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Employee Use of Telephonic Nurse and Counselor Services: Outcomes and Return on Investment (ROI)

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Presented at Ingenix Health Care Information Summit
Las Vegas, NV, May 6, 2003

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Optum NurseLine
Optum Assistance
Optum Care24

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- Experienced leader in employer market
- Ten-plus years in business
- 22 million covered lives all markets
- UnitedHealth Group parent company

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Employer Challenges

- Controlling Rising Health Care Costs
- Recognition of Human Capital Value
- Want Technologically Sophisticated 24/7 Access to Health Care Information and Services
- Need for Demonstrated ROI from Partners

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The Road to ROI

- Employee/family has a health need
- Call to Optum and address health need
- Post-Optum action taken and outcomes
  - Personal health and self-care
  - Workplace absenteeism & productivity
  - Appropriate use of health care system (claims)
- Measure Cost Savings
- ROI Estimation and Report

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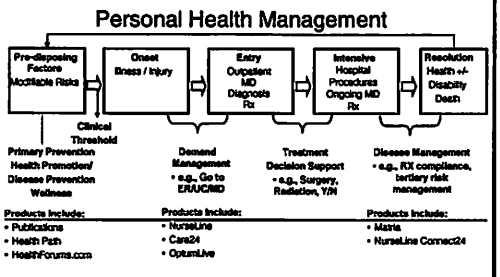
Health Care Continuum & Optum



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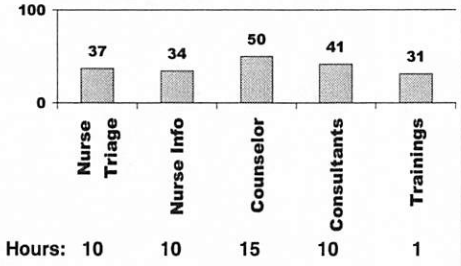
Personal Health Outcomes: Survey

- Self-rated improvement in _____ after Optum
  - Overall health and well-being (75%)
  - Stress level (76%)
  - Ability to perform daily living activities (62%)
  - Ability to make health care decisions (81%)
  - Confidence with health care professionals (79%)
- Overall satisfaction with Optum service (96%)
- Would re-enroll in health benefits package (91%)

N = 8,770 Optum Care24 Book of Business in 2002

Employee Workplace Outcomes:

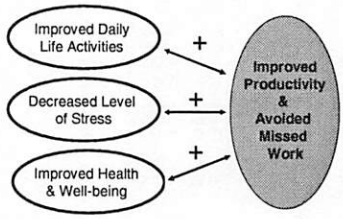
% with Avoided Absenteeism (Optum Research Survey N > 100,000)



Hours: 10 10 15 10 1

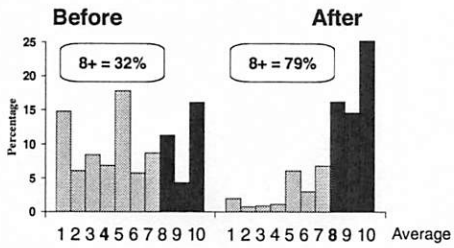
Health and Work Outcomes Linked:

Research Shows Positive Correlation of Employee Health Outcomes with Workplace Outcomes



Employee Workplace Outcomes: Change in Productivity on 1-10 Scale

(Cite: Riedel & Attridge, 2000 IHPM Conference; Nurse Triage, N > 4,000)

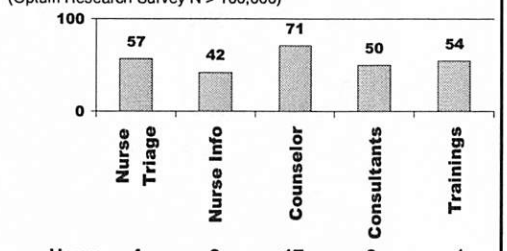


Advances in Measuring Workplace Performance and Health

- Institute for Health and Productivity Management
- www.IHPM.org
- Collaborative Partners for Employers, Providers and Researchers for Tools and Techniques to Better Measure Employee Performance and Link to Health Care Claims Data, Clinical Records, and Company Performance Information
- Optum research with IHPM

Employee Workplace Outcomes: % with Avoided Productivity Loss

(Optum Research Survey N > 100,000)



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NurseLine/Demand Management:

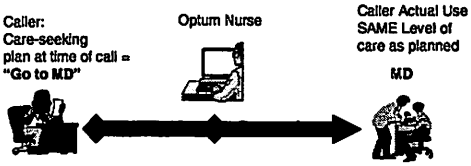
- The research evidence base for ROI
  - Reductions in ED and urgent after-hours referrals in pediatric populations (Kempe et al, Barber et al, in Pediatrics, 2000)
  - Reductions in outpatient utilization among 60,000 health plan members based on medical claim and encounter data w/in pre-post design. ROI = $1.70 :1.00 (O'Connell et al, Am J M Care, 2001).

NurseLine/Demand Management:

- The research evidence base for ROI
  - reductions in outpatient utilization among 40,000 health plan members based on medical claim data w/in pre-post design. ROI = $2.69 - $3.86 : 1.00 (Ernst & Young, 1997)
  - Reductions in outpatient utilization among 48,000 WEA insurance enrollees based on two-year study of medical claims w/in a randomized, controlled trial. ROI = $4.50 : 1.00 (Otis, Attridge, & Jacobs, Faulkner & Gray, 1998)

NurseLine Care-path Data: PREPARATIONS

(about half of triage calls)

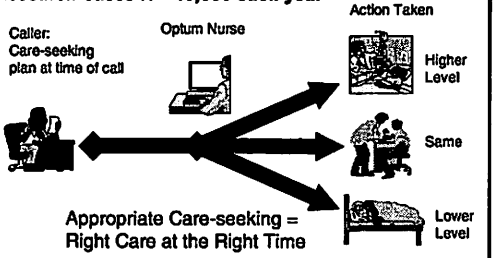


Outcome = greater practice efficiency, better patient compliance and fewer repeat visits

Time 1 **Time 2** **Time 3**

Appropriate Care-Seeking

Optum Care-path follow-up survey methodology
Research Cases N > 10,000 each year

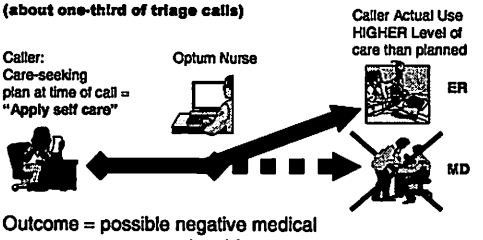


Appropriate Care-seeking = Right Care at the Right Time

Time 1 **Time 2** **Time 3**

NurseLine Care-path Data: PREVENTIONS

(about one-third of triage calls)

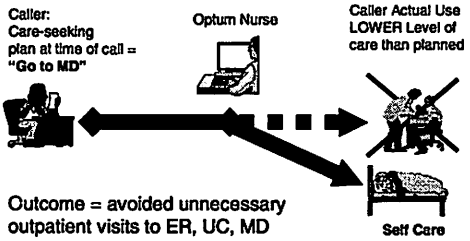


Outcome = possible negative medical consequences averted and future costs avoided through timely use of services

Time 1 **Time 2** **Time 3**

NurseLine Care-path Data: DIVERSIONS

(about one-fifth of triage calls)



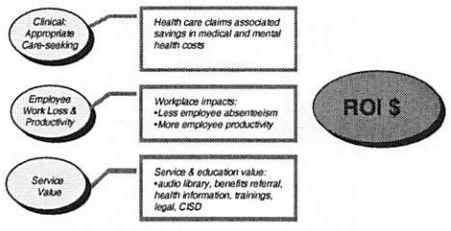
Outcome = avoided unnecessary outpatient visits to ER, UC, MD

Time 1 **Time 2** **Time 3**

The Optum ROI Model

- Comprehensive approach for estimating multiple areas of $
- Industry accepted methods with independent third-party reviews by William M. Mercer and Watson Wyatt
- Full-time research staff and proprietary database
- ROI Report available with ability to customize inputs

Components of Optum® ROI Estimation Model



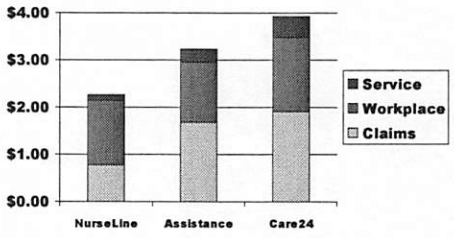
Service ROI Component Results

- Assume Company ABC has 10,000 Employees with normative use of Optum Care24
- Non-clinical information, consulting, training and risk-management services from nurses, counselors, legal, financial & work/life specialists
- $113,996 Saved
- Average ROI of $0.45:1

Workplace ROI Component Results

- Assume Company ABC has 10,000 Employees with normative use of Optum Care24
- # of days of absenteeism avoided = 429
- # of hours of lost productivity avoided = 3,682
- $397,419 Saved
- Average ROI of $1.58:1

Typical ROI for Employers with Optum



Claims ROI Component Results

- Assume Company ABC has 10,000 Employees with normative use of Optum Care24
- Net Changes in health care services use and resulting claims for Hospital, Medical Care Episodes, ER, Urgent Care, MD Office, Major Mental/Medical and Outpatient Mental Health
- $478,770 Saved
- Average ROI of $1.90:1

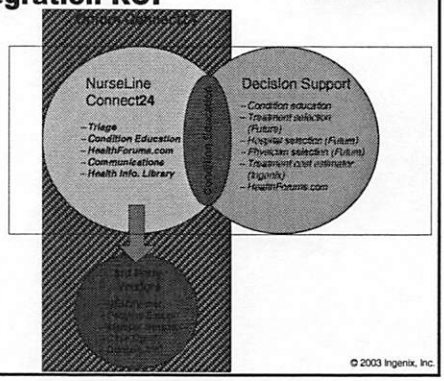
Employer Customer Experience with Optum ROI

- Accenture
- America OnLine
- Barnes & Noble
- Cisco
- Clorox
- Fujitsu
- GAP
- Gillette
- Honeywell
- IBM
- Mass Mutual
- Mervyn Target
- MetLife
- Nike
- PetSmart
- Proctor & Gamble
- Qwest
- Whole Foods
- Wells Fargo

Health Plan/Provider Customer Experience with Optum ROI

- EXISTING BUSINESS
  - United Healthcare
  - Medica
  - PrimeCare
  - John Deere
  - Schaller-Anderson
  - Valley Health Plans
  - Military Veterans Affairs
- NEW BUSINESS
  - Blue Shield of California
  - Capital Blue Cross (Pennsylvania)

R&D for Future: Integration ROI



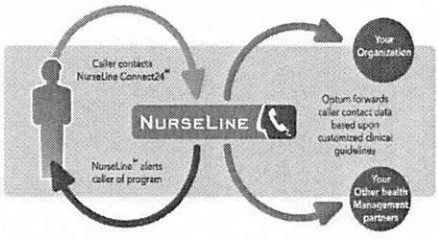
SUMMARY: Outcomes and ROI

- Telephonic nurse and counselor services for Employers and Health Plans are popular
- High levels of caller satisfaction and personal health outcomes are routinely observed (Optum research database of 50,000+ surveys annually)
- Positive estimated ROI from workplace, claims and service value savings with normal utilization
- Future Direction is the Integration of these services

Questions & Comments

- Employee Use of Telephonic Nurse and Counselor Services: Outcomes and Return on Investment (ROI)

Connecting Callers to Nurses with Targeted Services of Our Partners



Complete Session Evaluation