Population Health Management Successes

Gerrye Stegall
The Evolution of Healthways Solutions

1983
Healthways 1.0
Diabetes Treatment Centers

1993
Healthways 2.0
Disease Management

2004
Healthways 3.0
Health and Care Support

2009
Healthways 4.0
Total Population Health

Current
Healthways 5.0
Well-Being Improvement
What is well-being, anyway?

Well-Being is all the things that are important to, what we think about and how we experience, our lives.

Key Levers: Individuals • Experts • Social Connections • Environment • Policy
• Comparative Well-Being data that can be presented at the state, congressional district and in some cases down to the zip code level

• Joint Venture between Gallup and Healthways

• Design support and oversight from leading behavioral economists, psychologists, and experts in psychometric survey design and statistical analysis

• Thousands of “community” based calls made every day in order to add 500 completed surveys to the ever changing world of Well-Being

• Nearly 2,000,000 completed surveys – represents the world’s largest data set on Well-Being
Well-Being is Bigger than Physical Health

**Purpose**
- Liking what you do each day and being motivated to achieve your goals

**Social**
- Having supportive relationships and love in your life

**Financial**
- Managing your economic life to reduce stress and increase security

**Community**
- Liking where you live, feeling safe and having pride in your community

**Physical**
- Having good health and enough energy to get things done daily
In any country, the same fundamental concept holds true...

Healthier people cost less and are more productive.

Optimize Care for People With Chronic Conditions

Reduce Risks from Lifestyle Behaviors

Keep Healthy People Healthy

Reduced Demand for Health Care and Increased Productivity
Understand Cause and Effect

**Effect**
- Performance
- Morbidity
- Mortality
- Event

**Cause**
- Stress
- Sleep
- Nutrition
- Activity
- Career

- Productivity
- Utilization
- Disease
- Cost
- Finances
- Hope
- Mood
- Relations
- Purpose
**Predictive of Cost and Utilization**

*Higher Well-Being = Lower Utilization*

<table>
<thead>
<tr>
<th>Individual Well-Being Score</th>
<th>Percent of Respondents with Hospital Utilization in 12 Months After WBA</th>
</tr>
</thead>
<tbody>
<tr>
<td>Low: 0-50</td>
<td>10.1%</td>
</tr>
<tr>
<td>Medium: &gt;50-75</td>
<td>10.0%</td>
</tr>
<tr>
<td>High: &gt;75-100</td>
<td>9.6%</td>
</tr>
</tbody>
</table>

*Higher Well-Being = Lower Cost*

<table>
<thead>
<tr>
<th>Individual Well-Being Score</th>
<th>Median Costs in 12 Months After WBA</th>
</tr>
</thead>
<tbody>
<tr>
<td>Low: 0-50</td>
<td>$5,172</td>
</tr>
<tr>
<td>Medium: &gt;50-75</td>
<td>$3,765</td>
</tr>
<tr>
<td>High: &gt;75-100</td>
<td>$3,399</td>
</tr>
</tbody>
</table>

**Hospital Admissions**: Low: 0-50, Medium: >50-75, High: >75-100

**ER Visits**: Low: 0-50, Medium: >50-75, High: >75-100

**Median Costs in 12 Months After WBA**

- **Total Cost**
  - Low: $5,172
  - Medium: $3,765
  - High: $3,399

- **Medical Cost**
  - Low: $1,048
  - Medium: $2,605
  - High: $1,885

- **Prescription Cost**
  - Low: $1,124
  - Medium: $771
  - High: $344

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**Healthways**
Individuals with Physical, Financial, and Social Well-Being risk combined are **1.5 times more likely** to be very high cost (greater than $18,000) compared to members with Physical Health risk alone.*

*Results from large regional health plan
Why Well-Being - Business Performance

- Lower claims costs
- Improved utilization
- Improved health indicators
- Lower absence
- Lower claims costs
- Improved utilization
- Lower absence
- Improved performance

Total $ Value

Year 1 Year 2 Year 3 Year 4 Year 5

~1.5x Medical Savings

- Optimize Care
- Reduce Lifestyle Risks
- Keep Healthy
## Well-Being Drives Business Performance

### Well-Being Assessment Results by Business Unit

<table>
<thead>
<tr>
<th>Overall</th>
<th>Life Evaluation</th>
<th>Emotional Health</th>
<th>Physical Health</th>
<th>Healthy Behavior</th>
<th>Work Environment</th>
<th>Basic Access</th>
<th>% at Optimal Income</th>
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<tbody>
<tr>
<td>68.4</td>
<td>60.9</td>
<td>76.4</td>
<td>78.1</td>
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<td>46.9</td>
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<td>79.7</td>
<td>82.4</td>
<td>66.3</td>
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<td>72.0</td>
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<td>60.2</td>
<td>42.4</td>
<td>83.8</td>
<td>26.8%</td>
</tr>
</tbody>
</table>

### Internal Corporate Measure:
Percent at Optimal Income

### Ranking 25 Business Units by Well-Being Score

- **Top Quintile**
- **2nd Quintile**
- **3rd Quintile**
- **4th Quintile**
- **5th Quintile**
Why Well-Being ... Summary

<table>
<thead>
<tr>
<th><strong>Raised by 10%</strong></th>
<th><strong>Raised by 1 Point</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td><em>Performance goes up</em>—</td>
<td><em>Cost goes down</em>—</td>
</tr>
<tr>
<td>5% Fewer unscheduled absences</td>
<td>2.2% Reduction in likelihood of hospital admission</td>
</tr>
<tr>
<td>24% Lower presenteeism</td>
<td>1.7% Reduction in likelihood of emergency room visit</td>
</tr>
<tr>
<td>5% Higher reported job performance</td>
<td>1% Reduction in likelihood of incurring healthcare costs</td>
</tr>
<tr>
<td>6% More days of ‘best work’ in a 28-day period</td>
<td></td>
</tr>
</tbody>
</table>
People Are Complex

To best capture value a precise measure of psychological, sociological and physiological traits, as well as dynamic environmental influences, must be made.
The Right View Leads to Better Intervention

WBA

Life Evaluation
Healthy Behavior

Work Quality
Emotional Health

Basic Access
Physical Health

Productivity

MODERATE LIFE EVALUATION • STRESS • LACK OF SAFE PLACE TO EXERCISE • HIGH BLOOD PRESSURE

LACK OF TRUST • CRITICAL GAPS IN CARE • CHRONIC ILLNESS • NO DEPRESSION

STRONG SOCIAL SUPPORT • STANDARD OF LIVING • LONG COMMUTE • MEDICATION ADHERENCE

CHOLESTEROL • DRUG USE TO SLEEP/RELAX • LACK OF HEALTHY DIET • LOW ENERGY • CARE-TAKING

RESPONSIBILITIES • REGULAR EXERCISE • BMI • MODERATE CULTURE OF HEALTH • ALCOHOL USE
Total Population Health

Effective programs can meet individual needs at each point along the spectrum.

- Healthy & Good Health Habits
- Poor Health Habits
- Health & Lifestyle Risk Factors
- Well-Managed Chronic Condition
- Poorly Managed Chronic Condition
- At Risk for Hospitalization

Keep Healthy
Reduce Risk
Optimize Care

Treat the individual, not just their disease.
Well-Being Varies Among Employers

Distribution of Well-Being Scores from Multiple Samples

- Low
- Low-Mid
- Mid
- Mid-High
- High

Individual Well-Being Score
A pilot study for a Fortune 50 client, Healthways implemented the following:

- Well-Being Assessment
- Biometric Screening
- Well-Being Report
- Well-Being Coaching
- Daily Challenge™
Fortune 50 Case Study

T1: Average 73.9 (std dev = 13.6)
T2: Average 71.0 (std dev = 13.4)

$\Delta = 2.9^*$

Well-Being Improved Significantly in Matched Respondents

T1-T2 Matched Cohort, N = 780  *Paired sample t-test, p < 0.05
Healthways Fortune 50 Case Study

Healthways Longitudinal Well-Being Improvement

Net positive shift in well-being

<table>
<thead>
<tr>
<th>Well-Being Level</th>
<th>T1</th>
<th>T2</th>
</tr>
</thead>
<tbody>
<tr>
<td>High Well-Being</td>
<td>10%</td>
<td>14%</td>
</tr>
<tr>
<td>Score 88+</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mid-High Well-Being</td>
<td>31%</td>
<td>38%</td>
</tr>
<tr>
<td>Score 75-88</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Middle Well-Being</td>
<td>27%</td>
<td>24%</td>
</tr>
<tr>
<td>Score 66-75</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Low-Mid Well-Being</td>
<td>22%</td>
<td>16%</td>
</tr>
<tr>
<td>Score 53-66</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Low Well-Being</td>
<td>10%</td>
<td>8%</td>
</tr>
<tr>
<td>Score &lt;53</td>
<td></td>
<td></td>
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</tbody>
</table>

Net positive shift: +11%

Net negative shift: -8%
Well-Being Improvement
Business Performance Value

*Fortune 50 Employer Pilot*

<table>
<thead>
<tr>
<th></th>
<th>Time 1</th>
<th>Time 2</th>
</tr>
</thead>
<tbody>
<tr>
<td>High</td>
<td>10%</td>
<td>14%</td>
</tr>
<tr>
<td>Mid-High</td>
<td>31%</td>
<td>38%</td>
</tr>
<tr>
<td>Middle</td>
<td>27%</td>
<td>24%</td>
</tr>
<tr>
<td>Low-Mid</td>
<td>22%</td>
<td>16%</td>
</tr>
<tr>
<td>Low</td>
<td>10%</td>
<td>8%</td>
</tr>
</tbody>
</table>

**Extrapolated Impact**

- 18,666 more high performers
- 21,179 fewer associates with 1 or more unscheduled absences per month
A comprehensive program for a Fortune 100 client, Healthways implemented the following:

- Well-Being Assessment
- Health Risk Coaching
- Disease Management
- Well-Being Connect
Fortune 100 Case Study

2010: Average 74.29 (std dev = 13.69)
2011: Average 76.14 (std dev = 13.51)

Δ = 1.86*

Well-Being Improved Significantly in Matched Respondents

T1-T2 Matched Cohort, N = 6,108  *Paired sample t-test, p < 0.05
Worse Well-Being Increases Odds of Adverse Outcomes

Graph showing the relationship between well-being and adverse outcomes.
Fortune 100 Case Study

Healthways Longitudinal Well-Being Improvement

*Net positive shift in well-being*

<table>
<thead>
<tr>
<th>Well-Being Level</th>
<th>2010</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Low Well-Being Score &lt;53</td>
<td>8%</td>
<td>6%</td>
</tr>
<tr>
<td>Low-Mid Well-Being Score 53-66</td>
<td>18%</td>
<td>15%</td>
</tr>
<tr>
<td>Middle Well-Being Score 66-75</td>
<td>25%</td>
<td>23%</td>
</tr>
<tr>
<td>Mid-High Well-Being Score 75-88</td>
<td>33%</td>
<td>35%</td>
</tr>
<tr>
<td>High Well-Being Score 88+</td>
<td>16%</td>
<td>20%</td>
</tr>
</tbody>
</table>

Net positive shift: 6% increase

Net negative shift: 5% decrease
Based on 28,500 total lives

Example Employer Analysis – Value Creation Opportunity Summary

### Five Year Gross Value Projection

<table>
<thead>
<tr>
<th></th>
<th>Year 1</th>
<th>Year 2</th>
<th>Year 3</th>
<th>Year 4</th>
<th>Year 5</th>
</tr>
</thead>
<tbody>
<tr>
<td>Absent/Productivity</td>
<td>$2,235</td>
<td>$3,337</td>
<td>$4,172</td>
<td>$4,781</td>
<td>$5,197</td>
</tr>
<tr>
<td>Medical Savings</td>
<td>$2,617</td>
<td>$4,743</td>
<td>$6,362</td>
<td>$7,653</td>
<td>$8,709</td>
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<tr>
<td>Total Value</td>
<td>$4,852</td>
<td>$8,081</td>
<td>$10,534</td>
<td>$12,434</td>
<td>$13,906</td>
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<tr>
<td>Net Savings</td>
<td>$2,281</td>
<td>$5,517</td>
<td>$9,916</td>
<td>$9,739</td>
<td>$11,214</td>
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<tr>
<td>Medical PMPM Impact (Total Value)</td>
<td>$7.65</td>
<td>$13.87</td>
<td>$18.60</td>
<td>$22.38</td>
<td>$25.46</td>
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<tr>
<td>Overall PMPM Impact (Total Value)</td>
<td>$14.19</td>
<td>$23.63</td>
<td>$30.80</td>
<td>$36.36</td>
<td>$40.66</td>
</tr>
</tbody>
</table>

Based on 28,500 total lives.
Case Study: Healthways

**Situation (2008)**
- Medical and prescription claims cost up 12.8%
- Participation levels failed to meet goals
- Culture needed a boost

**Factors to consider**
- Benefit plan design
- Communications approach
- Incentive offer and plan
- Work environment
- Leadership
Migration of Plan Design

### 2008 PPO Plan
- **Paternalistic**
  - (Cost-protected)
- **“Healthways Benefits Plan”**
- **Traditional Medical Plan**
  - No or limited incentives beyond “in or out of network” features
- **Deductible**
  - Premium: $200 Basic: $500
- **Preventive Care**
  - 100%
- **Communications**
  - focused on benefits enrollment
- **Passive leadership,**
  - Culture moderately supportive

### 2009 HIA (HRA) Plan
- **Accountability**
  - (Increasing cost-share)
- **“Move to Health”**
- **Health Incentive Account (HRA)**
  - $300 of Incentives funded by employer to "buy down" deductibles based on engagement in Move to Health
- **Deductible**
  - Premium: $500 Basic: $800
- **Preventive Care**
  - 100%
- **Enrollment + Well-Being Messaging**
- **Active leadership,**
  - Culture evolving

### 2010 HSA Plan
- **Accountability**
  - (Cost –share)
- **“Well-Being Culture”**
- **Health Savings Account:**
  - $800 / $1600 funded by ER for completion of healthy activities
- **Two Plans**
  - Deductible: $1,200 and $1,800
- **Preventive Care**
  - 100%
- **Enrollment + Well-Being Messaging + Events, etc.**
- **Fully engaged leadership, Culture activated and visible**

---

**Traditional Health Coverage**
- 90% In Network
- 70% Out of Network
- Co-pays for OV & RX

**Traditional Health Coverage**
- 90% In Network
- 70% Out of Network
- No Co-pays for OV and RX except generic ($7)

---

**Paternalistic**
- (Cost-protected)

**Accountability**
- (Increasing cost-share)

**Well-Being Culture**

**Cost-protected**
- (Increasing cost-share)

---

**Communications focused on benefits enrollment**

**Enrollment + Well-Being Messaging**

**Fully engaged leadership, Culture activated and visible**
Healthways: Participation and Outcomes

- Consistent high program participation (going into 4th year of program)
  - Well-Being Assessment – over 85% of population completes
  - Biometric Screenings – 80% participation
  - Chronic Condition Management – almost 70% participation
- Significant outcomes (measure: percentages at risk change)
  - Nicotine utilization down 3% (only 7% utilize)
  - Risk reduction in the extreme, high and medium categories (moving to moderate and minimal risks)
  - Cholesterol risk down 5%, Glucose risk down 3%, BMI risk down 2%
  - Medical cost trend flat in 2009, up only 5.6% in 2010
Thank You

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