Three ingredients for member incentive program success

Health plans face two challenges that often conflict with each other. On the one hand, new regulations and evolving pressures have made it more vital than ever for health plans to take out costs wherever possible. However, even this essential need to decrease costs cannot take priority over meaningfully enhancing member outcomes, which is crucial for health plan quality.

A health incentive program is the rare tool that can both take out costs and improve member outcomes. Temporary incentives can encourage those critical, first moments of building healthier habits and reward members for taking steps to prevent conditions from worsening, both of which can mitigate more expensive interventions by catching adverse health events earlier, when they're less serious. Analyses by the American Psychological Association found that financial incentives had a meaningful, medium-to-large impact on many patient behaviors, including attending appointments, adhering to medication plans and completing treatment goals.[1]

1 American Psychological Association
   https://psycnet.apa.org/doiLanding?doi=10.1037%2Fccp0000737

cognizant®

The many challenges of member incentive programs

Poor health habits harm patient health and multiply the cost of treating worsened conditions. Healthy choices, on the other hand, can prevent chronic conditions from worsening and enable interventions early, when those conditions are less serious. However, members don't always come to the same conclusions as their physicians when weighing optimal behaviors for long-term health against short-term needs and desires. Discomfort, social factors and a lack of information can all make members reluctant to change their habits, and overcoming this reluctance can be difficult. One-size-fits-all reward programs chronically struggle to overcome this inertia. Unless rewards are meaningful to members, they'll only increase costs while failing to change behaviors.

That challenge is aggravated by providing different kinds of rewards, which makes another existing challenge worse: the difficulty of managing these incentive programs. These management tasks are usually very manual, and every manual task causes more delays and collecting it requires more manual and error-prone work, all which increase cost and time.

Achieving a high-performing member incentive program

Successfully influencing member behavior requires flexible rewards that members care about, are delivered quickly and tied to actions that form new, healthy habits to meaningfully improve outcomes. This capability sounds deceptively simple, but achieving it requires careful planning to enable the many requirements upon which it relies.

A successful member incentive program should make a wide variety of data points actionable immediately, so members feel a close connection between the action taken and receipt of a relevant reward. Such a program requires a few key characteristics: an automated management platform,

flexible reward offerings and—most critically—extensive integrations with key data sources.

1) Automated management platform

Quite often, managing reward programs requires a sequence of manual steps, including identifying members, sourcing data on their completion of rewardable goals, and distributing dates and amounts of payouts and recording them correctly. Each phase involves a series of actions in several platforms and systems. Often, these tasks rely on spreadsheets. Not only is this manual work time-consuming, but it introduces error, whether in the form of rewarding the wrong member, doubling rewards or—most damagingly—failing to issue a reward and discouraging a member from continuing with positive habits.

Any effective reward program needs a single platform to automatically manage these steps in one place. After all, your staff only has so much time to devote to member incentive programs. Automating these manual tasks allows your team to spend that time on analyzing effectiveness and identifying adjustments to increase performance, rather than spending it on daily in-the-weeds administration. Automation not only reduces the administrative time sink, but it also allows health plans to shorten the time between a member taking a desired action and receiving the reward for that action. Rapid rewards strengthen the connection between action and incentive, which further encourages members to continue taking those desired actions.

When considering platforms, consider not only the features of that incentive management platform but also what actions lie outside of that platform. Is reporting automated, or will it require additional manual work? How will your team identify members who should be enrolled in a reward program? Does the system automatically draw relevant adherence data from your other administrative systems? Consider the entire sequence of dependencies, not just core functions.
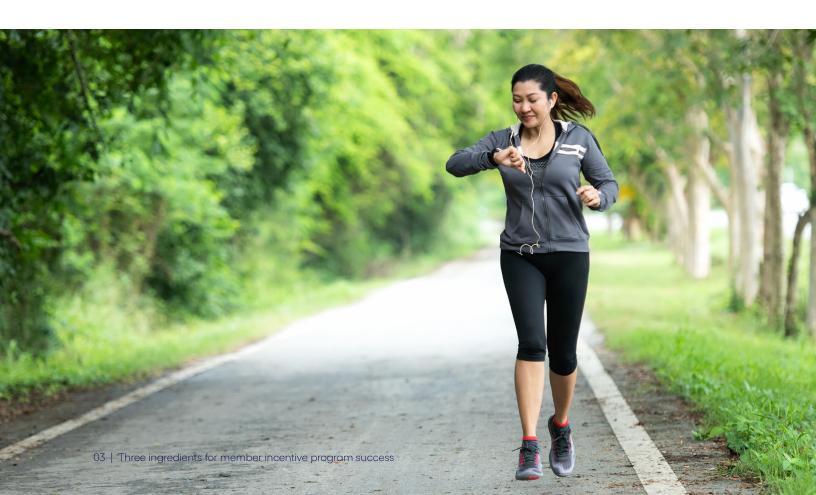
2) Flexible reward offerings

While quick delivery of incentives is one factor that strengthens member adherence, it isn't the only one. Relevance also matters. Like all consumers, health plan members are continuously, if subconsciously, weighing the cost versus the value of their actions. Offer them a one-size-fits-all incentive they can only redeem at one location or on something they don't value, and that reward will only increase costs without affecting behavior.

Nuanced, flexible rewards resonate with members by offering them customized options for redemption. A wider variety of available reward types and redemption locations allows health plans to make those rewards more relevant and meaningful to members. An ideal member incentive program would offer a wide range of rewards—such as copay reductions, gift cards and HSA/HRA contributions—and let members select the most meaningful format themselves.

This flexibility is a win-win situation for all stakeholders. More meaningful rewards will encourage better member health choices, while payers reduce long-term costs, limit member churn, and improve ratings with a healthier membership. Even providers can benefit through financial incentives and improved ratings. All of it depends on incentive relevance.

While flexibility is vital, it also has its limits. Health plans must still adhere to regulatory mandates and need the ability to restrict redemption of rewards to specific items (such as excluding cigarettes, alcohol, etc.) for certain lines of business, like Medicare. The right solution will maximize member flexibility within the boundaries of regulatory requirements.

3) Integrations with data sources

All rewards require underlying data, whether that's medication or visit adherence or improvements in a patient's biometric numbers. Often, this data exists in disparate systems, from provider EMRs to core administrative systems to wearable devices.

Making new data points available and actionable increases the range of rewards offered and speeds delivery of those rewards. Integrations with sources of member data are vital to the success of member incentive programs. Below are the four key integrations any member incentive program must maintain.

Core administrative systems

As the basic operating platform for health plans, core administrative systems contain the primary record of member health and activities. From appointments to testing to medication fulfillment, they contain a wide range of data on rewardable actions. A deep integration with core administrative systems can automatically feed these member activities to a member incentive program for issuance of rewards.

A two-way integration between a member incentive program solution and a core administrative system also unlocks additional reward types like copay reductions, which are highly appealing to members. Moreover, the ability to offer copay and deductible reductions based on member activity enables new products focused on population health that would otherwise be impossible to accurately implement and verify without two-way communication between these systems.

Care management software

Many member incentives are tied to activity that helps members more effectively manage chronic conditions and avoid adverse medical incidents. Most of these programs are managed by a health plan's care management team, and integration between care management and member incentive platforms ensures a steady, timely stream of information on member participation in care management programs.

Such an integration updates member incentive program administrators with information on health risk assessment completion, interactions between members and care managers, and achievement of care management goals. Rewards on these activities can strengthen member engagement with care management programs and reinforce good habits for managing chronic conditions.

Wearables and Internet of medical things (IoMT)

Visits to providers provide moment-in-time snapshots but reveal nothing about member health in between visits. Wearable home health technology allows providers and health plans to build baseline trends and monitor member health continuously. Providers can call members in to investigate concerning pulse rates or glucose levels, for example, before they drive a patient to the emergency room.

However, these devices can only be effective if members are regularly taking their measurements and doing their testing. An integration between member incentive program platforms and wearable devices allows health plans to reward members who complete these regular tests in real-time, helping them build good habits that can prevent emergencies and help maintain their health.

Member education

Member education can help members understand chronic conditions, how to manage them and the risks of passivity. However, encouraging members to engage with it is a constant challenge. Rewards can help overcome that challenge, but it requires integration between education and incentive program platforms.

Newly enrolled and newly diagnosed members will often initially seek out condition-specific education material. Incentives can reinforce that natural curiosity by rewarding the completion of quizzes, educational reading or the viewing of videos on maintaining good health. Without an integration, these rewards often come too late—if they occur at all—to encourage continued consumption of education that could prevent costly and life-changing declines in health.

Flexible rewards in practice:
Value-Based Benefit Solution and Validic

Wearable devices offer health plans a new source of rewardable member actions. One example is the integration partnership between Cognizant and Validic. On a daily basis, Validic home health monitoring devices capture member biometric data such as heart rate, blood pressure, and oxygenation levels and feed that information to the Cognizant Value-Based Benefits Solution, which is a comprehensive platform for automating and administering member incentive programs. Integration between the solutions enables rewards when members regularly take their biometrics, which further encourages these habits.

The integration unlocks rewards on a wider range of member activities, including:

- Consistently reporting blood pressure
- Regular physical activity

Additionally, Validic's devices can share this vital biometric data with physicians. As a result, the integration reinforces healthy member habits, mitigates health complications, reduces payer costs and helps members live more productive lives.

The secret to member incentive success: Relevance and efficiency

Member incentive programs are most able to reinforce healthy member habits and encourage better member outcomes when they provide relevant, meaningful, and timely rewards. Achieving that high performance requires an automated management platform that minimizes delays and errors, a flexible suite of reward types, and integrations with all relevant data sources to enable a wide range of rewardable member actions. Carefully consider the features of your existing member incentive program and address any gaps that may exist. Your members, your providers and your bottom line will thank you.

Are you ready to engage your members in more dynamic and effective member incentive programs? Contact us today.

https://www.cognizant.com/us/en/trizetto/care-management/value-based-benefits

WF2696554