

# ER diversion outreach delivers over \$275K in cost savings



## Predictive analytics and member targeting reduce ER costs

### The Challenge: Redirect avoidable ER utilizers to alternate sites of care

Avoidable emergency room visits account for over \$38 billion annually in the United States. For years, health plans have employed costly programs across entire populations in an attempt to change member behavior and control soaring costs. Yet the problem persists.

A regional health plan employed NextHealth's proprietary analytics platform and found an efficient, expedient way to identify members likely to utilize the ER inappropriately and prevent avoidable usage through outreach that directed them to alternate sites of care. The results are compelling.

### Gathering evidence

We deployed the NextHealth solution within 90 days of receiving data, (ADT, claims, etc). A prospective A/B study was then performed to uncover the success of the health plan's outreach by comparing members who were successfully contacted through phone call or voicemail against those who were not.



**\$277K in ER cost savings during the program period**



**\$833K in projected annual ER cost savings**

## Outlier identification: Putting analytics to work

The NextHealth solution identified that members on the Do-Not-Call (DNC) list skewed results because they were more likely to have high levels of avoidable ER utilization. The removal of these outliers led to a better control group for comparison, reduction in bias, and increased confidence in results. The recognition and withdrawal of DNC members in the study was a crucial step in improving the experimental design and securing significant findings.

## Results

While the health plan's current efforts are focused on redirecting members after they've had inappropriate ER utilization, the results of the study suggest we can predict high avoidable ER utilizers and direct them to alternate sites of care such as telehealth or mobile urgent care beforehand. We found the value of the health plan's outreach to be more than \$275,000 in ER cost savings during the program period, and about \$830,000 projected over a year as a result of fewer, less expensive visits.



**87 fewer ER visits**



**\$9 PMPM savings from avoidable ER visits**



**Trends toward more telehealth and urgent care visits**

To learn more about how to reduce costs and improve outcomes with our analytics and engagement platform, visit [nexthealthtechnologies.com](https://nexthealthtechnologies.com).

