Key Summary of Published Article

Self-insured Employer Health Benefits Strategy Established a Negative Cost Trend While Improving Performance

Background

- As healthcare costs for employers and employees continue to rise, strategies are needed to control healthcare spending without compromising access or quality.¹
- In late 2015, a performance review at Quest Diagnostics, a self-insured employer, revealed that healthcare expenses for the year had been substantially underestimated.
- This paper presents the approach used to improve year-over-year employer cost trends while maintaining or improving access and quality for employees.

Strategic Plan

- Multiple approaches were taken to address problems.
  - The “Triple Aim” was used as a guiding concept. This concept focuses on 1) reducing per capita healthcare costs; 2) improving population health; and 3) improving individual experience of care.²
  - Governance of the employee health plan moved to the chief medical officer and physician executive leadership.
  - The employee health plan team at Quest collaborated with the health plan (Aetna) and a pharmacy benefits manager to implement changes to the plan.
  - A variety of programs were implemented between 2015 and 2017, including disease-specific health initiatives at the employee population level.
- Metrics were used to assess progress toward Triple Aim components:
  - Healthcare costs: annual employer costs
  - Population health:
    - Impactable Health Index: a measure of “ideal” health that a population has achieved across 6 dimensions (eg, medication adherence, preventive care, at-risk-for conditions)
    - Health Improvement Opportunity: 100 minus the Impactable Health Index
  - Experience of care: Participant feedback via surveys

Results

- The year-to-year cost trend for 2014-2015, before implementing the strategy outlined above, was +5.7%. Cost trends improved in subsequent years:
  - 2015-2016: +4.6%
  - 2016-2017: -1.0%
  - 2017-2018: +0.3%
- From 2016 to 2017, the Health Improvement Opportunity decreased 4.2%, indicating improved population health or care activities.
- Surveys of patient experience with implemented programs showed high rates of satisfaction (>80%).

Conclusions

- This case study provides an example of how self-insured employers can collaborate with health plan and pharmacy benefits managers to improve cost trends in their health benefits programs.

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Citation

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