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HFS Research

From health plans to health services

Exploring the critical role of social determinants of health

Insights from health plan senior executives on delivering healthier members and stronger financials

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Executive summary

The Triple Aim framework for healthcare seems solid in theory: improve the health of the population, improve the patient experience of health, and lower the per-capita cost. But since its development in 2007, there's still work to do. The Centers for Disease Control and Prevention (CDC) reported in 2022 that six in ten Americans now suffer from at least one chronic condition, such as heart disease, diabetes, obesity, or hypertension.[1] Sixty percent of Americans say they have had an outright negative healthcare experience.[2] And the cost goal is also some way off because medical care in the US rose around 110% between 2000 and 2022, while prices for consumer goods and services only rose by 71%.[3] The Triple Aim has yet to become reality.

Changes to health plan priorities could help accelerate progress. As the healthcare system shifts from fee-based to value-based care, health plans must find new ways to improve population health and member outcomes. This necessity grew in 2020 when self-insured enrollment by employers overtook the number of members enrolled in plans underwritten by health insurers for the first time.[4] The shift has deepened the need for health plans to find new sources of revenue and pivot toward delivering health services.

But the drivers don't end there. Employers want to reduce the cost of premiums and only pay for care as and when their employees need it. And with members increasingly contributing toward their healthcare, we see a rise in expectations for personalized experiences and value for money, or else members will turn to comparison websites and switch. For health plans, this means a sharper focus on proactive member engagement and prevention over cure. It also means greater recognition of the role of social determinants of health (SDoH) – the conditions into which people are born, grow, live, work, and age. Health plans are adopting SDoH solutions to, for example, provide holistic therapies, nutritional education, and financial advice while also finding ways to improve traditional pathways for care.

In partnership with Genpact, HFS Research surveyed 100 health plan CXOs, senior executives, and leaders across the US to explore their views on SDoH and care management solutions, particularly in employer (client) group plans. Our research uncovers the benefits respondents believe these solutions have, their willingness to invest in broader offerings, and the areas they plan to focus on and by when. The study examines the relationship between existing care management programs and SDoH solutions to assess their impact on the future of member health.

Key insights:

- Senior executives at health plans **have a good understanding of SDoH and are embracing SDoH solutions** to enhance their existing care management programs, drive competitive advantage, and positively impact the experience for members and employers
- There is a strong willingness to invest in SDoH solutions with goals to cut the cost of care and improve health outcomes. But **when looking at how they measure the value of care management solutions, there is a disconnect.** More than double the rate of respondents are measuring engagement – such as enrollment rate (54%) and program retention (54%) – than are directly tracking improvements in clinical or health outcomes (25%)
- Health-plan executives show that they either offer, plan to offer, or are considering offering a wide range of SDoH-related benefits, but two of the biggest challenges to embedding them are **access to data** and the **complexity of managing multiple solutions**

[1] 2022, Centers for Disease Control and Prevention
[2] 2022, The Beryl Institute – Ipsos PX Pulse: Consumer Perspectives on Patient Experience in the US
[3] 2022, Peterson-KFF Health System Tracker
[4] 2021, HFS Research – Employers have a generational opportunity to course-correct healthcare in America

The bottom line:

SDoH solutions are vast and a must-have approach to moving the needle for the Triple Aim of care. But health plan leaders must shift their mindsets from SDoH solutions complementing care management programs to recognizing population health management as the key to unlocking better outcomes for members and reducing the need for and cost of care. But first, they need to take a digital and data-driven approach to:

- Take a balanced approach to measuring clinical outcomes, financial results, and member satisfaction
- Measure the usage, efficacy, and outcomes of existing solutions
- Reduce back-end cost and complexity
- Deepen the understanding of member and employer needs and growing expectations

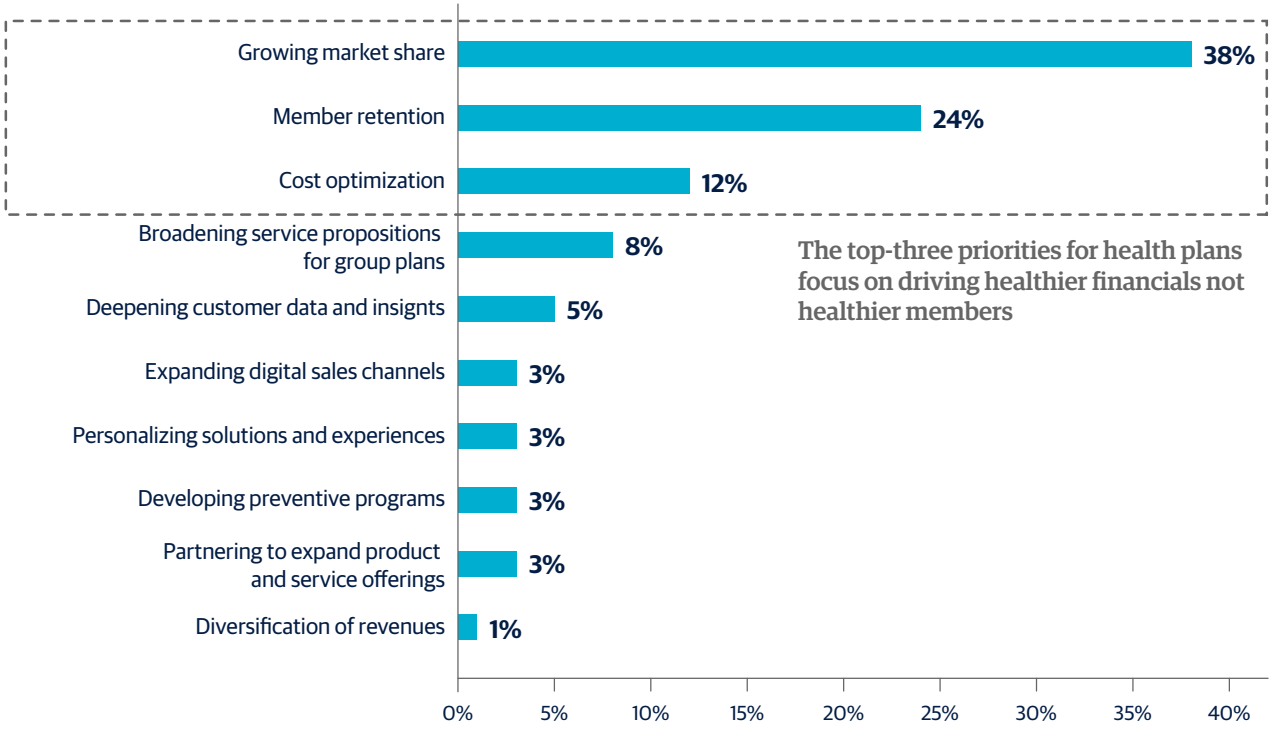
To meet your priorities, prioritize your members

For small to midsized health plans (enrollments of up to 5 million lives), the priorities center on growing market share and optimizing costs. And for larger plans, the emphasis is on retaining and growing market share (figure 1).

This prioritization of financials over members' health is perhaps to be expected, but what are the actual drivers of growth in an oversaturated market where competition is high and employers and members have more information at their fingertips than ever before? Consumers are forcing plans to become more competitive and transparent, comparing pricing, benefits, and performance against the standardized Healthcare Effectiveness Data and Information Set (HEDIS) online to make informed choices. For health plans to grow, they must give members an information-driven response.

For years, health plans have invested significantly in digital member engagement platforms. The data captured here is powerful enough on its own, but if health plans map it against clinical and SDoH data, they can completely reimagine member engagement. Deep insights from advanced analytics help to understand and predict individual member needs to personalize offerings. And the use of AI and machine learning (ML) also identifies patterns and trends that can transform population health management, enable proactive and preventive member engagement, and drive targeted adoption of digital healthcare services.

Figure 1: The top-three strategic priorities for health plans in the next 12 months



Sample set: 100 US health plan CXOs and senior executives
Source: HFS Research in partnership with Genpact, 2022

Traditional pathways for care

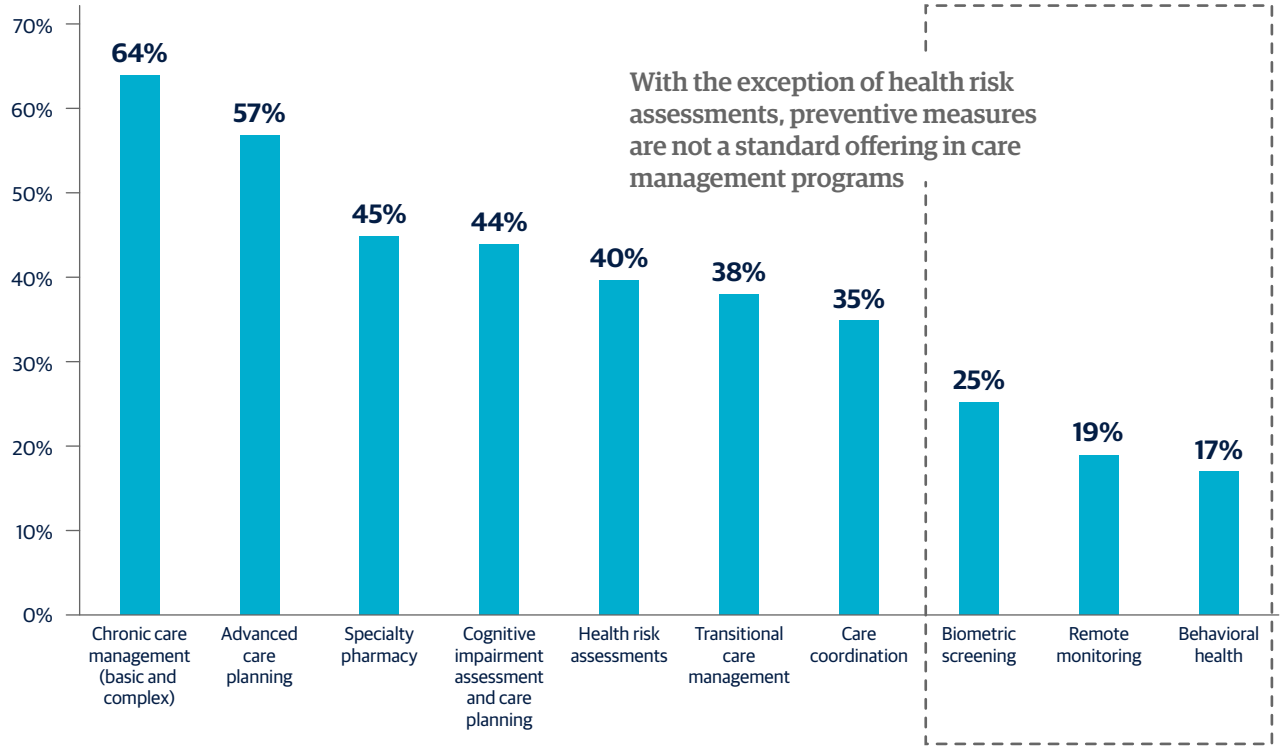
Let's first look at health plan care management offerings, the more traditional solutions on a benefits menu (figure 2).

The clear focus of care management in health plans is to treat those who are elderly and sick. Health plans concentrate their efforts on the rising prevalence of chronic conditions in the US across all demographics. Failure to manage chronic conditions can increase episodes of acute care and dramatically escalate costs. As a result, 64% of health plans include chronic-care management in their programs. As these diseases increase, so too do specialty medications and the need for specialty pharmacies. Offered by 45% of health plans, specialty pharmacies help deliver better member care and higher rates of medication adherence and play a role in addressing the escalating price of drugs. And considering that, by 2034, the US will have more seniors than under-18s,[5] it's not surprising that 57% of health plans now offer advanced care planning, and 45% offer cognitive impairment assessments.

By contrast, solutions focused on early risk detection, monitoring health, and behavioral health are not standard in care management. However, among larger plans, there is a greater shift to offer biometric screening (37%) and behavioral health solutions (30%) than for smaller plans (20% for biometric screening and 20% for behavioral health solutions).

But when we further explore the benefits of care management programs (figure 3), 43% of respondents highlight the prevention of disease as a top-three benefit. Medication adherence is only considered a top-three benefit by 20% of health plan respondents, yet we know it is paramount to managing chronic conditions and reducing the cost of care. This suggests that though health plan executives expect their programs to improve health outcomes, they will fail to meet this goal if they don't connect it to improving medication or program adherence. Such a disconnect will in turn lead to higher-acuity care and increased cost.

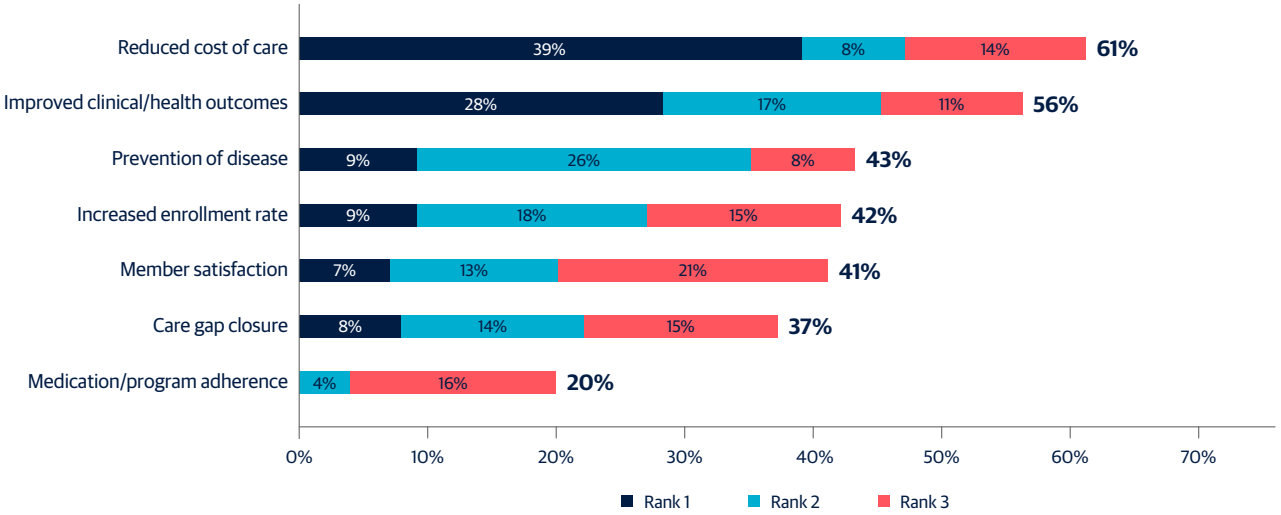
Figure 2: Care management solutions offered in health plan benefits



Sample set: 100 US health plan CXOs and senior executives
Source: HFS Research in partnership with Genpact, 2022

[5] 2018, US Census Bureau

Figure 3: Top-three benefits that health plans hope to realize from their care management programs

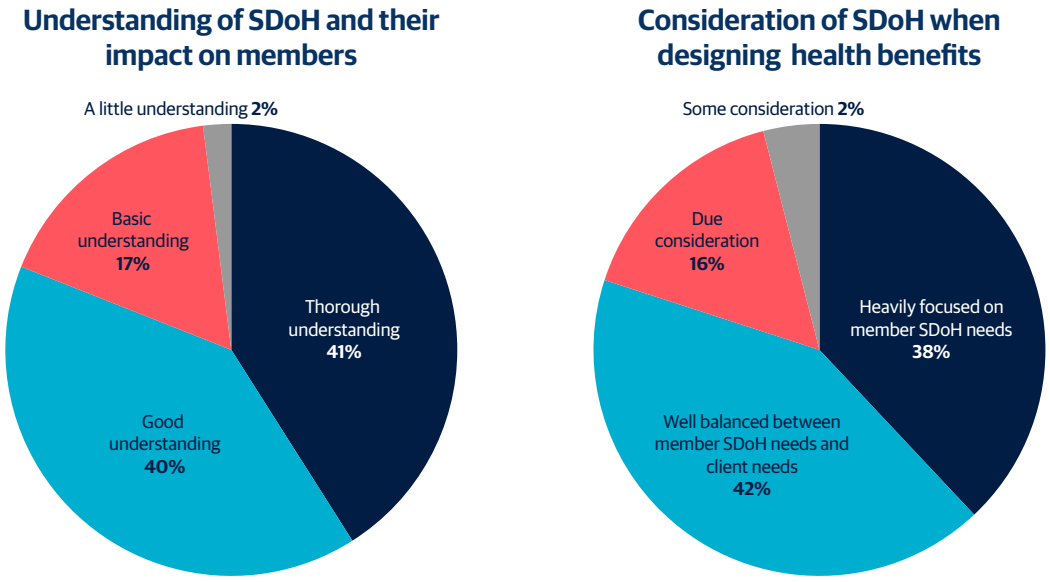


Sample set: 100 US health plan CXOs and senior executives
Source: HFS Research in partnership with Genpact, 2022

A better benefits package

SDoH solutions focus on holistic and preventive care, and this study finds that health plans have a very high SDoH IQ. Eighty-one percent of senior executives from health plans say they have a good-to-thorough understanding of SDoH and their impact on members. And 80% say they already give significant consideration to both employer and member needs when designing healthcare benefits (figure 4). But one-fifth of respondents indicate only a basic or limited understanding of SDoH and don't give them as much consideration. This could indicate a need to invest in member and employer insights to establish if SDoH can offer opportunities to grow.

Figure 4: Understanding and consideration of SDoH and their impact on members and employers



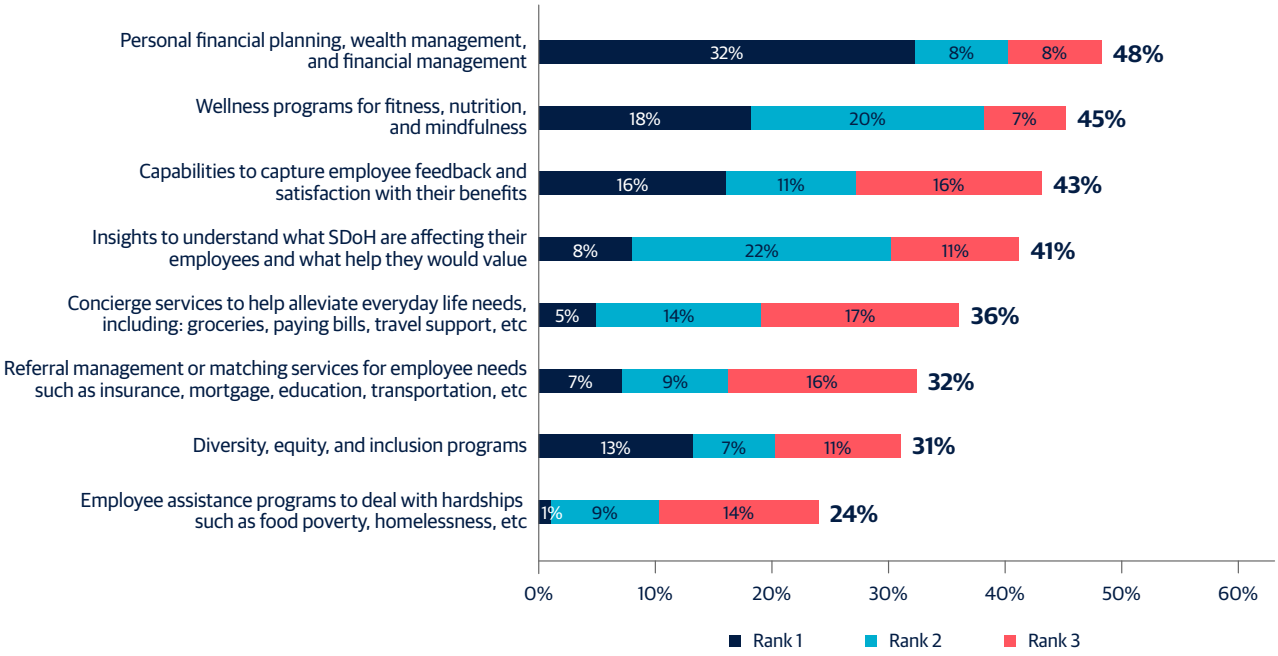
Sample set: 100 US health plan CXOs and senior executives
Source: HFS Research in partnership with Genpact, 2022

Focusing care elsewhere

Health plan respondents have a good understanding of SDoH and consider these factors when designing benefits, which shows a willingness to experiment and build them into their plans and business models. In addition, when asked about the top-three solutions they believe to be of interest to health plan clients, more than 40% of senior executives call out the 'capabilities to capture employee feedback and satisfaction with their benefits' (figure 5).

Similarly, access to insights into which SDoH are affecting their employees and the help they would value also rank fairly highly. And though you might expect to see wellness programs top the bill, 'personal financial planning, wealth, and financial management' are considered the top SDoH solution of interest to health plan clients.

Figure 5: Top-3 SDoH solutions believed to be of interest to health plan clients



Sample set: 100 US Health plan CXOs and senior executive
Source: HFS Research in partnership with Genpact, 2022

Prescribing solutions

Health plans have traditionally struggled to engage with their membership. For example, a separate HFS study asked health plan members how they stayed informed about COVID-19 and found that members placed health plans at the bottom of their lists after news sources, public health officials, and social media. Though this is not unexpected, health plans have been experimenting with different approaches to engaging members, including increasing touchpoints by expanding their offerings.

Looking ahead at what benefits health plan senior executives say they are planning to offer or considering offering members, there is a broad array of solutions (figure 6). This includes many holistic solutions that encourage healthy behaviors and mindsets and reflect today's economic realities. For example, in the next two to five years, respondents are planning to introduce or considering introducing:

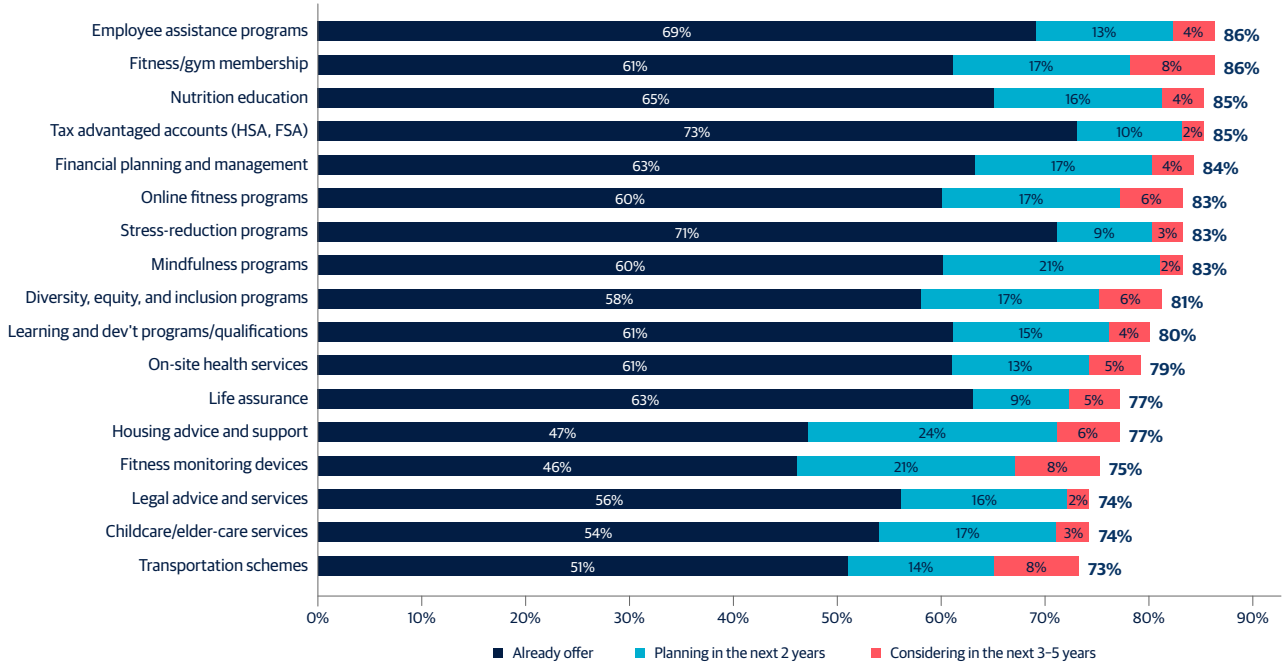
Housing advice and support

Fitness-monitoring devices

Mindfulness programs

Diversity, equity, and inclusion programs

Figure 6: Existing/future benefits health plans offer



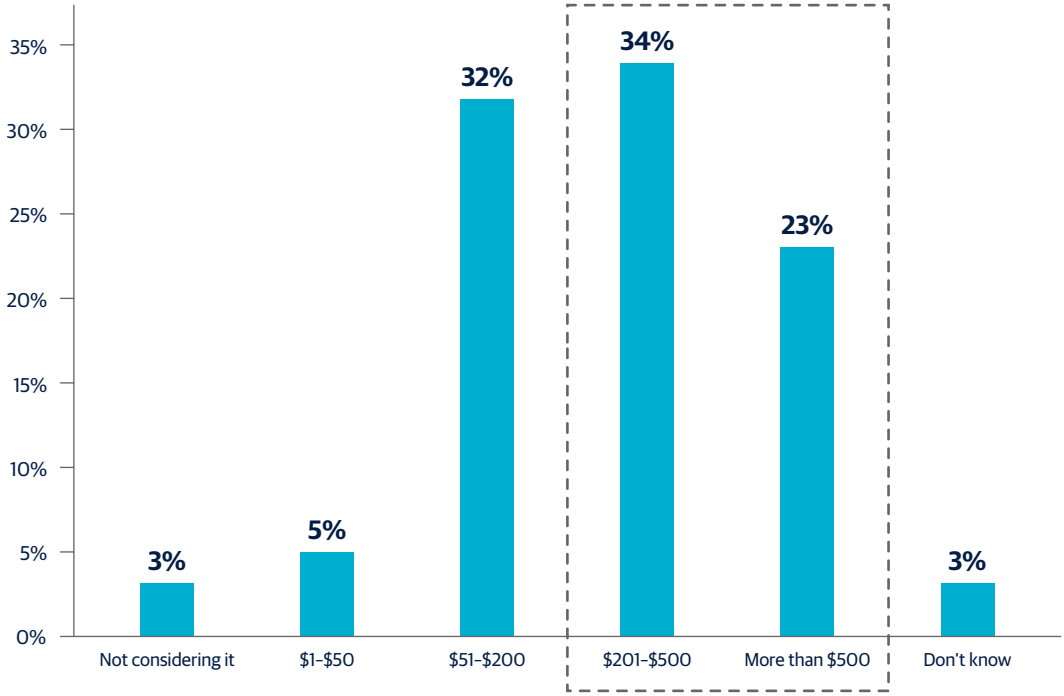
Sample set: 100 US health plan CXOs and senior executives
Source: HFS Research in partnership with Genpact, 2022

Investing in solutions

Over 80% of health plan respondents say that the likelihood that their organizations will increase their understanding of SDoH solutions and implement them is high or very high. Beyond commercial plans, these additional services could extend to their government-sponsored plans like Medicare and Medicaid, as well as their self-insured employer clients.

The investment doesn't end there. Fifty-seven percent of health plan respondents say their organizations are willing to pay more than $200 per member annually to include SDoH solutions in their benefits (figure 7), and almost a quarter plan to invest more than $500. This reflects the potential value they believe SDoH can bring.

Figure 7: Amount health plans are willing to invest in SDoH solutions per member, per year

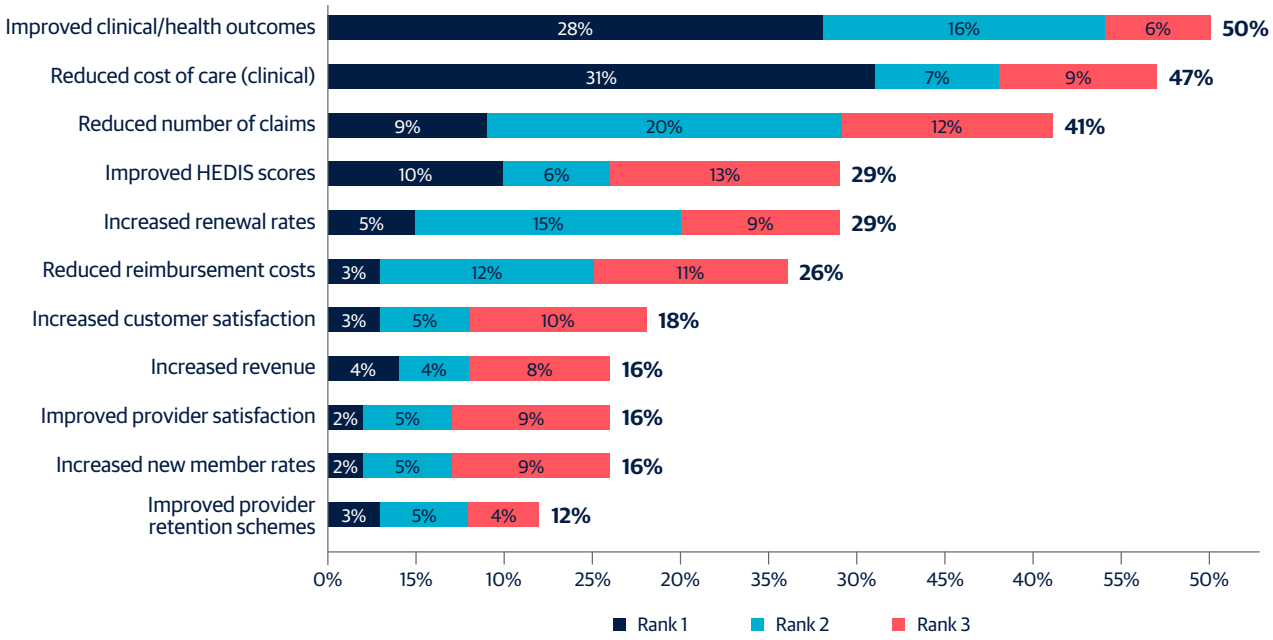


Sample set: 100 US health plan CXOs and senior executives
Source: HFS Research in partnership with Genpact, 2022

What lies behind the adoption

So, what's driving health plans to invest in and embed SDoH solutions into the benefits they offer? The findings in figure 8 show that half of respondents rank improved clinical/health outcomes within the top-three benefits they have seen or would expect to see. With this comes a reduced cost of care and volume of claims. Twenty-nine percent highlight an improved HEDIS score, which, starting in 2023, now includes SDoH in its required quality measures. Though customer and provider satisfaction do not rank as highly, health plans should recognize that focusing on improving the experiences for everyone they engage with builds trust, reputation, and loyalty. All of which impact Triple Aim goals.

Figure 8: Top-three benefits health plans have seen/would expect to see with the introduction of SDoH solutions



Sample set: 100 US health plan CXOs and senior executives
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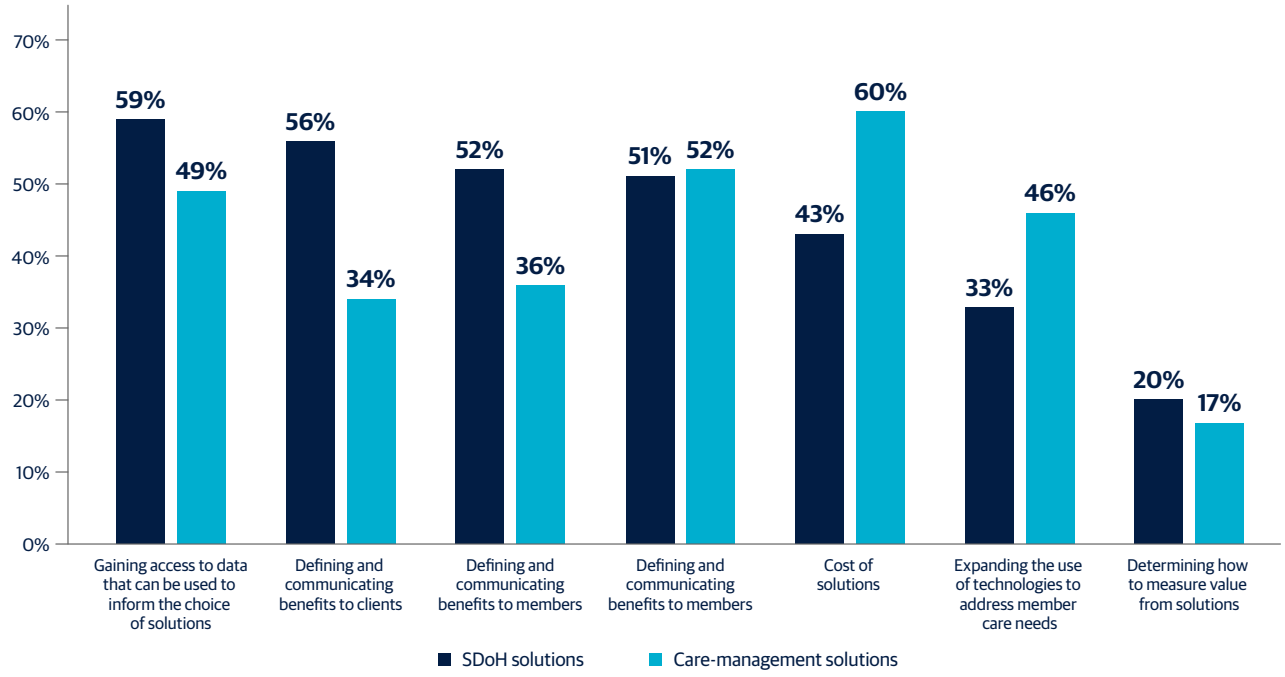
Overcoming the challenges to adoption

Figure 9: The challenges to overcome to embed care management and SDoH solutions



Sample set: 100 US health plan CXOs and senior executives
Source: HFS Research in partnership with Genpact, 2022

The good news is that health plans are doing more to balance healthier financials with healthier members, and there is no shortage of solutions to address care management needs and SDoH. But a significant proportion of respondents face challenges when adopting them (figure 9). Access to data, communicating the benefits to clients and members, and the complexity of managing multiple solutions are top challenges for both, although the cost of solutions is a significant concern for care management in particular.

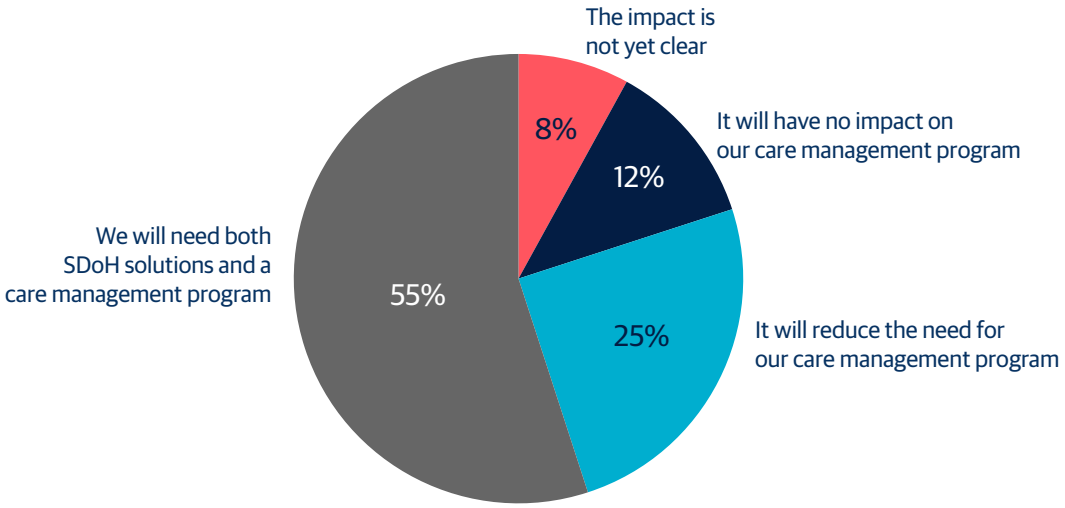
Overcoming these obstacles requires skills in data integration and analytics, careful vendor management, and orchestrating the solutions that will have the most value for both members and plan sponsors.

Comorbidity impacts care management

We also asked senior executives at health plans whether the increased prevalence of co-morbidity, such as diabetes or obesity is a challenge to care management programs, and more than 50% agree it is. These additional complications can reduce the efficacy of treatment plans and disrupt medication and program adherence. SDoH solutions offer a better way for the healthcare system, employers, governments, and society to keep people healthy and prevent disease and comorbidity.

Given the low levels of SDoH-solution adoption, however, most health plans view them as complementary to care management (figure 10). But in the long run, a well-executed and robust SDoH program of care should enable proactive population health management, reduce the reliance on care management solutions, and cut the total cost of care.

Figure 10: The impact of SDoH solutions on care management programs



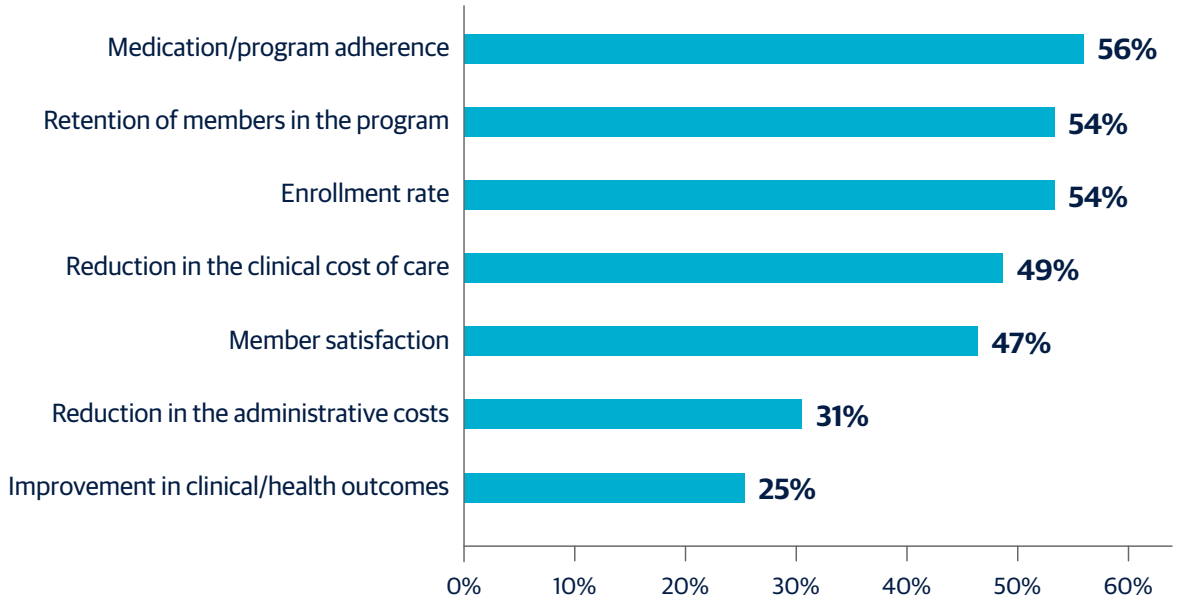
Sample set: 100 US health plan CXOs and senior executives
Source: HFS Research in partnership with Genpact, 2022

Building a solution

As we've seen, most health plans are already giving heavy or well-balanced consideration to SDoH as a valuable solution for members (figure 4). The range of care management and SDoH solutions are expansive and helpful (figure 5). And if you consider the KPIs health plans use to measure the impact of care management, they appear to be using insights to inform the planning and design of benefits to drive member engagement by measuring enrolment rates (54%), program retention (54%), and member satisfaction (47%). But only 25% have KPIs that directly measure improvements in clinical or health outcomes (figure 11).

In addition, only 31% directly measure the reduction in administrative costs, and less than half (49%) track the reduction in the clinical cost of care. If respondents really expect to improve health outcomes and reduce costs through their care management programs (figure 3), they must find effective ways to demonstrate and continuously improve the impact of their efforts.

Figure 11: KPIs being used to measure the value of care management solutions



Sample set: 100 US health plan CXOs and senior executives
Source: HFS Research in partnership with Genpact, 2022

Three building blocks for a healthier future

There are three core building blocks that will help turn health plans into health services with SDoH solutions.

Building block 1

Orchestrate solutions

Senior executives find the complexity of managing multiple SDoH and care management solutions, tools, and vendors a major challenge. We recommend focusing on a few key areas to orchestrate your solution set effectively:

1. Assess your solution landscape to find the right combination of best-of-breed solutions and single-vendor approaches that delivers scalable capabilities
2. Minimize operating expenses and eliminate overspend by bringing in solutions that are scalable and solutions that unlock innovation. Don't forget to set clear service-level agreements and contract terms
3. Ensuring there is bidirectional data and measurement capture between platform solutions and enterprise data lakes as part of your upfront requirements

Building block 2

Understand and integrate data

To overcome the data-access challenge highlighted in figure 9, health plan organizations can:

1. Maximize the power of cloud technology to not only store huge volumes of data but also structure, query, and process it at scale and speed
2. Establish data transparency and interoperability requirements from the outset. Understand and plan for the many reasons why your organization will need to extract data, for example, to comply with regulations on data transparency and interoperability standards
3. Focus on the data that's going to solve your most critical business problems and design a data-management solution that features real-time traceable information, enables trustworthy data, and ensures data is reusable

By establishing the right foundations and gaining access to data from care management, SDoH solutions, and the breadth of your businesses' systems, your organization will take the first steps toward becoming a data-driven enterprise.

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Building block 3

Embed analytics

When you have access to well-managed, accurate data from your health plan and third-party sources, your business can apply advanced analytics and artificial intelligence.

With this insight, you can better understand where your company's increasing retention, improving member/sponsor adoption goals, or creating efficiencies. But importantly, you can also predict what solutions members are most likely to engage with, which healthcare interventions will have the greatest impact, where cost-reduction opportunities exist, and how to improve the member experience with personalized offerings and communications. Predictive intelligence also enables you to identify member movement across lines of business as eligibility requirements change, and target members who are at risk of disease, proactively support them, and deepen loyalty and trust.

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A clean bill of health

As health plans make the transition to health services, they're adopting SDoH solutions to increase the effectiveness of care management. It is critical to recognize that SDoH solutions and care management vary in maturity, and their adoption and impact are a work in progress. There is an intrinsic connection between these two areas, but health plans must first orchestrate systems, build their data foundations, and unlock insights with analytics to get the full value these solutions can offer businesses and their members.

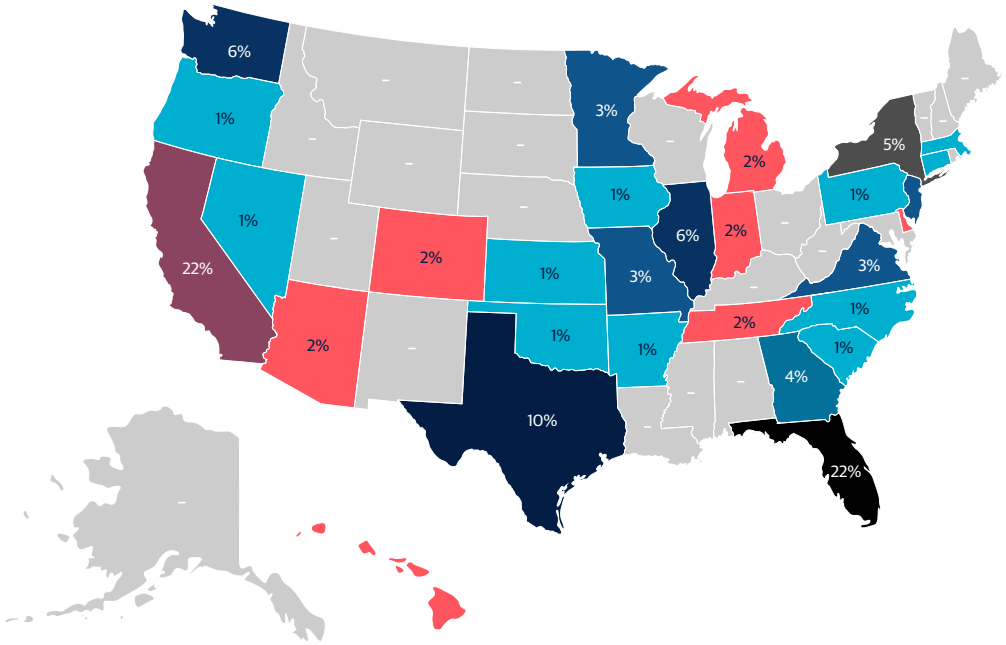
SDoH solutions enable the shift toward health services through disease prevention, self-management of care, and holistic health and wellbeing. And in turn, they will reduce the need for and cost of care management. The value of combining SDoH and care management is already clear to many, but few are realizing its full potential. Together they will help the healthcare system realize the Triple Aim objectives to improve population health, enhance patient experiences, and lower the per-capita spend. The industry is on the cusp of offering health plans that are fit for today and the future.

Research methodology

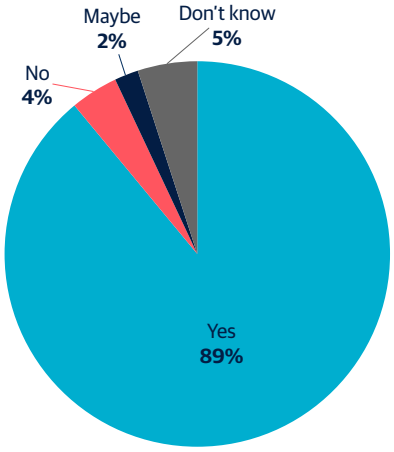
Demographics

During Q1 2022, HFS conducted a survey among 100 C-suite and senior leaders at health plans across the US to learn about their views on SDoH, their prospects of using them in the design of their benefits, the investments they are willing to make, and their timelines

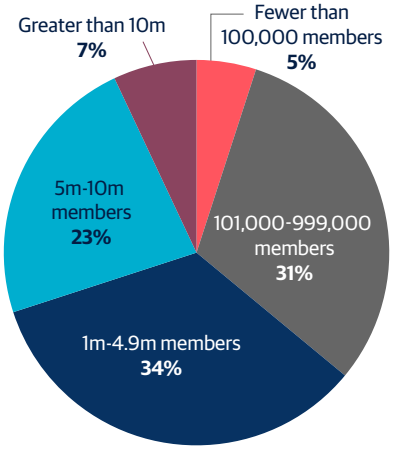
Health plan HQs - 30 states



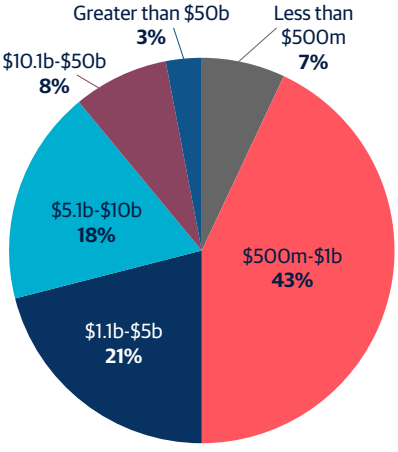
Admin service offerings



Enrollment



Revenues



About Genpact

Genpact (NYSE: G) is a global professional services firm delivering the outcomes that transform our clients' businesses and shape their future. We're guided by our real-world experience redesigning and running thousands of processes for hundreds of global companies. Our clients – including many in the Global Fortune 500 – partner with us for our unique ability to combine deep industry and functional expertise, leading talent, and proven methodologies to drive collaborative innovation that turns insights into action and delivers outcomes at scale. We create lasting competitive advantages for our clients and their customers, running digitally enabled operations and applying our Data-Tech-AI services to design, build, and transform their businesses. And we do it all with purpose. From New York to New Delhi and more than 30 countries in between, our 115,000+ team is passionate in its relentless pursuit of a world that works better for people. Get to know us at Genpact.com and on LinkedIn, Twitter, YouTube, and Facebook.

About HFS

HFS is a unique analyst organization that combines deep visionary expertise with rapid demand-side analysis of the Global 2000. Its outlook for the future is admired across the global technology and business operations industries. Its analysts are respected for their no-nonsense insights based on demand-side data and engagements with industry practitioners.

HFS Research introduced the world to terms such as "RPA" (Robotic Process Automation) in 2012 and more recently, Digital OneOffice™ and OneEcosystem™. The HFS mission is to provide visionary insight into the major innovations impacting business operations such as Automation and Process Intelligence, Blockchain, the Metaverse, and Web3. HFS has deep business practices across all key industries, IT and business services, sustainability, and engineering.