



Optimizing Total Cost of Care Through Clinical Programs

THIS IS
HOW™

Employers are always looking for ways to control costs and improve the quality of healthcare for their employees. Let's explore how smarter, better management of clinical programs can result in significant savings within a Total Cost of Care approach.

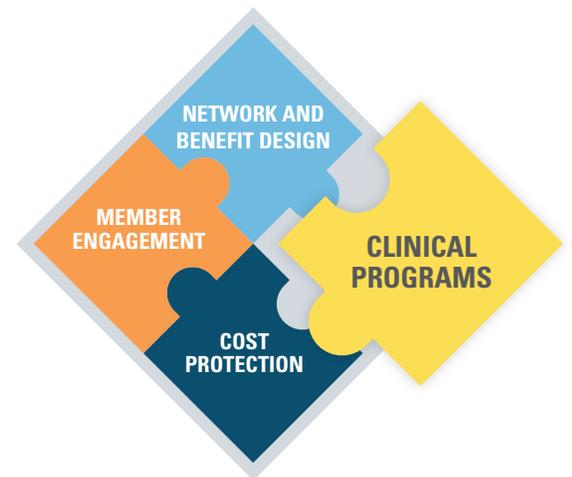
Total Cost of Care: The big picture

Total Cost of Care (TCOC) encompasses your organization's total spending on healthcare and health benefits for your employees and their dependents. There are four key components of TCOC: **network and benefit design, member engagement, clinical programs and cost protection.**

By viewing it all through a Total Cost of Care lens, you can gain a clearer picture of potential solutions that can make a meaningful impact on the health of your workforce and your organization's bottom line. Let's dive deeper into clinical programs to learn more.

Why is choosing the right clinical programs important?

Effective clinical programs that are data-driven ensure that employees, especially those with chronic or high-cost conditions, are getting the right care, from the right provider, in the right place and at the right time. Considering that 90 percent of annual healthcare costs are for people with chronic and mental health conditions,¹ employers can achieve significant savings through better management of care. This approach can lead to fewer ER visits, lower hospitalization rates, increased preventive screenings and more.



3x faster

The cost to families for health coverage and care has risen more than **2x faster than wages** and **3x faster than inflation** over the last decade²

Whether it's integrating medical and pharmacy benefits, implementing care management or bringing behavioral and physical health together, there are several ways to achieve an effective clinical program.

Population health management

Better allocate healthcare resources by better understanding employees' needs. This can be done through identifying at-risk members, gaps in care and opportunities for collaboration between providers.

Care management for at-risk members

A comprehensive approach to care management—one that is high-touch, member-centric and supports employees' whole health—reducing costs through early and targeted intervention and guidance.

Integrated physical and behavioral healthcare

Evidence shows that integrating physical and behavioral healthcare can lead to cost savings and a reduction in hospitalizations.³ This approach gives employees the ability to address mental health in a primary care setting, resulting in better outcomes.

Integrated medical and pharmacy benefits

By integrating pharmacy benefits, your health plan can have real-time access to important prescribing data to more appropriately manage the care of your employees.

37%

reduction in hospitalizations can be achieved through proper care coordination.⁴

60%

of Americans live with at least one chronic condition.⁵

57%

of commercial healthcare spending is spurred by behavioral health patients.⁶

\$290B

is the yearly cost to the US healthcare system for medication non-adherence. **20%–30%** of prescriptions remain unfilled.⁷

Clinical programs in action

When effective clinical programs that are supported with member engagement are put in place, they can support your workforce and your organization's bottom line. Here's an idea of how the right pieces come together:



RIGHT PROVIDERS

Quality and transparency tools help members identify the right provider, from primary care to specialists. This can lower the cost of employees' overall care and streamline the experience.



RIGHT PLACE

Drive lower hospitalizations and ER visits by ensuring employees know where to go for care. This can be done by expanding access to urgent care and lower-cost settings, such as freestanding labs and/or surgery centers.



RIGHT CARE

Building a fuller picture of employee health with integrated care can raise efficiency and effectiveness.



RIGHT TIME

Data can help make predictions about things such as care gaps and health risks to provide more timely care.

Engage your health plan partner

To gain a better understanding of your current clinical program(s), here are a few questions to ask:



What can we do together to drive better engagement and more effective use of clinical programs?



What programs do you offer to encourage collaboration across pharmacy and clinical programs?



How are you using data to drive better outcomes?



What new solutions are being offered to help better integrate and manage the care of my employees?

Visit [smarterbetterhealthcare.com](https://www.smarterbetterhealthcare.com) for more information and insights on TCOC to help you make the right decisions for your organization.

1 Centers for Disease Control and Prevention, Health and Economic Costs of Chronic Care

2 Kaiser Family Foundation, "New Analysis of Large Employer Health Coverage," 2019

3 Ross, K. M., Klein, B., Ferro, K., McQueeney, D. A., Gernon, R., & Miller, B. F. (2019). The Cost Effectiveness of Embedding a Behavioral Health Clinician into an Existing Primary Care Practice to Facilitate the Integration of Care: A Prospective, Case-Control Program Evaluation. *Journal of Clinical Psychology in Medical Settings*, 26(1), 59–67.

4 Grail Dorling, Tim Fountaine, Sorcha McKenna, Brindan Suresh, "The Evidence for Integrated Care," McKinsey & Co., 2015

5 Centers for Disease Control and Prevention, Health and Economic Costs of Chronic Care

6 Modern Healthcare, "Behavioral health patients spur 57% of commercial healthcare spending", 2020

7 Boylan, L. "The cost of medication non-adherence", NACDS, 2017