



Quality Improvement

A Medicaid Success Story





Quality Improvement & Member Engagement: A Medicaid Success Story

State-Level Sponsorship is Key to Cost Savings

State Medicaid systems are under stress from rising costs and increased pressure to meet the needs of providers, members, and taxpayers. Member engagement and quality improvement programs that are sponsored at a state level and designed to improve health outcomes, increase compliance, and lower medical spend can help. Through inclusion in a Section 1115 demonstration waiver, states are able to garner federal match funding for these programs and use the proven cost savings to offset budget shortfalls, adjust payor rates, and continue supporting core Medicaid services.

The most effective solutions employ closed-loop systems that deliver personalized member communications, track all engagement attempts, and measure the outcomes on a one-to-one basis. Successful programs also include integrated incentives that are aligned with state performance measures, HEDIS® measures, and provider value-based payment arrangements.





Engagement Within the Entire Circle of Health Care

An effective Medicaid engagement program that is sponsored at a state-level can connect parties throughout the circle of health care so that the entire system can thrive. Payors need portable and consistent quality measurement and engagement systems to improve HEDIS® and state performance measures. Providers need proven ways to motivate patients to make healthy lifestyle choices and achieve their value-based care objectives. Medicaid members often need help with an ecosystem of health concerns that includes housing, food security, wellness and condition management services, financial education, and career advice.

Each group benefits from different, personalized incentives. Provider value-based payment arrangements, pay for performance arrangements for payors, and member incentive programs must be connected in a transparent, secure, and interoperable system. The result is a systems-based approach to improving health care through engagement and interoperability within the circle of health care.

Statewide Medicaid Engagement Program Success for Six Years

In 2014, Finity implemented the first completely portable, closed-loop member engagement and quality improvement program for a statewide Medicaid population of approximately 750,000 members. The program was approved by the Centers for Medicare and Medicaid Services (CMS) through the state's Section 1115 Demonstration for federal match funding for the entire program. Between 2014 and 2019, **Medicaid member participation grew to over 72% and the program saved over \$200 million in reduced state Medicaid health care costs.**¹

The program's success has illuminated some best practices for state Medicaid engagement programs nationwide as described below.

1. User-Friendly, Stakeholder-Specific Portal Design

The program's design includes specialized portals for state payors, providers, and members. Members can access SDOH and health resources from the member portal. The state and payors can access valuable data and reports from portals designed around their needs.

¹ Finity Communications, Inc. Program Summary. October 2020

2019 Rewards Portal Engagement by Device



internet on mobile devices than on desktop or laptop computers.² In the last six years, over **76 percent** of electronic member portal access has been through mobile devices, including tablets.³

2. Consistent Multimedia Engagement

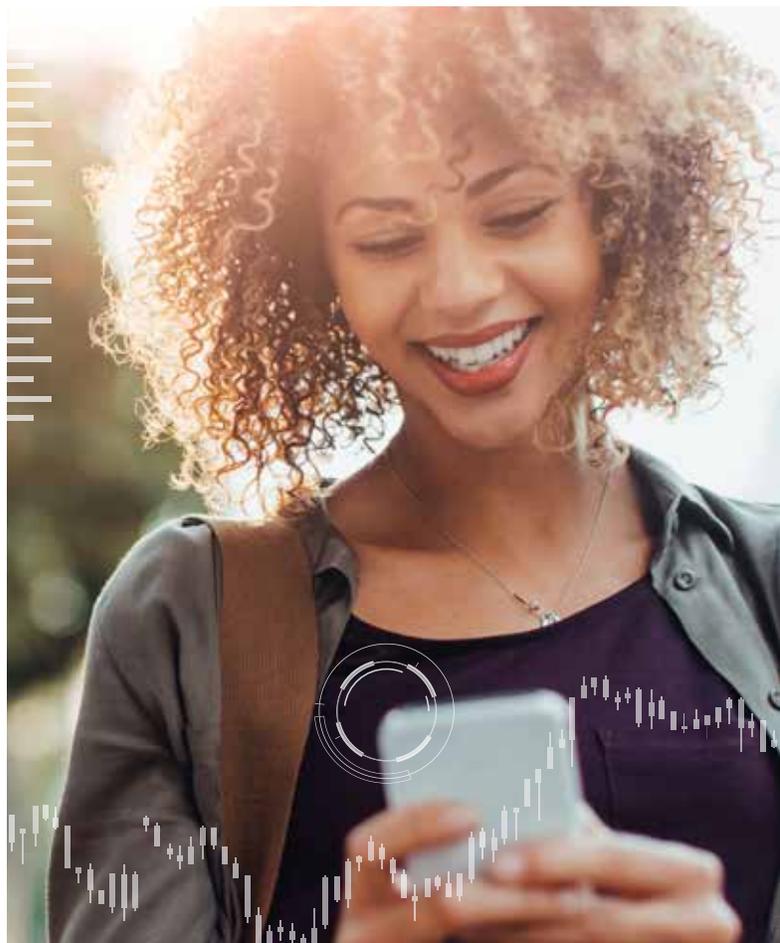
Research shows that incentive programs must emphasize consistent engagement through **multiple forms of media** to successfully create behavior change.⁴ This program engages members through multiple media approaches, including direct mail, SMS, emails, web, phone outreach, and video. This helps ensure that each member receives information in a way that is accessible and meaningful to them. Members were engaged an average of 11 times per year using at least two mediums. This has been one of the most important components in the success of the program.

3. Fun, Personalized, Game-Like Design

Each Medicaid member receives highly personalized **LifeTrack** content, resources,

Providers can access patient engagement materials and program information. Finity approaches health care system engagement by looking at each part of the system and engaging and empowering each party's unique goals.

The member engagement portal is fully compatible with all mobile devices. This is essential, as research shows that low-income Americans are more likely to access the



² Rideout, V and Katz V. Opportunity for all? Technology and learning in lower-income families. A report of the Families and Media Project. New York: The Joan Ganz Cooney Center at Sesame Workshop, 2016. <https://joanganzcooneycenter.org/publication/opportunity-for-all-technology-and-learning-in-lower-income-families>. February 3, 2016. Accessed October 15, 2020

³ Finity Communications, Inc. Wellness Services internal data, 2014-2020

⁴ Vulimiri M et al: Engaging beneficiaries in Medicaid programs that incentivize health-promoting behaviors. Health aff (Millwood). Mar;38(3):431-439, 2019. doi: 10.1377/hlthaff.2018.05427

activities, and incentives that are specific to their health and SDOH needs. The program is also gamified to increase member engagement. Members “play the game” by earning reward points and virtual achievement for completing targeted LifeTrack activities. Members are excited to learn how many healthy activities they can complete to earn reward points and track their progress through the member portal. The Step-Up Challenge is one of the most popular program activities. It encourages members to improve their health by walking, tracking their steps each day, and meeting specific goals to win the game and earn reward points. During the COVID-19 pandemic, the program added new valuable activities and incentives to help members meet basic needs and continue healthy behaviors safely at home.

“*These goals empower members to exert control over their health ...*”

4. Actionable, Measurable Incentives

Another key to program success is that incentives are tied to **immediate, concrete, measurable behaviors** rather than vague long-term goals.⁵ For example, through the Step-Up Challenge, members are encouraged to be physically active for a set time that is

tracked each day. By giving members actionable, measurable goals (a certain number of steps or exercise minutes per day), the chal-

lenge avoids the pitfalls of generic and overwhelming goals such as “fitness” and “weight loss.” These goals empower members to exert control over their health and allow them to tie a direct action to a positive reward, reinforcing a healthy behavior. Members who successfully completed the 3-week challenge had lower inpatient care and emergency room (ER) utilization rates and a lower overall cost of care.⁶



⁵ Vulimiri M, WK Bleser, RS Saunders, et al: Engaging beneficiaries in Medicaid programs that incentivize health-promoting behaviors. *Health aff (Millwood)*. Mar;38(3):431-439, 2019. doi: 10.1377/hlthaff.2018.05427.

⁶ Finity Communications, Inc. Analysis of rewards program data, 2015-2020

The program was also successful in reducing inpatient care and total cost of care for pregnant members and those with diabetes and asthma by linking rewards to specific HEDIS® measures.

5. Healthy, Valuable Rewards

The type of reward matters. Incentive programs are most effective when beneficiaries find the rewards valuable.⁷ A 2019 multi-state study of incentive programs suggested that for a Medicaid population, essential items such as diapers and baby formula have the same effect as financial incentives.⁸ This program was built with this knowledge in mind.

Many incentive program designs that offered discounts, vouchers, and/or gift cards failed because those rewards were not carefully matched to participants' needs, and access to redemption was not considered. This became even more important during the pandemic, as members opt for home delivery vs. in-store redemptions.

Through Finity's program, members choose their rewards from hundreds of carefully curated high-value items that have evolved based on consumer selection. Reward items are mailed directly to members' homes with branded program tape on each box. When the COVID-19 pandemic began, state residents were quarantined in their homes as unemployment rose and income fell. The program added reward items that helped meet the needs of the moment, such as shelf-stable food items, face masks, cleaning supplies, and biometric devices to facilitate data gathering for telehealth.

This consumer-based catalog system results in **rewards that are meaningful, useful, accessible, and valuable to the participants.**

Six Years of Successful Cost Savings and Participation

From its very first year, the program has been an engagement and cost-savings success for the state. Between 2014 and 2019:

- ✔ **309,219** Medicaid members registered for the program.
- ✔ Members earned more than **\$75 million** in rewards by completing healthy activities and redeemed nearly **\$20 million** in incentives.
- ✔ Program participants completed more preventive care and disease management activities than nonparticipants.
- ✔ The State saw a **14 percent improvement** in updated member contact information.⁹
- ✔ In the program's first six years, the rewards earned by participants across nine measures, including diabetes care, behavioral health medication compliance, and the Step-Up Challenge, helped the state save over **\$200 million.**

⁷ Van Vleet A and Rudowitz R. An Overview of Medicaid Incentives for the Prevention of Chronic Diseases (MIPCD) Grants. KFF.org. <http://kff.org/report-section/an-overview-of-medicaid-incentives-for-the-prevention-of-chronic-diseases-issue-brief-mipcd-grants>. Published September 16, 2014. Accessed October 16, 2020.

⁸ Ibid

⁹ Finity Communications, Inc. 2020 Program Summary

◆ **Most reward activities produced annual savings.** Dental checkups, health risk assessment (HRA) completion, and schizophrenia medication refills were exceptions. All other activities had cost savings each year.

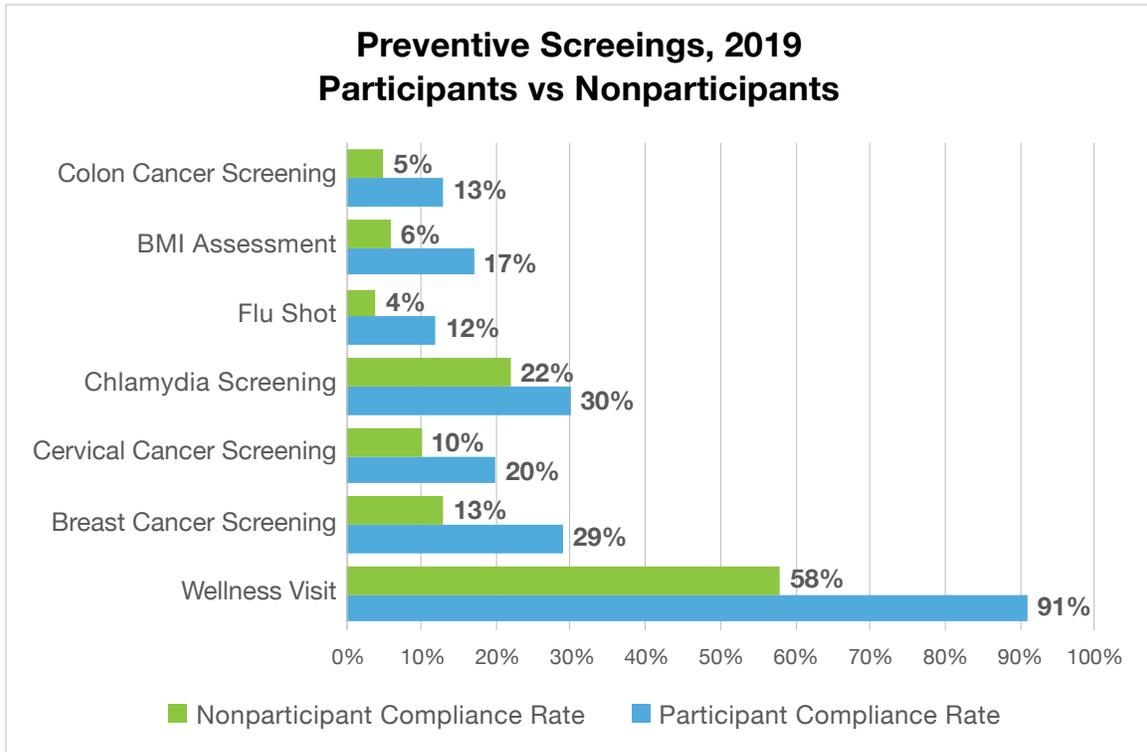
Program Cost Savings, 2014-2019¹⁰

Condition or Activity	Average Savings Per Member Per Month	Total 6-Year Savings
Adult PCP Visit	\$39	\$28.5 million
Asthma	\$21	\$11.9 million
Bipolar	\$18	\$14.8 million
Bone Density Test	\$200	\$6.1 million
Diabetes	\$27	\$56.0 million
Perinatal Care	\$90	\$9.7 million
Schizophrenia*	\$72	\$9.9 million
Well-Baby Visit	\$43	\$15.1 million
Step-Up Challenge	\$38	\$12.5 million
HRA Completion*	\$12	\$36.6 million
Six-Year Total		\$201.1 Million

**For years in which cost savings were found*



¹⁰ Ibid



Source: Finity Communications, Inc. *Analysis of program data*

Cost Savings Methodology

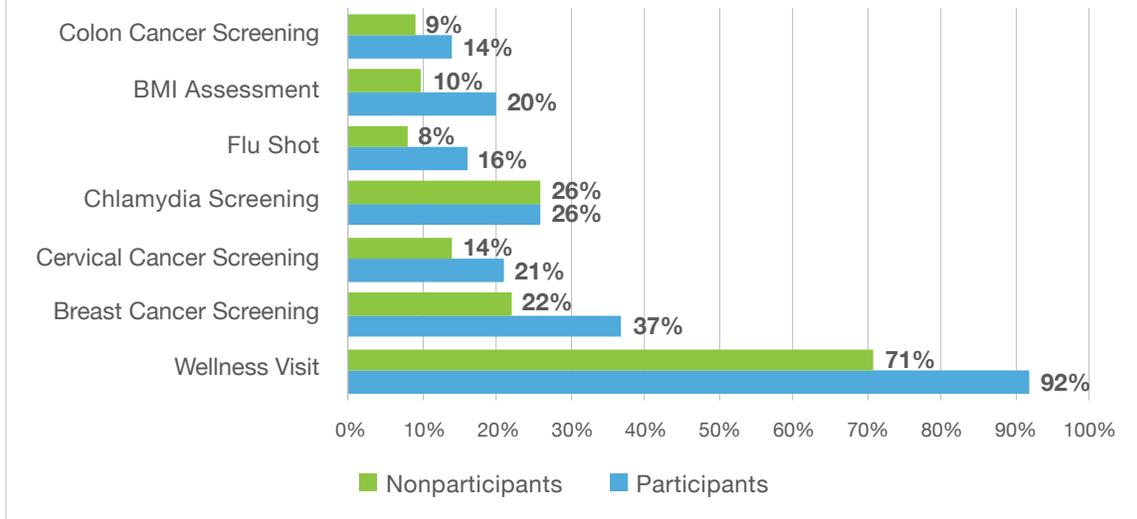
As directed by the Centers for Medicare and Medicaid Services (CMS), cost savings was calculated by comparing the medical costs of program participants to those of non-participants annually.

- ✔ Participants are defined as members who complete at least one program activity and have been actively engaged in the program.
- ✔ A weighted “one-to-many” matching is used to match each participant to a non-participant on a variety of factors, including age, gender, risk scores, chronic conditions, and more.

- ✔ The total medical spend for both groups is compared using linear regression models, and the difference is the calculated cost savings.



Preventive Screenings, 2015-2019 Step-Up Challenge Participants vs Nonparticipants



Source: Finity Communications, Inc. 2020 Program Summary

Step-Up Challenge Results

The Step-Up Challenge has been especially effective in motivating members to proactively care for their health.

Between 2015 and 2019, more than 130,000 Medicaid members participated in the 3-week challenge. About 30 percent completed it. Of those, 40% went on to complete a 9-week challenge. Members who successfully completed the 3-week challenge had lower inpatient care and (ER) utilization rates and a lower overall cost of care.

There is quantitative evidence that the Step-Up Challenge contributes to statewide improvements in quality and health outcomes, utilization patterns, and cost savings. Compared to nonparticipants, challenge participants have an **average overall cost of care that is \$20-\$60**

lower per member per month. Savings typically come from lower inpatient and ER costs, with **20% lower rates of inpatient utilization and 10% lower ER usage.** Participants also more frequently use high-value preventive services that can help keep people healthier or identify health issues earlier in the disease trajectory. Specifically, participants are **5% to 15%** more likely to receive flu shots and breast, cervical, and colorectal cancer screenings.¹¹



¹¹ Finity Communications, Inc. Analysis of program data, 2015-2019

Conclusion

A well-designed, closed-loop member engagement and quality improvement program is a successful part of an interoperable system that meets the needs of all stakeholders. Such systems can save Medicaid funds that states can use to continue providing core benefits. Participants are more likely than nonparticipants to complete preventive care and chronic condition management activities, reducing the cost of care for the state and Managed Care Organizations (MCOs).

The program succeeds by coordinating engagement throughout the entire circle of health care. It reaches members through multiple communication channels, provides incentives that they value, responds to their changing circumstances, and eliminates redemption access issues. Gamified engagement and activities, and a catalog of consumer-driven rewards provide the initial encouragement for members to proactively care for their own health.

The Finity program has benefited the state and the participating Medicaid MCOs by providing

cost savings, closing gaps in care, and inspiring positive behavioral change. Through 2019, the program has saved the state \$200 million in reduced total medical spend. Given the success of the program, it can serve as a roadmap for other state-level engagement and quality improvement solutions across the country.



The program succeeds

by creating engagement within
the entire circle of health care.