THE BUSINESS CASE
FOR DIGITAL HEALTH

How to use next-gen chronic care solutions to cut costs and improve member outcomes.

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ARE WE ASKING TOO MUCH OF HEALTHCARE PROVIDERS?

Despite good intentions and considerable effort, the U.S. healthcare system is losing the battle against chronic conditions. American adults are eating more and moving less. Outcomes are getting worse and costs continue to rise. According to a 2020 study[1], total estimated health care spending in the U.S. increased from $1.4 trillion to $3.1 trillion between 1996 and 2016, with low back and neck pain ($135.5B), other musculoskeletal disorders ($129.8B), and diabetes ($111.2B) accounting for the highest amounts of spending.

Providers and patients are both frustrated with the status quo:

- Providers are held accountable for patient behaviors they can't control.

- Patients are increasingly less likely to get even 30 minutes of direct contact with their doctors. According to the 2017 Medscape Physician Compensation Report, 30% of physicians spend 17–24 minutes with each patient and 29% spend only 13–16 minutes.

- Patients are finding it increasingly difficult to get an appointment in a reasonable timeframe. According to data published in June 2020 by the Association of American Medical Colleges (AAMC), the U.S. healthcare system can expect a shortage of up to 139,000 physicians by 2033.

- Higher costs are driving patients to look outside the traditional healthcare system for answers. Jane Sarasohn-Kahn, a health economist and author of HealthConsuming: From Health Consumer to Health Citizen, says that people will embrace solutions that are personally meaningful and offer a good financial value.

1 https://www.ncbi.nlm.nih.gov/pmc/articles/PMC7054840/

ARE WE ASKING TOO MUCH OF HEALTHCARE PROVIDERS?

Empowering Patients Between Doctor Visits

Short and infrequent provider interactions, reports the Kaiser Family Foundation, "take a toll on the doctor-patient relationship, which is considered a key ingredient of good care, and may represent a missed opportunity for getting patients more actively involved in their own health….Shorter visits also increase the likelihood the patient will leave with a prescription for medication, rather than for behavioral change…"

One key to solving this is finding ways to help patients make healthy decisions and influence behaviors when they're on their own, away from a doctor's care.

Mobile technology, Big Data, AI, and behavioral science can help, and the right combination of elements can make a real difference in people's lives. An effective digital health solution does all of the following:

1. Makes the ubiquitous smartphone—used by more than 80% of the U.S. population—a critical and convenient portal to personal health management.

2. Collects accurate patient data directly through their smartphones, ensuring a steady stream of both objective (glucose readings) and subjective (pain perception) information that can be used to predict outcomes and interventions

3. Provides attractive and valuable tools—such as dedicated coaches, personalized messaging, rewards, and gamification—that are proven to make healthy behaviors habit forming.

WHY DIGITAL HEALTH SOLUTIONS (OR WHY NOT)?

Because most of the behaviors that influence health outcomes occur outside of the provider visit, it's clear that people with chronic conditions need more support when they're left to their own devices.

Health management setbacks can happen anytime and anywhere, depending on what people buy at the grocery store, where they go out to eat, who they interact with socially, how they sleep and move, whether or not they take their medications, and what they do when they have a health challenge.

Numerous studies show that adherence to recommended treatment protocols is remarkably poor. A 2017 study[2], for example, showed that 39.7% of patients with low back pain were classified as nonadherent in the first week and that 70% of patients were nonadherent by the end of a four-week treatment program.

When applied to people with chronic conditions like diabetes, hypertension, behavioral health, musculoskeletal pain, and obesity, digital health solutions have the potential to help people make the kind of choices that improve outcomes. Done correctly, digital health solutions can provide a low-cost, efficient way to reach an underserved population that places an outsized burden on the U.S. healthcare system.
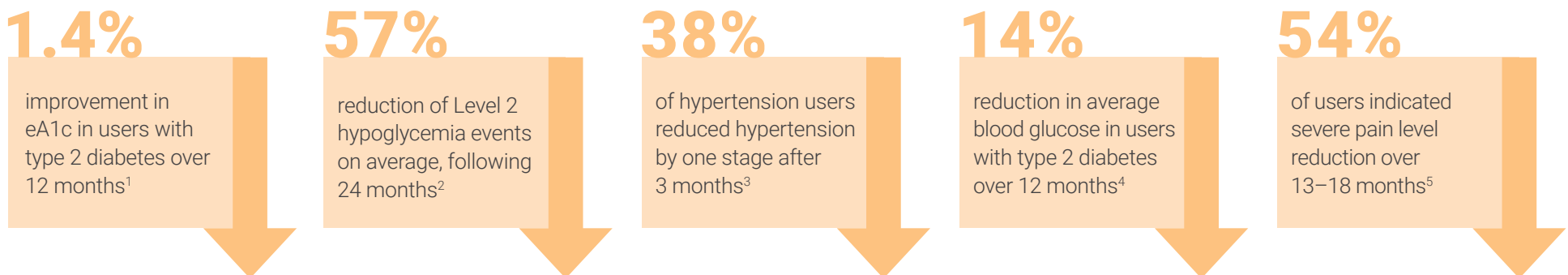
2 https://pubmed.ncbi.nlm.nih.gov/28690076/

WHY DIGITAL HEALTH SOLUTIONS (OR WHY NOT)?

Behavior Change Gets Results

By focusing on behavior change, next-generation digital health providers are leading the charge towards better outcomes. DarioHealth, for example, has more than a dozen clinical studies that highlight results like these:

1.4%
improvement in eA1c in users with type 2 diabetes over 12 months[1]

57%
reduction of Level 2 hypoglycemia events on average, following 24 months[2]

38%
of hypertension users reduced hypertension by one stage after 3 months[3]

14%
reduction in average blood glucose in users with type 2 diabetes over 12 months[4]

54%
of users indicated severe pain level reduction over 13–18 months[5]

Digital health solutions that fail to focus on changing behaviors are unlikely to keep members engaged long enough to generate lasting results. The solutions that will win in the marketplace are those that engage members so that the right things to do become the easy thing to do.

1 Decrease in Estimated HbA1c for High-risk Users Over a Full Year Monitoring with a Digital Diabetes Management System, AADE 2018

2 Decrease in hypoglycemia events over two years in patients monitoring with a digital diabetes monitoring system, ATTD 2020

3 Users with type 2 diabetes using a digital platform expe¬rienced sustained improvement in blood glucose levels, ADA 2020 860-P

4 Continuous Reduction of Blood Glucose Average during One Year of Glucose Monitoring Using a Digital Monitoring System in a High-Risk Population, ADA 2018 78-LB

5 2020 Upright User Reported Results Analysis

THE RIGHT APPROACH TO DIGITAL HEALTH IMPLEMENTATION

A useful evaluation framework for digital health solutions defines success prerequisites for members, providers, employers, and health plans alike. It's important to consider many factors related to customer experience, integration, and return on investment.

Decision Matrix

like | use | clinical validation | data visibility | interoperable | secure | risk alignment | low operational lift | ROI

THE RIGHT APPROACH TO DIGITAL HEALTH IMPLEMENTATION

A Customer Experience that Gets Results

For members, an effective digital health solution is one they like and use, and that's validated to improve outcomes.

> **Proof Point:** Solutions with direct-to-consumer roots tend to perform better because they've had to win the trust of consumers, which is reflected in app store ratings and retention rates.

Seamless Integration and Peace of Mind

For health plans and members, the right digital health solution should offer data visibility, interoperability with other systems used by the health plan, and data security.

> **Proof Point:** APIs that integrate with most EHR systems, payer benefit solutions, and other digital health vendors result in more seamless referrals, improved care management, and a better member experience.

Simple Setup and Significant ROI

And for plans alone, the most effective solution will minimize risk and operational lift while maximizing ROI.

> **Proof Point:** Solutions that charge only for engaged members, without hidden fees for lapsed users, are the most cost effective. With DarioHealth, health plans can potentially expect net savings of $592 - $2,372 PEMPY and a ROI of between 1.8X to 4.4X.

EVALUATION FRAMEWORK— FINDING THE RIGHT DIGITAL HEALTH PARTNER
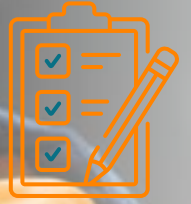
Finding a digital health partner can be confusing. Health plans have many options to choose from, and more players are entering the marketplace. While certain intangible factors will always come into play, such as a partner's level of engagement, spirit of collaboration, and kinds of questions they ask, here are some specific and tangible items to include in your consideration set:

Accountability
Has efficacy been demonstrated in clinical studies?

Transparency
Are contracts straightforward and all-inclusive?

Can billing be done as a provider claim?

Is payment only required for enrolled and engaged members, and is engagement clearly defined?

Speed to Value
Can the solution be fully deployed in 4–6 weeks?

Does the solution work with existing systems?

Risk
Do SLAs outline specific outcome requirements?

Is your partner willing to put fees at risk?

EVALUATION FRAMEWORK— FINDING THE RIGHT DIGITAL HEALTH PARTNER

Reward

Are ROIs reasonable and achievable in useful time horizons?

Are net savings reasonable and attributable to the intervention?

Does the solution cost less than its competitors?

User Experience

Does the solution focus on behavior change?

Is one-year retention 80% or higher?

Are average app store reviews 4.9 stars or higher and are there at least 10,000 reviews?

Are user journeys dynamically personalized across domains, such as timing, tone, channel, content, frequency, and intervention?

Pilot Pros & Cons

Some businesses prefer to run pilots before rolling out solutions companywide, but that can be a real innovation killer. When you've checked all the boxes above, you can be sure you have an effective, low-risk solution that's already been vetted by other businesses and consumers. At DarioHealth, our growing population of 150,000-plus users has done the pilot for you.

THANK YOU.

I hope you enjoyed this eBook on making the business case for digital health solutions at your health plan. As the pandemic has made virtual healthcare a reality on a number of fronts, health plans across the country are eagerly looking for the right digital health partners to cut costs and maximize member outcomes.

At DarioHealth, we focus on getting real results through behavior change, and are extremely proud to be improving the quality of life for more than 150,000 people with chronic conditions like diabetes, high blood pressure, obesity, and chronic pain.

Deeply rooted in direct-to-consumer sales, DarioHealth has perfected the user experience to optimize customer satisfaction, retention, and results, which have been validated by more than 20 clinical studies.

To learn how you can use these modern solutions for the benefit of your health plan and your members, please contact us today.

Yours in health,
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