

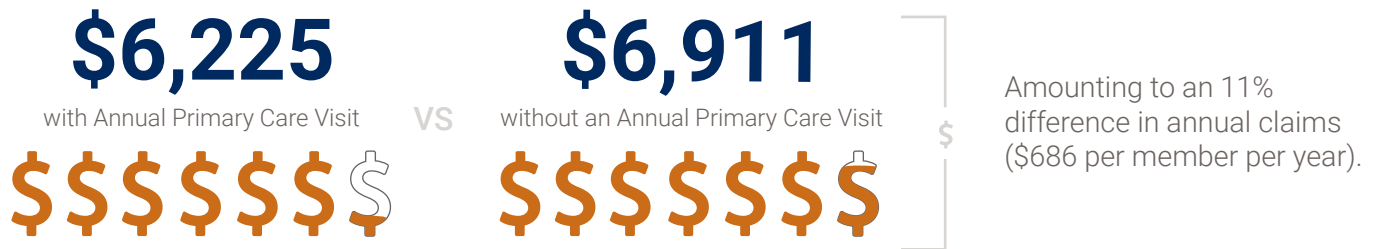
Why Primary Care Engagement is Crucial for Your Chronic Population



The Power of Primary Care

Understanding the level of primary care engagement from your general population, and more specifically those with chronic conditions, is essential to your plan members' health and the overall health of your benefits plan.

In 2019, we published a HORAAnalytics Databyte® that demonstrated the importance of primary care. Our analysis showed that plan members who were not engaged with a primary care physician (PCP) cost an employer health plan 11% more per member per year than plan members that did engage.

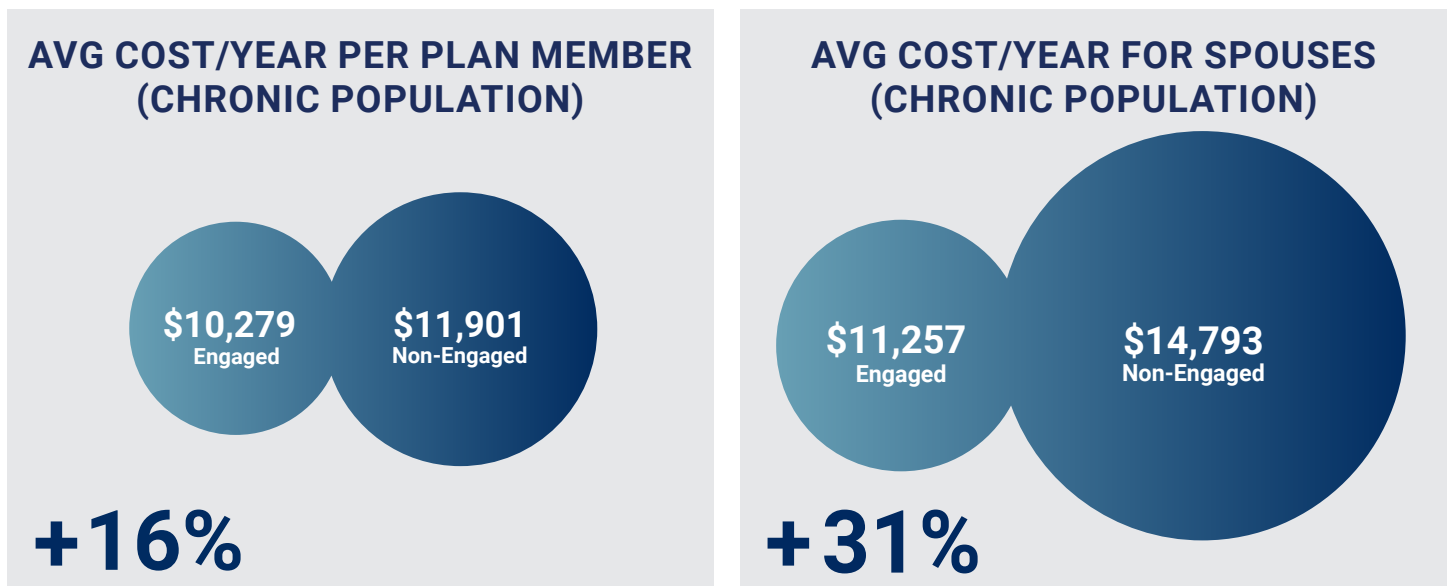


In fact, our analysis showed that although the plan members who visited their PCP annually had an increased health risk than those who did not engage, regular PCP engagement led to lower annual costs for these members.

A Larger Impact on Your Chronic Population

Recently, we dug a little deeper into this topic and conducted an analysis to understand the importance of primary care for individuals with chronic conditions.

We found that plan members who engaged with a PCP annually cost 16% less than those who did not engage. Engaged spouses cost 31% less than spouses who did not engage.



When Primary Care Becomes Even More Crucial

Our analysis shows that primary care engagement is important for all plan members included in your chronic population. However, there are three factors that make primary care engagement even more critical.

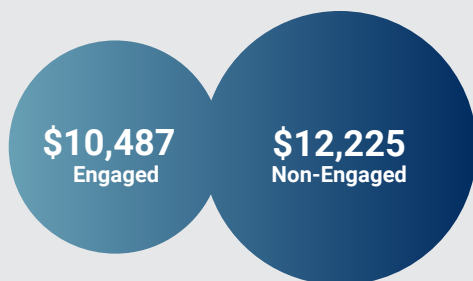
Plan Members Age 40+: As we age, new conditions arise and little issues can turn into big issues. Annual PCP engagement helps manage conditions, avoid escalations and address new issues quickly.

Plan Members with More than Two Chronic Conditions: Members with more than two chronic conditions need more complex care, a closely-monitored treatment plan and regular check-ins.

Plan Members with Increased Health Risk: All categories of health risk (low, moderate and high) demonstrated a double-digit cost differential between members who were engaged vs. not engaged. However, as a plan member's health risk increases, primary care engagement becomes even more important.

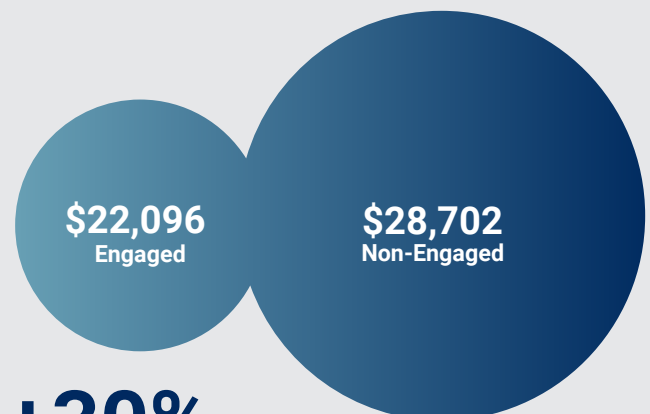
In fact, our data showed that an engaged member with moderate risk cost 5% less on average than a non-engaged member with low risk.

AVG COST/YEAR FOR MEMBERS AGE 40+ (CHRONIC POPULATION)



+17%

AVG COST/YEAR FOR MEMBERS WITH >2 CHRONIC CONDITIONS



+30%

COST DIFFERENTIAL BY HEALTH RISK LEVEL

Numerous factors go into determining a member's health risk including age, gender, diagnosed conditions, etc.

Low

Engaged: \$8,408
Not: \$9,480
Difference: 13%

Moderate

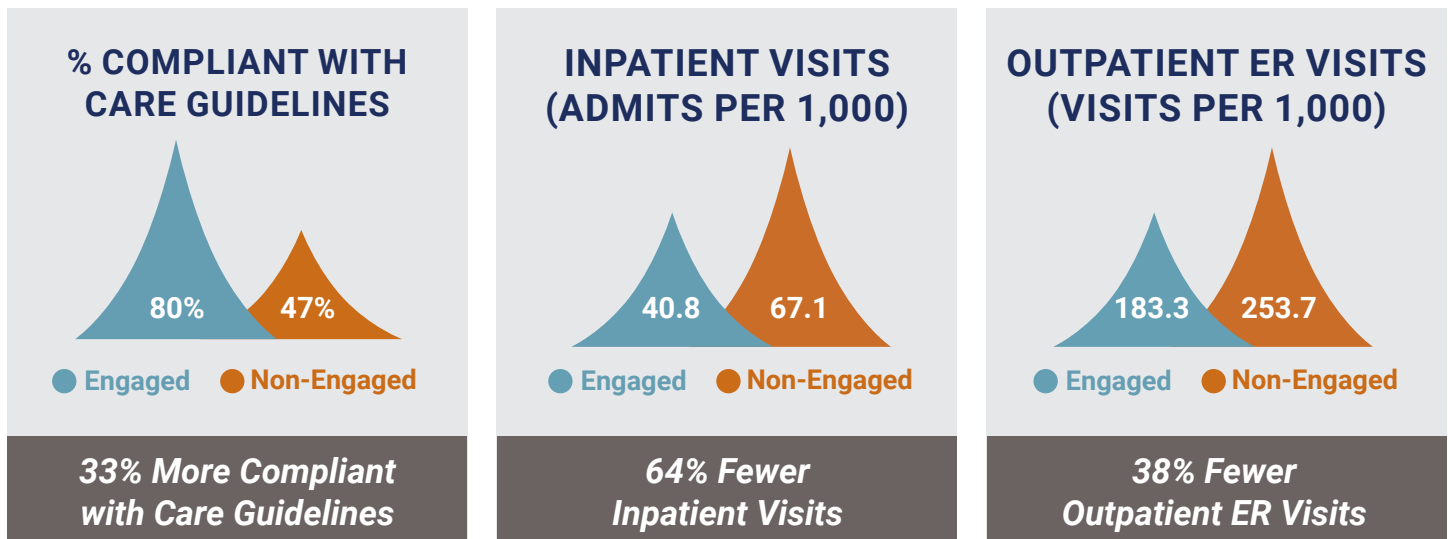
Engaged: \$9,016
Not: \$10,388
Difference: 15%

High

Engaged: \$16,247
Not: \$19,493
Difference: 20%

A Closer Look

Our analysis determined that plan members with a chronic condition who engaged annually with a PCP were more compliant with chronic care guidelines and had significantly fewer inpatient claims and outpatient ER visits.



Primary Care Engagement & Large Claims Avoidance

We know that large claims can happen whether a plan member is engaged or not engaged annually with primary care. In fact, our data shows that large claims activity was proportional among both engaged and non-engaged chronic populations up to \$150K. However, we saw very few instances of large claims greater than \$150K among the engaged chronic population while there were numerous large claims greater than \$150K among the non-engaged chronic population.

This shift indicates that plan members with a chronic condition who engage annually with a PCP may have a lesser degree of case severity when large claims occur.

Do You Have a Proactive Primary Care Strategy?

It's important for all employers to have a proactive primary care strategy. Having a strategy in place can help improve your population's health care spend, reduce waste and ultimately lead to better health outcomes.

Contact your HORAN representative at **800.544.8306** to identify the primary care strategy that will address your organization's needs.