

Health Advisory Support – Driving Engagement and Lowering Costs

KEY FACTS & FIGURES

- \$264 billion spent in cancer costs and lost productivity
- \$150 to \$250 billion spent by employers for employee illness
- Healthcare spending increase to more than \$25,000 to the patient after diagnosis

What do you do as a benefit professional when an employee is faced with a serious and complex medical issue such as cancer? As an employer do your responsibilities extend beyond a referral to a list of benefit providers or a rigidly structured case management models? Who is tasked with this crucial step in the engagement process to create the high-touch, personalized experience that employees might expect when dealing with such critical medical issues? Do you provide a continuum of support ranging from initial education and understanding to engagement to decision support to expert opinion support and ongoing collaboration throughout the employee's healthcare journey?

The human and financial toll from cancer

As noted in a research study by the North East Business Group on Health (NEBGH), commissioned by Pfizer, and sourced from the American Cancer Society, cancer care cost U.S. employers an estimated \$264 billion in healthcare and lost productivity in 2010. Trends in cancer-related expenses are sure to capture the attention of any benefit manager. To add to the concern, costs are anticipated to continue rising along with the anticipated increase in cancer diagnoses.

Trends in Cancer-Related Expenses for Employers	
\$125 billion ¹	direct medical costs
\$139 billion ²	indirect medical costs
1.6 million	cancer cases in 2016
2.3 million	cancer cases projected in 2030

New therapies for treatment exacerbate the issue by delaying mortality for those diagnosed with cancer. The number of people surviving a cancer diagnosis reached nearly 14.5 million in 2014 and is expected to rise to almost 19 million by 2024.¹ While it is encouraging that people are living longer after being diagnosed, the cost of continuous treatment adds up for both the employer and the employee. According to the Harvard Business Review, many of these patients are in the workforce and cost employers about \$150 billion to \$250 billion or 60 percent of the total cost of worker illness. Additionally, chronic conditions like cancer combined with substance abuse and other factors like stress, fatigue and depression can impact the employer's bottom line.³

Milliman conducted a four year study from 2011 to 2014 and found financial exposure related to serious and complex healthcare diagnoses creates not only an impact on employee health, but also their financial well-being, both of which impact

retention, productivity, and absenteeism. (See Trends in Cancer-Related Expenses for Employees). As a benefit manager, what options do you have for adequately meeting the needs of an employee facing a physically, emotionally, and financially draining burden such as this, while managing your company's financial and business risk?

Trends in Cancer-Related Expenses for Employees ⁴	
\$100,000 and \$280,000	average cumulative healthcare spending
< \$2000	cost before diagnosis
Up to \$25,000	cost after diagnosis
From \$1800 to \$2900	out-of-pocket costs in the month of diagnosis alone

A new business model for engagement

Failure to engage with and use company benefits can have a particularly significant impact when employees or their family members face serious or complex medical issues, such as a cancer diagnosis or recommendation for surgery. When employees do not use available benefits, such as access to second opinions and case management, the risk of poorer health outcomes and higher employer and employee healthcare costs increases. Second opinions, for example, have been shown to change the diagnosis, treatment plan, or choice of treating physician for 77% of people engaged in one data sample alone.⁵ Employers and employees are left to bear the brunt of the cost burden associated with potential misdiagnoses, when they are not caught, with more than \$210 billion a year spent on inappropriate and unnecessary treatment.⁶ Employee engagement is critical to effective and efficient management of complex medical issues.

One effective healthcare strategy that can both encourage and facilitate proactive engagement is an employee-focused program that centers on a personalized healthcare experience. This often relies on strong vendor collaboration and integration facilitated by a trusted health advisory team acting as the go-to source for driving increased benefit utilization and engagement. By meeting employees where they are in their journey, at their most critical time of need, the advisor builds trust and subsequently guides the employee to extend engagement to the appropriate medical and benefit providers. This provides an integrated on-demand approach that helps to drive overall benefits utilization and potentially improve both the medical and financial outcomes for all stakeholders.

Outcomes from Health Advisory Interventions

Intervention Results	Number of Cases	Percent of Total
Avoided unnecessary testing	15	1.2%
Avoided surgery	30	2.2%
Change in diagnosis, surgery, or treatment plan	411	30.0%
Transfer of care to an expert provider or COE	595	43.3%
TOTAL PINNACLECARE INTERVENTIONS (N=1,373)	1051	76.7%

Health advisory support model

The healthcare tide seems to be shifting toward a more targeted approach that has a tangible impact and focuses on engaging employees when they need help the most. Typically, this approach best supports employees who are dealing with complex conditions or are at risk for escalating medical issues, such as a cancer diagnosis or recommendation for back surgery.

The health advisory support model has three key advantages:

1. *When overwhelmed by complex medical issues, employees are more receptive to a simple process that minimizes further complexity and routes their specialty care needs through a single point of contact.*
2. *The member experience leverages high-touch concierge type services to alleviate the stress and time burden associated with coordinating medical records, finding the right specialists, and timely scheduling of appointments and procedures.*
3. *The initial engagement creates opportunities for further engagement and benefit integration through warm transfers to other benefit services – strengthening and expanding the circle of trust.*

Health advisors can guide employees through an outcomes-driven and evidence-informed approach that navigates their complex healthcare journey.

Abridged case study

- **Situation:** The husband of a 54 year old woman contacted PinnacleCare when his wife was diagnosed with breast cancer. The recommendation was for a bilateral mastectomy followed by chemotherapy.
- **Action:** PinnacleCare set-up a second opinion appointment with a top breast cancer specialist who had his pathology team carefully re-read the suspicious slides. This yielded a diagnosis of atypical ductal hyperplasia, an abnormal cell growth that is not cancerous.
- **Resolution:** The bilateral mastectomy was cancelled. Outpatient lumpectomy removed all suspicious tissue. Not only did this prevent unnecessary surgery and chemotherapy, but it helped to avoid a family history of cancer and a lifetime of cancer surveillance to allow husband and wife to refocus on their executive careers.

	Procedure	Cost
Situation	mastectomy (without reconstruction)	\$45,000
Resolution	lumpectomy	\$22,000
COST SAVINGS	5%	\$23,000

Driving engagement through personalization

Considering these cost factors, it’s clear that the more patients are engaged with an advisor, the greater the opportunity for savings and better patient outcomes. According to NEBGH, the goal is to guide employees even before treatment begins. During treatment, employees may require support to maintain adherence with their treatment plan or to manage their work schedules around chemotherapy, radiation therapy and other care-related appointments.⁷

Personalizing the service and intervening at a granular level to develop a one-to-one relationship with the patient is paramount to a successful outcome. A complex and serious diagnosis does not have to be the end. It is where a health advisor begins to help employees navigate through a potentially life-changing medical issue – facilitating their access to the right care at the right time to guide them along their journey.

References

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4. *Milliman Research Report, A Multi-Year Look at the Cost Burden of Cancer Care*, April 11, 2017. Gabriela Dieguez, FSA, MAAA, Christine Ferro, Bruce S. Pyenson. Commission by Pfizer. <http://www.milliman.com/uploadedFiles/insight/2017/cost-burden-cancer-care.pdf>
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6. *2014-2015 Benefits Open Enrollment Guide for Employers*, <http://workforces.aflac.com/download/pdf/overview/open-enrollment-guide.pdf>.
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For information about how to help your employees navigate serious and complex medical issues more effectively across their healthcare journey while encouraging broader utilization across the range of healthcare benefits available to them, please contact PinnacleCare at sales@pinnaclecare.com.

