path that leads to both poor outcomes and escalating healthcare costs.

To combat healthcare waste, you need a solution that helps members make better healthcare decisions at every stage of health — a single approach that helps people get efficient, high-quality, evidence-based care that works for them. You need a solution that people trust and that coordinates care across providers. It's a fundamental shift from:

- Reactive to proactive care.
- Impersonal to individualized, contextualized support.
- Fragmented, transactional care to coordinated care based on relationships.

Reducing member healthcare waste—getting people the right care at the right time—boils down to three essentials: early engagement, trusted guidance, and prepared patients. Personalized advocacy is the way.



What is Accolade personalized advocacy?

Personalized advocacy combines compassionate health and benefits advisors, clinical expertise, and intelligent technology to empower every person in the population to make the best decisions for their health and well-being.

Essential #1 – Early Engagement

Put your people at the center of connected care and support them before they are patients.

Overcome the silos of healthcare to build a whole-person understanding of each member, even before they are patients, to engage them early and get them on the right care path.

The health of your member population is more dynamic than you might realize. Data shows that nearly two-thirds of members who have high-cost conditions in a given year—conditions such as cardiovascular disease, cancer and diabetes — were not in that high-cost category the year before.¹²

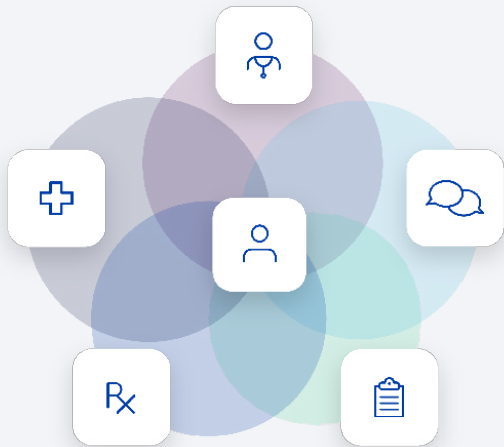


2/3 of members with high-cost conditions were not in that category last year ²

In fact, nearly one-third of these members were in the low projected risk category.¹³ It's a reminder that waiting for an insurance claim to flag the need for an intervention can come too late to influence healthcare decisions. It's also a wake-up call to employers to:

- Engage members early, even before they are patients.
- Intervene in the right way according to each member's needs.
- Guide members to the best decisions for their health and well-being.

This means proactively building a full understanding of each member, rather than waiting for a diagnosis. It means providing personalized support for all of your members, not just those already in the high-cost category.



Personalized advocacy triggers the right intervention at the right time.

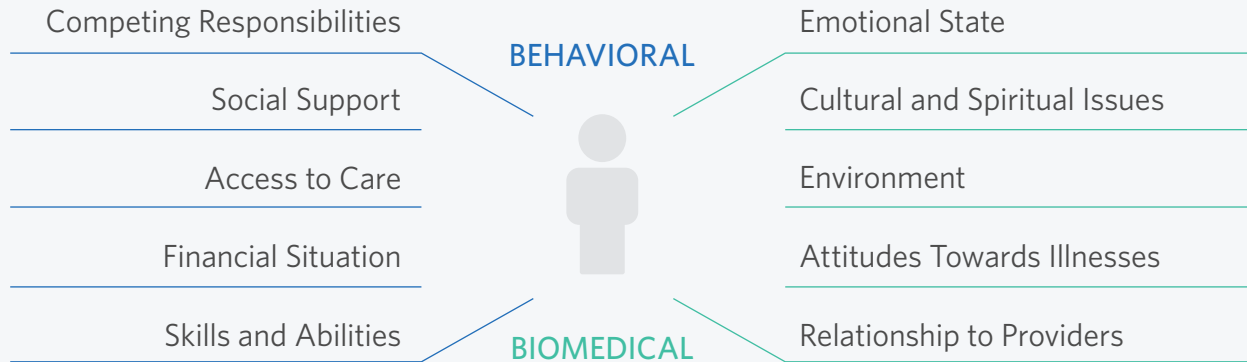
At the heart of the Accolade personalized advocacy approach is a whole-person understanding of every member—a 360-degree profile created by an open technology platform and compassionate human interactions. The platform connects the fragmented world of healthcare and benefits to pull together a wide range of a member's health data, including biometrics, lab results, risk assessments, medications and more.

And because the platform integrates health and benefits programs, it can also pull in a member's encounter data from telemedicine visits, expert second opinion consultations, and utilization of specialized digital health programs such as diabetes management.

But data is only part of the picture. A crucial part of the whole-person profile is insight gathered by Accolade Health Assistants and registered nurses as they talk with providers and members about their health and benefits needs. Using a behavioral influence model, "LEARN2," in every interaction, the Accolade team proactively uncovers health issues, contextual factors and barriers to care—financial challenges, work and family responsibilities, personal values and beliefs, or community issues, for example—factors that play a significant role in health outcomes.

A Whole Person Approach

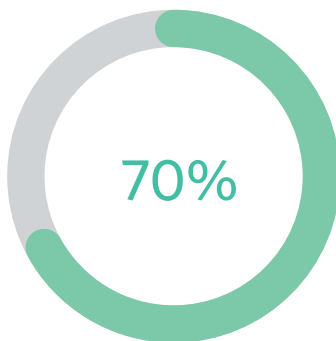
People are more than a diagnosis or condition. Through our LEARN2 model, Accolade Health Assistants and nurses uncover the factors in a person's life that can play a major role in their health and healthcare decisions.



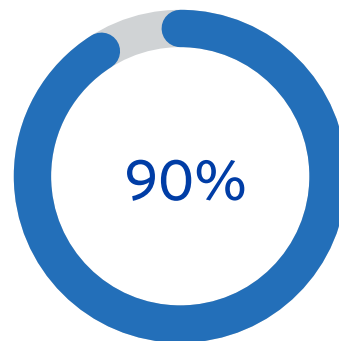
Source: Weiner SJ. Contextualizing Medical Decisions to Individualize Care: Lessons from the Qualitative Sciences. *Journal for General Internal Medicine* 2004; 19(3):283-287 and 13PI

The whole-person profile of the member, and a connected health and benefits ecosystem around them, is the foundation for proactively engaging members at the right time and in the right way. We apply data science to identify members on track for knee and back surgery in the next 12 months and help them get the musculoskeletal support they need. We can predict in January whether or not a member is likely to cross a high-cost threshold at the end of the year and why. This insight drives our clinical team to intervene early, support the member in an informed way, and influence their decisions before they receive care.

Accolade personalized advocacy: the right member, right decision and right path.



Accolade personalized advocacy assists 70% of members prior to care being delivered.¹⁴

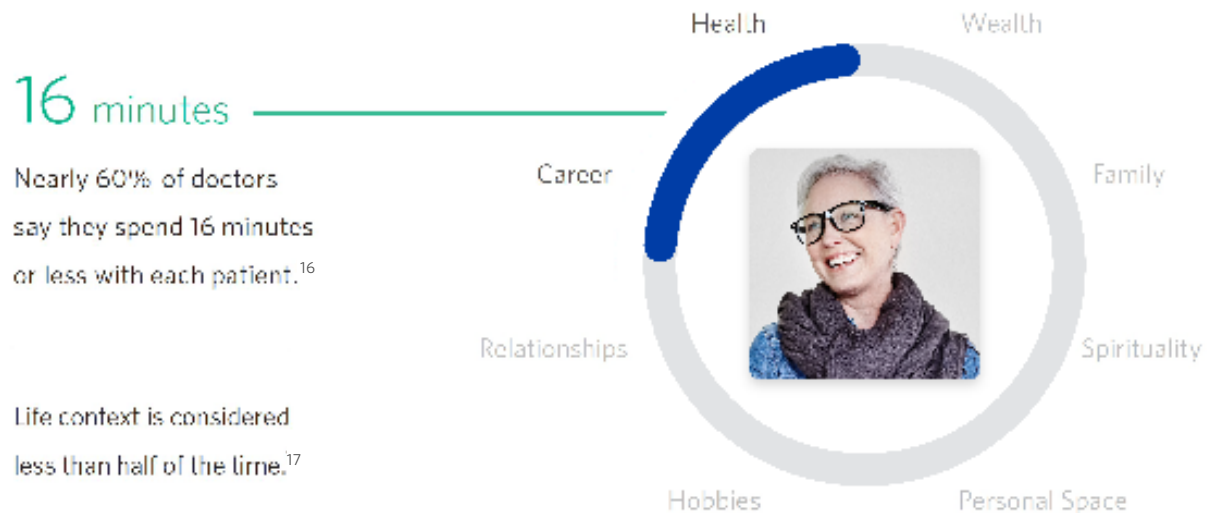


Accolade personalized advocacy helps guide the care decisions of 90% of people with complex conditions before their healthcare costs reach the high-cost claim threshold, resulting in over 5% of savings.¹⁵

“

My Accolade representative Aimee is hands down amazing. I love having a dedicated representative who knows my family and our needs. The customer service experience can't be beat and sets Accolade light years apart from the competition.”

- LACY, MEMBER, MEDIA COMPANY



Essential #2 – Trusted Guidance

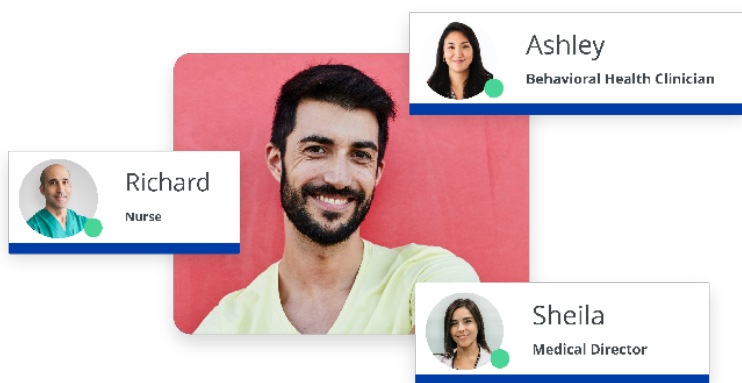
Give your people access to personalized guidance from trusted clinical experts.

Trusted, personalized guidance from healthcare professionals inspires people to engage and change their behavior.

A mother on vacation with a sick child wants a recommendation from a healthcare provider who understands her child's medical history. A 55-year old man battling cancer and caring for his elderly parents needs someone who can help him not just with his physical health but his stress and anxiety as well.

When it comes to one's health or that of a loved one, what matters most to people is "being heard, understood and given clear directions through personalized healthcare."¹⁸ They want a healthcare provider who listens patiently, shows that they care, and provides clear guidance.¹⁹ In short, people want personal interactions with a compassionate expert who takes the time to know them and helps them make the right decision.

Transactional-based nurse lines can't deliver. And with growing administrative and technology demands, physicians have less and less time to connect, empathize and build relationships with their patients.



Accolade registered nurses have more than 15 years of clinical experience on average and come from a variety of care settings, including acute care, home health, case management, and hospice care.

With personalized advocacy, a compassionate team of doctors, nurses and other clinical specialists guide your employees and their families to the best decisions.

Pivotal to Accolade personalized advocacy is a physician-led team of pharmacists, psychologists, licensed social workers and registered nurses.

Accolade registered nurses have more than 15 years of clinical experience on average and come from a variety of care settings, including acute care, home health, case management, and hospice care. dedicated to doing the right thing for every member each and every time. With the support of intelligent technology and a full understanding of the health history and life context of members, the clinical team focuses on helping individuals get the care they need from the outset.

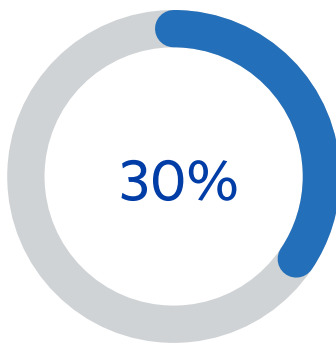
The right care path may be enrolling a member in a specialized care management program or helping them utilize a benefits solution such as expert medical opinion or centers of excellence. It might be using quality intelligence on 95 percent of the country's providers to match the member to the best primary care physician or specialist for their needs. It might mean closing a care gap, like motivating a 58-year-old with a family history of colon cancer to get their first colonoscopy. Or it might entail sharing evidence-based health and wellness content with a member to help educate them. It always means helping the member fully understand all their care options and make a wise choice, such as trying the local urgent care facility for an ankle sprain rather than defaulting to the emergency room.

At the same time, the team works to prevent and eliminate direct sources of healthcare waste, such as incomplete discharge instructions, seeing the wrong type of doctor, treatment plans that won't work for a person's values or lifestyle, or drug to drug interactions.

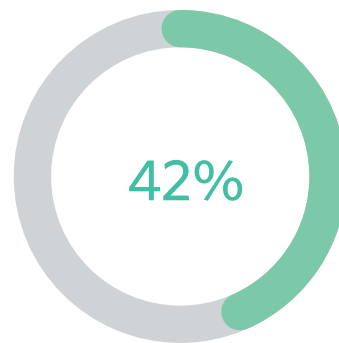
By taking time to understand members, educate them about their options, and help them make informed decisions, Accolade nurses build long-term, trusted relationships that improve member satisfaction and inspire members to change their behavior.



Over 90% of members planning to go to the emergency room follow the guidance of their Accolade nurse to go to a lower acuity care setting.²⁰



30% increase with Accolade of colorectal cancer screenings.²¹



42% increase with Accolade of members ages 19 - 39 who have had a preventive care visit in the past 2 years.²²



Beth was amazing! I called simply to check coverage benefits and ended up with Beth due to the first representative recognizing my need for guidance on the situation. Beth listened, asked lots of questions, and walked me through resources. She explained the difference between different types of doctors as I considered next steps and also completed a search of in network providers for me. I received follow up documents via the app and she even gave me a follow up phone call to check in a few days later. Great experience! I have already recommended to others."

- ALLISON, MEMBER, LARGE FINANCIAL SERVICES COMPANY

Essential #3 – Prepared Patients

Prepare members for productive healthcare visits. Help providers with whole-person context.

Empower everyone in the care process to optimize care, reduce waste and improve health outcomes.

The failure to coordinate care for patients with a chronic disease can increase their healthcare costs by more than \$4,500 over three years.²³ The more doctors a patient sees, the higher the fragmentation of care, which can lead to duplicative testing or services, gaps in care and unnecessary and costly hospital readmissions. On a macro-level, a lack of care coordination across providers is estimated to account for up to \$78 billion of wasteful healthcare spending in the U.S. each year.

In population health management programs, care coordination plays a vital role in ensuring continuity of care, especially given the lack of health data sharing across providers. Care coordinators help patients make smooth transitions among hospitals, skilled nursing facilities, rehab clinics or other healthcare settings, communicating a patient's needs and removing barriers to care.

But traditional care coordinators, often RNs hired by providers, can have difficulty getting to know a patient or establishing a trusted relationship, particularly if they have a large patient population to track. Care coordination often falls to ill-equipped family members to try to handle, potentially adding stress to an already stressful situation.

Accolade nurses play an important role in preparing patients and coordinating care across providers.

Accolade nurses serve as a hub in the care process, engaging with members and their providers to help ensure efficient, high-quality and evidence-based care. As a trusted resource to members, Accolade nurses and Health Assistants provide support at every step of their healthcare experience, including:

- Scheduling doctor appointments to help members get on the best care path early.
- Preparing individuals and families for procedures, inpatient stays, discharge, and beyond — and supporting them throughout these events.
- Empowering members to become more effective partners in their care by helping them prepare questions for their providers.
- Serving as a member's advocate with providers before care is delivered to ensure they receive appropriate care.
- Seeking clarification on treatment instructions members don't understand.

Accolade nurses are equally a partner to providers, offering critical insight about members that might otherwise be difficult to attain. With the consent of the member, Accolade nurses collaborate with providers to:

- Incorporate a member's medical, social, financial, and behavioral factors into care decisions – factors that can account for up to 80 percent of health outcomes.
- Identify and remove barriers to care, such as difficulty affording medications or finding a convenient location for kidney dialysis.
- Close gaps in care as members transition across providers and care settings, helping prevent unnecessary readmissions.
- Understand the complete picture of a member's care and prevent the unnecessary duplication of services.
- Report progress on case management plans.

No matter where the member is in their care journey, their Accolade clinical team is a consistent, continuous resource to help ensure a unified, high-quality healthcare experience.

“

I had a difficult health issue and was being run through many different tests by many different doctors in a relatively quick amount of time. Jessica was always there when I needed her. She took the stress out of it for me, simplified the process and reassured me as well. It made my diagnosis and treatment a lot easier to deal with and get through.”

– JENNY, MEMBER, LARGE RETAIL COMPANY

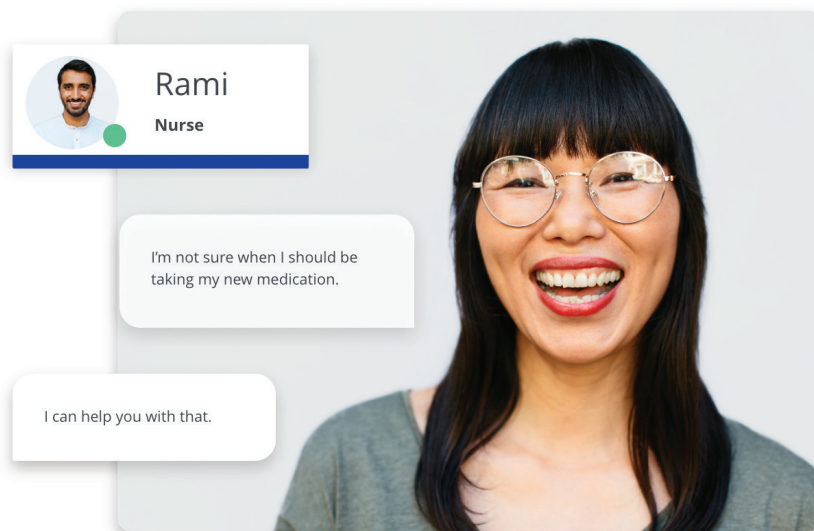
“

Having somebody on your side to advocate for you and who knows the ins and outs of your benefits plan is huge.”

– ALISON, MEMBER, FINANCIAL SERVICES COMPANY

Conclusion

It's essential for employers to find a solution that targets important, yet often overlooked, sources of healthcare waste: reactive member engagement and low utilization of benefits, uninformed decision making about care and doctors, and the lack of care continuity. Personalized advocacy combines compassionate advisors, clinical experts and intelligent technology to identify members in need of support, guide them to the right care with the right provider at the right time, and prepare patients for productive visits. With insight about each member's life context, the Accolade care team also helps coordinate and unify care across providers, helping optimize services and eliminate wasteful spending.



Accolade personalized advocacy is proven to reduce inpatient, outpatient, and professional medical spend, as well as brand and specialty pharmacy spend across the entire population. According to a rigorous independent comparison study by global professional services firm Aon, Accolade personalized advocacy enables self-insured employers to achieve substantial and sustainable healthcare cost savings—ranging from \$527 to \$782 per employee per year—over a matched multi-employer control group.²⁴

Better Decisions. Better Health. Better Business.

It's time for U.S. employers to take an active role in advancing the integration, sharing and use of personal health data to benefit individuals their families and their employers.

Learn more by visiting **accolade.com**

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