

Driving smarter decisions

Best practices for higher quality, lower cost healthcare

You can improve healthcare outcomes and lower healthcare costs in the fallout of a global pandemic. Now is the perfect time to educate employees about how to make better healthcare decisions before provider office visits and elective surgeries start ramping back up. Follow this best practices guide for steering your employees to better healthcare options.

Best practice #1

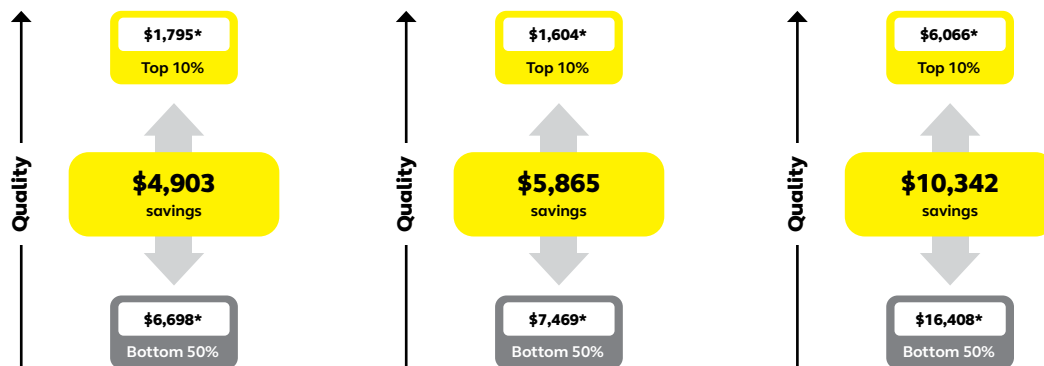
Debunk the high cost = high quality mentality

Many employees believe that healthcare operates much like everything else does — the higher the price, the better the quality. However, healthcare is unique in that the factors that drive prices (and thus costs) are not connected to the final quality of the product.

When your employees choose a physician to manage their care it will have a substantial impact on their overall care experience. This includes everything from the experience they have in the doctor's office to the outcomes of their treatment and the resulting financial impacts on your employees and your organization's budget.

Just how important are these decisions?

Alight data analysis reveals that in the case of primary care, orthopedic and OB-GYN providers, the highest quality providers have the best patient experiences and overall value, with a lower price than those doctors rated in the bottom 50%. Further, when Alight examines employers' physician rosters, it is common to find 25% of providers with severe quality gaps including problematic medical board histories, high infection rates and high mortality events. The figures below illustrate the cost/quality variances and drivers of top to bottom tier providers.



Top cost/quality drivers — Primary care

- Excessive specialist referrals
- Low preventive care compliance
- Chronic population gaps-in-care
- Medication adherence gaps
- Unnecessary screenings (e.g. carotid ultrasounds)
- High ER/UC visits

*Total healthcare costs per patient per year

Top cost/quality drivers — Orthopedists

- High surgery vs. therapy rates
- Subsequent surgeries
- High facility infection rates
- Established record of doing high volumes of this procedure
- High cost facility relationships
- Excessive high-cost imaging

*Costs are for orthopedists treating arthropathies

Top cost/quality drivers — OB-GYNs

- High C-section rates
- Referrals to fertility specialists associated with multiple births
- Maternal / newborn mortality rates
- High cost facility relationships
- Excessive brand drug scripts
- High cost, in-office labs

*Costs are for OB-GYNs performing normal deliveries

Best practice #2

Guide employees to the right doctor from the start

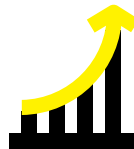
Most organizations underestimate the costs associated with employees going to the wrong doctor. When people use traditional methods to find a doctor, like asking a friend or using Google or Yelp, they tend not to know much about that provider. In fact, there are a series of opaque relationships that a provider has that drive the cost of care, including:

- **Practice consolidation impact.** Larger healthcare systems are increasingly acquiring provider practices. A recent study shows that post-acquisition, doctors increase referrals to their new employer nine-fold. And when a doctor's medical practice is owned by the hospital, a recent analysis by the Journal of Health Economics shows that patients are more likely to end up in high-cost, lower quality hospitals.¹
- **Practice pattern impact.** The way that a provider goes about practicing medicine is the most obscure to people when trying to navigate the system on their own. With publicly available data, it's nearly impossible to know if a provider is going to take a patient quickly down the path to surgery or find alternative options that may try to avoid it. There's a huge difference in quality, in potential complications, and certainly in terms of cost between these two types of approaches.²

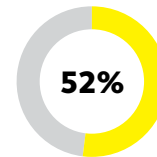
Hospital and provider consolidation trends



Hospital acquisitions of physician practices increased by 128% from 2012 to 2018



Statistically significant increase in imaging, surgery and high dollar inpatients by the acquiring entity



52% increase in primary care referrals to in-system specialists

Without the right consumer tools, your employees and your plan will continue to fall victim to these drivers of higher-cost care. Consider implementing solutions like **conierge healthcare navigation**, which includes provider recommendations that:

- Combine an employee's health plan information and personal preferences with the best options for that individual based on cost, quality and physician availability.
- Simplify decision-making by curating all options into a few distinct recommendations.
- Make it easy for employees to take action on the information provided.

Discover how a client achieved 2.7x ROI with Alight's Healthcare Navigation Solutions.

CASE STUDY: ESSILOR OF AMERICA →

Best practice #3

Optimize prescription costs without compromising care

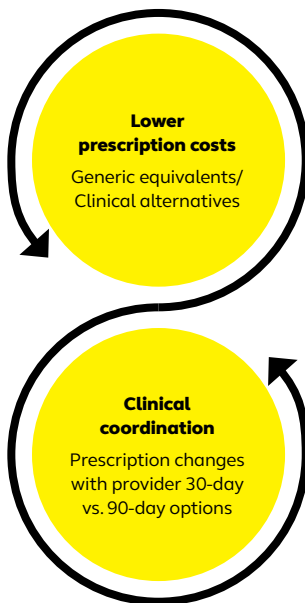
The high cost of prescription drugs is rapidly becoming a serious barrier to care for many Americans. According to the latest prescription trends:

- US prescription drug spending is projected to reach as high as \$405B by 2021.³
- Prescription drugs are projected to experience the fastest average annual spending growth among healthcare goods and services in 2017–26.³
- Over the course of a decade, the net cost of prescription drugs in the US rose more than three times faster than the rate of inflation.⁴

Furthermore, providers have little insight into the cost of medication; which means patients are being prescribed more expensive prescriptions more often. Help your people compare medication prices and lower the cost of prescriptions by:

- Educating them about generic or therapeutic prescription alternatives.
- Facilitating their change in medications to lower-costing options with the help of a **concierge navigation care team**

One common example is Crestor, a high cholesterol medication. The brand name drug costs approximately \$140 a month, but its generic equivalent is only \$11 a month. An even cheaper clinical alternative is also available for \$4 a month. Simply switching from the brand name can save \$136 a month.



What you pay today	What Alight recommends you pay		What you save with Alight's recommendation
Current medication	Generic equivalent	Clinical alternative	Monthly savings
Crestor \$140	Rosuvastatin \$11	Lovastatin generic \$4	\$136
Effexor XR \$105	Venlafaxine \$36	Fluoxetine generic \$4	Generic equivalent \$69
		Citalopram generic \$4	Clinical alternative \$101

While healthcare may look a little different these days, Alight makes it easy to ensure your people have the necessary tools and resources to help them achieve the best possible healthcare outcomes at the best possible price. If you're ready to provide your people with a top-tier healthcare experience, we're here to help.

Smarter decisions. Lower costs. Better experiences.

LETS TALK →

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- 1 <https://revcycleintelligence.com/news/hospital-acquisitions-of-physician-practices-rose-128-since-2012>
 - 2 Laurence Baker, M. Kate Bundorf and Daniel Kessler in the Journal of Health Economics. See original paper (<https://www.nber.org/papers/w21497.pdf>) and Dec. 2018 Wall Street Journal Article (<https://www.wsj.com/articles/the-hidden-system-that-explains-how-your-doctor-makes-referrals-11545926166>)
 - 3 <https://www.ama-assn.org/delivering-care/public-health/truth-behind-drug-prescription-pricing>
 - 4 <https://www.usnews.com/news/health-news/articles/2020-03-03/us-drug-prices-have-risen-three-times-faster-than-inflation>