



## PAYER PERSPECTIVES

# The Business Case for Digital Health

How health plans can leverage modern chronic care solutions to cut costs and improve member outcomes.

## ARE WE ASKING TOO MUCH OF HEALTHCARE PROVIDERS?

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Despite good intentions and considerable effort, the U.S. healthcare system is losing the battle against chronic conditions. Americans are eating more and moving less. Outcomes are getting worse, while costs continue to rise.

According to a 2020 study, 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 spend.<sup>1</sup>

**The U.S. healthcare system can expect a shortage of up to 139,000 physicians by 2033.<sup>2</sup>**

### Providers Are Overwhelmed

To make matters worse, providers can't keep up with the demand. Patients are lucky if they get 30 minutes of direct contact with their doctors, and a significant physician shortage is making it harder for patients to get appointments when they need them.

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

2. <https://www.fiercehealthcare.com/practices/physician-shortage-could-hit-139k-by-2033-aamc-projects>

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### Empowering Patients Between Doctor Visits

According to the Kaiser Family Foundation, short and infrequent provider interactions “take a toll on the doctor-patient relationship...Shorter visits...increase the likelihood the patient will leave with a prescription for medication, rather than for behavioral change.”<sup>3</sup>

One way to make up for the erosion of the doctor-patient relationship is to help patients take control over their own health when they’re away from the doctor’s office—and digital tools can make a big difference.

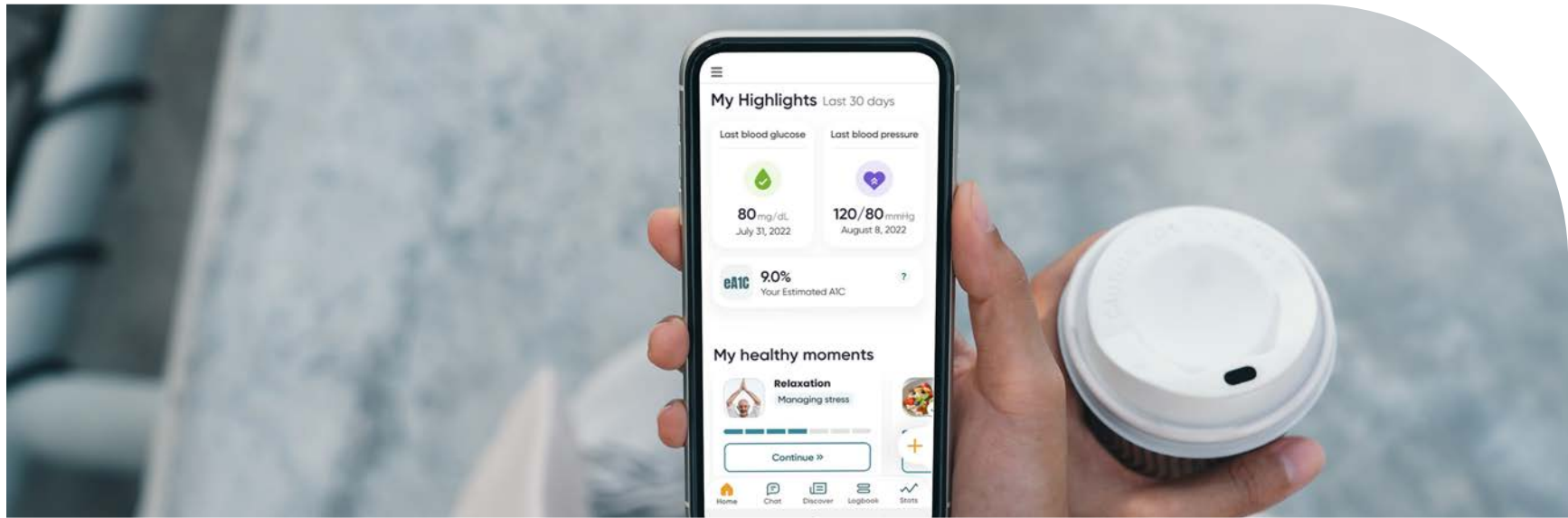
By leveraging mobile technologies, data analytics, and artificial intelligence (AI), effective digital health solutions can give people with common chronic conditions a legitimate pathway to more positive outcomes.

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3. <https://khn.org/news/15-minute-doctor-visits/>

# WHAT TO LOOK FOR IN A DIGITAL HEALTH SOLUTION

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The best digital health management solutions are:

## 1 Convenient

Your members' smartphones become powerful portals for personal health management.

## 2 Connected

Accurate data flows from members to providers and payers, and a built-in analytics engine uses data to anticipate and react to changes in member behaviors and preferences.

## 3 Comprehensive

Because many chronic conditions occur together, integrated solutions eliminate the silos created by multiple-point solutions. Health plans benefit from better outcomes and vendor consolidation.

## WHY DIGITAL HEALTH SOLUTIONS (OR WHY NOT)?

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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 it comes to self-care.

Health 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.

### Treatment Adherence Isn't What It Should Be

Numerous studies show that adherence to recommended treatment protocols is remarkably poor. One recent study, 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.<sup>4</sup>

Using a combination of data and human coaching to apply proven principles of behavioral science, digital health management solutions can motivate people to make better choices and achieve better outcomes.

**The solutions that will win in the marketplace  
are those that keep members interested consistently.**

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4. <https://pubmed.ncbi.nlm.nih.gov/28690076/>

## WHY DIGITAL HEALTH SOLUTIONS (OR WHY NOT)?

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### Not All Digital Health Solutions Are Created Equal

Digital health solutions that fail to focus on changing behaviors are unlikely to engage members. The solutions that will win in the marketplace are those that keep members interested consistently.

Michael C. Song, Ph.D., a device research and development senior manager for AstraZeneca's MedImmune, reported that *"there are 325,000 health and fitness apps on the market, but... eighty-five percent have fewer than 5,000 downloads, and 50 percent of mHealth apps never break the 500-download mark. The final blow: Most mHealth apps see a usage drop-off rate of 64 percent after a single month."*<sup>5</sup>

The missing piece of the puzzle is the use of data, AI, and human support to increase engagement and adherence. Effective ways of doing this include:

Member-level personalization around timing, tone, content, channel, frequency, and intervention

Contact with live, expert coaches who know how to meet member needs—even culturally

AI models that use data to predict possible problems and take early action for maximum impact

# WHY DIGITAL HEALTH SOLUTIONS (OR WHY NOT)?

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## Engagement and Behavior Change Get Results

By focusing on engagement and behavior change, next-generation digital health solutions are leading the charge towards better outcomes. DarioHealth, for example, has participated in more than **37 clinical studies** that highlight clinical results like these:

**1.4%** ↓

reduction in  
eA1c

**38%** ↓

reduction in  
blood pressure  
by stage one

**54%** ↓

reduction in  
severe pain

**59%** ↓

reduction in  
depression



# WHY DIGITAL HEALTH SOLUTIONS (OR WHY NOT)?

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## New Research Favors Integrated Solutions

A single source of truth for each member, across all chronic conditions being managed, makes it easier to coordinate support. If a member with diabetes suffers an injury or struggles with depression, an integrated system can intervene faster.

### Integrated vs. Point Solutions

A 2022 study of Dario users, published in the Journal of Medical Internet Research (JMIR), provided solid evidence that a single, integrated digital health system is more effective than multiple point solutions.

### Improve diabetes and hypertension

Research presented at the American Diabetes Association's (ADA) 82<sup>nd</sup> Scientific Sessions in June 2022 showed that Dario users with both diabetes and stage-1-and-above hypertension achieved improvements in both conditions after six months.

### Reduce stress and blood glucose levels

A study of Dario users with high-risk diabetes and self-reported stress and/or depression showed average blood glucose reductions of 13% after one year.<sup>6</sup>

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6. <https://www.dariohealth.com/clinical-research/>

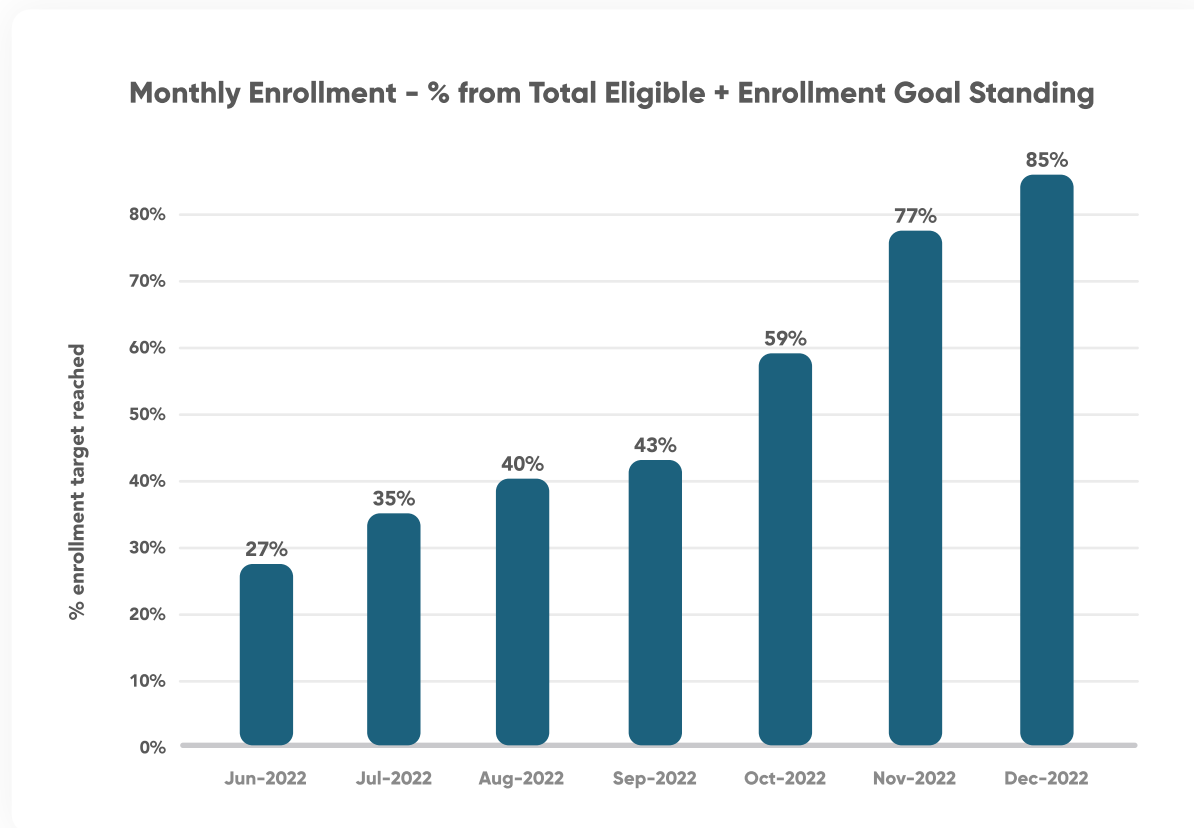


## WHY DIGITAL HEALTH SOLUTIONS (OR WHY NOT)?

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### Digital's Extensive Reach: How One Health Plan Engages Underserved Populations

One of the largest public sector health plans in the western U.S. partnered with Dario in June 2022 to help up to 1,000 members on Medicaid manage diabetes, hypertension, obesity, and behavioral health concerns. The plan achieved 85% enrollment just six months into the program.



# FINDING THE RIGHT DIGITAL HEALTH PARTNER

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Here are three important characteristics you'll want to look for in a prospective digital health partner:

## Excellent Customer Experience

An effective digital health solution is one your members like and use. Long-term engagement is what generates real behavior change and sustained results.



**Proof Point:** Solutions with direct-to-consumer roots tend to achieve stronger engagement and higher year-over-year retention rates, because they've had to win the trust of consumers.

## Integration and Visibility Across Conditions

Your digital health solution should offer data visibility across conditions for each member, as well as interoperability with other systems that you use. Integrated solutions are easier to manage than separate point solutions for each condition.



**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

The right digital health partner will minimize your risk and operational lift while maximizing your ROI.



**Proof Point:** Solutions that charge only for engaged members, without hidden fees for lapsed users, are the most cost effective. With Dario, health plans can expect net savings of \$615–\$2,395 PEMPY and an ROI between 190% and 450%.<sup>7</sup>

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## Questions You Should Ask

Finding the right digital health partner can be confusing. Health plans have many options to choose from, and new players keep entering the marketplace. While certain intangible factors will always come into play, such as a partner's level of engagement and spirit of collaboration, here are some questions you can ask to get answers that will help you make a better decision:

### Ease of Use/Value

- Can the solution be fully deployed in 6-8 weeks?
- Does the solution work with existing systems?
- Is data available to report against your goals?
- What is the expected ROI?

### User Experience

- How does the solution focus on behavior change?
- What are retention rates and satisfaction scores?
- Do you have a history of selling direct to consumers?
- Do you provide members with personalized options?
- Does your solution care for multiple conditions?
- How does your solution help users navigate care options?

### Accountability

- Has efficacy been demonstrated in clinical studies?
- How do you partner with us to on-board and engage members?
- Do SLAs outline specific outcome requirements?
- Are net savings attributable to the solution?

### Transparency

- Are contracts straightforward and all-inclusive?
- Can billing be done as a provider claim?
- Is payment only required for enrolled and engaged members?
- Is engagement clearly defined?