# Transforming the Employee Benefits Landscape With **Digital Health**

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**benefits**
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The digital health umbrella covers a wide scope, from patient diagnostics to administrative tasks. Employers that want to implement digital health tools should have an understanding of their potential opportunities and complexities before investing in these rapidly developing applications.

Millennials currently make up the largest age cohort in the United States and account for more than one-third of the labor force.[1] These 26- to 40-year-olds are now at a point in their careers where they are established, taking on leadership roles and making key decisions about company operations and employee benefit offerings. And their ideas of how things should be run are dramatically different than those of previous generations.

The most noticeable shift has been in terms of technological adoption and advancement. With the advent of digital health products, the instant gratification and convenience of smart technology have reached the health sector, impacting everything from insurance offerings to the doctor-patient relationship.

So, how wide of a scope does the digital health umbrella now cover? From patient diagnostics, monitoring, coaching and treatment to online recordkeeping, booking systems, prescriptions and refills, and other administrative tasks, digital health has the potential to improve health, access to care and the health care consumer experience.

The advent of all these new offerings has come with many questions: What are the privacy implications of digital health? What does this mean for the patient-doctor relationship? What can be done online and what must be done in person? How do companies get older generations to accept and use digital health solutions? Where is the proof that digital solutions will improve health outcomes and costs? Before answering these questions, employers need to first develop a strategy for evaluating digital health offerings and determining which ones may be a fit for their workforce.

When employers begin to research digital health tools, they quickly realize it is a large and complex area that is difficult to fully understand due to the quickly evolving nature of the marketplace. Making strategic and targeted investments in this realm requires knowledge of the types of digital health applications being offered today, the benefits of digital health to employers and employees, and methods to effectively implement these programs. Employers also must understand engagement and outcomes data, including impact on health, cost and productivity.

## Understanding Digital Health Offerings and Their Benefits

There are thousands of digital health tools in the marketplace available to employers through a variety of distribution channels. According to Rock Health, since 2011 more than $30 billion has been invested by venture capital in digital health deals. With all the products offered today, it can be difficult for employers to understand what is out there. It's critical for them to do their homework before adding digital health to their workforce health strategy. The addition of digital programs or products should be coupled with a strategy that is based on employer-specific data, promotes employee engagement and is consistent with overall organization goals.

Digital health products may provide a range of benefits to both employees and employers. But before diving into vendor selection and implementation, it is helpful to understand digital health care terms and some of the most popular types of tools now available online. Generally speaking, tools fall into two categories: *digital well-being* and *digital therapeutics*. Well-being solutions include fitness trackers and calorie/food and lifestyle modification apps. Digital therapeutics relate to treating medical conditions or decreasing risk and include telehealth virtual visits, virtual physical therapy, and online/virtual cognitive behavioral therapy for depression and anxiety. There are several different categories of digital therapeutics, including the following.

- *Virtual care* is a broad term that involves all the different ways and tools health care providers use to remotely interact with patients. Virtual care can save

## takeaways

- Thousands of digital health tools are in the marketplace to address aspects of health care delivery, including patient diagnostics, monitoring, coaching, treatment, patient recordkeeping and booking, prescriptions and refills, and other administrative tasks.

- The addition of digital programs or products to a workforce health program should be coupled with a strategy that is based on employer-specific data, promotes employee engagement and is consistent with overall organization goals.

- In general, digital health tools fall into two categories: *digital well-being* and *digital therapeutics.*

- Applications for virtual care tools can include treatment for mental health, musculoskeletal disorders, metabolic syndrome and women's health and fertility issues.

- When implementing digital tools, employers should consider cost drivers and health issues, and business and talent problems (for example high turnover) they are seeking to solve.

time and money and improve productivity. For instance, the average wait time for most general telemedicine visits is 20 minutes, and employees typically do not need to take time off work to access telemedicine. It is typically less expensive than other health care options too; the average telemedicine visit costs just $40, and one study showed that patients felt 91% of outcomes were equal to or better than that of in-person visits.[2]

- *Telemedicine* specifically refers to the virtual treatment of various medical conditions. Health care providers may use live video, audio or instant messaging to offer medical advice or diagnose a patient's condition.
- *Telecare* is another way physicians can digitally offer treatments to patients. Telecare is used to remotely care for elderly and physically disabled patients while allowing them to remain living in their own homes. Doctors can virtually monitor patients with sensors and be on call 24/7.

Virtual care can also help prevent serious and/or chronic conditions from occurring or progressing. Behavioral health, musculoskeletal disorders, metabolic syndrome and women's health/fertility are all large cost drivers for employers and medical issues for which digital health applications have been developed to help improve outcomes and decrease cost.

### Mental Health

Currently, mental health disorders among the workforce cost the U.S. econ-

omy $193 billion annually largely due to losses in productivity and increased staff turnover and absenteeism.[3] Virtual behavioral health solutions offer convenience, anonymity and 24-hour service for users. And, these tools have the potential to introduce people to mental health care who would not have sought it out otherwise. Patients can chat with a therapist via online sessions through an app, website, video chat, etc. They can also refill prescriptions and gain access to the tools to help cope with behavioral health issues.

### Musculoskeletal Disorders

Musculoskeletal disorders such as chronic back pain, which affects 11.9 million U.S. adults, can also be treated with virtual physical therapy and online behavioral coaching.[4] For example, patients could perform exercises while being monitored virtually by a physical therapist, who can chart their progress and use devices with remote sensors to monitor a patient. With chronic pain treatment costing the U.S. upwards of $560 billion each year, better pain prevention could transform the nation's health care landscape.[5]

### Metabolic Syndrome

Another major health issue targeted by digital health is metabolic syndrome *(prediabetes),* which increases risk of heart disease, stroke and type 2 diabetes. With virtual coaching and education, as well as connected health devices (such as wireless scales and blood glucose monitors), health care providers work with patients to prevent these symptoms from worsening and/or prevent diabetes and heart disease altogether. For example, people with prediabetes can cut their risk of develop-

ing type 2 diabetes by 58% by entering a structured lifestyle change program. These programs are typically offered at physical locations, such as a YMCA and churches, but can be very inconvenient for patients who need to drive to their many appointments. Virtualization of the diabetes prevention program allows individuals to attend classes and complete the course online at their own leisure with virtual coaches and leverages virtual social peer groups, improving the likelihood that they will complete the program.

### Women's Health and Infertility

Finally, there is also a whole range of digital tools and apps that address women's health and infertility issues—from ovulation trackers, to education and support groups, to pregnancy apps. Health care providers now also offer virtual visits for pregnant members. These allow the patient to have greater flexibility in terms of hours and location, and they come with a personalized and interactive pregnancy dashboard as well as web tools.

By preventing chronic conditions from worsening, employers can save money on doctor visits, treatments and medicines while also benefiting from increased productivity at work. And employees can improve their overall quality of life.

Many employers are implementing digital and human navigators to help employees understand treatment options and costs, find providers, and use the health care system wisely and efficiently. The navigators help to amplify communications about and engagement in virtual programs and coordinate among all types of benefits offered by employers.

## Implementing Digital Health Benefits

To most efficiently implement and integrate digital health tools, a digital product needs to fit into an employer's population health strategy and should have clearly defined goals it intends to meet. First, employers must identify what their cost drivers are and which workforce health problems they are trying to solve. Then, they can figure out which digital health providers and tools are appropriate for their needs and to help achieve their goals.

There is a long list of criteria that employers should consider first before choosing a digital health partner. For example:

- Is the product evidence-based with proof of outcomes?
- Have medical/clinical advisors been involved in developing the product?
- How does the tool engage users, and what engagement results have they achieved?
- How high or low is member satisfaction?
- How do they help employers roll out and communicate about the solution?
- How do they measure ongoing performance and value?

Employers must also consider how they will be charged for the product. When it comes to cost, there are a variety of mechanisms for reimbursement for digital programs. Some providers charge employers a per member per month fee. "Pay for performance" providers receive payment only if they produce results, others work with insurers to be paid as a provider through claims, and some providers use a combination of these options. Alternatively, some providers partner with health plans, and the cost is built into an employer's premium or administrative services organization (ASO) fee. In some cases, the carrier will give employers "innovation allowances" that pay for a limited time for programs the carrier is partnered with or even other solutions the carrier is not partnered with.

Once employers have analyzed their options and decided which digital health programs to implement, they must then ensure that the services will be used by the target population. Typically, Millennials and Gen Zers are more inclined to use these solutions; however, it is key to offer options and flexibility, including programs that offer virtual and in-person components, in order to be able to engage a broader portion of the workforce. It is important to have a coordinated communication strategy to accompany rollout of any health management program or tool. Ultimately, employers must do what is right for their business: analyze cost, potential usage and the true benefit to their employees before implementing any sort of solution.

## Potential Challenges to Implementation

While these tools provide many efficiencies, there are some usage barriers that may keep employers from implementing a digital product.

Companies must understand privacy and information technology (IT) requirements before implementing a tool. Some vendors cannot pass employers' security and compliance tests, therefore it is wise to evaluate these aspects of a solution at the beginning of the process to avoid spending a lot of time up-front doing due diligence only to find out that the program does not meet company requirements.

Other challenges include cost and bandwidth, since putting these solutions in place is often not a particularly turnkey process. Finally, some employers suffer from "point solutions fatigue," where employees are overloaded with too many digital options, leading to a confusing member experience.

To overcome these challenges, employers can consider implementing a navigator—which can be human or digital—to help integrate the various solutions onto one platform and provide a more coordinated experience, facilitating the engagement of the right members with the most appropriate tool or benefit. Employers may also consider engaging a partner such as a strategic benefit advisor or insurance broker that is well-versed in virtual benefits and can help them through the process.

Given the potential efficiency, convenience and money-saving aspects of digital health tools, it is no surprise that these offerings are beginning to soar in popularity. Consider: $8.1 billion was invested in digital health startups in 2018 alone,[6] and new research indicates that digital health solutions will save the U.S. health care system more than $100 billion over the next four years.[7]

As younger generations continue to enter the workforce and older generations become more comfortable with the idea of using virtual care, these solutions are on a trajectory to transform the health care landscape and employee benefits space. It is not hard to imagine a world where most health care solutions are offered virtually. Employers will need to be diligent and stay educated about the plethora of virtual tools and programs in order to ensure their employees receive the best health care possible. ●

bio

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## Endnotes

1. See www.pewresearch.org/fact-tank/2018/04/11/millennials-largest-generation-us-labor-force/.

2. See https://blog.evisit.com/20-stats-how-do-patients-feel-about-telehealth#:~:targetText=The%20average%20wait%20time%20for,telemedicine%20visit%20costs%20just%20%2440.

3. See www.nami.org/Learn-More/Mental-Health-By-the-Numbers.

4. See wwwn.cdc.gov/Niosh-whc/chart/ohs-lowback/illness?OU=*&T=OU&V=R2.

5. See www.jpain.org/article/S1526-5900(12)00559-7/fulltext.

6. See www.healthcaredive.com/news/digital-health-funding-soared-to-record-81b-last-year/545598/#:~:targetText=Since%202011%2C%20digital%20health%20has,market%20of%20roughly%20%243.5%20trillion.

7. See www.fusionhealth.com/sleep-recovery/digital-health-solutions/.

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