

HOW TO ACHIEVE BETTER BUSINESS OUTCOMES BY USING DATA ANALYTICS & POPULATION HEALTH MANAGEMENT



BUILDING A MORE EFFECTIVE TOTAL REWARDS PROGRAM WITH DATA ANALYTICS & POPULATION HEALTH MANAGEMENT

A well-thought-out Total Rewards Program can make a significant difference for an organization in attracting and retaining a multigenerational workforce. A Total Rewards Program includes several components, including compensation, benefits (health and welfare, wellness plans, and retirement options), work-life flexibility, performance and recognition, and growth and development opportunities. To be effective, programs not only have to be aligned with the needs of employees but also support and achieve an organization's goals. This has never been more evident than when it comes to employee health and wellbeing, maintaining a productive and positive workforce, and controlling healthcare costs.

DATA INSIGHTS TELL THE STORY

While greater availability and access to data today have made it possible for organizations to get a clear view of their healthcare spending and how it measures against other organizations, the real benefit comes in analyzing the data to determine the root causes behind rising costs. Knowing, for instance, that employee hospital stays average 15% longer for your company when benchmarked against other organizations is relevant information to have at hand. However, knowing why your employees' average hospital stay is longer could make a difference in enabling you to improve employee health outcomes and manage and reduce costs. For example, in analyzing the data, do you find that the majority of employees with more extended hospital stays have one or more comorbidities, such as diabetes, obesity, or coronary artery disease? The existence of a comorbidity could have impacted patient recovery for the primary illness behind the hospital stay. If so, what proactive things can be put in place to change this dynamic? Clinical insights behind existing health conditions can represent meaningful health opportunities for improvement for both employees and employers.

IMPACT OF UNHEALTHY RISKS & BEHAVIORS ON PRODUCTIVITY, HEALTHCARE SPEND

Eighty percent (80%) of all chronic illness costs are related to an individual's unhealthy risks and behaviors, including poor diet, physical inactivity, smoking, lack of healthcare screening, low standard of care, poor stress management, lack of sleep, and excessive alcohol intake. These risks and behaviors drive chronic conditions, such as diabetes, coronary artery disease, hypertension, back pain, obesity, cancer, depression, and high cholesterol. They also drive up healthcare spend. Take a look at the statistics on diabetes*, which is among the most expensive chronic conditions in our nation, and often the result of an unhealthy lifestyle:

- \$1 out of every \$4 in U.S. healthcare costs is spent on caring for people with diabetes
- \$237 billion is spent each year on direct medical costs and another \$90 billion on reduced productivity
- Total economic cost of diabetes rose 60% from 2007 to 2017
- 48% to 64% of lifetime medical costs for a person with diabetes are for complications related to diabetes, such as heart disease and stroke

According to the Centers for Disease Control and Prevention (CDC), smoking-related illnesses in the U.S. cost more than \$300 billion, of which about \$170 billion is for direct medical costs for adults and \$156 billion is in lost productivity (CDC). Individuals with insomnia cost employers an extra \$976 per person per year due to absenteeism alone, according to the National Safety Council (NSC), with an additional \$2,530 lost through presenteeism or decreased productivity while at work. Healthcare costs are also higher for individuals with untreated insomnia; an estimated \$2,224 goes toward treating other health conditions exacerbated by insomnia.

WORKPLACE WELLNESS PROGRAMS PIVOTAL IN MINIMIZING HEALTH RISKS

While individuals are responsible and accountable for their own health, organizations, through employer-sponsored wellness programs that incorporate lifestyle risk-reduction strategies, can make real headway in healthcare cost savings, improved employee satisfaction and productivity, and better business performance. Implementing effective wellness programs can help minimize health risks while also encouraging healthy behaviors – from better eating habits to tobacco cessation and exercising more frequently. With the right data in hand, you can analyze your wellness program’s effectiveness and its impact on your healthcare costs and productivity.

It’s important that a wellness program strategy provides choice, flexibility, and personalization for employees to gain their adoption and engagement. The current pandemic has made engagement more difficult, and providing additional platforms, including telehealth options and digital interventions for mental health, is critical, with remote work the norm in many cases and onsite wellness programs limited.

Also important in this new paradigm as a result of COVID-19 is the disruption in care. Preventive care services decreased during the first several months of the pandemic. What will this mean going forward, and how will this impact your employees’ health down the road? If the data shows a reduction in cancer screenings among your workforce during the past year, part of your wellness program may encourage employees to get these screenings to help mitigate potential future issues. It only makes sense to invest in services that will serve to improve individual and population health.



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