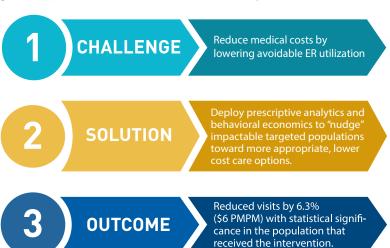# 6.3% Reductions ($6 PMPM)
in ER Utilization in a Medicaid Population

Identify and engage impactable members with compelling behavioral "nudges" to orchestrate measurable cost savings

The Challenge

A Colorado nonprofit health plan provides access to behavioral and physical health services for their members with a focus on creating healthy communities at an affordable price.

To deliver on that promise, the company wanted to educate members about alternative care choices that better met their needs in order to reduce avoidable ER visits. NextHealth Technologies had previous success reducing avoidable ER visits in another Colorado Medicaid population and brought its prescriptive analytics, consumer engagement platform and ability to measure program effectiveness to the engagement.

1 **CHALLENGE** — Reduce medical costs by lowering avoidable ER utilization

2 **SOLUTION** — Deploy prescriptive analytics and behavioral economics to "nudge" impactable targeted populations toward more appropriate, lower cost care options.

3 **OUTCOME** — Reduced visits by 6.3% ($6 PMPM) with statistical significance in the population that received the intervention.

The Solution and Takeaways

1. Speed to Insight

The NextHealth platform was deployed within 90 days of data receipt. The health plan leveraged NextHealth's predictive and prescriptive analytics within the platform to quickly discover the population clusters of members with the highest risk for avoidable ER usage, including those who would likely be most impactable through personalized alternative program messages across multiple delivery channels. NextHealth also quantified potential cost savings by subpopulation, helping to hone the business case and initial resource focus. A key learning was that one of the leading indicators of future behavior was previous behavior. Therefore, an additional population filter included members with at least one avoidable ER visit in the previous year.

The platform identified three targeted sub-populations:

1. Women between the ages of 18 and 50
2. Pediatrics below the age of 2
3. Adults between the ages of 18 and 40

TAKEAWAY: A process that may have previously taken months was now completed in days. The platform enabled the health plan to quickly identify impactable members at risk for avoidable behaviors within their population and calculate potential cost savings.

2. Personalized Outreach

Based on claims data, other third party sources and available alternative clinical programs, several campaigns were crafted for concurrent testing across the identified sub-populations. Targeted members were "nudged" to seek care advice for non-emergent conditions through a Nurse Advice Line. Certain parents in the pediatric population received an alternate message to deepen the relationship with their child's primary care physician and schedule their child's recommended checkups. All messages were delivered across multiple channels, including outbound phone scripts and follow-up direct mail (which included a refrigerator magnet leave-behind), incorporated proven behavioral science techniques such as framing (e.g., loss frame or gain frame), keywords, and plan setting to help change member behavior.

TAKEAWAY: Words matter, as does persistence. Utilizing behavioral economics to shape "nudges" more effectively engaged members to drive behavior change. Multiple touch points and leave-behinds within each campaign ensured persistence and reinforced delivered messages.

In addition, for often transient Medicaid members, it was imperative to update expired or invalid contact information in order to improve member reach rates and boost program outcomes.

> The use of randomized controlled trials not only proved the interventions delivered through the NextHealth platform caused the behavior change, but by precisely how much.

Orchestrated Outcomes

The health plan reduced ER utilization in the population that received the intervention by 6.3% and $6 PMPM with statistical significance. The use of randomized controlled trials within the populations not only proved the interventions delivered through the NextHealth platform caused the behavior change, but by precisely how much.

Using the predictive and prescriptive analytics capabilities in the platform, the health plan discovered that women and pediatric populations were the most impactable in reducing ER utilization. Also of note was that, when comparing two nudges (either to visit their primary care physician or to use the Nurse Advice Line), the parents of the pediatric population responded better to the Nurse Advice Line message.

Conclusion

The health plan achieved causal and statistically significant reduction of 6.3% in ER visits and $6 PMPM medical cost savings in the population that received intervention with ROI in less than a year from when member outreach began.

The NextHealth platform and managed services, combining predictive and prescriptive analytics with personalized consumer engagement, delivered:

1. Granular targeting of impactable, avoidable behavior
2. Messaging with behavioral economic framing
3. Precise measurement of outcomes
4. AI to optimize results
5. Speed to insights and value

To learn how to reduce healthcare costs and improve outcomes with the NextHealth Technologies' analytics and engagement platform, visit nexthealthtechnologies.com.

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