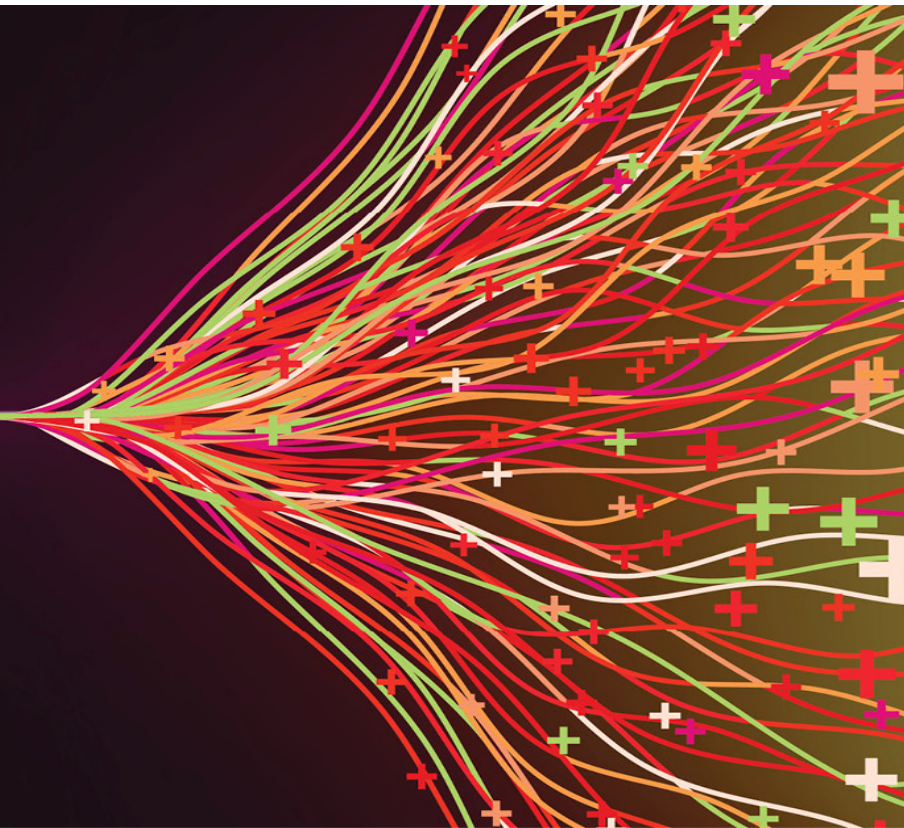


# Opportunity Amidst Chaos - How COVID-19 Might Change Healthcare

September 9, 2020



## Some of the critical questions and issues we will be answering today

- What impact has COVID-19 had on healthcare consumption so far?
- What is likely to happen as the pandemic resolves?
- What are some key strategies employers might consider at this time?



# Earn Credits

## HRCI, SHRM, & CPE (NASBA)

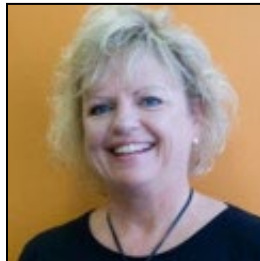
- ✓ Submit your request under “[My CEUs](#)” by clicking the link in the **CEU Request Pod** in the bottom right corner of the webcast console
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## Today's Presenters



**Anne Fischer**  
Senior Director,  
Data Science and Methods  
*Springbuk*



**Penny Moore**  
Chief Commercial Officer  
*Springbuk*

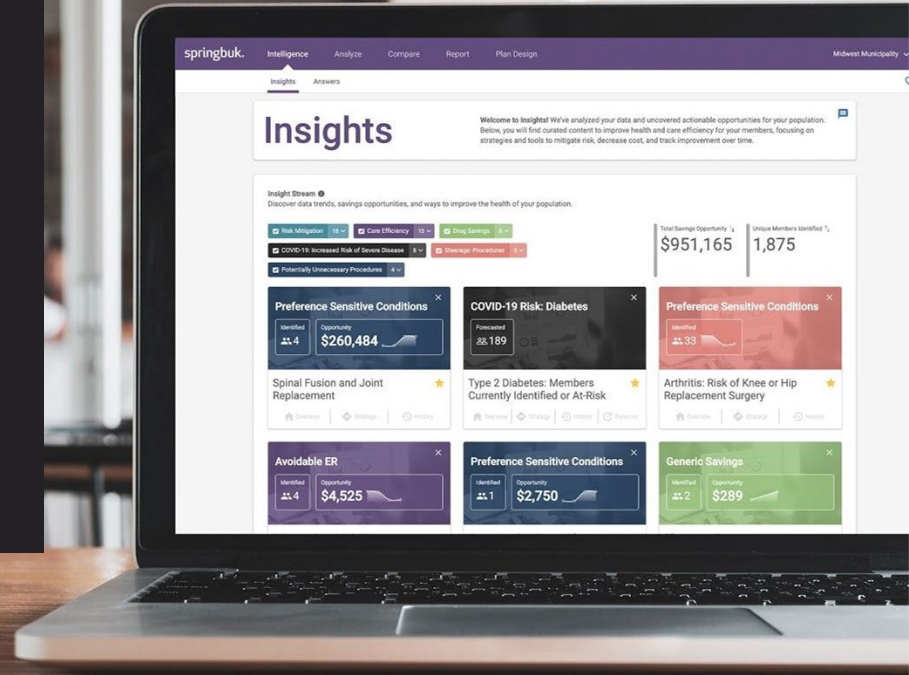


**Amy Ye (Moderator)**  
Researcher, Human Capital  
*The Conference Board*

MISSION MATTERS

# Preventing Disease with Data

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# Health Intelligence

Springbuk is currently equipping thousands of organizations on their journey to prevent disease with data.

Health Intelligence aids in making proactive, data-informed decisions that guide organizations to adapt with agility and success. **In real-time.**



Spend



Procedures



Providers



Rx



Utilization



Browse

What is the rate of ER visits |

What is the rate of ER visits per 1000 members?

What is the rate of admissions per 1000 members?

What is the rate per 1000 members of Colonoscopies by month?

What is the rate per 1000 members of Colonoscopies by year?

What is the rate per 1000 members of Hip Replacements by month?

What is the rate per 1000 members of Hip Replacements by year?

Insight Stream | 2020

Discover data trends, savings opportunities, and ways to improve the health of your population.



## Preference Sensitive Conditions

Identified

51

Opportunity

\$3,087,183

## Spinal Fusion and Joint Replacement

OVERVIEW

STRATEGY

HISTORY



DATE	MEMBERS IDENTIFIED	SAVINGS OPPORTUNITY
NOV	51 ▲ 100%	\$3.0M ▲ 70%
OCT	39 ▲ 0%	\$2.4M ▲ 0%
SEP	28 ▲ 100%	\$1.8M ▲ 315%
AUG	1 ▲ 0%	\$98.3K ▲ 0%
JUL	1 ▲ 0%	\$98.3K ▲ 0%

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# Health Intelligence

As COVID-19 has turned the industry, and the focus of employers, they are seeking data insights that will help guide decisions during a time filled with uncertainty.

Springbuk's response to this question is our latest solution, Answers™, a curated search that equips benefits leaders with the answers to their most pressing business questions.



springbuk. Intelligence Analyze Compare Report Plan Design

Answers  [Feedback](#)

Overall Spend Procedures Providers Rx Spend Utilization Browse All

Featured | Recent

- Who are the top 10 providers for MRI Scans based on service count? Found in: Providers
- What is the rate of ER visits per 1000 members? Found in: Utilization
- Who are the top 20 providers for Arthroscopic Knee Surgeries based on volume? Found in: Procedures
- What is the average amount paid for Spinal Fusions by year? Found in: Procedures
- What percentage of drug claims are generic? Found in: Rx Spend
- What is the average amount paid for Hip Replacements by year? Found in: Procedures

🔍 Knee surgeries |

- What is the total number of Arthroscopic Knee Surgeries by year?
- What is the total number of Arthroscopic Knee Surgeries by month?
- What is the distribution of Arthroscopic Knee Surgeries by site of service?
- What is the total amount paid for Arthroscopic Knee Surgeries by year?
- What is the total amount paid for Arthroscopic Knee Surgeries by month?

- Who are the top 20 providers for Arthroscopic Knee Surgeries based on volume?
- What is the average amount paid for Arthroscopic Shoulder Surgeries by year?
- What is the average amount paid for Knee Replacements by year?

# Health Intelligence

Powered by a team of data scientists and clinicians we have leveraged our Health Intelligence Platform to use our data to share our insights with customers.

COVID-19 Webinars  
COVID-19 Health Strategy Reports  
COVID-19 Change Report



“The Springbuk’s Health Intelligence was among the first to identify COVID-19 risk factors their clients’ workforce. Springbuk’s focus on the analytics to predict the need for healthcare interventions and the business impacts of those interventions were also standout features.”

Ben Eubanks, founder of the HR Technology Awards

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## Opportunity Amidst Chaos

While COVID-19 has impacted many aspects of care, the magnitude of impact on different services varies.

It essential to look at micro-trends across various subsets of care that may be affected differently.

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OPPORTUNITY AMIDST CHAOS

# How COVID-19 could change healthcare.

- 1 What is Happening - Healthcare Yesterday and Today
- 2 What Might Happen - Healthcare Tomorrow
- 3 What We Can Do - Opportunity Amidst Chaos



PART 1

## What is Happening

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### Healthcare at a Glance

What conditions drive the most healthcare spending?

Which have been most affected by the pandemic?

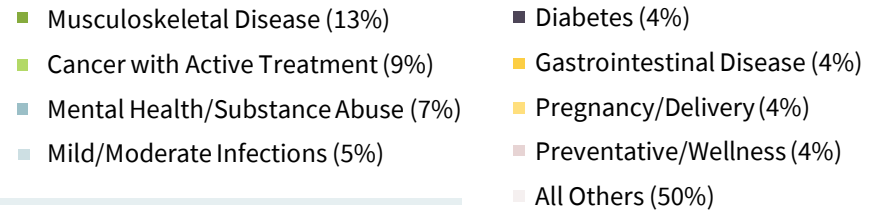
Which are most likely to result in later cost “surges”?

# Breakdown of Healthcare Total Payments

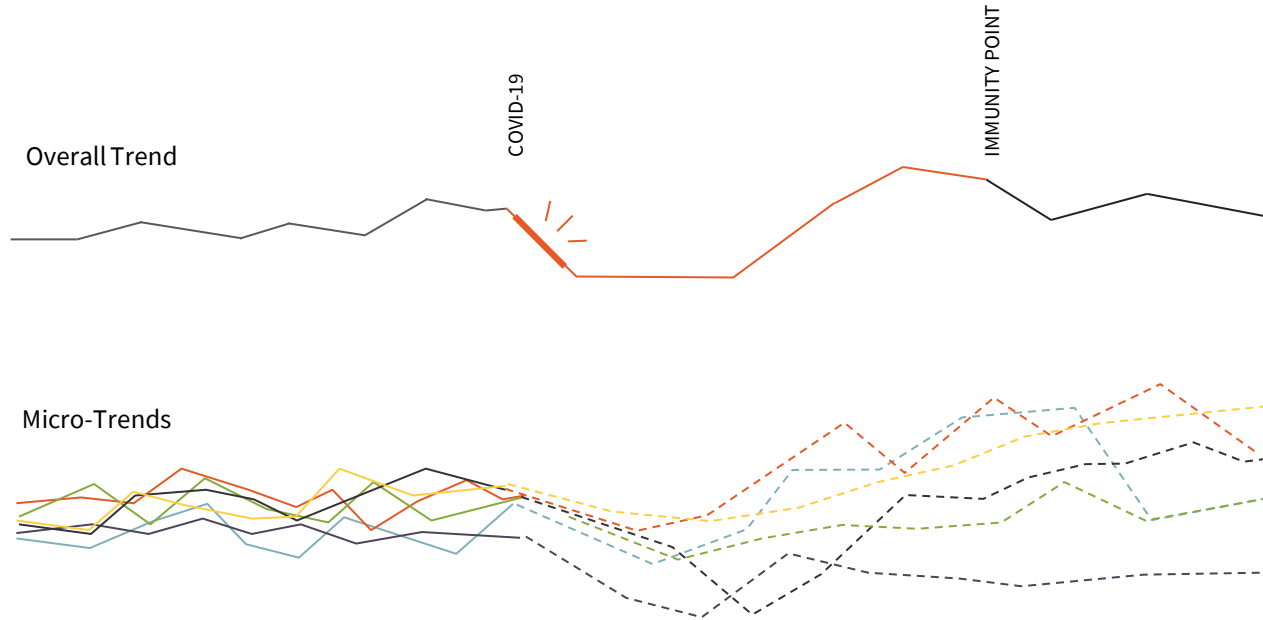


## What did costs look like pre-COVID?

- › 50% of payments come from top 8 categories <sup>1</sup>
- › Profile of each category differs
- › Pandemic impact will differ within each category



# Consider the Micro-Trends



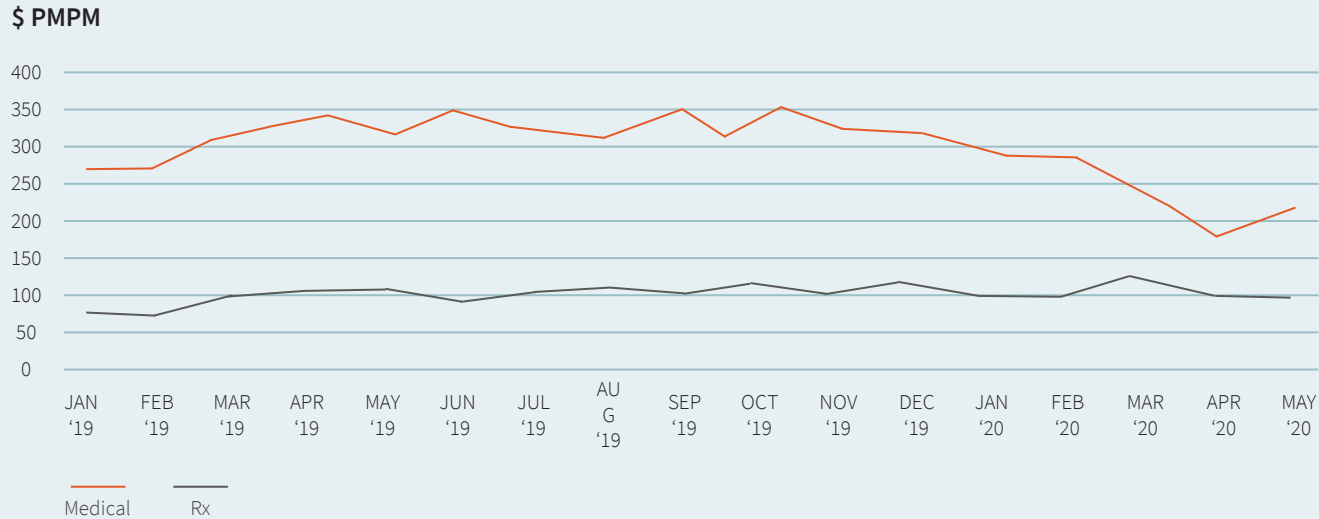
## Characteristics that Define a Micro-Trend

- › Type of Care (what)
- › Population Segment (who)
- › External Drivers (why)

## Micro-Trends May Have Different ...

- › Timeframes
- › Magnitude
- › Overall Direction

# A Closer Look is Necessary



“Everything” went down in March and April.

A closer look shows that different micro-trends behaved in different ways.

Understanding this helps guide future expectations.

## Pre-COVID Top Cost Drivers

### Condition Categories

- › Differing Profiles
- › Differing Pandemic Impacts

Conditions	% Drug Cost	% with Surgery	% Cost with Surgery
Musculoskeletal Diseases	8.3%	7.0%	60.8%
Cancer with Active Treatment	42.2%	36.1%	46.9%
Mental Health/ Substance Abuse	32.3%	0.0%	0.0%
Mild/Moderate Infections	11.9%	1.4%	15.3%
Diabetes	69.4%	3.5%	15.3%
Gastrointestinal Diseases	21.6%	9.4%	38.8%
Pregnancy/Delivery	1.4%	26.9%	42.1%
Preventive/Wellness	8.3%	0.5%	3.5%

# Micro-Trend Impact

## Condition Trends

- › Certain conditions impacted more significantly during March/April.
- › Drivers include percent of elective surgeries and prescription drugs.

Musculoskeletal Diseases



Cancer with Active Treatment



Mental Health/  
Substance Abuse



Mild/Moderate Infections



Diabetes



Gastrointestinal Diseases




Pregnancy/Delivery



Preventive/Wellness



 Significant Decrease

 Slight Decrease

 Minimal Effect

\* Could be Seasonality



## Acute Conditions and Preventive Care Decreased More Significantly Than Chronic Care

- › Well care: preventive services such as physicals, immunizations, and screenings.
- › Chronic care: Primarily maintenance; cost is often driven by prescription drugs.
- › Acute care: both rare serious events and common less-serious events.



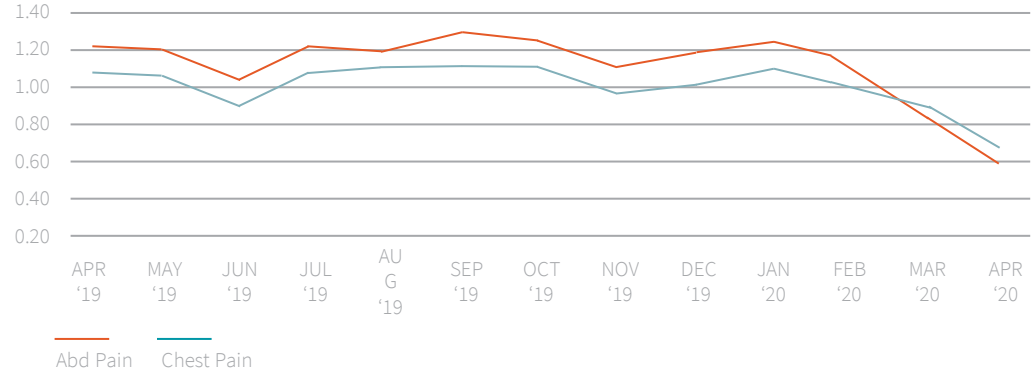
## Emergent Acute Care

Emergency visits for common ailments decreased significantly.

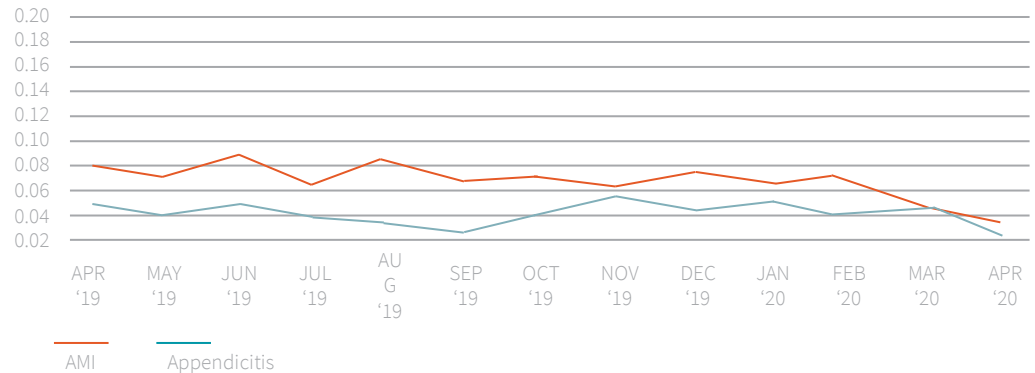
Some portion of these were likely not emergencies and resolved on their own, however potentially dangerous to avoid treatment.

Actual incidence of AMIs decreased during March and April, but Appendicitis did not.

### Abdominal and Chest Pain Emergency Visits



### AMI and Appendicitis



## SUMMARY

# What Is Happening

- 1 Costs decreased significantly, especially during March and April.
- 2 Looking at the trends through different lenses, such as by condition, can provide insight into what types of care were avoided.
- 3 This helps us understand what might happen next.

PART 2

# What Might Happen

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## Healthcare for Tomorrow

What costs were delayed versus avoided altogether?

What new costs might be coming?

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# Post-COVID Cost Impact

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“Everything” went down to some degree, but how do these categories break down into potentially ...

## Avoided Costs

Things that simply won't occur.

## Delayed Costs

Things that have been postponed but will probably still occur.

## Net New Costs

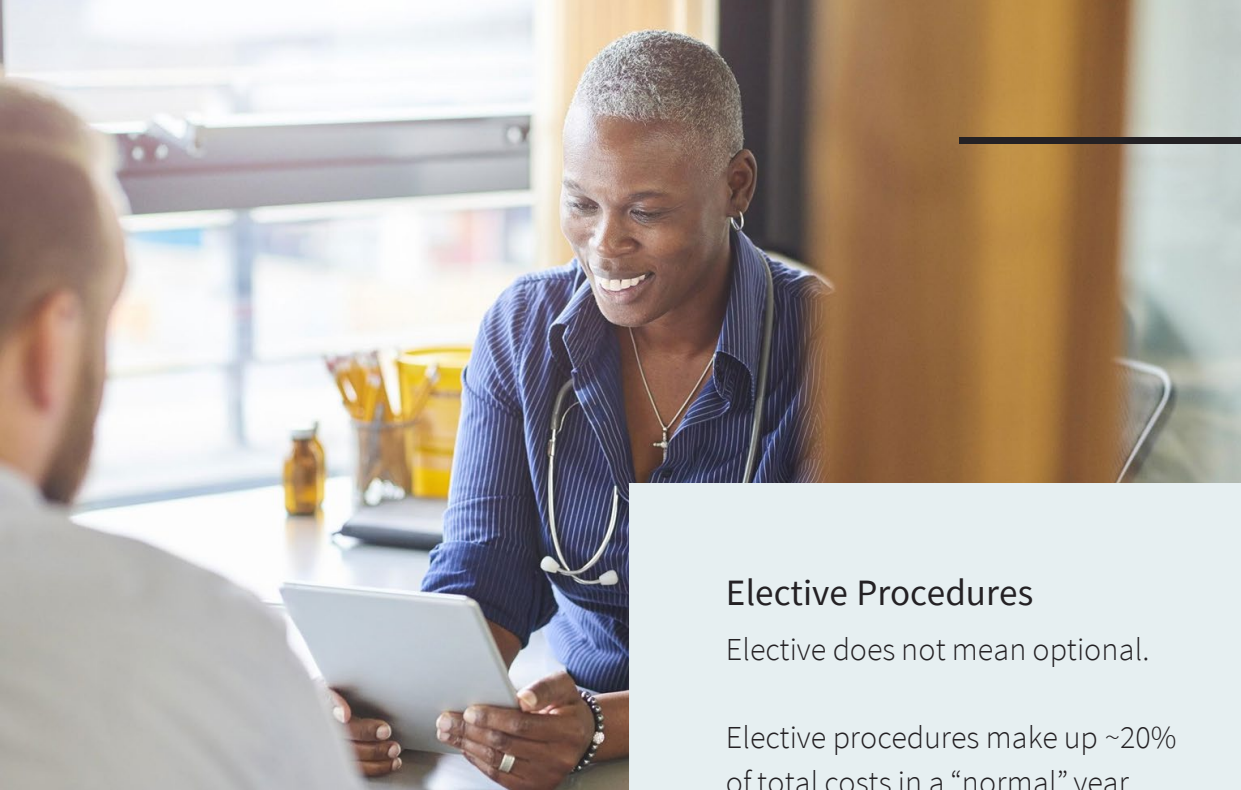
Complications from missed care, new diagnoses, etc.

# Post-COVID Cost Impact

	Avoided Cost	Delayed Cost	Net New Cost
Musculoskeletal Diseases	●	●	○
Cancer with Active Treatment	○	○	⊗ *
Mental Health/ Substance Abuse	○	○	⊗ *
Mild/Moderate Infections	◐	○	○
Diabetes	○	○	⊗
Gastrointestinal Diseases	●	◐	○
Pregnancy/Delivery	○	○	⊗
Preventive/Wellness	●	◐	○

- Significant
- ◐ Medium
- None/Low
- ⊗ Potential

\* Potential if New Cases



## Elective Procedures

Elective does not mean optional.

Elective procedures make up ~20% of total costs in a “normal” year.

Some percentage of these procedures will likely still occur, leading to a spike in the coming months.

Some of them might not be required - condition resolved or reconsidered options.

---

### Top 3 Elective Procedures by Cost

- › Colonoscopy
- › Spinal Fusion
- › Knee Replacement

### Different Procedures will have Different Pandemic Effects

- › Treatments related to quality of life more likely to be postponed/perhaps avoided.
- › Procedures for diagnostic purposes will likely vary by what is being diagnosed.



50% of elective procedure cost falls into orthopedic and gastrointestinal. <sup>1</sup>

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# Other Potential 2021 Impacts

## Impact on Providers

- › Financial pressures
- › Small providers going out of business
- › Increasing consolidation

## Changes in Care Delivery

- › Shift to telemedicine/home health care
- › Decrease in hospitalization

## COVID-related care

- › Testing and vaccinations
- › Treatment

Now that hospitals cannot perform elective procedures, many are hemorrhaging money. Some are even furloughing healthcare workers...<sup>2</sup>

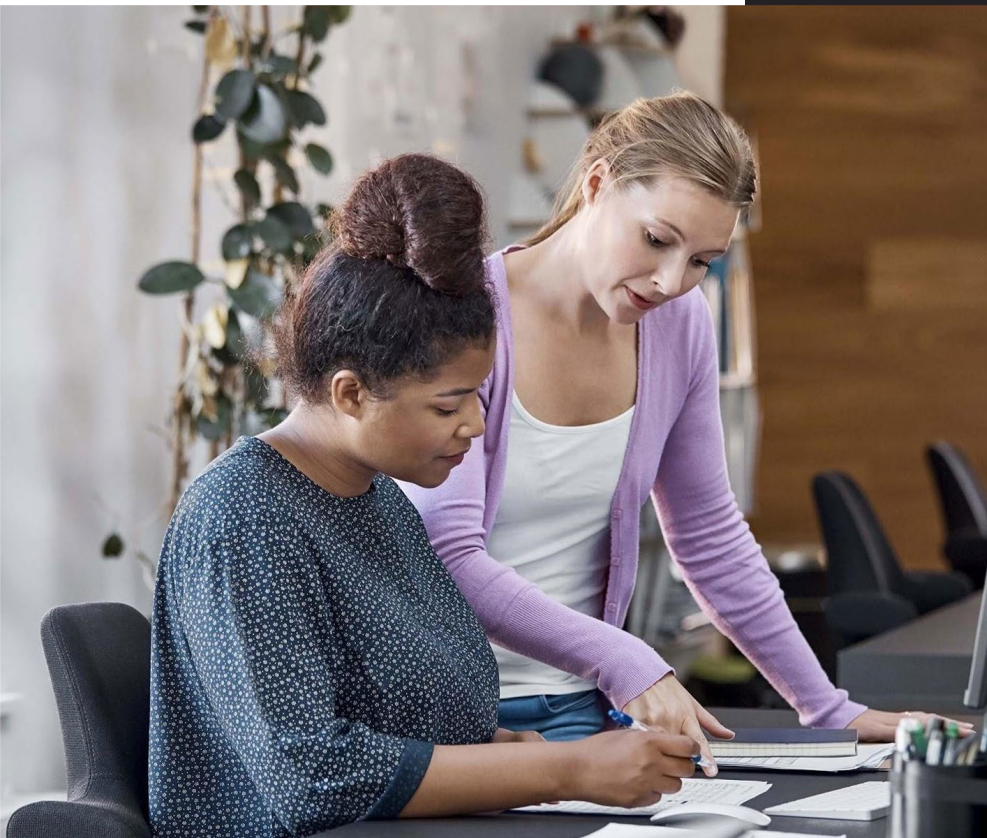
[Provider] consolidation has driven up health care costs. The pandemic will accelerate this consolidation.<sup>3</sup>

SUMMARY

# What Might Happen

- 1 Some costs will be avoided while some are delayed - understanding the clinical profile of your population can help you prepare.
- 2 Other trends in healthcare will likely affect future costs regardless of clinical demand.
- 3 Understanding the intersection of these factors can help us identify areas in which to act.





PART 3

## What We Can Do

---

### Opportunity Amidst Chaos

The coming months offer a unique and critical window ... to **take short- and long-term steps to reduce waste and build a better system that prioritizes high-quality, high-value care.**<sup>4</sup>

# Encourage Back to Normal Rates

---

## Time-Sensitive Treatments

- › Cancer Treatment
- › Subset of Elective Surgeries
- › Emergent Care for High-Severity Condition

## High Value Preventive Care

- › Immunizations
- › Cancer Screenings
- › Chronic Care Maintenance

# Create a New Normal

... a critical opportunity to create a “new normal” — one that not only considers the continuing health and economic realities of Covid-19, but also reflects the insights and best practices gained during the pandemic. <sup>4</sup>

Care to Avoid Incurring Without  
Adversely Affecting Quality/Health



Going forward, the key will be to invest in services that improve individual and population health while deterring a resurgence of low-value care. <sup>6</sup>

Out of 9000 patients who received a low-value procedure in the hospital, 1.5% had a hospital-acquired complication. <sup>10</sup>

## Low-Value Care

Care that provides no proven benefit to any patient.

Top 5 identified by Task Force on Low-Value Care (see list).

Health care purchasers in the U.S. spend more than \$25 billion annually on these top five services. <sup>8</sup>

## Top 5 Low-Value services that should not be purchased at any price: <sup>8</sup>

- › Diagnostic testing and imaging for low-risk patients prior to low-risk surgery.
- › Population-based vitamin D screening.
- › Prostate-specific antigen (PSA) screening in men ages 75 and older.
- › Imaging for acute low-back pain for the first six weeks after onset, unless clinical warning signs are present (red flags).
- › Use of more expensive branded drugs when generics with identical active ingredients are available.

## Preference-Sensitive Care <sup>7</sup>

Treatments that involve significant trade offs affecting quality/length of life.

Wide regional variation suggests no clear “winner” in terms of effectiveness.

### Examples

- › Mastectomy (vs. lumpectomy) for early-stage breast cancer.
- › Back surgery for symptomatic herniated disc or spinal stenosis.
- › Angioplasty or Bypass surgery for chronic stable angina.
- › Hip replacement for osteoarthritis.



## Supply-Sensitive Care

Care whose frequency of use is not determined by scientific evidence.

Can range from physician visits to diagnostic tests to hospitalizations, typically for non-surgical chronic condition care.

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### Examples

- › Hospitalization for medical treatment of chronic disease.
- › Specialist vs. PCP care for moderate chronic conditions.
- › Length of time between regular physician visits and/or specific diagnostic testing for chronic conditions.

For patients at a given stage in the progression of chronic illness, medical textbooks contain no evidence-based clinical guidelines for scheduling patients for return visits, when to hospitalize or admit to intensive care, when to refer to a medical specialist, and, for most conditions, when to order a diagnostic or imaging test.<sup>9</sup>



## Actions to Block the Return of Unnecessary Care

- › Patient Education/Decision Guides
- › Value-Based Cost Sharing (not just HDHP)
- › Coverage Policies that Discourage Payment for Low-Value Care
- › Payment Rates/Models to Shift Incentives to Outcomes
- › Provider Steerage/Network Design

Current “blunt” instruments, such as plan deductibles, do not distinguish between high and low-value care. A robust evidence base demonstrates that patient cost sharing indiscriminately decreases the use of both clinically indicated and unnecessary services. <sup>6</sup>

... the Choosing Wisely recommendations on back pain were no more impactful among enrollees of a consumer-directed health plan than among enrollees in plans with lower deductibles. <sup>8</sup>

# Encourage Alternative Delivery Approaches

## Telemedicine

- › General Practice
- › Chronic Maintenance Care
- › Mental Health/Substance Abuse
- › Obstetrics

## Home Care and Remote Monitoring

Last year only 22% of family physicians surveyed used video visits. <sup>3</sup>

Leveraging alternative care pathways and care sites, such as telehealth, home-based care, and community-based care, can also help keep patients out of the ED and provide alternatives to low-value and wasteful care. <sup>4</sup>

Covid-19 has shown that even more patients can be treated well without being hospitalized. <sup>3</sup>



## Support Employees in Returning to Work

Financial challenges among recently furloughed or newly employed.

Help guide/direct employees toward appropriate and necessary care.

Revisit benefit policies to encourage continuation of alternative care delivery mechanisms.

Lean into Mental Health resources such as telehealth options, and digital interventions.



Employers, who are responsible for over half of America's insured population, can play a unique role and prepare now ... lean into your navigation benefits and any other clinical resources in your toolbox. <sup>5</sup>

## SUMMARY

# What We Can Do

- 1 Disruption can provide opportunity to solve problems that have been challenging in the past.
- 2 A combination of education and policy could put a significant dent in all types of unnecessary care.
- 3 Embracing new care delivery mechanisms can reduce cost without sacrificing quality.





# Now What?

Key Takeaways and Next Steps

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## Know Your Pre-COVID Baseline

Understanding your pre-COVID cost drivers by condition category will create a necessary focal point to identify and address the potential impacts of COVID-19

## Population Clinical Profile

An in depth understanding of the risk profile of your population will provide insights to anticipate a resurgence of avoided cost trends

## Look for Your Microtrends

Examine the types of care, the population segment, and the external factors impacting each condition / clinical profile to identify areas of potential microtrends from COVID-19 impact on care

## Encourage High Value Care

Take steps to incentivise time-sensitive treatments, like cancer care, and preventive care

## Create a New Normal

Taking advantage of microtrends created by COVID-19, use this opportunity to discourage low value, preference-sensitive, and supply-sensitive care

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## Springbuk is Here to Help

Springbuk is currently equipping thousands of organizations with the health intelligence they need to make data-driven decisions and help their organizations adapt with agility and success.

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# Q and A

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