

Reliable, independent analysis reveals \$70+ million in medical cost savings



Independent evaluation drives cost-savings, builds employer trust

The Challenge: Determine the impact of 50 clinical programs in six months

A regional health plan had an affordability crisis. In 10 years, medical costs increased 55 percent. Employer clients demanded solutions to reduce costs. Contemporaneously, there was a growing competitive threat from concierge service providers offering carve-out programs to contain costs.

To meet the challenge, the health plan wanted to measure the effectiveness of all of its clinical initiatives and quickly deliver valid, reliable results to its employer clients. Using in-house analytic resources, this measurement initiative would have taken four years. In fact, a recent poll found most payers are only able to measure approximately a third of all programs each year.* That's why the health plan chose NextHealth Technologies to independently analyze 50 programs, identify cost-savings opportunities, and accelerate the time to results by 87.5 percent.



Plan was evaluating one program per month

NextHealth analyzed 50 programs in six months

50 Program Evaluations in Six Months

To meet the rigor the plan and its employer clients needed, NextHealth used its analytics platform and health plan expertise to calculate what would have happened if each of the 50 programs did not exist.

Source: Poll of NextHealth Technologies Executive Advisory Council members, a group that represents approximately 65 percent of the U.S. population.

To learn more about how to reduce costs and improve outcomes with our analytics and engagement platform, visit nexthealthtechnologies.com.

Independent cohort analyses compared:

- A trial group of members with access to each program, e.g., a behavioral health navigation program.
- A well-matched control group of members chosen through a propensity score matching (PSM) process that evaluated thousands of members on approximately 300 attributes such as demographics, utilization, risk scores, and social determinants of health data.

The PSM process ensures nearly identical trial and control groups on all measurable dimensions except access to the program, generating results the plan and its employer clients trust.

In the words of the health plan, 'We earn value from our clients when we tell them which programs are working, which ones are not, and why.'



From insight to action in six months vs four years

Results

Realizable cost-savings of \$70+ million, 87.5% faster

NextHealth analyzed 50 clinical programs and identified more than \$70 million in realizable cost-savings. NextHealth helped the plan go from insight to action in six months rather than four years, accelerating the results by 87.5 percent.

As a follow up, NextHealth analyzed the plan's behavioral health navigation program and demonstrated the program reduced the medical cost trend by 176 percent.



Realizable cost savings of \$70+ million

The analysis also showed:

- **Improved acute inpatient behavioral stays and costs:** Inpatient PMPM of \$2.09 for the trial group compared to \$6.32 for the control group.
- **Higher utilization of lower acuity care settings:** Intensive outpatient services were 28.0 per 1,000 for the trial group versus 23.9 for the control group.
- **An opportunity to optimize emergency department visits.**

Bolstered by analytic insights to improve its clinical programs, the health plan is driving towards \$150 million in medical cost savings.

“When NextHealth analyzes the impact of our clinical programs, our employer clients trust the results.”

