RETHINKING HEALTH AND WELLNESS PRODUCTS
DELIVERING ON THE PROMISE OF CUSTOMER ENGAGEMENT
Today’s consumer-driven marketplace is challenging the fundamentals of health insurance product design and marketing. Health and wellness products are a case in point.

Insurers for decades have provided health and wellness products to meet employer demand. Employers believed in the cost-saving value proposition of health and wellness products, but due to fragmented and confusing approaches to defining engagement, effectiveness and ROI, there is growing doubt about outcomes.

Health and wellness offerings claim to deliver on the promise of managing healthcare costs by adhering to predefined care programs. However, insurers have missed the mark in demonstrating that these products reduce medical costs and effectively engage members.

Recent Accenture research revealed that 61 percent of employers were only “somewhat confident” or “not confident at all” on ROI claims (see Figure 1). This lack of confidence in member engagement, usage of products and outcomes has contributed to employers turning to niche third-party solutions over insurer solutions – at a rate of 79 percent according to Accenture research. Niche solutions are disrupting the health insurer relationship with employers.

FIGURE 1. Employer confidence in ROI claims

Source: Accenture 2016 Employer Health and Wellness Survey and Accenture 2016 Employee Health and Wellness Survey
Medical cost ROI has become less convincing as a sales tool to reach employers. Employee engagement is more critical than ever in this consumer-centric, value-based, digital marketplace. If defined and measured properly, engagement and other benefits can more readily show the value of the products for employers. In fact, survey results showed medical cost reduction as the third-highest priority at 79 percent (see Figure 2), with employee engagement the highest at 84 percent and presenteeism at 81 percent.

Many health insurers have focused on keeping administrative costs low, assuming driving engagement is too expensive and produces limited results. Successful third-party solutions have focused on producing solid engagement results.

This distinct difference in approach has contributed to the erosion of employer confidence in traditional product ROI. Employers are thus more willing to explore engagement-focused alternatives in the hope they will result in better medical and presenteeism outcomes.

Successful engagement is modeled on a consumer-driven approach. Consumerism for health concentrates on engaging people at the right time (early) in the right ways (multi-channel) to achieve the right results (health and wellness). Engagement drives employees to receive care sooner, and avoid unnecessary emergency or critical care situations, leading to lower healthcare costs.

FIGURE 2. Employer priorities for health and wellness products

<table>
<thead>
<tr>
<th>Priority</th>
<th>Very Important/Important</th>
<th>Not Important/Somewhat Important</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employee Engagement</td>
<td>84%</td>
<td>16%</td>
</tr>
<tr>
<td>Presenteeism</td>
<td>81%</td>
<td>19%</td>
</tr>
<tr>
<td>Medical Reduction</td>
<td>79%</td>
<td>21%</td>
</tr>
<tr>
<td>Market Competitiveness</td>
<td>74%</td>
<td>26%</td>
</tr>
</tbody>
</table>

Source: Accenture 2016 Employer Health and Wellness Survey
AREAS OF IMPROVEMENT

According to Accenture research, drivers related to program design/marketing are the reason why 66 percent of employees say they are not using health and wellness programs.

These drivers are “program not relevant/no apparent value,” 40 percent; and “program is difficult or takes too long to use,” 26 percent (see Figure 3). Insurers and third-party solutions typically take very different approaches to designing for engagement. The engagement approach most often taken by insurers is to add a customer service layer, such as outbound call centers and digital apps, without adjusting the fundamental product design or how it is marketed. This is the inverse of many third-party solutions that begin with a lens of engagement and build their entire offering based on maximizing the opportunity provided through each relevant engagement channel and interaction.
For insurer health and wellness programs to succeed, deeper change is needed as current models are falling short on engagement and usage for a variety of reasons:

**Linear.** Offerings have been based on disease management protocols resulting in multiple offering programs that create linear tracks for managing individual conditions, such as diabetes or COPD. Each track has its own set of rules, models and allowances as related to the disease state, not the individual.

**Complex.** Insurers and providers understand the differences among products and the disease management protocols they are built around—but patients do not. People with chronic diseases often have multiple conditions; one in five adults in the US say they are living with two or more chronic health conditions.\(^1\) In current models, a person living with high blood pressure, diabetes and heart disease may receive a different weight management product for each condition. These silos make utilization and engagement difficult for patients.

**Insular.** Health plans have historically placed too much emphasis on how they will package and sell products. This inside-out view does not take into consideration the ultimate users of these products and the results they are trying to achieve.

**Reactive.** Most health and wellness programs are designed to treat individuals after diagnosis. Products that are more preventative in nature can help prevent illnesses from occurring in the first place.

**Cost-not consumer-oriented.** Products put too much emphasis on cost control. Instead, they need a consumer-centric design that is intuitive, personalized and allows users to access the product in the way they prefer and have instant-access options.

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New entrants are disrupting the market with innovative products that proactively engage patients before a medical issue becomes more urgent and costly. They also aim to treat the whole person rather than a whole population. Companies such as Accolade, an on-demand healthcare concierge for employers, health plans and health systems, use intelligent platforms to identify health red flags and spot patterns. The company claims to engage more people, more often—“two-thirds of the time before a care event occurs.”

Incumbent health insurers are hard-pressed to match these value propositions with their current products. But they can maximize the data they have to strengthen relationships with consumers and the providers that consumers use. Products should also be designed to deliver on employer cost management needs and employee engagement expectations.

This requires developing agile product platforms that adapt as people engage. These new elective-oriented product platforms will enable insurers to design products that are relevant to both employers and employees.

Furthermore, the way health insurers sell these products must change. Rather than relying on the sales account relationship, insurers must refocus product and marketing efforts on tailoring offerings to business-to-business segments, from national accounts to small groups, and flexibility by industry needs (e.g. retail vs. manufacturing). These markets are becoming much more competitive and require differentiated product offerings to grow and retain this business.

If payers fail to modernize and better market their product portfolios, they risk losing business. In fact, 46 percent of employers surveyed said they would source health and wellness programs to another health insurance company if it provided “more valuable components.”

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² https://www.accolade.com/
³ Accenture 2016 Employer Health and Wellness Survey
Health plans can take these steps to close gaps in information and service capabilities to better meet the needs of today’s employers and employees.

1. **Recognize the path to improvement is not just a new picture frame.** To successfully design products that are useful and engaging, health insurers must strive to treat the whole person. Health insurers can do so by bringing their clinical and product professionals together to create a flexible architecture where employees are involved in choosing from products options to create a plan customized for their individual situation.

2. **See products through a new lens.** As with any product that serves a consumer, it is essential to design and develop from the outside in. Use the consumer’s perspective to shape offerings that increase engagement and interactions, leading to greater satisfaction. Patients will also gain the confidence to engage the health system earlier, and early engagement is a way to prevent later, more expensive claims.

3. **Build a flexible architecture that defines products for usage.** A successful architecture connects the dots between provider, insurer, employer and employee by factoring in desired outcomes, governance, security, analytics, customer experiences, channels, people and technology.

4. **Establish measurable targets.** Many health and wellness products are measured by participation rates. Insurers can measure success more comprehensively by linking participation in programs to outcomes.

It is clear that now is the time to rethink how health and wellness products are designed. Products that allow more access at the right time through the right channel will drive success for employers and payers.
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ABOUT THE ACCENTURE 2016 EMPLOYER HEALTH AND WELLNESS SURVEY
Accenture conducted an online survey of 253 employers across different industries in the United States. We sought input from employers for the health and wellness program components they offer in their organization. The employers surveyed were of different age, gender, ethnicity and have used or plan to use one or more wellness programs. The survey was conducted in October 2016.

ABOUT THE ACCENTURE 2016 EMPLOYEE HEALTH AND WELLNESS SURVEY
Accenture conducted an online survey of 3001 employees across different employers in the United States. We sought input from employees for the health and wellness program components being offered to them by their organization. The employees surveyed were of different age, gender, ethnicity and have used or plan to use one or more wellness programs. The survey was conducted in October 2016.

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