

Demystifying Healthcare Navigation

January 2020



About Grand Rounds

Grand Rounds partners with over 130 companies to deliver an exceptional healthcare experience, that reduces costs and improves health outcomes. Think of us as a personal healthcare assistant who will guide your members to the right care, through our high-tech and high-touch experience. Our digital experience brings simplicity to our members' care, harnessing the latest in machine learning and clinical research to offer members one place to go for their needs. Our award-winning care team goes above and beyond to provide reassurance through advocacy services, financial guidance, benefits routing and empathetic support for all members.

Our mission is to raise the standard of healthcare for everyone, everywhere. Since 2011, we have connected nearly 5 million covered members to high quality care, resulting in better outcomes, less waste, happier members and time back to employers' HR teams.



Dani Grate,
Grand Rounds
Physician Assistant

Table of Contents

About Grand Rounds2

The healthcare system: big problems facing employers4

 Members aren't getting to the right healthcare4

 Healthcare challenges affect employers' bottom lines5

 What does this mean for HR teams?.....6

Existing solutions are not enough7

 New solutions—new challenges7

 Member example.....9

Introducing healthcare navigation 10

 What is healthcare navigation? 10

 The trend towards healthcare navigation 10

 What kinds of solutions are out there?..... 11

 The ideal healthcare navigation solution 12

 What to consider when looking for a navigation solution..... 12

 The Grand Rounds approach to healthcare navigation..... 13

1

The healthcare system: big problems facing employers

When it comes to the healthcare system, employers are finding themselves up against a daunting set of challenges, specifically tied to rising costs and diminishing health outcomes for employees and their families, (collectively “members”). Approximately 80% of Americans cite healthcare as their #1 concern¹, and it’s likely that a good majority have had a negative experience, one that has adversely affected their health and well-being.

Members aren’t getting to the right healthcare

This is because our healthcare system is rife with problems, bringing up **questions around whether members are:**

- seeing the most-qualified doctors
- getting the most appropriate, cost-effective care
- using the right healthcare benefits for their needs

Making critical healthcare decisions without the medical training, data, knowledge or tools necessary to do so leaves members confused and vulnerable. These **members struggle to find their way through the healthcare system**, sometimes getting the wrong care or putting off treatment until it’s too late. Others may opt out completely due to barriers around receiving medical care as well as the costs associated with that care. As a result, members experience poor or worsening health, which then translates into a drop in workplace satisfaction and productivity.

80%

of Americans cite healthcare as their #1 concern



1 - Norman, Jim. “Healthcare Once Again Tops List of Americans’ Worries.” Gallup.com, 2019.

Healthcare challenges affect employers' bottom lines

Not only do HR teams have thousands of members relying on them for guidance on healthcare, but they've also got C-suite pressure to **address and mitigate healthcare costs, which are currently rising twice as fast as both inflation¹ and workers' wages² are**. In comparison to other developed nations, the U.S. spends nearly twice as much on healthcare, and yet 25% of every healthcare³ dollar spent is wasted⁴. As Warren Buffett puts it, U.S. healthcare is the "tapeworm on our economy," putting our businesses at a competitive disadvantage compared to the rest of the world⁵.

These "high level" problems employers face—of rising costs, and worsening health outcomes—are a direct consequence of members' struggle to navigate healthcare. When members are lost and vulnerable in their healthcare journey, they risk getting the wrong care, or worse, delaying care until it's too late. At its core, healthcare is a human problem with real stakes for real people. Members face a dizzying amount of complexity every time they want to do something as simple as scheduling a doctor's appointment for their child. There is too much friction, with too many people concluding that seeking medical care is just not an option.



1 - "2020 Global Medical Trend Rates Report." Aon, 2019.
 2 - Rodriguez, Alison. "Healthcare Costs Increased Twice as Fast as Worker Wages Over Last Decade." AJMC, 2019.
 3 - Papanicolas, Irene. Woskie, Liana. Jha, Ashish. "Health Care Spending in the United States and Other High-Income Countries." JAMA, 2018.
 4 - Shrank, William. Rogstad, Teresa. Parekh, Natasha. "Waste in the US Health Care System: Estimated Costs and Potential for Savings." JAMA, 2019.
 5 - Lovelace, Berkeley. "Warren Buffett: Bezos, Dimon and I Aim for Something Bigger on Health Care than Just Shaving Costs." CNBC, 2018.

What does this mean for HR teams?

Every HR professional knows that employees are their company's most valuable resource. And when they are happy and healthy, they're at their most productive. This is why employers are doubling down on investing in the health and wellness of their employees and families.

We conducted our own survey of over 300 benefits decision makers at large employers, across all industries and geographies. What we learned through this research was loud and clear:

- Employers' #1 big-picture objective for this year is to increase member satisfaction with their health benefits package.
- Over 60% of employers have made it a major tactic to "make it easier for members to find the right health benefits."

In thinking about company benefits, HR professionals should consider the following:

- Are members struggling to **understand and access** their health benefits?
- Are members **happy** with their health benefits?
- Does the HR team spend a lot of **time** answering health benefits questions?
- Is the company seeing **results** from the investments already made in health benefit programs?

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2

Existing solutions are not enough

Employers face a challenging healthcare environment in the US. Years of healthcare financing and plan design changes, such as higher deductibles and narrower networks, helped flatten out healthcare utilization since 2013¹. These same plan design tactics also contributed to two new challenges: (i) hospital systems, providers and pharma companies raised prices by 17% overall since 2013² in order to offset the volume losses, and (ii) members likely delayed necessary care in response to the cost shifting initiatives³.

New solutions—new challenges

To address rising costs and low rates of health literacy and health engagement, employers have implemented all kinds of solutions aimed at improving health outcomes and driving down cost. Based on research conducted by Grand Rounds, over 50% of HR leaders rely on vendors other than their medical carrier for a range of health benefit solutions that include everything from disease management programs and telemedicine to cost-transparency tools and engagement platforms.

Though these healthcare solutions can prove helpful, employers are finding that their benefits programs as a whole aren't getting members to the right healthcare as quickly and effectively as possible.

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1 - "2017 Health Care Cost and Utilization Report." Health Care Cost Institute, 2019.

2 - "2017 Health Care Cost and Utilization Report." Health Care Cost Institute, 2019.

3 - Saad, Lydia. "More Americans Delaying Medical Treatment Due to Cost." Gallup, 2019.

Here's Why:

Too much information leads to confusion and indecision.

Employers are deploying an ever-growing number of point solutions—like diabetes management tools, well-being apps or expert medical opinion programs—in an effort to better support their members. However relevant and useful these programs may be for members, they typically each blast them with their own set of outreach and engagement emails, mailers and reminders. Members are overwhelmed with too much information and are subsequently unable to make a decision—some completely ignoring the outreach altogether.

Lack of an integrated approach.

Many members are dealing with not just one condition, but a set of related conditions that also bring with them various behavioral health challenges—for example, a member can be suffering from heart disease and high blood pressure while also battling anxiety and depression due to their declining health. It's no wonder then that the success of point solutions, which only address a specific health need or issue, is limited. The lack of an integrated solution that looks at the member as a whole person not only leads to a negative, disjointed experience, but it also contributes to diminishing outcomes and rising costs. According to a recent study, people with 1–2 chronic conditions and highly fragmented care were 13% more likely to visit the ER¹.

Little clinical and care guidance.

A quarter of members, including almost half of those between ages 18–29, don't have a primary care provider (PCP) to coordinate care². And even if they do have a PCP, those providers can

only allocate 15 minutes of time for Q&A and won't know about the relevant benefits available to the member³. When members do look for a new doctor, their health insurance company surfaces over 40,000 search results, making it almost impossible to understand which doctor is high quality and right for them. Given this, it's unsurprising that 88% of adults do not have proficient health literacy⁴.

Members do not have the care and clinical guidance that tie together and optimize the entire healthcare ecosystem, including choosing the most clinically appropriate benefit and finding a high-quality in-network doctor. These members are at risk of choosing incorrectly and making decisions that send them down a clinically inappropriate and wasteful path.

According to a recent study, people with 1–2 chronic conditions and highly fragmented care were

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more likely to visit the ER.



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1 - Kern, Lisa. "Whether Fragmented Care is Hazardous Depends on How Many Chronic Conditions a Patient Has" The Commonwealth Fund, 2018.

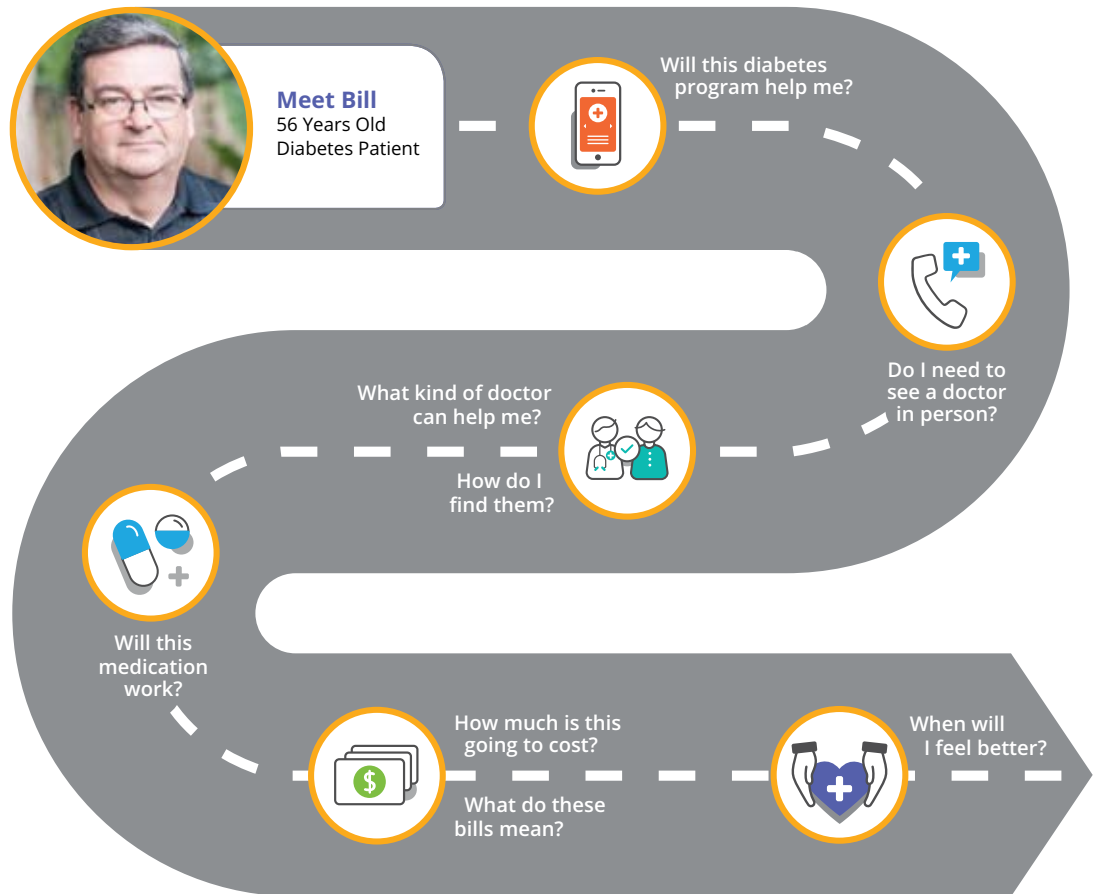
2 - Boodman, Sandra. "Spurred By Convenience, Millennials Often Spurn The 'Family Doctor' Model." Kaiser Health News, 2018.

3 - "Physician Compensation Report." Medscape, 2017.

4 - Cutilli, CC. Bennett, IM. "Understanding the health literacy of America: results of the National Assessment of Adult Literacy." 2009.

Member example

Take the example of a member suffering from diabetes, for instance. If that member has some questions about side effects from their medication, they need guidance and clarity. Instead, they are given multiple options: enroll in their diabetes management program, talk to a doctor asap via telemedicine, or talk to their endocrinologist during their next check-up, or some combination of the above, or none of the above. These options, implemented with the objective of solving a specific problem, have unintentionally compounded it, by introducing more complexity and making it harder for members to know what they need—or what options are available to them, causing them to further delay care.



3

Introducing healthcare navigation

In order to improve overall health and satisfaction, reduce costs and free up their HR teams' time, employers need to first simplify the health benefits experience for members. That all starts with healthcare navigation.

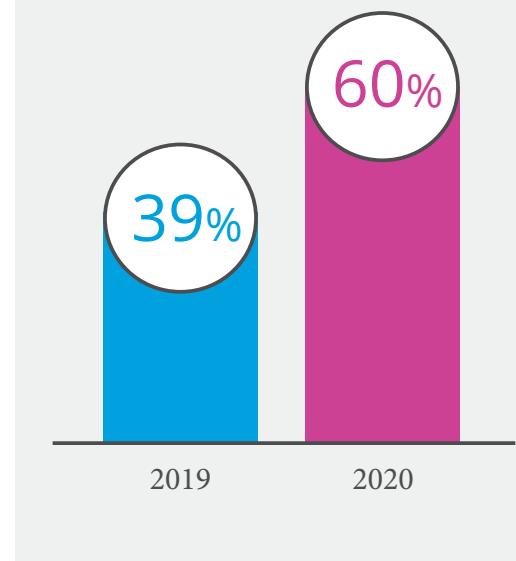
What is healthcare navigation?

Healthcare navigation is a solution that simplifies the healthcare benefits experience by providing one place to go for all health needs.

The trend towards healthcare navigation

In recent years, navigation solutions have become increasingly popular among employers looking to address rising healthcare costs, poor health outcomes, and low member engagement. According to NBSG's 2020 survey, the number of employers planning to implement navigation and concierge services increased significantly over the past year (39% vs. 60%), reflecting the need to simplify the member experience and guide members and dependents through the healthcare system.

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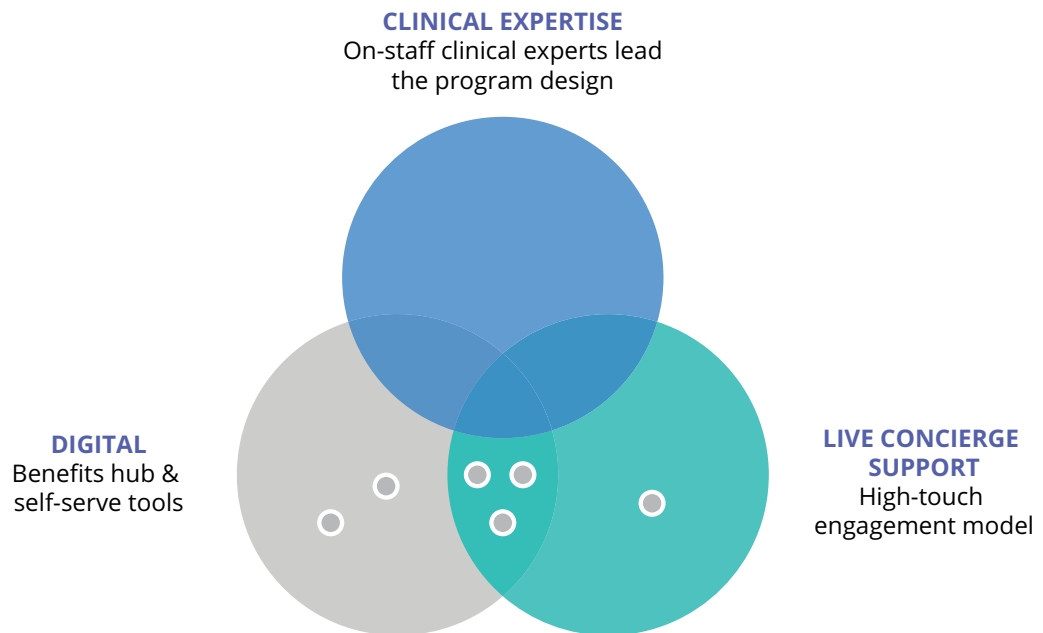
1 - "2020 Large Employers' Health Care Strategy and Plan Design Survey." National Business Group on Health, 2019.

What kinds of solutions are out there?

There are many types of navigation solutions out there, with many different approaches to improving the benefits experience. Some solutions are primarily focused on providing a single high-tech engagement hub that serves as a repository for all benefits, health and non-health. Other solutions focus on the advocacy and concierge services, utilizing phone calls to answer benefit questions, connect members to other health solutions, and resolve member issues.

Digital, or high-tech, solutions are great in providing a seamless experience when a member needs to quickly find a benefit or a doctor or check what's covered under their plan. But what about when a member is completely overwhelmed with their care and their options and just needs to talk to someone live? How will they be served by an app that links out to benefits? How will that provide the relief they need during their care?

Concierge and advocacy solutions, on the other hand, are perfect for answering the tough administrative questions and supporting members during their most vulnerable moments. However, they do not have the data nor the technology to identify and engage members early on in their care experiences. Additionally, their lack of on-staff clinicians means they do not offer the clinical expertise members need during their care. As a result, these solutions often miss important moments of clinical intervention that could have drastically altered a member's care trajectory. For instance, an advocacy solution might help a member troubleshoot a huge hospital bill after a spine surgery; however, it won't catch the member before the surgery and provide guidance on whether the surgery was necessary in the first place.



Note: Grey circles demarcate other vendor offerings in the navigation space

The ideal healthcare navigation solution

Empathy at scale

The ideal healthcare navigation solution relies on both technology and people. It is a seamless, self-serve digital tool complemented by compassionate human support. The digital navigation tool provides an intuitive product experience, using thoughtful design to provide personalized, easy-to-understand answers about healthcare. And the human support is carried out by a care team enabled by technology to make every interaction more effective, compassionate, and personal.

Outcomes-driven

Healthcare navigation should have a foundation of quality and clinical expertise, prioritizing members' health outcomes above all else. It should give care recommendations that members can trust, informed by evidence-based medicine. To do this, the ideal solution should leverage data to make healthcare smarter, evaluating the quality and cost-effectiveness of care options. It should also constantly ingest data about the member, their medical history, and their preferences, to ensure that they are engaged early on and get to the right care at the right time.

What to consider when looking for a navigation solution

Does this solution provide a single place to access all benefits?

By taking the burden off of the member to remember where to go for what, they're far more likely to make the most of their benefits

Does this solution provide members with benefits recommendations that are clinically appropriate?

Clinically informed recommendations ensure members have better health outcomes and lower costs

Does this solution help members manage the financial and administrative aspects of care?

Financial and administrative support saves members time and money during their care experiences

Does this solution offer support from an empathetic, knowledgeable care team?

When a human touch is needed, care staff guide members through the administrative, financial, and emotional aspects of care

Does this solution provide real time access to clinicians?

Clinicians provide clarity and expertise when members are lost on their healthcare paths

Does this solution cater to my healthiest members as well as my members with clinically complex needs?

Strong engagement at the population level means a healthier, happier workforce

The Grand Rounds approach to healthcare navigation

Grand Rounds is the only healthcare navigation vendor to offer a first-of-its-kind provider quality measurement platform, on-staff clinical expertise, and a complete care experience for members. Grand Rounds is focused on connecting members to higher quality care, optimizing benefits offerings, and improving the overall healthcare experience. For our members, we provide the expertise to make decisions, a personalized care experience, convenient access to services and care, and the best care at the best cost. By thoroughly serving the needs of our members, we help our employer customers reduce wasteful health spend, improve health outcomes, deeply satisfy members, and give time back to their HR team to focus on strategic priorities.

To learn more, visit grandrounds.com/employer.

CLINICAL EXPERTISE

On-staff clinical experts lead the program design

DIGITAL

Benefits hub & self-serve tools



LIVE CONCIERGE SUPPORT

High-touch engagement model

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Learn more: grandrounds.com/employer

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