

The Value Of Health Coaching In Population Health Management

A White Paper



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In these challenging economic times, companies are under intense pressure to cut costs and do more with less. As healthcare costs continue their upward trend – total expenditures are expected to rise 6% in 2009, nearly twice the rate of inflation¹ – employers are looking for innovative ways to manage these costs. Whereas many efforts are focused on the supply side of healthcare – shifting costs to employees, outsourcing benefits, and switching providers – increasingly, companies are looking to influence the demand for healthcare services with a strategic focus on employee health and wellness.

Employee health status is affected by modifiable and non-modifiable risk factors. Some determinants, such as genetics, cannot be altered. Individual behavior, however, is highly modifiable – and is responsible for the lion's share of health status and associated costs. An individual's lifestyle choices – smoking, nutrition, weight, exercise and stress management – are responsible for approximately 40% of one's health status² and 87.5% of healthcare claims costs³. Clearly, a significant opportunity exists to reduce healthcare spending by motivating healthier behaviors and lifestyle choices.

Health management programs designed to improve population health may have several components, chosen to meet population needs and organizational goals. A health coaching program can add significant financial value to a solution design when it demonstrates behavioral outcomes and engages a large proportion of the population. Further value is gained through enhancing employee satisfaction and company culture.



Health Coaching: A True Population Solution

Among a variety of health population offerings – from health risk assessments (HRAs) and biometric screenings, to lifestyle improvement programs, to disease management – health coaching has emerged as one of the most effective choices for significantly improving population health. Through its breadth of reach and scope, health coaching can engage a whole population and address all health risks. In addition, health coaching can be a catalyst for engagement in other sponsor-provided services – pushing population impact even higher.

Health coaching focuses not only on helping high-risk individuals improve health, but also helps moderate-risk individuals to lower their risks and those who are healthy to stay that way. Health coaching, with its proactive approach, helps people before they “become a claim” – rather than waiting until they require medical intervention. In contrast to programs that focus on managing a specific disease or condition, a whole-person model of health coaching addresses all of an individual’s risk factors. These risk factors may be identified at program outset or discovered at any time during the health coaching relationship.

The ongoing, real-time health status evaluation of a population is another unique benefit of highly effective health coaching programs. Most coaching programs last a full year, and emerging models offer a year-over-year health improvement service. This continuous engagement allows coaches to discuss a health issue when it arises and address or make relevant referrals into employer-provided services that participants might not be aware of otherwise. In this way, coaching not only continually monitors the health of a population, it gets people to the right resources in a timely way, thereby amplifying the effectiveness of other components of an integrated population health management solution.

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Better Health, Lower Costs

As a true population solution, health coaching can be delivered through a variety of channels to meet the needs and preferences of clients and participants. A channel mix might include telephonic, onsite, and/or online health coaching. Telephonic coaching, in particular, is readily scalable to a large and dispersed employee population and offers a personal, convenient, familiar, and interactive approach that is highly effective. Multiple studies have documented the efficacy of telephonic coaching in improving risk factors^{4, 5, 6, 7, 8} with one study showing that nearly twice as many participants in telephonic coaching decreased their targeted risk compared with non-participants⁹.

WebMD’s internal analyses of customer outcomes from telephonic health coaching have consistently shown a strong impact on population health as well. A number of WebMD customers who have implemented telephonic health coaching over at least a one-year period have shown impressive results in key areas:

REPEATABLE OUTCOMES

In 2007, two WebMD customers – a university system and a manufacturing company – implemented similar comprehensive wellness programs that leveraged a number of integrated health management offerings from WebMD. Both customers utilized HRAs, online health management applications, comprehensive rewards and incentives, and telephonic health coaching.



Despite their different employee populations, the two organizations experienced strikingly similar and impressive results. Among the population eligible for telephonic coaching, engagement rates¹⁰ of 70% for the university system and 66% for the manufacturing company exceeded expectations and typical industry coaching engagement rates.

Seven main risk factors were assessed for both programs: depression, stress, high blood glucose, overweight, tobacco use, high blood pressure, and cardio activity. In each organization, the change in risk factors from 2007 to 2008 was significant. At both organizations, over 70% of the engaged high-risk participants improved at least one risk factor. Some changes were dramatic; for the university, depression rates in the high-risk cohort dropped from 71% to 47%, while the manufacturing company saw stress rates in their high-risk cohort drop from 82% to 63%.

Based on the improvement in modifiable risk factors, both organizations have seen a substantial decrease in expected medical claims. Across the cohort studied¹¹ costs have decreased by \$178 per person per year in estimated medical claims alone for the university system, while the manufacturing company's estimated medical costs decreased by \$170 per person per year¹². For each company this translates into a projected cost savings of more than \$2 million¹³.

CLAIMS-BACKED COST SAVINGS

A third WebMD customer implemented a health coaching program for employees and spouses in 2007. All individuals who qualified for coaching based on their HRA results were required to complete at least one coaching call in order to receive a discount on their health benefits premium.

After the coaching program has been in effect for a year, WebMD, the customer, and the customer's health plan conducted a claims analysis measuring actual claim cost trends versus expected increases (based on applicable national claims trends and accounting for the aging of the population).

The company's actual Medical Claim Trend Rate was significantly lower than expected. This drove a decrease in per person per year medical claim costs of \$148 across all risk groups, which translated into \$575,000 in total savings from avoided medical and pharmaceutical claims expenditures.

The company and WebMD also analyzed the impact of health coaching on absenteeism and presenteeism rates. Comparing self-reported absent days across the cohort of individuals who completed an HRA in 2007 and 2008, and estimating presenteeism impacts based on published literature, the company found that it avoided absenteeism-related expenditures of ~\$28 per employee per year and presenteeism-related expenditures of ~\$207 per employee per year.

When taking all financial impacts into account – medical claims, absenteeism and presenteeism – the company's avoided health-related expenditures were \$384 per employee per year, for a total savings of \$1.2 million per year.



High Utilization Equals High Impact

How is health coaching able to bring about such striking results? Much of its success lies in its ability to engage the end user. A program's efficacy at changing participant behavior is only half of the equation. The ability to engage a large number of people is required to deliver true population impact.

Some coaching solutions offer telephonic outreach by health coaches to initially engage users in coaching. This process successfully engages many more individuals than requiring individuals to opt-in to a program. For example, WebMD's telephonic health coaching engagement model automatically enrolls all participants eligible for coaching. Prior to the first call, individuals are sent materials explaining the program and its benefits. This means the very first call, which takes place with a health coach at a participant's preferred date and time, is a meaningful coaching session. This unique model, along with the trust of the WebMD brand, yields much higher engagement rates than are typical in the market, providing greater impact on health risks across a larger proportion of the population.

After initial engagement, maintaining ongoing utilization is the next step in driving overall impact. Coaching's utilization is enhanced by its highly personalized and collaborative approach. A whole-person coaching approach guides each participant to focus first on the changes that he or she is ready to make, rather than comply with a set of behaviors he or she is not yet contemplating practicing. Health Coaches create a personalized plan of action with each individual, based on desired goals, stage of change and preferred activities. To meet plan goals, the coach helps guide participants to find their own motivation, break through their barriers, cultivate the support that they need, and reward themselves when goals are achieved. When programs are designed to place the focus on the participant, high rates of program participation and satisfaction result.

Coaching program impact is also enhanced when seamlessly integrated with resources that can help participants work toward goals set in coaching sessions. At WebMD, telephonic coaching is fully aligned with the WebMD online portal, which means that powerful online applications that enable employees to better manage their health are provided within a unified experience. For example, participants can opt to share a view of their online program progress and journal entries with their health coach. This insight enables coaches to make meaningful observations and suggestions during a coaching session. Additionally, participants have online access to coaching appointment scheduling and session reminders to facilitate ongoing participation.

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Healthier Workplaces, Happier Employees

In an environment of reduced workforces and increased stress, many companies see the value in implementing wellness and prevention programs. A recent survey¹⁴ by New York-based human resources firm Buck Consulting found establishing a corporate culture promoting healthy lifestyle choices was a priority for 87% of respondents. Among those with wellness programs in place, 19% were expecting to increase their budgets, while 59% predicted spending would stay the same. Among those anticipating company-wide cuts, 78% expected that wellness would be hit no harder than other departments.

As part of an integrated wellness solution, health coaching offers a much-needed resource that not only helps manage rising healthcare costs, but also provides employees with a value-added benefit that can enhance their job satisfaction and productivity. Health coaching contributes positively to an overall culture of wellness, engaging employees and helping them feel as though the company has made a true investment in their health and well-being.

Satisfaction surveys undertaken by WebMD customers who offer coaching show that the program is extremely well-received by employees. Such positive experiences can enhance a company's overall image and help attract and retain top talent. For one WebMD customer, a large healthcare system, high percentages of survey participants strongly agreed or agreed with the following statements:





Conclusion

As pressure to reduce healthcare costs mounts, employers recognize that addressing modifiable health risks in their population offers a significant opportunity on which to capitalize. Wise employee healthcare management can enhance a company's bottom line while enabling long-term gains from better employee wellness and productivity. With proven risk reduction and cost savings, health coaching has emerged as one of the leading wellness solutions available today. Health coaching offers a true population solution that engages a broad cross-section of employees, motivates them to make long-term behavioral changes, and contributes to a stronger employer-employee partnership.

About WebMD Health Services

WebMD Health Services is the leader in providing private online health and benefit management portals for large employers and health plans. These solutions support our clients' needs and enable consumers to make more informed health and financial decisions. To learn more about our telephonic coaching solution, please contact WebMD Health Services at: WHSinfo@webmd.net or 503-279-9010.



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