Health Dialog

FELRA-UFCW Health Coach Program
2012 Annual Report

Board of Trustees – Associated Administrators

February 2013

FELRA UFCW

Overview

Health Dialog

Program Outcomes and Member Engagement Highlights

- Medical Cost Savings and Return on Investment (ROI)
- Program Engagement and Impact
  - Members with Chronic Conditions
  - Members with Preference Sensitive Conditions
- Clinical Quality: HEDIS®
- An AutoDialog® Update

Identifying Program Opportunities

- Expanding the Outreach Criteria: Whole-Person Risk
- Members with Lifestyle Risks
- 2013 Program Recommendations

Health Dialog Innovations

- Total Population Health
- Online Portal for Improved Member Experience

Appendix

Health Dialog

PROGRAM OUTCOMES AND MEMBER ENGAGEMENT HIGHLIGHTS

Executive Summary

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Medical Cost Savings and Return on Investment (ROI)

Based on the engagement and program activity achieved in 2012 (Program Year 7), the FELRA-UFCW's *Health Coach* Program achieved **$745,728** in cost savings (+/- $124K), representing a return on investment of approximately **1.2 to 1**.

Program Engagement and Impact

Reach and engage rates for high risk chronic members and members with preference-sensitive conditions continue to remain high. **Utilization rates for total admissions and ER visits have decreased** for the population with chronic conditions.

Clinical Quality - HEDIS®

The 2012 HEDIS® (Healthcare Effectiveness Data and Information Set) adherence rates are positive and **improved across all measures compared to 2011**. The final year-end results for 2012 will be available in June 2013, to allow for claims runout.

Identifying Opportunities

Over **50% of the FELRA-UFCW population has a lifestyle risk**; Wellness outreach would be beneficial to improve health outcomes and prevent further health issues. Also, the **outreach criteria can be expanded to include more high risk conditions**, thereby increasing the opportunity for savings.

Appropriateness of Activity-Based Medical Cost Savings

Health Dialog

As reviewed in the 2011 annual report, using an activity-based approach for measuring medical cost savings is the recommended methodology for the FELRA-UFCW population.

- ✓ Per recommendation of the Care Continuum Alliance, this is an appropriate methodology with the ability to measure savings on **population sizes below 30,000 members**.
- ✓ It offers the opportunity for an **integrated approach** to measuring cost savings among a broad section of population – members identified with a chronic, preference-sensitive, or expanded high risk.
- ✓ Moving the measurement period to the calendar year from the traditional program year (Sep - Aug) is an appropriate step in order to align the savings with the yearly outreach activities and other program measurement (e.g., HEDIS® clinical quality results).

Activity-Based Medical Cost Savings: Year 7

Health Dialog

Total Eligible Members	26,128
Individuals with Interactions	1,448
Interaction Months	10,027

Health Dialog's *Health Coach* Program is offered to all eligible individuals on an inbound call basis and directed, on an outbound call basis, to targeted, at-risk individuals. Of the 26,128 members in the population, **5.5% had substantive program interactions** in 2012.

Activity-Based Medical Cost Savings: Year 7 (Cont.)

Health Dialog

Medical Costs PMPM	$622
Est. % Savings per Interaction Month	12% (+/- 2%)
Est. $ Savings per Interaction Month	$75
Estimated Savings	**$745,728**
Fees Paid	$639,923
ROI	**1.2 : 1**

Medical cost savings are estimated based on the mix of risk in the population as well as actual program activity. The estimates for medical cost savings are calculated by multiplying the expected percentage savings, average costs, and the number of individuals with interactions.

Note: Activity levels were impacted by the mid-year preparation for program termination, reducing the savings estimate derived from this activity-based calculation.

Activity-Based Medical Cost Savings Comparison to Previous Results

Health Dialog

This year's savings estimate is lower than estimates presented in previous years; however, there are differences in methodology this year that explain the difference in results.

The baseline period from which comparative costs are drawn is more recent – 2011 instead of 2004.

- The previous savings method used a baseline period preceding the first year of the program (i.e., 2004), representing a population with unmanaged costs.
- This year's method uses costs from the year immediately prior (Program Year 6 - 2011). The savings from the first 6 years are not captured in this calculation of Program Year 7 (i.e., 2012) savings, they are supplemental."

This year's method has Health Dialog book of business components.

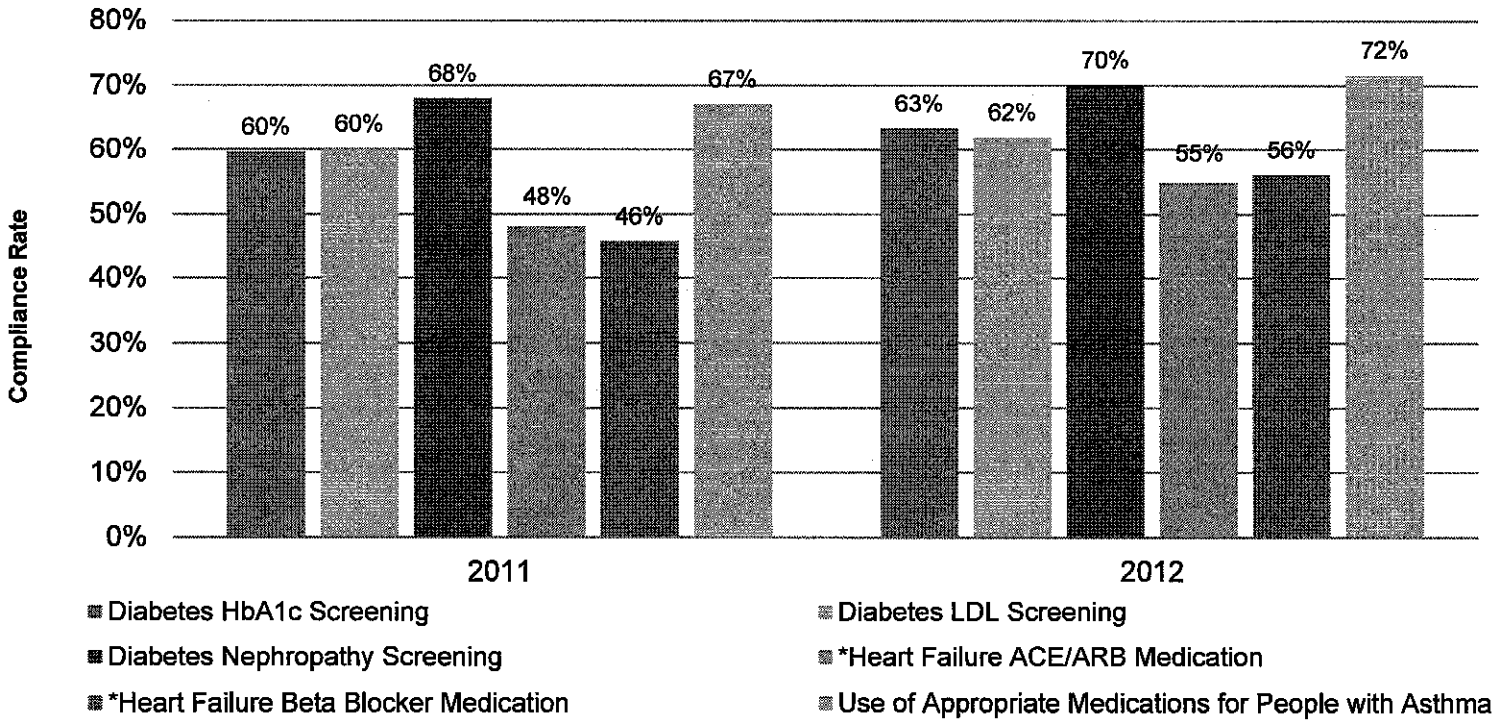
- The savings estimate of 12% (+/- 2%) and the cost trend factors come from Health Dialog's cross- client experience.

Clinical Quality: HEDIS®

Health Dialog

Year-to-date adherence rates across conditions have improved across all measures in 2012.

Medication adherence appears low or, more likely, under-reported. This can be attributed to missing claims (e.g., from pharmacies located within "big box" retail stores.)



*Small denominator

**Year-end HEDIS results require 3 to 6 months of claims runout before they can be analyzed. Final results will be available in June 2013.

Program Impact – Chronic Conditions

Health Dialog

Members with Chronic Conditions

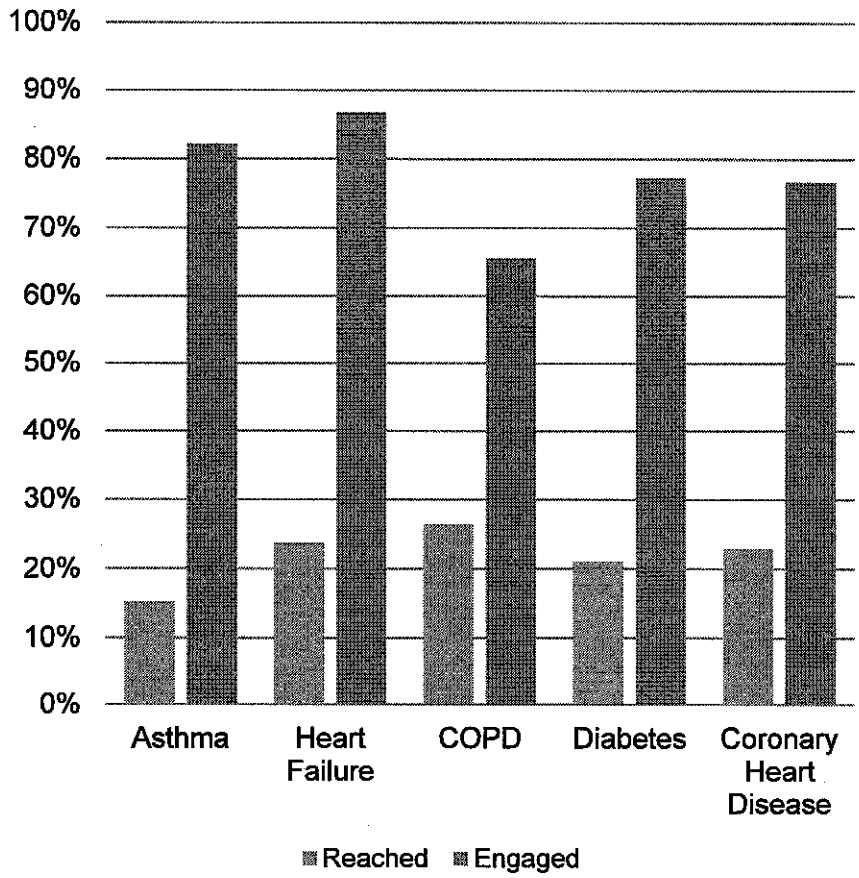
In 2012 (Program Year 7),

- Through targeted outreach efforts, we reached 17.8% of the chronic population, accounting for 33% of total medical cost
- Of those reached 75% are engaged
- We reached 44.6% of the high risk chronic population
- Of those reached 78% are engaged

Between 2011 and 2012,

- Total admissions events remained steady even though the average medical costs increased by 18%.
- Total ER visits also decreased by 18.99 PKMPY

Reach and Engage Rates by Chronic Condition



PKMPY – Per Thousand Members per Year
% Reached – the percent of members with one or more calls with a Health Coach out of the total chronic population.
% Engaged – the percent of reached members who have become engaged.

Program Impact – Preference Sensitive Conditions

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Members with Preference-Sensitive Conditions (PSC)

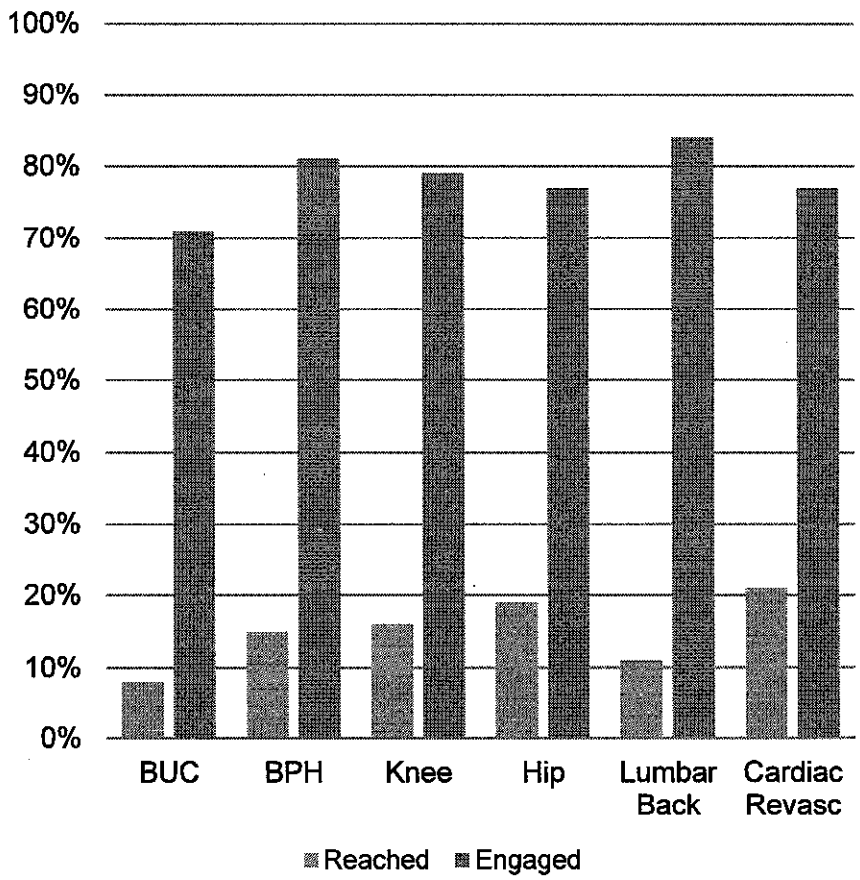
In 2012 (Program Year 7),

- We reached 15.1% of the population at risk for surgery, accounting for 36% of total medical cost.
- Of those reached 82% are engaged.

Between 2011 and 2012,

- Total admissions events remained steady even though the average medical costs increased by 16%.
- Total ER visits also decreased by 30 PKMPY
- Across all conditions, the reach and engage rates have increased

Reach and Engage Rates by PSC



PKMPY – Per Thousand Members per Year
% Reached – the percent of members with one or more calls with a Health Coach out of the total PSC population.
% Engaged – the percent of reached members who have become engaged.

AutoDialog® Campaign Results

Four types of AutoDialog® campaigns were run in 2012, the first full program year in which IVR (Interactive Voice Response) technology was used:

- The inbound call rate per 1000 increased 55% from 2.0 to 3.1.
  - AutoDialog® outreach raises program awareness, contributing to increased inbound call rate.
  - There was also a 75% increase in members providing information to a health coach, driven by the additional inbound calls.
- Of the 156 members who talked to a health coach during the Flu Campaign, 29 stated they had already gotten a flu shot, while another 30 members stated they planned to get a flu shot.

Measures	Flu Campaign	HEDIS Campaign	Chronic Welcome	PSC Welcome
Members Targeted	1,795	2,646	2,679	1,695
Members Contacted	329 (18%)	638 (24%)	503 (21%)	520 (33%)
Received the Message	1,232 (69%)	N/A	N/A	N/A
Warm Transfer	N/A	81 (3%)	168 (6%)	207 (12%)

Health Dialog

IDENTIFYING PROGRAM OPPORTUNITIES

Benefits of Expanding the Outreach Criteria to "Whole Person Risk"

Health Dialog

Across the Health Dialog book of business, we have examined the potential benefits of expanding the pool of conditions targeted by the program to include not just chronic and PSC conditions, but thirty other high risk conditions as well.

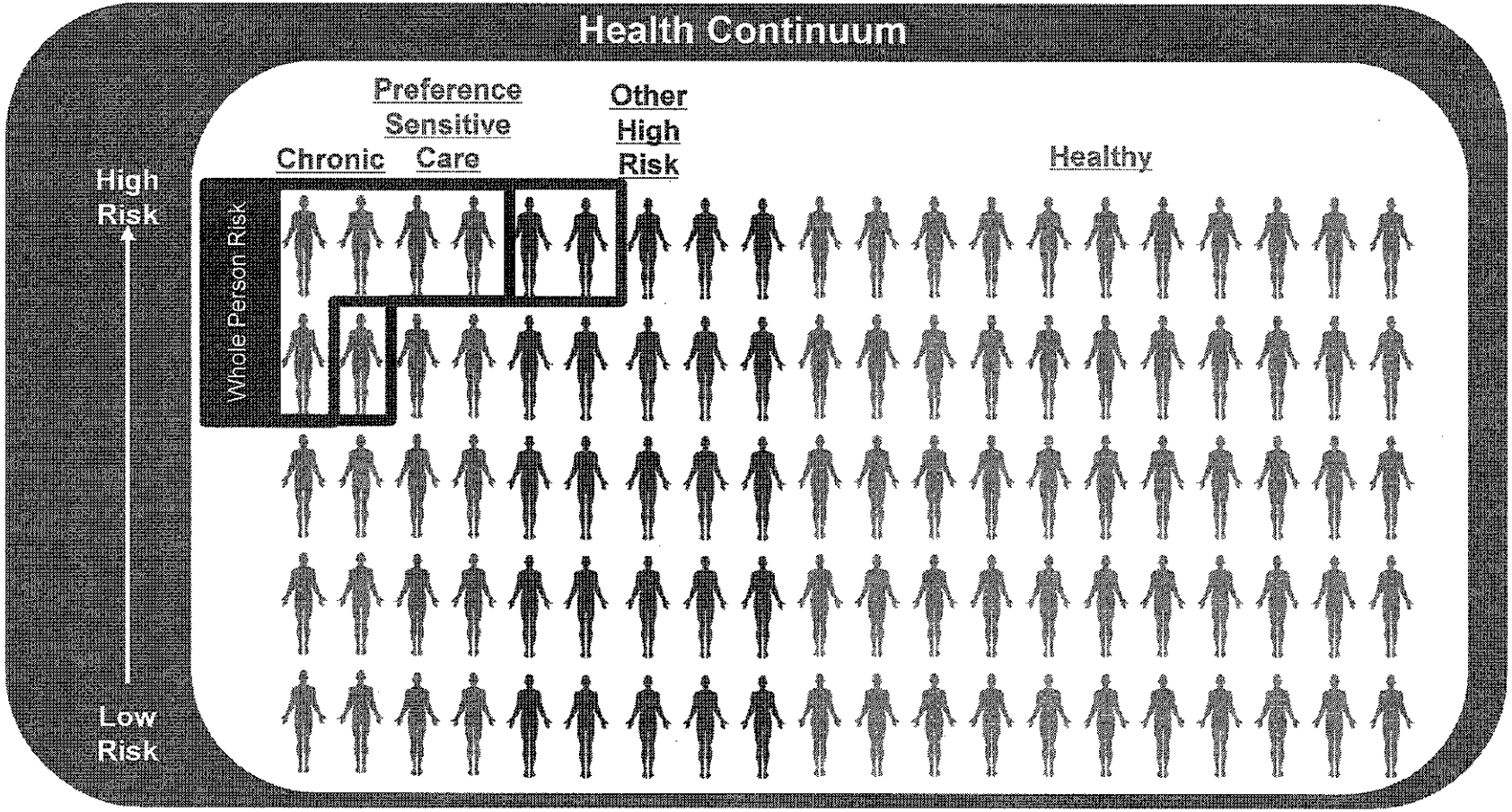
- The analysis showed significant potential gains in average cost of the members we would target, reach, and engage.
  - We saw 44% greater prior year cost in the members added to outreach versus those who would fall out.
- Expanding outreach to include these new conditions would extend services to a segment of the population previously not targeted.

Measures	Current Program Only	Both Programs	Expanded Program Only
Chronic Prevalence	100%	100%	60%
PSC Prevalence	31%	49%	28%
Average Prior Year Cost	$26,795	$47,978	$38,569
Average Predicted Cost	$14,054	$23,714	$17,079

Whole Person Risk model

1 FIND THE RIGHT PEOPLE

Differences are driven by how many we target for engagement



Whole Person Risk model

Targeted conditions

1 FIND THE RIGHT PEOPLE

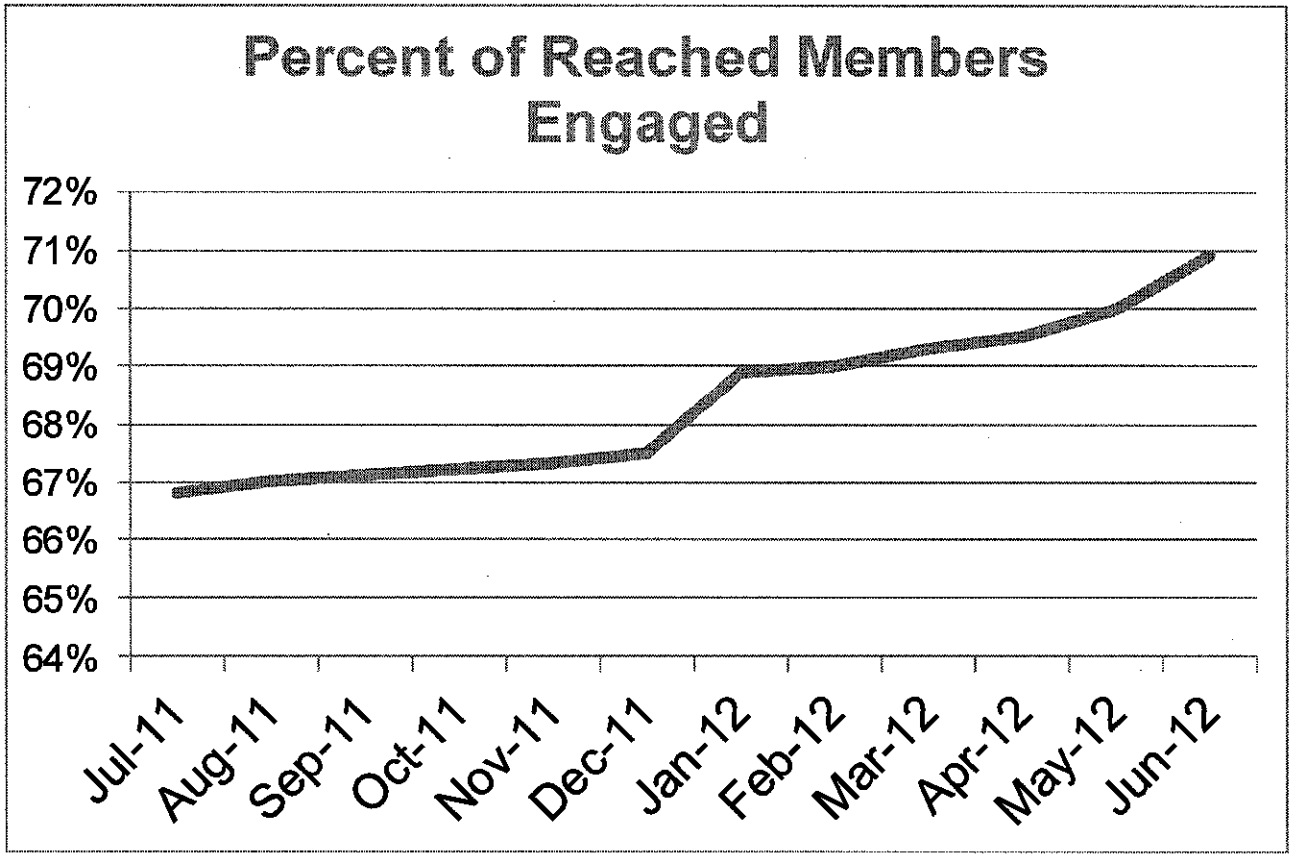
- Ventricular fibrillation
- Aorta-mitral stenosis
- Atrial fibrillation
- Cardiomyopathy
- Heart arrhythmia
- Angina
- Hypertension
- Tobacco use
- Frequent ER visits
- Hyperlipidemia
- Obesity
- Spinal stenosis
- Back pain
- Chronic pain
- Stroke
- Fibromyalgia
- Nephropathy
- Rheumatoid Arthritis
- Sleep Apnea
- Urinary Incontinence
- Osteoarthritis
- Joint pain
- Migraine
- Abdominal pain
- Chronic fatigue
- Gout
- Depression
- Anxiety
- Peptic ulcer
- GERD
- Hypertension Rx persistence
- Hypertension with kidney or heart complications
- Chronic kidney disease
- Oncology
- Frequent hospital admissions

Implementing Whole Person Risk program

Benefits based on client experience

1 FIND THE RIGHT PEOPLE

Engage a higher percentage of members reached



- *Reached* members have talked to a Health Coach
- *Engaged* is defined as individuals having a Health Coach conversation followed by either: a subsequent Health Coach conversation, OR an intensive coach-member interaction
- Sample Health Dialog book of business data

Lifestyle Risk

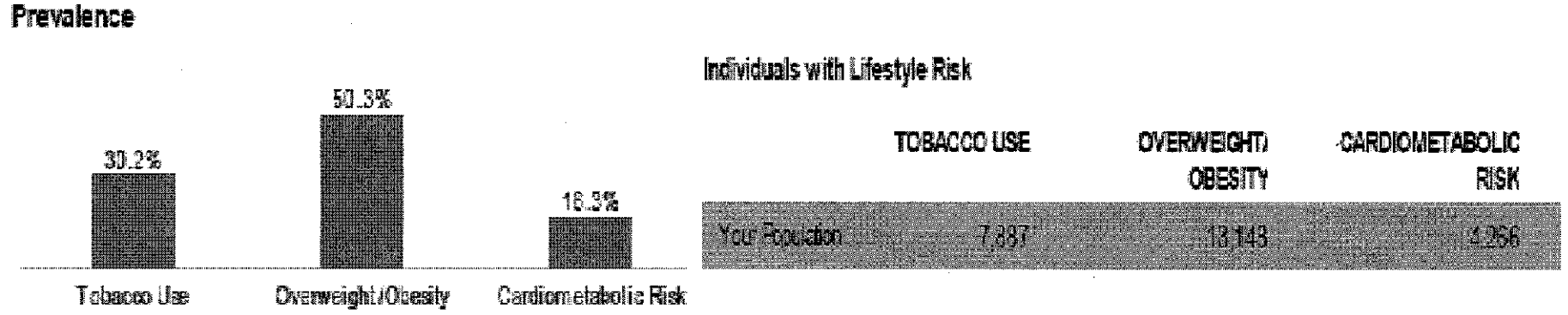
Health Dialog

Overweight/Obesity was the most prevalent condition in the FELRA population in 2012, followed by risk for tobacco use.

To prevent future disease and associated costs, it is recommended that outreach programs also focus on members identified with lifestyle risk to improve health outcomes and prevent further health issues.

Our **WELLNESS Dialog™** program combines advanced analytics, sophisticated engagement methods and effective behavior change techniques for members with lifestyle risk. The program offers online tools and structured telephonic coaching programs.

Lifestyle Risk (Rolling Twelve Months)



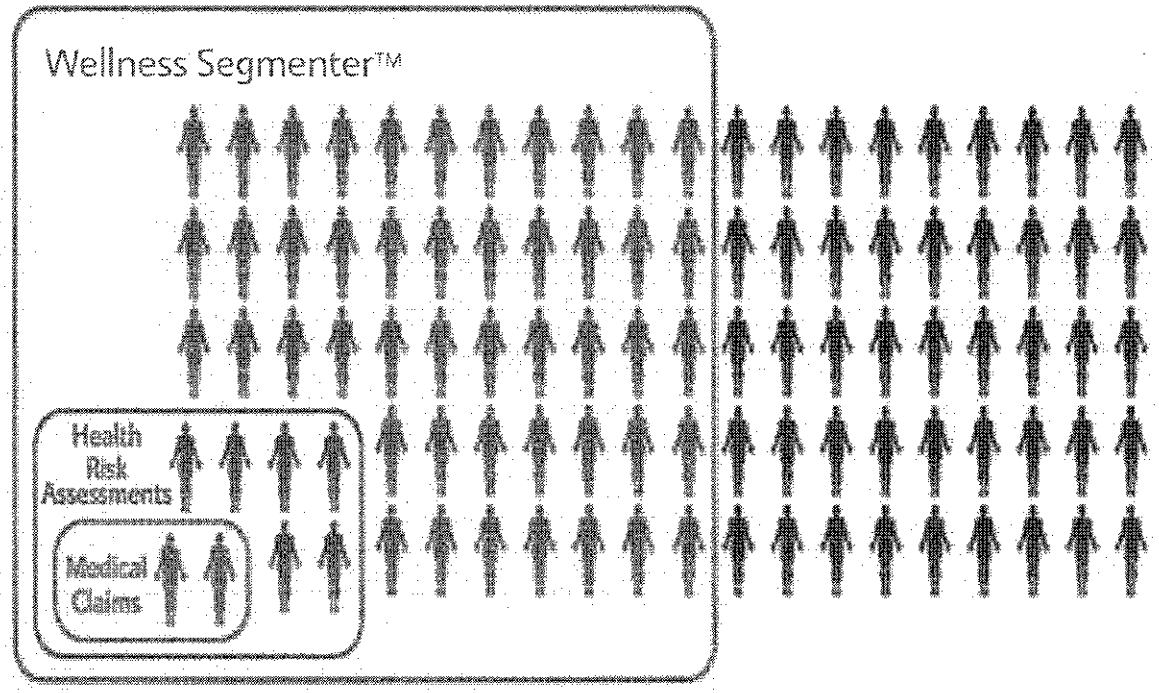
Wellness Segmenter

Finds members with lifestyle risks

1 FIND THE RIGHT PEOPLE

In addition to claims, HRA, and biometric data, we use our Wellness Segmenter™ to predict who is **more likely** than their peers **to face one or more lifestyle issues**

- *Unique risk models for lifestyle risks*
- *1 summary wellness risk score*



Risk Factors

Obesity

Smoking

Poor nutrition

Physical inactivity

Cardiometabolic

Gaps in Preventive Screenings

Recommendations for 2013

Health Dialog

1. Consider expanding the outreach based on whole person risk to include additional conditions, not limited to chronic conditions or Preference Sensitive Conditions (PSC) only. This not only has benefits of refreshing the program for FELRA members, but also expanding outreach to some higher future risk members that would not have been contacted based on chronic or PSC risk alone.
2. Consider future expansion of program to include WELLNESS Dialog™ services, thereby involving members with lifestyle risks.
   - Tobacco Cessation
   - Weight Loss
   - Cardiometabolic Risk
3. Consider branding the program to increase familiarity and recognition.

Health Dialog

INNOVATIONS

What Health Dialog Does

Health Dialog

Total Population Health

From staying well → **To intense support**

Wellness:

Lifestyle risk coaching

Online HRA

Online trackers and goal setting

Device integration

24/7 Nursing:

Access to some of the most experienced nurses in the profession for around the clock care.

Chronic Disease Management

Coaching the whole person

Encouraging preemptive action to avoid admissions

Case Management

Help coordinate, plan, and assess treatment options

Provide follow-up support

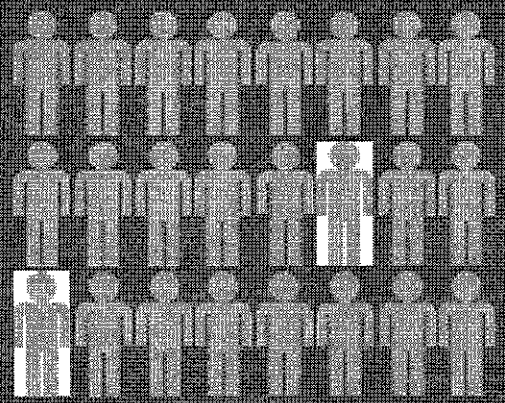
Acute Care Decision Support

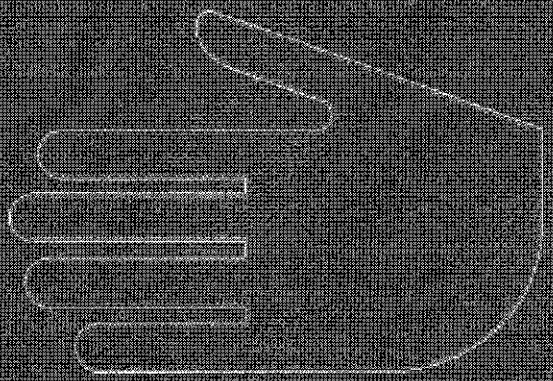
Education about cost-saving alternatives

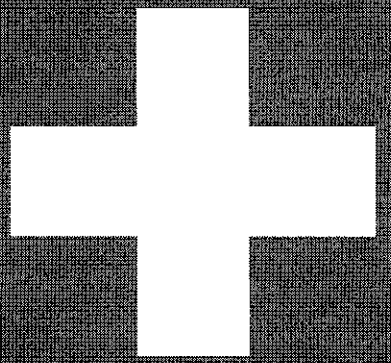
Making member preferences a priority

How does it work?

1. FIND THE RIGHT PEOPLE
2. CATCH THEIR ATTENTION
3. EMPOWER THEIR CHOICES







WELLNESS Dialog™ - Online Portal

Health Dialog

Overall well-being

73% based on 6 out of 6 life areas

Assessment

Measures more than just health risk:

- **Actualization**
  I get satisfaction from what I do everyday.
- **Emotional**
  I have trouble concentrating.
- **Physical**
  I usually eat breakfast.
- **Capacity for change**
  I am committed to achieving my goals.
- **Work**
  I am able to learn new things in my job.
- **Health risk**
  Do you smoke?

- Can complete one, several or all sections and see immediate results
- Results from the assessment are plugged into the Wellness Segmenter™

WELLNESS Dialog™ – Online Portal
Group and global challenges

Health Dialog

Challenges provide:

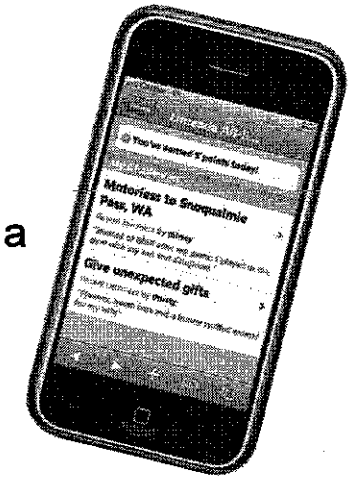
- An easy way to get started
- Helpful tools and trackers
- Social support
- A game-like point system
- Relevant content
- A sense of community

Online and mobile tools

Health Dialog

Have a smartphone?

- Individuals can track their activity
- They can also write in a journal on their mobile phone



Have a device?

- Individuals can track their activity on a device and, after connecting their device to a computer, automatically upload their activities to the site – no sign in needed.

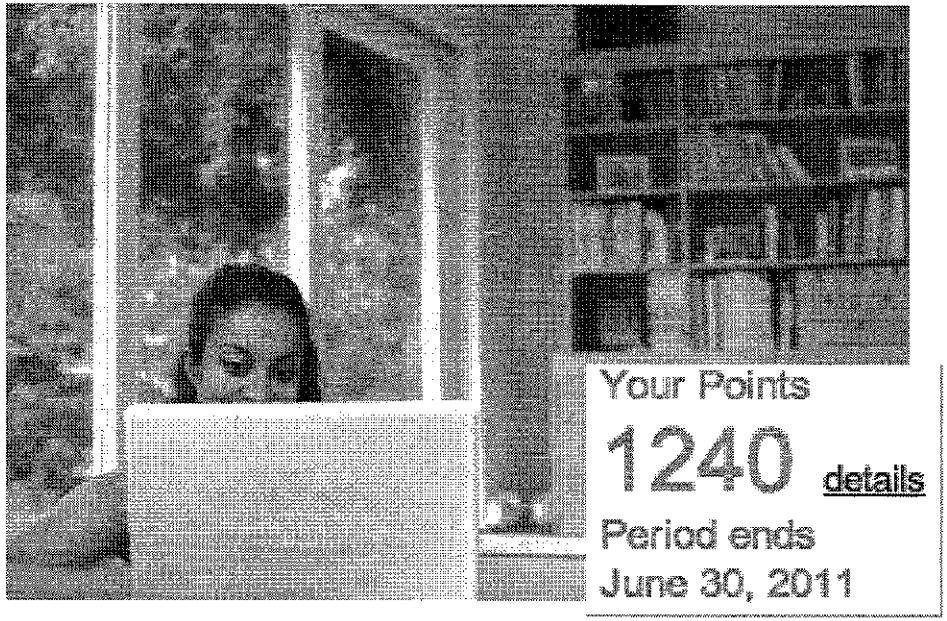
FitLinxx

WELLNESS Dialog sends reminders to members via email to:

- Encourage completion of well-being assessment
- Remind members to track their progress for each challenge
- Show how many incentive points they have earned

A game-like point system

- Points can be earned for a variety of activities:
  - Completing assessments
  - Participating in and completing challenges
  - Creating peer to peer challenges



WELLNESS Dialog is built for programs that:

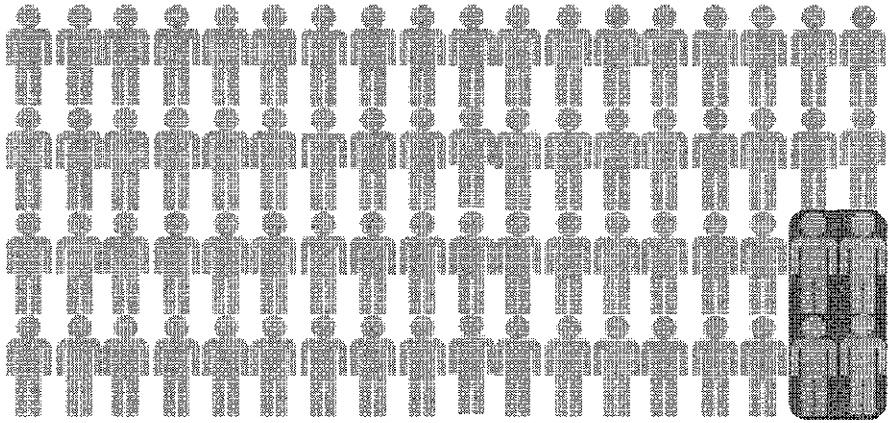
- ☐ Already have an incentive program they use and want their program to support it
- ☐ Have no interest in introducing incentives but still want to create a game-like atmosphere
- ☐ Want a new incentive program but don't have the resources to manage it internally

Care Pathways

Finds individuals before they make a decision

1 FIND THE RIGHT PEOPLE

Before Care Pathways:



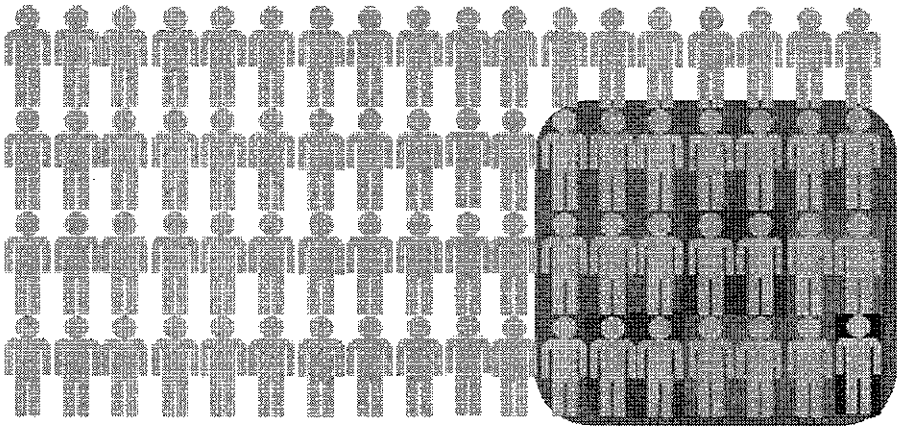
We could only find people who:

- Had already decided to have surgery

or

- Were very close to making a decision about surgery

With Care Pathways:



Now, we can also find people who:

- Have any kind of knee pain

and

- Are having more intensive treatment

and

- Will get knee surgery soon

and

- Are in post-operative recovery

Health Dialog

APPENDIX

Decision aid library

Topic list

3 EMPOWER THEIR CHOICES

Cancer

Breast Reconstruction: Is It Right for You?
Ductal Carcinoma In Situ
Early Breast Cancer: Hormone Therapy and Chemotherapy
Early Breast Cancer: Choosing Your Surgery
Living with Metastatic Breast Cancer
Benign Prostatic Hyperplasia
When the PSA Rises After Treatment
Is a PSA Test Right for You?
Treatment Choices for Prostate Cancer*
Colon Cancer Screening

Women's Health

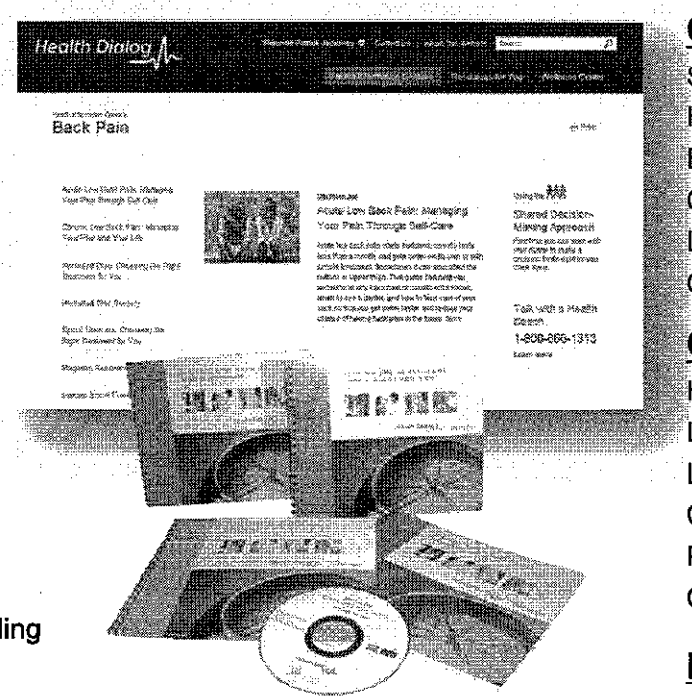
Managing Menopause
Treatment Choices for Abnormal Uterine Bleeding
Treatment Choices for Uterine Fibroids

Mental Health

Coping with Symptoms of Depression
Help for Anxiety: Treatments That Work

Chronic Conditions

Living Better with Chronic Pain
Living with Diabetes
Sleeping Better: Help for Long-Term Insomnia



Other Health Topics

Getting the Healthcare That's Right for You
Cataracts: Is Surgery Right for You?*
Weight Loss Surgery: Is It Right for You?
Growing Older, Staying Well
End-of-Life Decisions
Advance Directives**
Looking Ahead: Choices for Medical Care When You're Seriously Ill

Quick Facts - Web Videos

Should You Have an X-ray, CT scan, or MRI?
Help for Long-term Sleep Problems
BPH: Choosing Your Treatment
Coping with Symptoms of Depression
Living with Coronary Heart Disease
Questions about Herniated Disc?

Cardiovascular

Heart Tests: Learning About Your Choices*
Living with Coronary Heart Disease
Living with Heart Failure Day-to-Day
Coronary Artery Disease
Peripheral Artery Disease*
Carotid Artery Disease*

Back, Knee and Hip

Acute Low Back Pain
Chronic Low Back Pain
Herniated Disc
Spinal Stenosis
Early-Stage Knee Osteoarthritis*
Protecting Your Bones*
Hip Osteoarthritis
Knee Osteoarthritis
Torn Meniscus: After Age 40*

*Web and booklet-only content
**Web-only content

Activity-Based Medical Cost Savings: Background

Health Dialog

Health Dialog measured savings for its 15,000,000 commercial members using an appropriate claims-based savings method.

This enabled us to develop a range of per program interaction savings estimates, 12% +/- 2%.

Per interaction savings estimates were then applied to estimates of annual medical costs for members who interacted with the program within the FELRA-UFCW population.

Activity-Based Savings: Process Steps

Health Dialog

1. Divide members ever eligible during the 12 months spanning the measurement period into 8 mutually-exclusive cohorts:
   - Members with Chronic Condition(s), High Financial Risk, and an Elevated Risk for Surgery.
   - Members with Chronic Condition(s) and High Financial Risk.
   - Members with Chronic Condition(s) and an Elevated Risk for Surgery.
   - Members with one or more Chronic Condition(s).
   - Members who have an Elevated Risk for Surgery.
   - Members who have Expanded High Risk Condition(s).
   - Members who have Lifestyle Risk Condition(s).
   - Remaining population.

2. Calculate interaction ‡ months for each member from the first month an eligible member meets the interaction criteria in the measurement period through all subsequent eligible member-months within the period.

‡ Interaction is defined as having one or more of the following activities: an inbound or outbound health coach call, a completed AutoDialog® call, completion of one or more health surveys or online program modules, or one or more email 'opens.'

Activity-Based Savings: Process Steps (Cont.)

Health Dialog

3. Calculate average cost per member per month (PMPM) for each of the first six mutually-exclusive cohorts. Average per member per month costs are derived from medical and pharmacy claims with service and paid dates occurring in the year prior to the measurement period.

4. Within each of the first six cohorts, multiply the average cost PMPM by the percent of medical costs saved per interaction member and the number of interaction months to produce the total estimated savings by cohort.

   • Estimated savings = average cost PMPM X percent saved per interaction member X interaction months

5. Sum the total savings for each of the first six mutually-exclusive cohorts and divide by the total number of eligible member-months within the population during the measurement period to produce savings per member per month.

2013 Outreach Plan

Health Dialog

Campaign Type	Outreach Vehicle	Members Targeted	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec
All Members	General Awareness Letter	All eligible Members	■	■	■	■	■	■	■	■	■	■	■	■
Chronic	Chronic Condition Variable Text Letter	All chronic members	■			■			■			■		
	Flu Reminder Postcard	All chronic members										■		
	Outbound Health Coach Calls	High and moderate financial risk chronic members	■	■	■	■	■	■	■	■	■	■	■	■
	Daily Post Hospital Discharge Outbound Calls	Chronic members recently discharged from the hospital	■	■	■	■	■	■	■	■	■	■	■	■
	Chronic Welcome AutoDialog® Calls	All new chronic members	■	■	■	■	■	■	■	■	■	■	■	■
	Flu Reminder AutoDialog® Calls	All chronic members										■		

New! Using AutoDialog® we can reach out to all chronic members earlier in the season and faster. Members who do not wish to receive phone calls or who have invalid phone numbers will receive the Flu Reminder Postcard.

2013 Outreach Plan (cont.)

Health Dialog

Campaign Type	Outreach Vehicle	Members Targeted	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Risk for Surgery	Variable Text Letter for members in a surgical decision window	High and moderate risk for surgery		■			■			■			■	
	Outbound Health Coach Calls	High and moderate risk for surgery with a chronic condition	■	■	■	■	■	■	■	■	■	■	■	■
	PSC Welcome AutoDialog® Calls	Members with either a risk for surgery or a chronic condition	■	■	■	■	■	■	■	■	■	■	■	■
Clinical Gap	HEDIS Variable Text Letter	Chronic Members with gaps in medications or tests			■									
	HEDIS AutoDialog® Calls	Chronic Members with gaps in medications or tests					■		■		■	■		