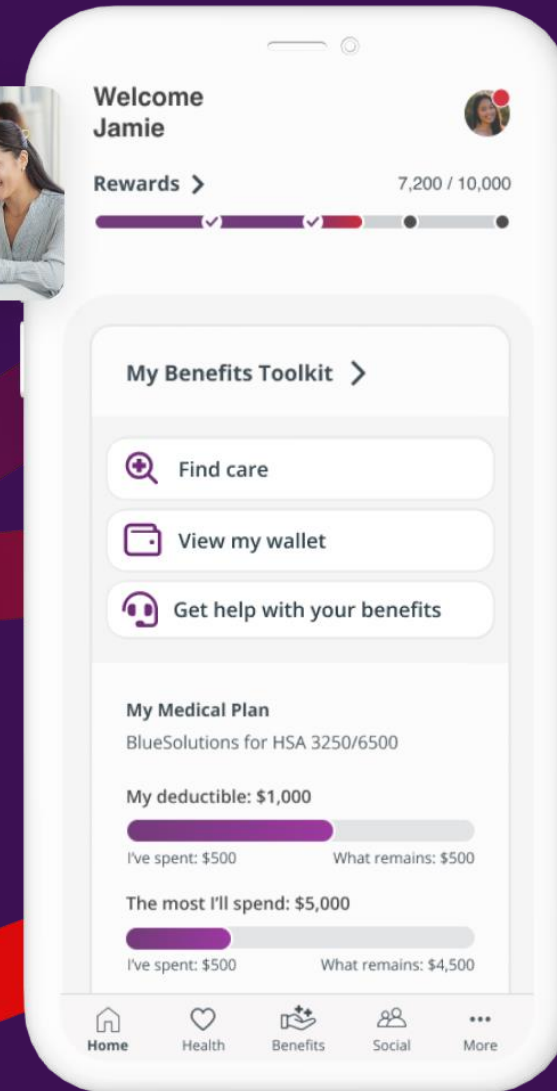




## LEADERSHIP GUIDE

# Calming the Cost Crisis with a Personalized Navigation Solution

Three steps to cost savings with a next-gen navigation solution





The world is changing, and people's needs and expectations for healthcare are changing along with it. We're facing pandemic-driven delayed care, ongoing access issues, and rising costs with greater consumer responsibility.

People are burned out at work, struggling with mental health issues, and want more from their healthcare system and benefits – but they're confused.



Chris Michalak  
Chief Executive Officer Virgin Pulse  
[2023 Trends and Predictions eBook](#)

## As an HR benefits leader, employees and organizations rely on you to secure the right benefits mix. A more urgent and emerging need is also ensuring people can access quality healthcare with confidence and cost clarity.

In 2023, organizations face historic challenges: a competitive talent landscape, an exhausted workforce, and pressure to control costs.

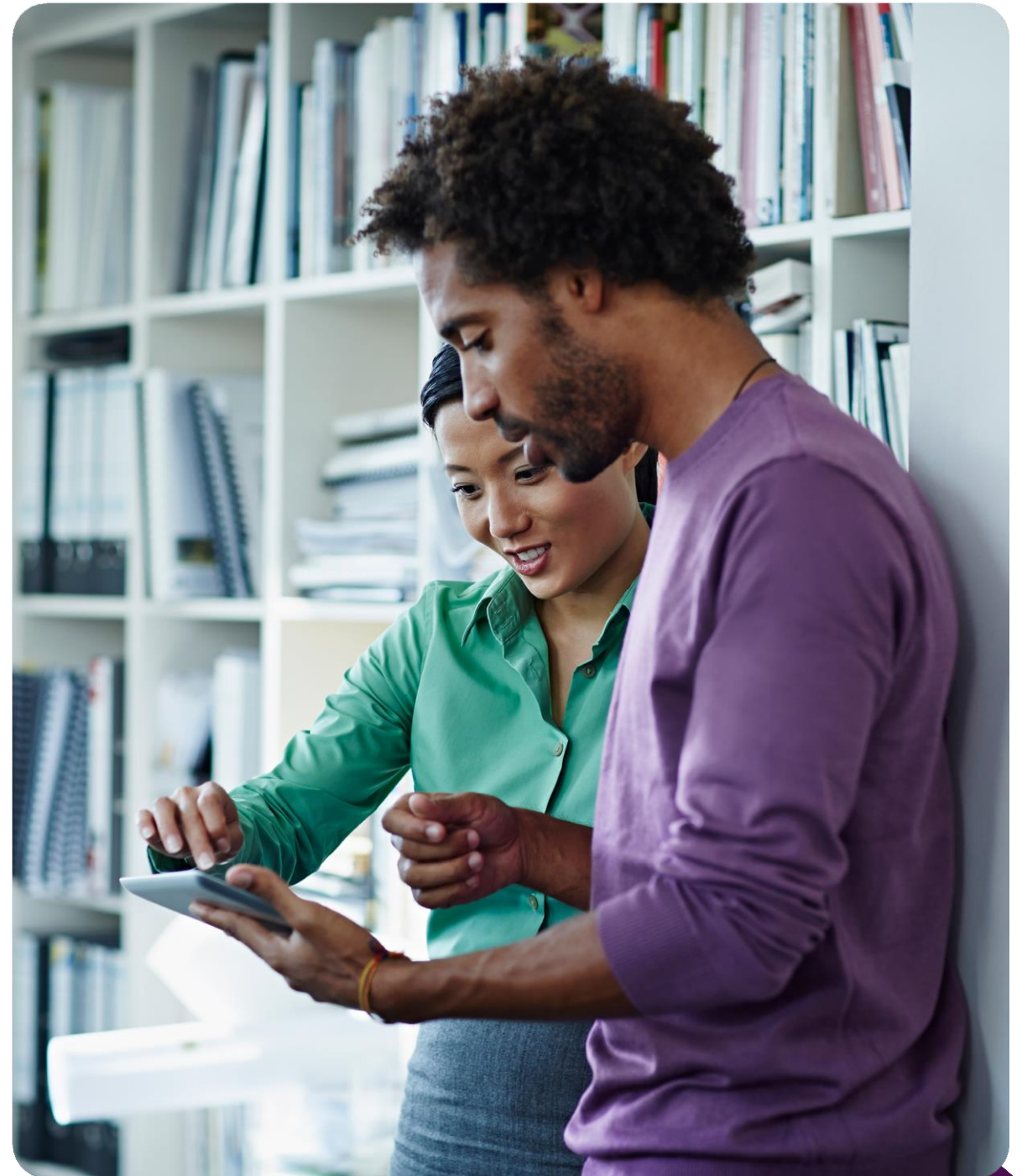
To attract and retain good talent used to mean offering stellar benefits programs, but in today's competitive environment, **it is not enough**. To be competitive while simultaneously reducing rising costs, a large part of HR's success goes beyond acquiring benefits. In this new world, HR benefits leaders must ensure people have *access* to the affordable healthcare they need in a way that is *easy* to navigate for individuals and the HR professionals who administer benefits.

This leadership guide will help you understand your choices and how they impact employee engagement, health outcomes, and cost savings.

## Understanding the opportunity to move *forward* confidently

Research points to three key reasons why healthcare accessibility and affordability are critical to your business objectives:

1. Improved healthcare access can help you retain and recruit top employees.
2. Employers that make it easy to find affordable, quality healthcare see improved health outcomes and reduced costs.
3. Rising healthcare costs and poor health outcomes are accelerating profitability concerns, and organizations must deploy solutions to overcome headwinds.



## Understanding the opportunity to move *forward* confidently

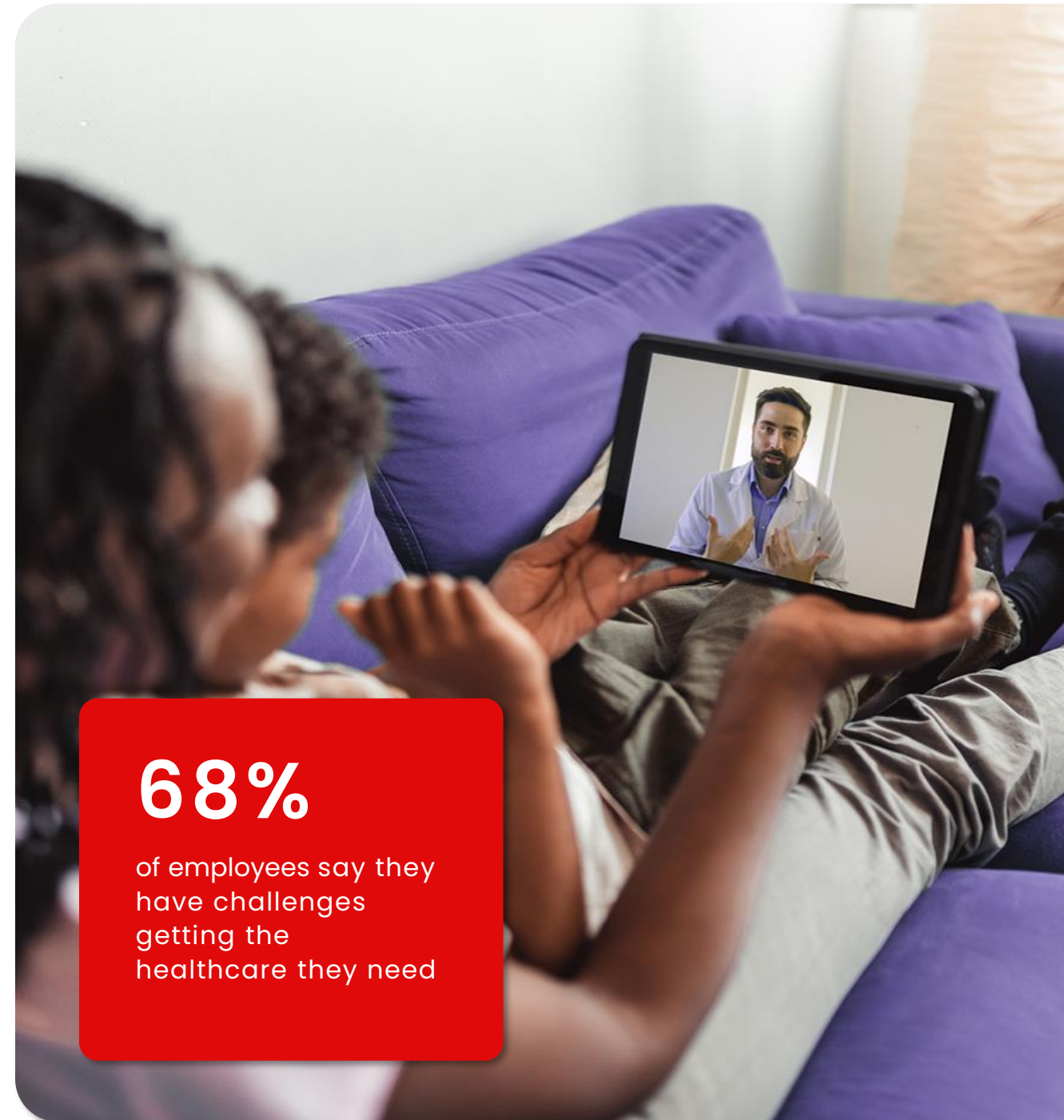
**1** Improved healthcare access can help you retain and recruit top employees.

At best, healthcare is clunky and inconvenient. At worst, it is unapproachable and unknown – a black box that causes fear of financial risk and liability to get healthcare.

According to a **Mercer** study, insufficient healthcare benefits are one of the top reasons employees would consider leaving their organization, and 68% of employees say they have challenges getting the healthcare they need. Yet, many organizations still use complicated and often antiquated infrastructures for benefits navigation and employee guidance.

Employees often don't bother fighting through the confusion to understand the options available to them better, resulting in underused or underutilized benefits that could do more to support employees and their families.

Faced with many talent challenges, employers need better tools to deliver more responsive, personalized support for their people while delivering a great return on the company's benefit investments.



**68%**

of employees say they have challenges getting the healthcare they need



## 2 Employers that make it easy to find affordable, quality healthcare see improved health outcomes and reduced costs.

If you thought employees were done delaying medical care now that the pandemic is waning, that assumption would be incorrect.

### People delaying care is at its highest point yet – 38%.

Gallup has been tracking Americans' self-reports of delaying medical care in the past 12 months due to costs since 2001. **Gallup's annual Health and Healthcare poll**, conducted between November 9 and December 2, 2022, found that **the number of people who delayed care rose 12 points and marked the highest sharpest year-over-year increase.**

It was understandable why people put their healthcare off at the beginning and the height of the pandemic. But things have improved, so what's stopping them now?

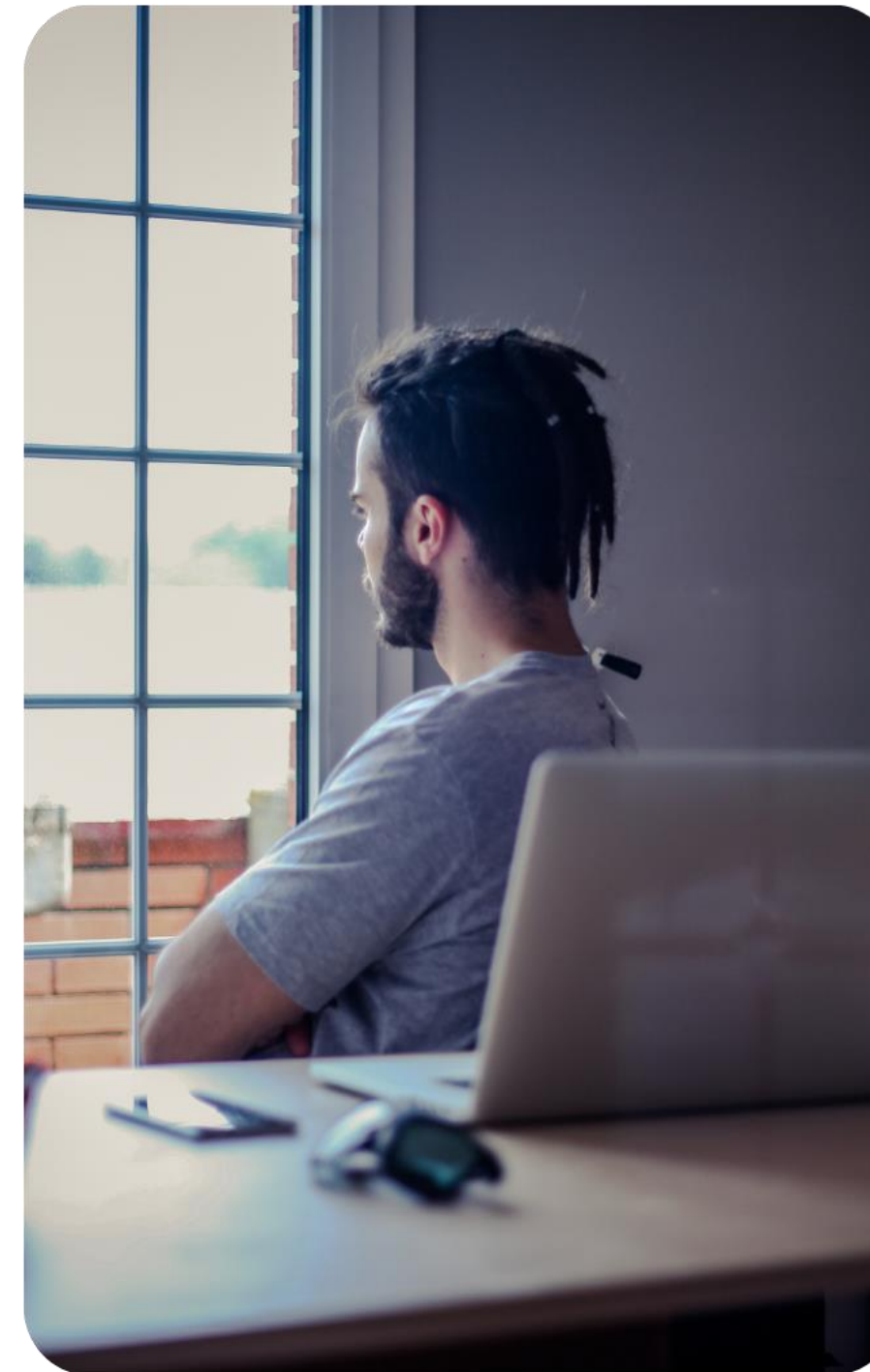
Inflation. In the second half of 2022, most U.S. adults said inflation is creating at least a **moderate hardship**, and employees are delaying medical care in general due to cost.

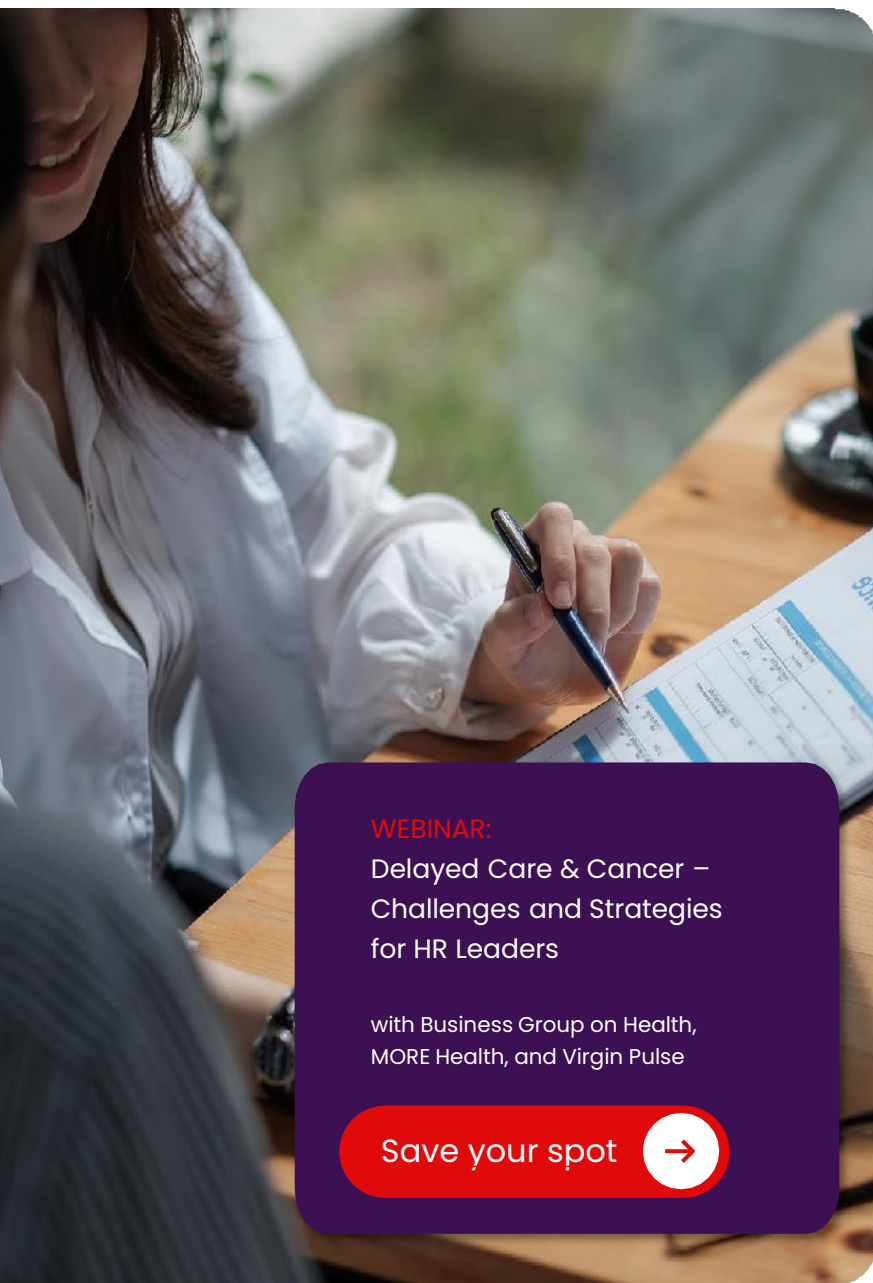
In 2022, 34% of Americans with income under \$40,000 delayed care, while 29% of those with incomes between \$40,000 – \$100,000 postponed care due to cost.

Based on **inflation trends**, an employee who makes \$50,000 a year has \$2,500 less to spend on healthcare than they did just 12 months ago. That's a problem because even before inflation, half of the insured adults said they had **difficulty affording out-of-pocket costs.**

Even scarier for HR is that **27% of people reported the delayed treatment was for a "very" or "somewhat" serious condition or illness**, according to the Gallup **poll**. "Very" and "somewhat" serious conditions and illnesses rarely improve when left untreated. The truth is, they get worse, which almost always means higher medical bills and costs for everyone.

With health, preventive care is cheaper and more effective than reactive care. Skipped care leads to higher costs and worse outcomes at every stage, which is painful for the employee and impacts your bottom line.





**WEBINAR:**

Delayed Care & Cancer –  
Challenges and Strategies  
for HR Leaders

with Business Group on Health,  
MORE Health, and Virgin Pulse

Save your spot →

## A return-on-investment (ROI) mindset helps employers approach benefits accessibility and affordability aligned to your unique population.

As more people decide to hold off on medical care for financial reasons, the employee and their organization will encounter negative consequences.

This is particularly true for people with or at high risk of chronic medical conditions. Stretching our drugs or avoiding care leads to poor health outcomes, and costs spiral. Preventive and condition care helps ensure symptoms are easy to live with, relatively minimal out-of-pocket care, and employees are productive at work. But when conditions are not managed appropriately, these same employees can face incredibly disruptive symptoms, rapidly rising expenses, and missed workdays.

For example, diabetes impacts an **estimated 37.3 million U.S. adults**. It is alarming that another ~100 million have prediabetes, and **more than 80% don't even know they have it**. Diabetics typically use a combination of oral medication and basic modifications to their lifestyle to manage the condition. However, when employees delay or avoid cost due to lack of access and affordability, changes in their blood sugar levels can go unnoticed by physicians that could intervene quickly to improve their quality of life and decrease medical costs.

Other chronic conditions such as high blood pressure or some types of cancer may have no symptoms, only discovered during routine preventive exams. People who don't understand the importance of preventive care and worry about paying out of pocket for care may not seek care because they don't feel sick. This means their condition goes undiscovered until later stages, or it leads to heart attacks, strokes, or kidney disease.

Finally, organizations can look at accessibility and affordability through mental health benefits enablement.

Since the pandemic's start, anxiety and depression rates have **increased by 25%**, and people diagnosed with major depression generally have **twice as much healthcare spending as other commercially insured Americans**. According to the World Health Organization (WHO), effectively treating anxiety and depression gives a **4:1 ROI** (\$4 back for every dollar spent) in improved productivity and employee health.

Need more support? Virgin Pulse can help you identify access and affordability needs for your unique population – **let's talk**.

### 3 Rising healthcare costs and poor health outcomes are accelerating profitability concerns, and organizations must deploy solutions to overcome headwinds.

According to [AON](#), employers are expected to spend \$13,800 per employee on healthcare in 2023. On average, respondents with current healthcare coverage estimate that **they waste \$111 per month** (\$1,332 per year) on confusion over their health plan – wasted spend.

According to [McKinsey](#), Fortune 1000 companies could face profitability headwinds due to elevated healthcare costs (9–11% above overall industry earnings by 2025). Organizations in labor-intensive industries such as retail, manufacturing, and food services could be disproportionately affected and experience 16–19% EBITDA erosion by 2025.

With rising healthcare costs, self-funded organizations will be faced with the choice of bearing the increased costs, buying down coverage, or passing more costs to struggling employees. Organizations that want to contain accelerating healthcare costs – without adding to employee expenses – need to reexamine how healthcare access and whole-person health and wellbeing fit into their benefits strategy.

There's more to choosing the right solution than just having benefits together in one place. It's how these pieces work *together* that makes a difference.



Given the tight labor market conditions, it's understandable that CFOs would prefer strategies that don't add to employees' financial burdens.

Sunit Patel, Mercer's chief actuary, shared a recent [SHRM](#) interview.

# There's more to choosing the right solution than just having benefits together in one place. It's how these pieces work *together* that makes the difference.

We know each component of a strong health engagement solution needs to be personalized and integrated to empower individuals to develop healthy routines, manage chronic conditions, and navigate complex care needs. Frankly, the most effective solutions connect data, people, and technology in a unifying experience that drives outcomes across the care continuum.

Organizations need solutions that personalize an employee's experience to remove the barriers of accessibility and affordability to move employees confidently *forward* to do things that are good for them.



● Appointment

It's time to meet with your diabetes coach.



# The power and importance of a healthcare navigation solution

We can agree that HR benefits leaders need a better way to help employees get the best care and make proactive decisions that reduce total costs. According to new research from [The Hartford](#), 70% of employers believe employees underutilize the services, benefits, and programs their organization makes available to them, presenting an opportunity.

And it's not a surprise. You've redesigned your medical plans and invested substantially in best-of-breed point solutions and internal communications. However, you are still faced with rising costs, delayed and avoided care, and poor health outcomes – key indicators that what you are doing today won't solve your problems.

You need a better solution for employees and your benefits administrators – you need a personalized healthcare benefits navigation solution.





## A holistic approach

With the need for healthcare accessibility and affordability, the challenge becomes creating a personalized experience that considers three key factors:

- accessible and unified benefits experience for every employee;
- that helps employees choose high-quality, low-cost healthcare; and
- delivers health outcomes while reducing costs.

A healthcare benefits navigation solution, also known as a **digital front door**, can accomplish all these goals.

Healthcare benefits navigation solutions empower employees by simplifying every aspect of healthcare – health plan details and claims, in-network physicians, cost transparency, and digital wallet.

When all employees have access to an inclusive, integrated solution that delivers the right information during their moment of need, they're better equipped to use the benefits, services, and programs their organization offers – guarding against low-quality providers and poor health outcomes.

What does a navigation experience look like for the employee?

Consider an employee delaying care for back pain due to financial insecurity. You could wait until the employee is at the point of surgery to intervene with pre-authorization, or you could leverage the power of Virgin Pulse's benefits navigation solution to surface your MSK partner at no cost at the first moment of need, delivering an affordable and accessible option that meets their current needs. All without your intervention.

Or maybe an employee has a benefits question that leads to finding a primary care provider and closing an open care gap. Or someone needs help finding an alternative to the ER. It's not just one thing, but multiple touchpoints to help employees get the care they need during their moment of need and help them feel supported by their organization.

Virgin Pulse is the only healthcare benefits navigation solution built for daily engagement as a part of the individual's daily routine. This affords a hyper-personalized approach that delivers returns.



## Personalized – and predictive

Every person has their own health needs, risks, and lifestyle choices. Organizations committed to diversity and delivering personalized healthcare support help employees feel heard and cared for throughout their healthcare journey. That's why creating a personalized experience for your people and their families matters.

A personalized healthcare benefits experience that empowers employees should recognize when something has changed and provide relevant next-best action tailored to their circumstances. For example, a new parent preparing to return to work might need additional support from a fertility benefit, want to find a pediatrician closer to the office, or want a digital coaching journey to help them manage their stress. Meeting employees where they are in life makes them feel known and understood. It can also help them better understand the value of the benefits being offered to them.

## Benefits navigation for all

Traditional healthcare benefits navigation solutions only support people already on a healthcare journey. They miss important milestones like helping employees understand and action preventive care by focusing instead only on high-cost claimants.

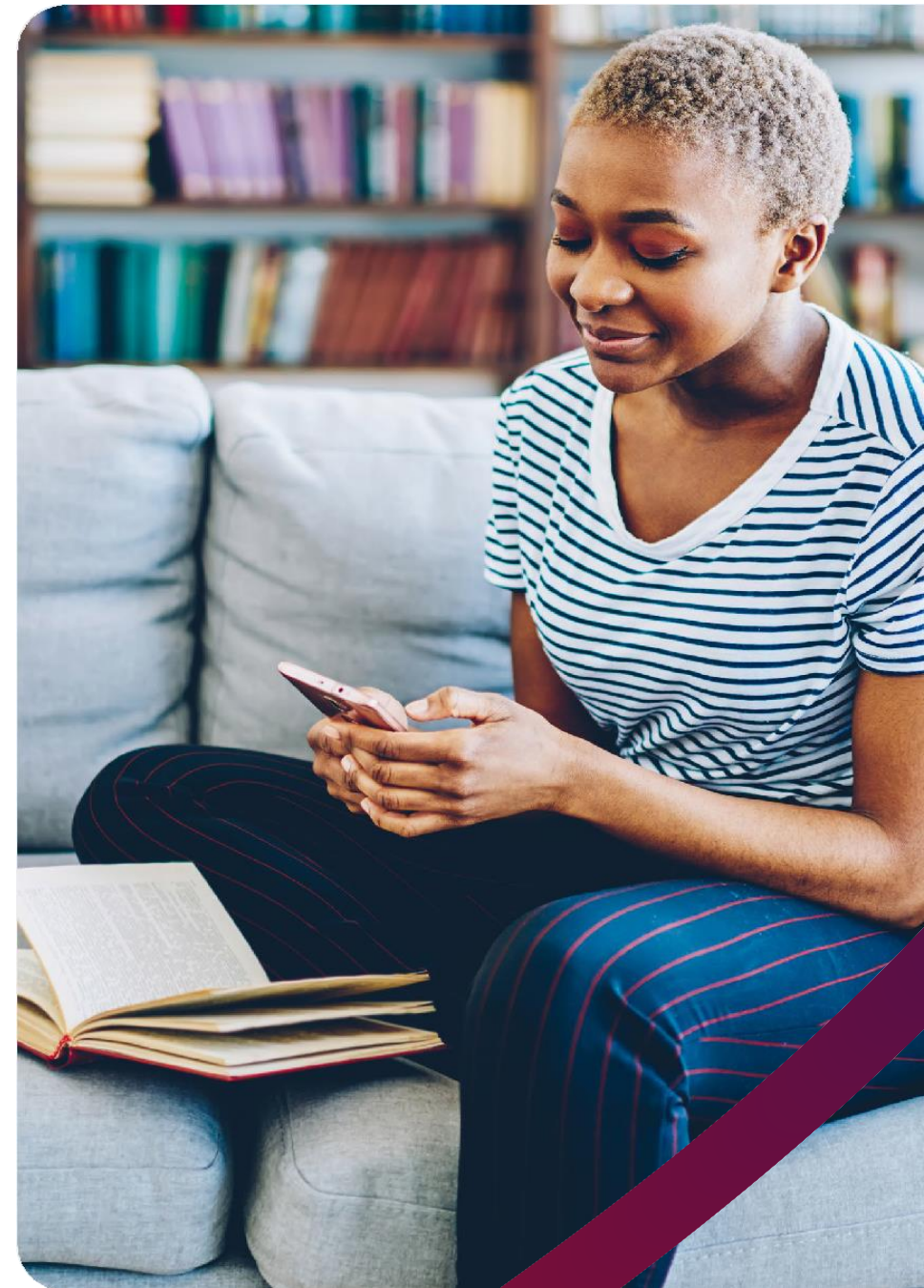
Unlike static benefits portals or benefits admin tools, personalized healthcare benefits navigation provides everything from health to wellbeing in the context of the person's daily life.

For example, consider a person completing an HRA with self-reported behaviors indicating they may be dealing with a health situation. In this case, they'll receive personalized prompts and nudges to help them understand why they should find a primary care provider, give them support on what to share and ask, and help them find a primary care provider to book an appointment.

Employers leveraging a benefits navigation solution provide their employees with an inclusive and proactive approach to improving health outcomes by addressing healthcare disparities from an individual and population health standpoint.

By forming a deeper understanding of contextual challenges, Virgin Pulse is prepared to help people overcome obstacles and access the care they need.

The right solution saves employees time, improves the ease of finding and obtaining care, and creates satisfaction with your benefits to improve retention and recruitment efforts. In addition, the improved experience enables organizations to save time and money while lessening the burden on HR.



# How Virgin Pulse can help

Healthcare and benefits complexity has turned today's employee benefits into a maze of systems – some interconnected, but many siloed and difficult to access and understand. With cost as a deterrent of care, the more difficult it is to access high-quality, low-cost care, the easier it is to avoid care.

Connectivity should improve the user experience, not erode it. Overwhelming an individual with information or ongoing scroll feeds might work for social media, but not when we are trying to figure out how to use our benefits.

With Virgin Pulse's personalized **Homebase for Health**, including health, well-being, and healthcare benefits navigation, you can make **the right choice easy for employees**.

The Virgin Pulse experience is built on rich contextual data that spans the entire solution ecosystem – from digital to human touch coaching and advocacy.

Virgin Pulse has been engaging and helping employees navigate their health and wellbeing for nearly 20 years by serving up the next best actions in the context of the individual's daily life. And now, by extending to add in **healthcare benefits, transparency tools, a digital wallet, and human-to-human advocates**, Virgin Pulse can go deeper into each person's healthcare journey with one comprehensive solution.

Every organization is unique and wants to deliver experiences that resonate with its people. Depending on available and integrated benefits, **healthcare navigation solutions with advocacy** can support the full spectrum of accessibility and affordability needs.

From guarding against low-quality care by directing employees to high-quality physicians or appropriate sites of care, Virgin Pulse's benefits navigation solution also helps to identify barriers that influence a member's health decision and removes those barriers early to get your employees and their families the right care.

This approach ensures employees have access to prescription affordability benefits, transportation and childcare services, on-site clinics and screenings, and specialty care such as **care management and coaching**, DTx, fertility, and more as part of their always-on experience to deliver health outcomes that reduce healthcare costs.

For organizations, benefits navigation solutions also provide HR admin savings through time and effort. Virgin Pulse clients also see **cost savings in acquiring best-in-breed point solutions** integrated within **Virgin Pulse's Homebase for Health**.

## The impact of Virgin Pulse





# What is the ROI of a personalized health, wellbeing, and benefits navigation solution?

Executives surveyed for the [Total Economic Impact of Virgin Pulse by Forrester](#) named a range of benefits from investing in the health and wellbeing of their workforce powered by Virgin Pulse.

They include improvements in reduced employee attrition, reduced healthcare costs, organization-wide productivity increases, decreased administration and communications costs, and reduced costs of fatigue-related mistakes. The executives also cited other business benefits, including more interest in high-deductible plans, increased participation in preventive care, and improved employee experience.

The bottom line is that live, personalized guidance and an approachable interface make a complex and confusing world more human. And when employees can make smart decisions with ease, health and wellbeing outcomes go up, and costs go down – for them and your organization.

But even with this knowledge, many HR professionals may not know where to begin, how to evaluate, or how to make the value case. We're here to help walk you through it.



To successfully evaluate and implement a healthcare benefits navigation solution and see the greatest return on your investment, we recommend a three-step process from buy-in to evolving your program.



**Make the value case to achieve buy-in.**

Present the solution's full capabilities to stakeholders and the leadership team.



**What does success look like to you?**

Define what success means to ensure you are getting the most value.



**Future-proofed benefits & outcomes.**

Demonstrate success and continue to tailor it to the needs of your organization.





## Make the value case to achieve buy-in

55% of employers currently provide decision-support tools for health navigation, with another 26% considering this. Your stakeholders and leadership team expect to see this level of support on the short list of priorities for HR this year.

To ensure your organization can see the potential of healthcare benefits navigation, or to evolve your current approach, identify the pain points driving rising healthcare costs – this can help you build a solution tailored to your needs – and toward creating a meaningful return on investment (ROI).

For instance, perhaps ER utilization is increasing for non-emergency visits that would be better suited for primary care visits. To solve this, a combination of provider search tools, care redirection from a live advocate, and steerage to virtual alternatives might help employees turn to high-value care more often.

A powerful solution might also engage the employee in a digital coaching journey that helps build a healthy habit that drives behavior change and connect employees to health coaches or onsite clinics to increase healthcare accessibility and affordability.

Once you've identified pain points that must be addressed, the full solution scope must be clearly identified and socialized with key stakeholders to ensure full cost-savings potential.

To help you identify the problem, make the value case, and achieve buy-in, we've compiled a guide to assist. Download your copy of [Making the Case from our health, wellbeing, and benefits navigation strategy toolkit](#).

And you always have your team at Virgin Pulse to help you build and present your value case to stakeholders, consultants, and leadership. Additionally, our [CFO shared his thoughts about investing in employee benefits in this on-demand replay](#) to support your journey.



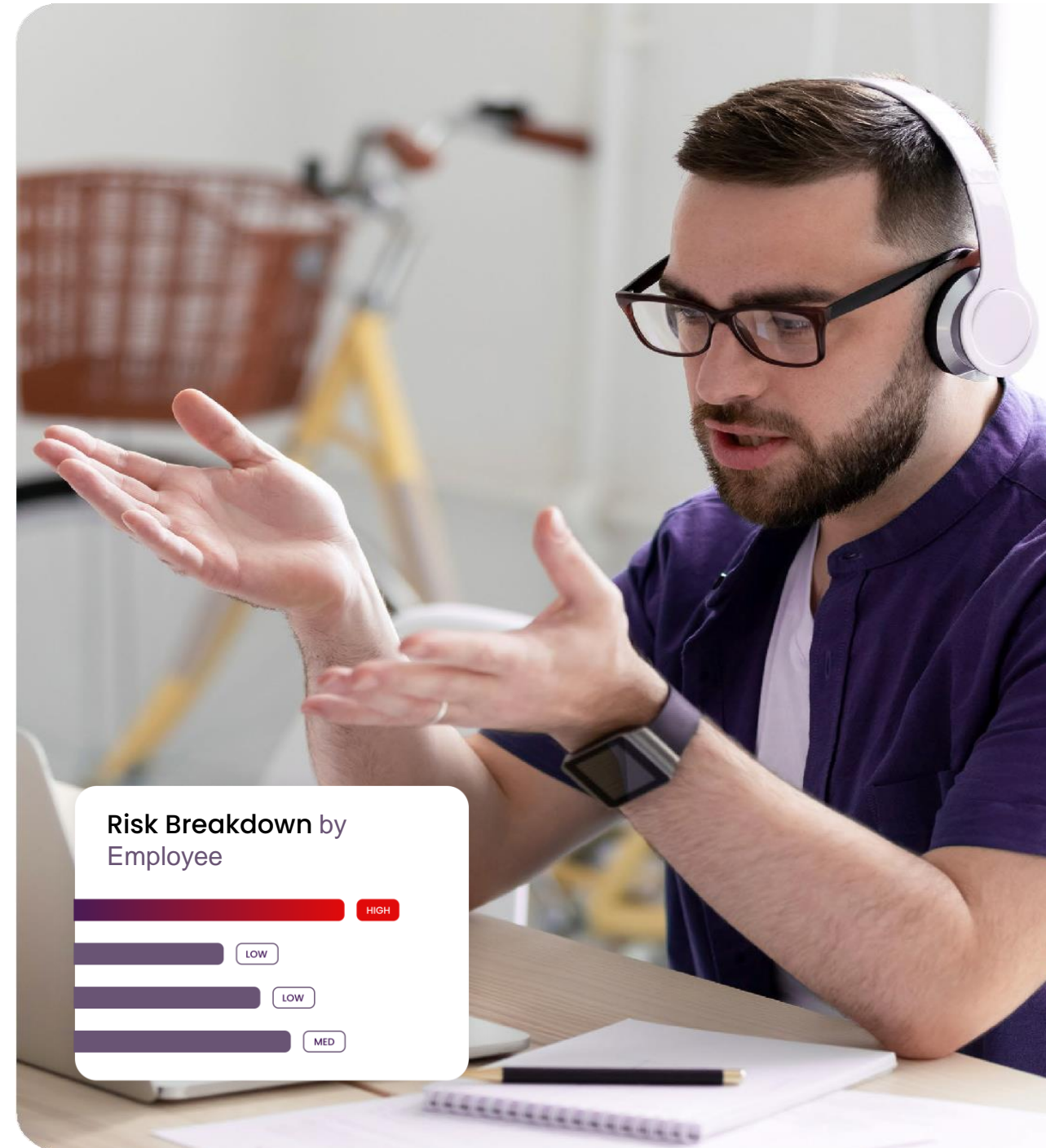


## Define what success means to you and how to quantify it

Once you know the problems you are solving with your benefits navigation solution, you'll know the functionality you need to drive the most value and metrics you want to impact.

Take healthcare cost trends as an example. To understand health spending year-over-year, you could look at the national average for your industry peers. If you discover that your costs are higher, improving this metric could be a good place to start.

Working with your healthcare benefits navigation partner, you can also use key metrics such as engagement rates, self-reported concerns, and feature utilization. This helps understand the value of the solution, and how successfully individuals are integrating it into their daily routine. At Virgin Pulse, many organizations use HRA and interest data to help them justify integrating new benefits.



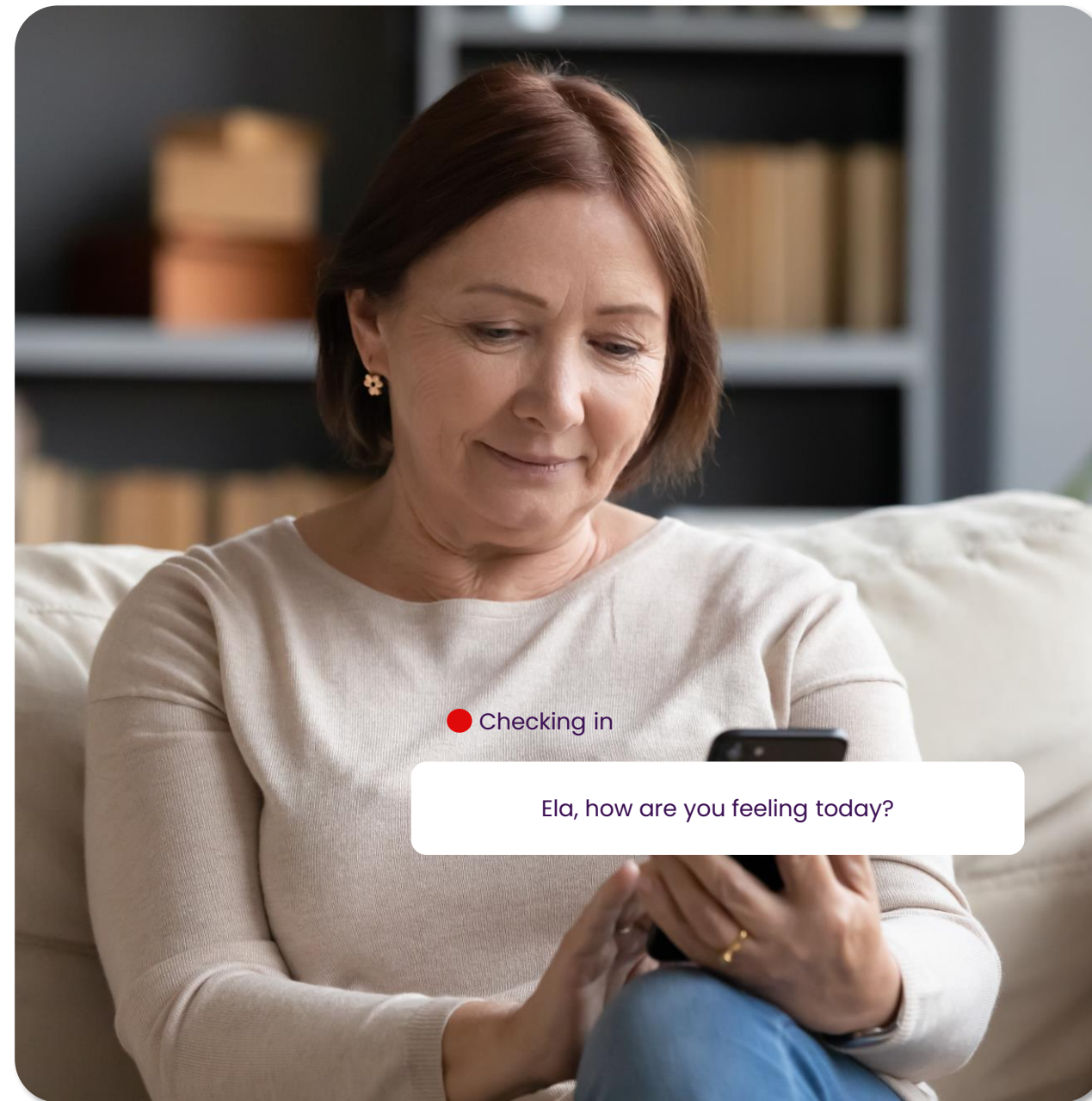




## Future-proofed benefits strategy and health outcomes

Executives surveyed for the **Total Economic Impact of Virgin Pulse by Forrester** indicated payback in less than three months. While quantifying impact across all impact measures will be an iterative process, you should see immediate improvements from employees leveraging features like advocates or transparency tools – showing the power of behavior change to influence rising healthcare costs.


As you see how your employees engage with the healthcare benefits solution, you can work alongside your partner to continue solving challenges with new solutions and products without starting over from square one – helping to future-proof your benefits strategy and health outcomes.



# Your ally to navigate any journey ahead

VP Navigate supports members in personalized benefits navigation – seamlessly finding the right benefit within their Virgin Pulse experience at the right time.

VP Navigate with advocacy includes a collection of digital tools and human touch when you need it to help members better understand their medical plan benefits, find higher quality, lower cost providers, and sort through all the benefit offerings they receive with smart searching and recommendations. VP Navigate features include medical plan details such as balances and accumulators, digital wallet, provider search, procedure search, steerage towards high-quality providers, cost transparency for procedures, and recent medical claims details.



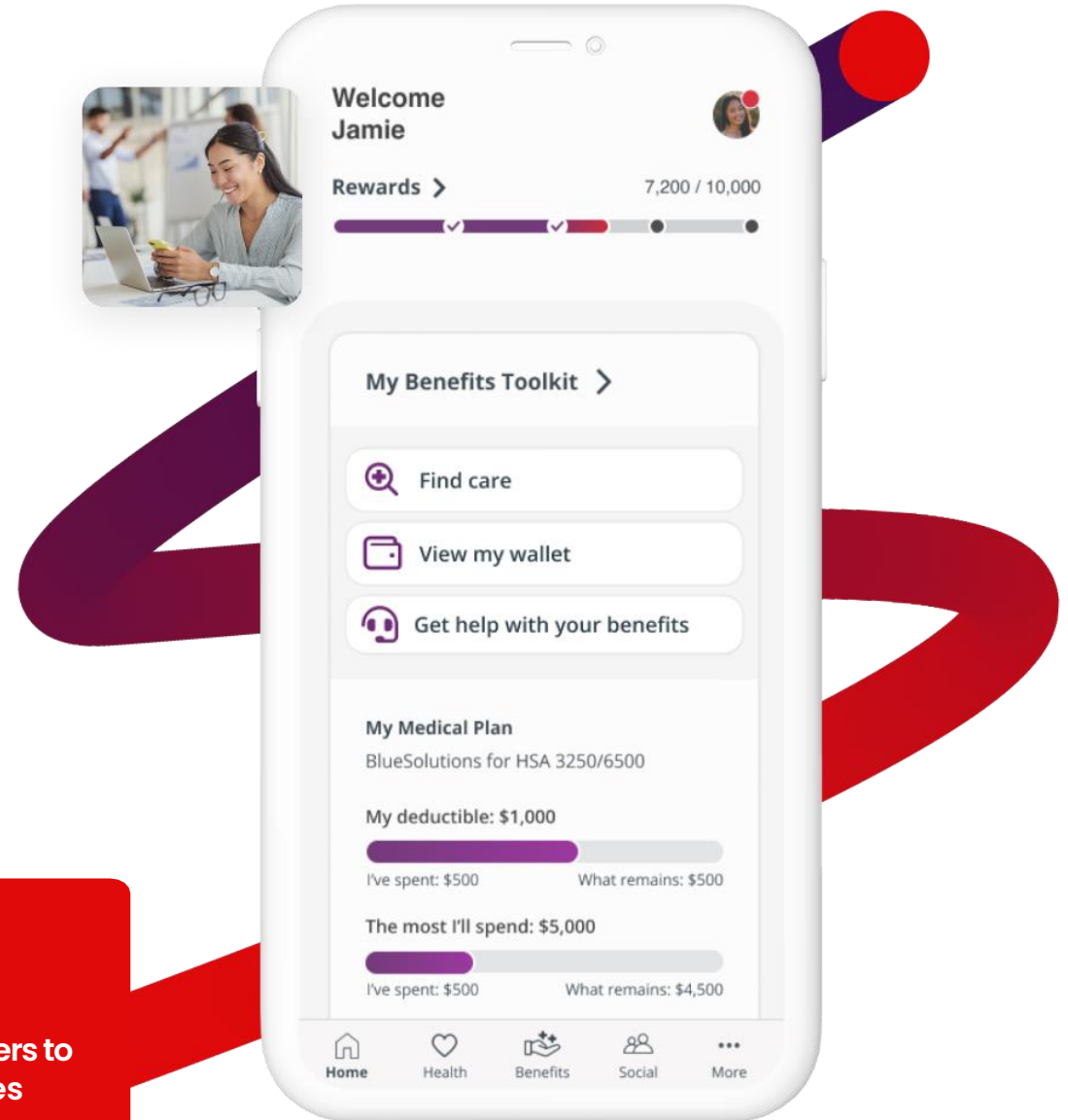
**Simplify finding and using benefits**



**Drive cost savings through steerage**



**Steer towards quality providers to achieve health outcomes**



# See the impact of Virgin Pulse on employee health and outcomes – and your bottom line.

Talk to an expert

## About Virgin Pulse

Virgin Pulse is the leading digital-first health and wellbeing company that empowers organizations across the globe to activate populations, improve health outcomes, and reduce spending in an era of accelerating cost and complexity. Virgin Pulse's Homebase for Health® connects data, people and technology to deliver high-tech, human-touch experiences that engage and reward individual journeys. Virgin Pulse impacts over 100 million people across 190 countries by helping Fortune 500, national health plans and many other organizations change lives – and businesses – for good. For more tips and insights, connect with us on [Twitter](#) or [LinkedIn](#).

