



The Impact of Care Navigation on High Cost Claimants



High Cost Claimants Who Activate HealthJoy Experience 21% Lower Medical Spend Than Peers

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Executive Summary

Managing health spending – at both individual and population levels – remains one of the most significant and persistent challenges facing the industry. During 2022 alone, the United States spent \$3.8 trillion (17.4% of GDP) on healthcare.

Despite employers' desire to meaningfully manage costs through plan design, wellness initiatives, and condition-specific point solutions, most consumers lack the ability to successfully navigate the complexities of the healthcare system.

The majority of healthcare spend is concentrated in a small segment of the population. Indeed, patients in the top 5% of spend generate 77% of inpatient expenses and nearly half of all prescription drug spend.

Healthcare navigation supports individuals by making timely connections between patients and high-quality, cost-effective services. Through data-driven member profiling and consumer-focused user experience, HealthJoy's navigation services improve access to care while reducing overall healthcare spend.

Recently, HealthJoy conducted a study to understand the effect of care navigation on the top 5% of claimants to determine whether individuals that were engaged with HealthJoy generated lower claim amounts than individuals that did not activate a HealthJoy account.

This study finds that members who activated HealthJoy experienced 21% lower medical costs than those who did not activate an account. Additionally, members with higher HealthJoy engagement – those with five or more wallet card views during the study period – experienced 18% lower costs than their peers.

Insights

21%

Lower Costs for High Cost Claimants Who Activated HealthJoy

18%

Lower Costs for High Cost Claimants Who Engaged with HealthJoy

12%

Fewer Activated Members Utilized Emergency Room Services

8%

Increase in Preventive Care / Office Visits for Top 1% High Cost Claimants Who Activated HealthJoy

Study Design

HealthJoy conducted a retrospective, claims-based analysis of the top 5% of claimants using data provided by a single Third Party Administrator (TPA) for calendar year 2022. Claims data were matched to HealthJoy eligibility data, and eligible individuals were categorized as either Non-Activated or Activated within the dataset.

Non-Activated individuals were eligible for HealthJoy through their employer, but never activated their account during the study period; Activated individuals were both eligible for HealthJoy and held an active account during the study period.

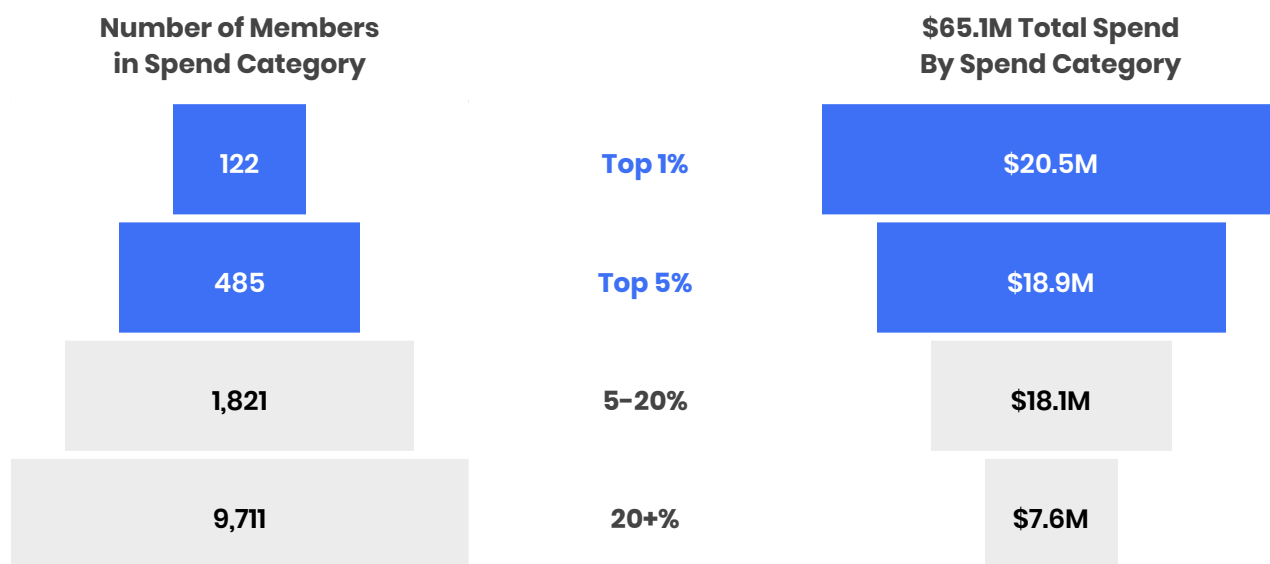
Total paid claims amount for the two cohorts were compared for significance, and additional attributes – including the degree of member engagement with HealthJoy – were assessed as part of this analysis.

The cohort was further analyzed for utilization discrepancies across sites-of-service as a contributing factor to overall paid claims amounts.

The total matched population consisted of 12,139 eligible individuals generating \$65.1M in medical spend. The top 5% of claimants represented 607 individuals with a total paid claims amount of \$29.4M. Sixty-six percent of this spend cohort was an Activated member for purposes of this analysis.

Consistent with industry averages and HealthJoy's book of business, 60.5% of the population's \$65.1M healthcare spend was concentrated within the top 5% claimant cohort.

Figure 1 illustrates the breakdown of the overall population by size and spend.



Members in the top 5% account for over 60% of the total medical spend

Figure 1: Paid Claims Amounts by Population Cohort



Study Demographics

The top 5% claimant cohort included 404 Activated members and 203 eligible Non-Activated individuals. This high-spend cohort had an average of 2.8 diagnosed chronic conditions compared to an average of 1.4 chronic conditions in the overall population.

The study population was also slightly older based on average age (49 years old in study population; 44 years old in overall population) and contained a higher percentage of female members (61.6% female in study population; 59.1% female in overall population).

The percentage of Activated members was higher in the top 5% claimant cohort

compared to the overall population (65.8% Activated in the top 5% claimant cohort vs. 59.8% Activated in the overall population).

Table 1 includes a summary of the total population within the matched dataset. Members in the top spend categories were more likely to have multiple chronic conditions versus the overall population.

Table 2 summarizes distinctions between Activated and Non-Activated cohorts within the study population. Musculoskeletal disorders, metabolic syndrome, and cardiovascular disease represented the top three chronic conditions across both Activated and Non-Activated cohorts.

	Population Size	Avg Age	% Female	Avg # Chronic Conditions	Activation Rate
Top 1%	122	53.6	50.0	3.1	63.1
1-5%	485	48.2	64.5	2.8	67.4
5-20%	1,821	45.7	68.4	2.1	61.1
>20%	9,711	43.4	57.2	1.2	59.2
All	12,139	44.0	59.1	1.4	59.9

Table 1: Total Population Demographics and Characteristics

	Population Size	Avg Age	% Female	Avg # Chronic Conditions
Not Activated	203	50.4	52.2%	3.1
Activated	404	48.6	66.3%	2.7
All	607	49.2	61.6%	2.8

Table 2: Activated and Non-Activated Cohort Comparison



Findings

Within the top 5% spend cohort, the mean paid amount for Activated users was \$57,790, with a median paid amount of \$39,758. For Non-Activated eligibles, the mean and median paid amounts were \$72,864 and \$44,781, respectively.

Mean paid claims amounts were 21% lower, and median paid claims amounts were 12% lower, for Activated HealthJoy members compared to Non-Activated eligibles ($p = .014$).

For the 76 Activated users in the top 1% of healthcare spend, the mean paid amount was \$145,829 (median of \$116,171). The mean was 23% lower cost (median of 9% lower) for Activated users compared to Non-Activated users.

Figure 2 provides a distribution of paid amounts by activation status.

Figure 3 further segments the population by relationship status.

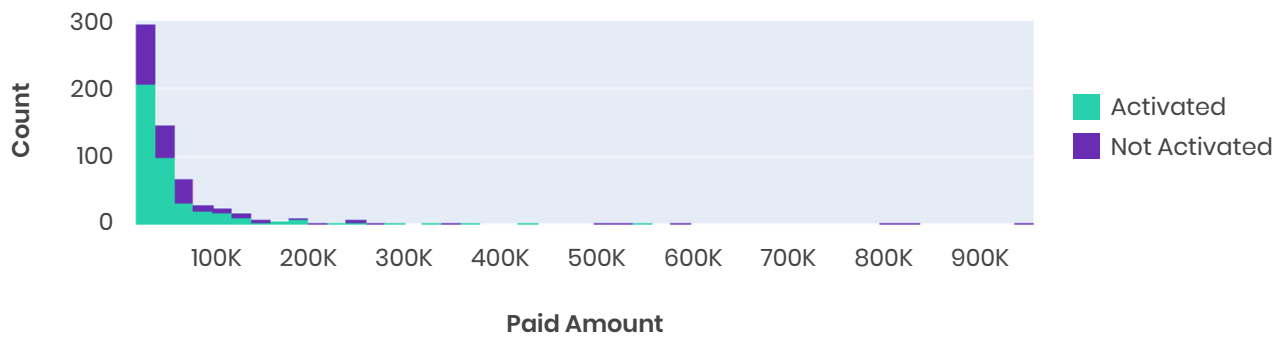


Figure 2: Overall Paid Amount Distributions within Top 5% Spend Cohort

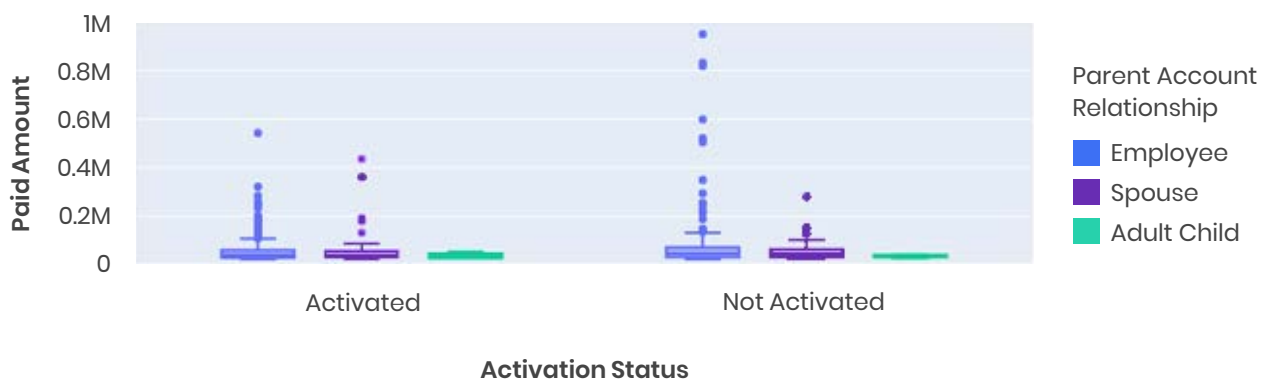


Figure 3: Paid Amount Distribution by Activation Status and Member Relationship



Of the 404 Activated HealthJoy members within the top 5% spend cohort, 78 individuals (23.9%) viewed an in-app wallet card more than five times during the study period. The mean paid amount for these 78 individuals was \$49,206, and the median paid amount was \$35,787.

Activated members that viewed an in-app wallet card fewer than five times during the study period had mean and median paid amounts of \$59,844 and \$40,192, respectively. The mean is 18% lower and the median is 11% lower for Activated users who viewed their wallet cards at least five times compared to Activated users who did not ($p = .02$).

Of the 62,270 claims submitted by Activated users in the top 5% cohort, 13.06% were out-of-network. This is 3.5% less than the percent of out-of-network claims for Non-Activated users ($p < .001$).

Figure 4 visualizes the paid amount distribution for Activated users that viewed in-app wallet cards compared to those that did not.

Figure 5 visualizes the incidence of in-network versus out-of-network claims by activation status.

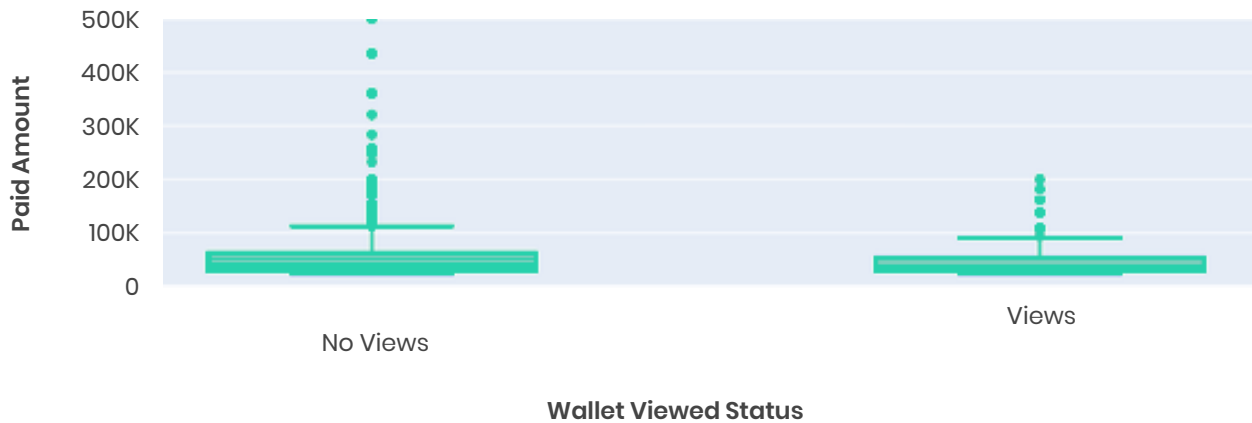


Figure 4: Paid Amount Distribution by Member Wallet Card Views

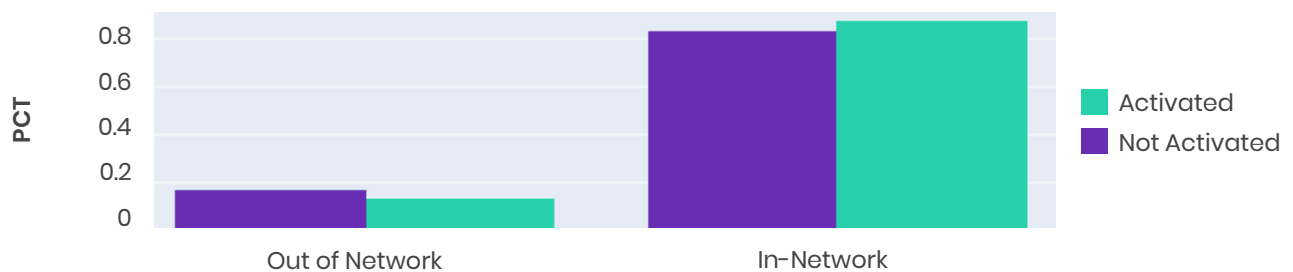


Figure 5: Percent of In-Network Claims by Activation Status

Among the 404 Activated users in the top 5% cohort, 44% utilized the Emergency Department during 2022. This is 12% lower than the percent of Non-Activated users that used the Emergency Department during the same period ($p < .001$). The number of Activated members admitted to in-patient care was also 6% lower than Non-Activated eligibles ($p = .004$).

Figure 6 compares claims by site of service for Activated and Non-Activated individuals.

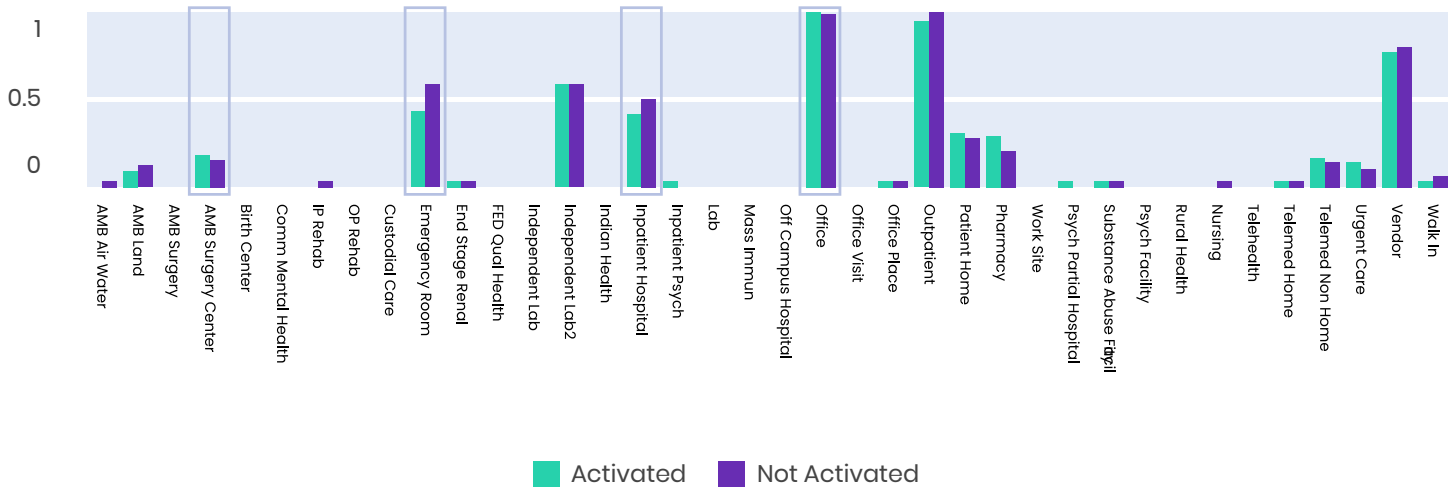


Figure 6: Service Place Incidence by Activation Status



Discussion

HealthJoy is a digital-first care navigation platform that simplifies the benefits and healthcare experience for eligible members.

Through both technology and a team of Healthcare Concierges, members are directed to high-quality, cost-effective in-person and virtual care programs. This steerage is accomplished through both member-initiated actions and data-driven proactive engagement through the HealthJoy platform.

This claims-based retrospective study validates HealthJoy's steerage model towards lower-cost healthcare options. The analysis indicates 21% lower mean paid claims amounts for Activated HealthJoy users compared to eligible, Non-Activated individuals.

Savings are generated through intentional steerage towards lower-cost outpatient providers, timely direction towards non-Emergency Department settings, and through improved access to a variety of virtual care services, including HealthJoy's Virtual MSK Therapy program. Additional savings categories include medical bill review services and prescription drug review programs. **Figure 7** highlights the contributing categories to HealthJoy's overall savings.

Certain steerage categories contribute disproportionately to savings amounts. When presenting options for surgical procedures, HealthJoy's recommended Ambulatory Surgery facilities are, on average, \$4,320 lower than hospital-based alternatives; this is in line with studies that quantify the savings potential for Ambulatory Surgery Centers.²

Higher-volume urgent care visits are often recommended to be addressed through the virtual urgent care setting, which can yield \$242 in savings per episode of care.³ Savings associated with HealthJoy's musculoskeletal program are calculated based upon prior care and the participant's intended treatment pathway following program participation; these savings typically range from \$1,800 to over \$4,000 per participant.

The effects of HealthJoy's steerage recommendations are particularly pronounced within the HealthJoy-Activated, highly-engaged, high-cost study cohort.

Member Activation and engagement are critical levers that inflect overall savings opportunities. By focusing on population-wide member engagement, HealthJoy is able to support both high-cost claimants as well as the broader population.

As noted in this study, 66.3% of users within the top 5% spend cohort were Activated HealthJoy members during the study period. Given the year-to-year variability of which individuals contribute to this high-cost spend category, the ability to engage with the total population is essential to managing total spend. Future engagement programs are intended to further increase the number of Activated members throughout the population.

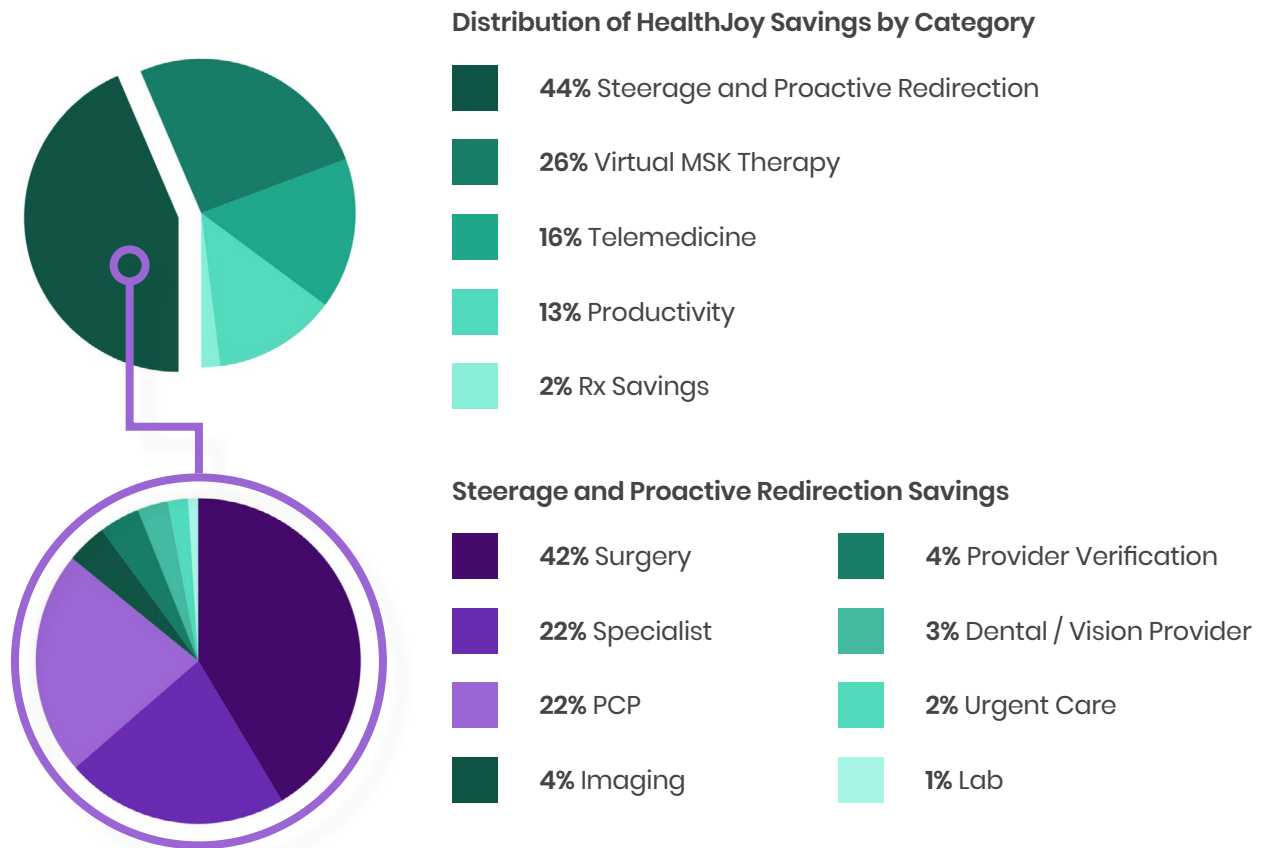


Figure 7



Case Study

How HealthJoy Maximized Benefits Utilization and Produced 333% ROI for a Mental Health Leader

As the largest Community Mental Health Center in Indiana, Bowen Center strives to “strengthen communities and improve the health and well-being of those they serve by expanding access to care.” They achieve this by integrating primary healthcare with mental healthcare, addiction recovery treatment, and life-skills coaching.

With such closely aligned missions, the HealthJoy x Bowen Center partnership was a no-brainer.

A HealthJoy customer since 2019, Bowen Center initially turned to our solution to:

- **Maximize benefits understanding and usage**
- **Provide one centralized location for benefits information**
- **Alleviate administrative burden**
- **Bring a little JOY to their 1,100+ employees**

Since then, the company has seen over \$936,000 in savings, which translates to an impressive 333% ROI.

Those program results are driven by employees who love features like telemedicine consultations, the Rx savings program, and provider search. In fact, across thousands of member interactions, Bowen Center employees show 89% satisfaction with their HealthJoy experience.

How HealthJoy’s Unified Virtual Care Experience Produced Over \$428,000 in Telemedicine Savings

With the help of JOY — our AI-powered virtual assistant — and a dedicated human healthcare concierge team, Bowen Center employees can easily find high-quality, low-cost care when they need it. HealthJoy pairs modern technology with human support to help save valuable time while educating and engaging employees.

For example, when a Bowen Center employee submits a provider request for treatment of a sinus infection, we can step in and direct members to relevant programs such as telemedicine for convenient, cost-efficient treatment and Rx Savings to get the best prices possible on antibiotics.

By creating a unified experience, we’re able to provide whole person wellness support that drives improved health and successful financial outcomes — for employees and employers alike. As a result, Bowen Center has already enjoyed \$428,270 in telemedicine savings since partnering with HealthJoy.

In addition to telemedicine, Bowen Center has seen significant savings using other HealthJoy products, including:

- **\$112,215 in Provider/Facility Steerage Savings**
- **\$295,527 in Rx Savings**
- **\$86,941 in Administrative Savings**
- **\$13,650 in Medical Bill Review Savings**

With HealthJoy’s powerful suite of virtual care options available 24/7/365 at the touch of a button, Bowen Center can feel secure knowing their employees are taken care of.



Study Limitations

This study analyzes claims data from a single TPA over the course of one calendar year; as a result, the study population is limited. In order to address this limitation, future studies will include larger sample sizes through broader TPA data aggregation, longer study periods, and a revised methodology to include data from prior to clients' HealthJoy implementations in order to assess the overall effect of HealthJoy on the population.

Future Considerations

Based upon the study's findings, several opportunities exist to further inflect population outcomes. As noted above, HealthJoy will continue to drive activation rates throughout the population, with an emphasis on individuals currently or previously falling within the top 5% spend cohort. A continued focus on robust member profiling through claims data, personal health goals, and additional proprietary HealthJoy data will facilitate this effort. Further, HealthJoy will expand its care ecosystem – through both virtual care services and physical Centers of Excellence – to fully address clinical needs throughout the population, with particular emphasis on high-cost conditions.

Sources

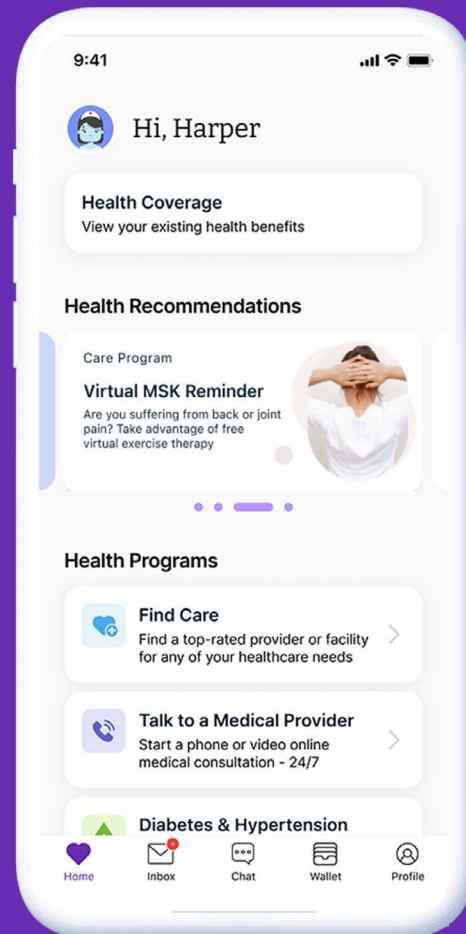
1. Ortaliza, Jared, et al. "How do health expenditures vary across the population?". Peterson-KFF Health System Tracker (2021).
2. Kelsey Waddill, "How Ambulatory Surgery Centers Lower Payer Outpatient Spending" (2021), TechTarget
3. "Findings and Recommendations:Telehealth Effect on Total Cost of Care", NCQA



A Joyful Benefits Experience

HealthJoy is a healthcare navigation platform that optimizes employer benefit strategies to contain healthcare costs and helps members achieve healthier outcomes.

We do this by leveraging cutting-edge technology, data insights, and our human healthcare concierge team to surface the best providers, virtual care, and cost savings.



More than 1,000 companies enjoy cost savings and a better healthcare and benefits experience thanks to HealthJoy

