Compassion International

A nonprofit, adopted an integrated health management model, which achieved dramatic cuts in healthcare waste while improving the holistic well-being of its members.

Executive Summary

After completing a detailed audit of its health & welfare and wellness programs, Compassion International found its traditional approach of non-integrated insurance plans and wellness programs fell short in the meaningful support of employees and their families. Additionally, the audit found that those individuals with the greatest need and highest risk-profiles were often not participating or not well supported through traditional disease management. As a result of these findings, Compassion prioritized the health and well-being of their staff through the reallocation of spend into integrated strategies that touched all staff, no matter where they fell on the spectrum of health.

By shifting away from a broad “wellness” design and non-concentric health & welfare data points, Compassion implemented a person-centric “self-care” philosophy that is supportive and not punitive in its application. Their new fully-integrated wellness model considers spending on healthcare and well-being as a crucial investment. By applying integrated, data-driven tools with realigned policies and clinical prevention for the highest-risk individuals, excessive healthcare consumption and cost for Compassion and its staff was greatly reduced.

Backdrop: Holistic Philosophy

Compassion International’s goal is to “release children from poverty in Jesus’ name.” Over the past five years, the 64-year-old nonprofit has stepped up the way it applies its holistic philosophy to its 1,000 U.S. employees and their 1,700 spouses and dependents.

Compassion started in 2011 with a wellness program (myWellness) for its Colorado Springs staff, but found it wasn’t moving the needle on financial sustainability. An audit showed while past efforts did start to develop a culture of health at Compassion there were no corresponding reductions in healthcare consumption, little healthcare consumerism and no real-time predictive tracking of healthcare, pharmacy or lost-time data. The trend for total monthly medical and pharmacy costs were rising at an unsustainable 10%+ annual rate. The audit also identified a key limitation of the myWellness program - lack of integration with Compassion’s health & welfare and retirement program infrastructures.

Building a New Paradigm

Understanding the need for change and integration, and taking inspiration from the structure of the benefits department having benefits, retirement, wellness, leave
management and workers compensation all integrated within a department, in 2014 Compassion decided to make a dramatic change by rolling its health & welfare and retirement programs into their myWellness program to create a 5 dimension fully integrated well-being brand for their staff. This internal brand and program restructuring allowed Compassion to build an integrated system of resources that were fully aligned for the member experience to be the heart of the program.

Additionally, at the beginning of 2015, Compassion International hired an innovative consulting firm, Enterprise Risk Strategies, LLC (ERS). By choosing ERS, Compassion moved away from the traditional consultancy space and their model of deliverables, to ERS’ new lean model with the goal of improving population health while providing competitive benefits with the goal of sustainability and person centric solutions. Part of ERS’ recommendations included the reallocation of resources to HCMS Group and their suite of services, whereby the team put the following building blocks in place:

✓ **Integrated Data Warehouse:** Compassion and ERS worked with HCMS to create an electronic warehouse integrating data on healthcare, pharmacy use, human resources, absences, biometric screening, workers’ compensation, dental usage and wellness programs.

✓ **Predictive Analytics:** The data warehouse enabled Compassion to better understand healthcare consumption and how misaligned economic incentives lead to waste and increased health risk. Five percent of the population accounted for more than half of healthcare cost. Risk scores for that group were almost six-times the average, based on HCMS Group’s HUI (Human Capital Risk Index) risk metric, where average risk equals one.

✓ **Targeted, High-Risk Intervention:** Because existing wellness programs were reaching only the lowest-cost, lowest-risk 50%, Compassion decided to steer more resources to those with the highest need. HCMS Group’s KnovaSolutions clinical prevention service provides telephonic and online support from masters-level nurses, doctoral-level pharmacists and a medical researcher. Knova Solution members return to health faster than other high-risk patients, reducing healthcare waste and cost. Compassion was also very intentional in ensuring every internal and external party to the newly designed myWellness program had a holistic understanding of the available resources via a “myWellness placement”. This helped to lift the navigation burden from the shoulders of staff and their families and on to Compassion’s well-being partners via meaningful collaboration.

✓ **Policy & Plan Redesign:** Shared financial responsibility and healthcare consumerism can dramatically reduce healthcare waste. For 2016, with the input of Compassion International, the analytic and plan modeling support of HCMS and the ongoing consultancy services of ERS, they continued the holistic remodeling of their benefit programs:

- Roughly doubled contributions to health savings accounts (HSA’s)
- Reduced premiums on the consumer driven high-deductible health plan (HDHP)
- Increased premiums and deductibles for the traditional PPO plan.
- Introduced user-friendly cost transparency tools.
- Raised out-of-network coinsurance on both medical plans.
Early Indications of True Transformation

The new paradigm Compassion adopted has shown significant results. Compassion implemented vendor-centric communication tools that helped consumers use complex clinical health analytics in a practical way, allowing the employer and employee to benefit from HCMS Group’s robust Research Reference Data Base. By focusing on education, simple examples and building a win-win solution for Compassion’s staff the cultural changes and engagement results have exceeded expectations.

The policy and plan redesign initiatives have encouraged a 417% increase in consumer-directed health plan enrollment over the higher-cost PPO program. Contributions to health savings accounts surged over 180%, encouraging more healthcare consumerism as reflected in reduced year-over-year net out-of-pocket employee expense and a 4% increase in preventative office visits. Lastly, year-over-year employer health & welfare expense trends have been very encouraging:

- 23% fixed cost reduction
- 20% medical cost reduction
- 15% pharmacy cost reduction
- 20% PMPM cost reduction

On-going Holistic Innovation

With a person-centric foundation in place, Compassion has been very intentional about developing solutions that provide integrated, holistic services to staff and their families. Knowing that financial disorder drives healthcare consumption, absenteeism and contagion of maladies within family units, Compassion adopted a suite of financial well-being solutions in 2016 to help employees manage their financial health and empower staff to become thoughtful stewards of their financial resources.

Additionally, Compassion has engaged ERS in a Behavioral Health Innovation Project with the goal of identifying how all dimensions of well-being interconnect and how technology can be leveraged to help Compassion continue to advance their global mission and vision.

Takeaways

Though holistic integration in all areas of well-being Compassion International found it could reduce healthcare costs while encouraging restorative employee well-being in conjunction with spend recovery. By restructuring benefit policies and plans to bring incentives into alignment, Compassion encouraged improved health and consumerism while concurrently improving employee health, morale and responsibility. These steps have laid a long-term foundation for innovative, fair and sustainable health and welfare programs for Compassion International employees and their families.