

Introduction

This is a four-year observational case study from 2015-2018 of a large employer that provides the Kannact Chronic Care program to all members covered on their health plan. Kannact receives medical and pharmacy paid claims data for all members. This data was analyzed to determine the differences in total costs (unadjusted for inflation) for members continuously active in the program versus members who did not participate.

Population Definition

The population cost analysis includes all members with diabetes who were eligible in the health plan for the entirety of 2015 through 2018. Over 70% of members with diabetes have at least one comorbid condition like hypertension or heart disease. The total number of members included was 432, of which 54 enrolled in the Kannact program during Q3-Q4 of 2015 and remained active in the program through 2018. **Figure 1.** The remaining 378 members were analyzed as the control population.

Claims Cost Comparison

Compared to the 2015 baseline, average costs per Kannact Active Participant shown in **Figure 2** were significantly lower in 2016, 2017, and 2018. The average savings was \$4,057 annually for members in the program, which is an average of 25% savings per year.

Figure 2

Kannact Active Participants: Average Claims Costs Per Person			
Year	Annual Average Claims Cost Per Person	Cost Decrease Compared to Baseline	Percent Decrease Compared to Baseline
2015	\$ 17,101	NA	NA
2016	\$ 16,119	\$ (980)	-6%
2017	\$ 11,140	\$ (5,960)	-37%
2018	\$ 11,871	\$ (5,228)	-32%
Average Decrease 2016 - 2018		\$ (4,057)	-25%

Figure 1

Population Breakdown		
Groups	Members per Group	2015 Baseline: Average Cost per Member
Kannact Active Participants	54	\$ 17,101
Control Population	378	\$ 5,440

The Control Population shown in **Figure 3** experienced a significant cost increase. The average annual claims cost increase was \$3,195 per member, which is an average of 59% cost increase per year.

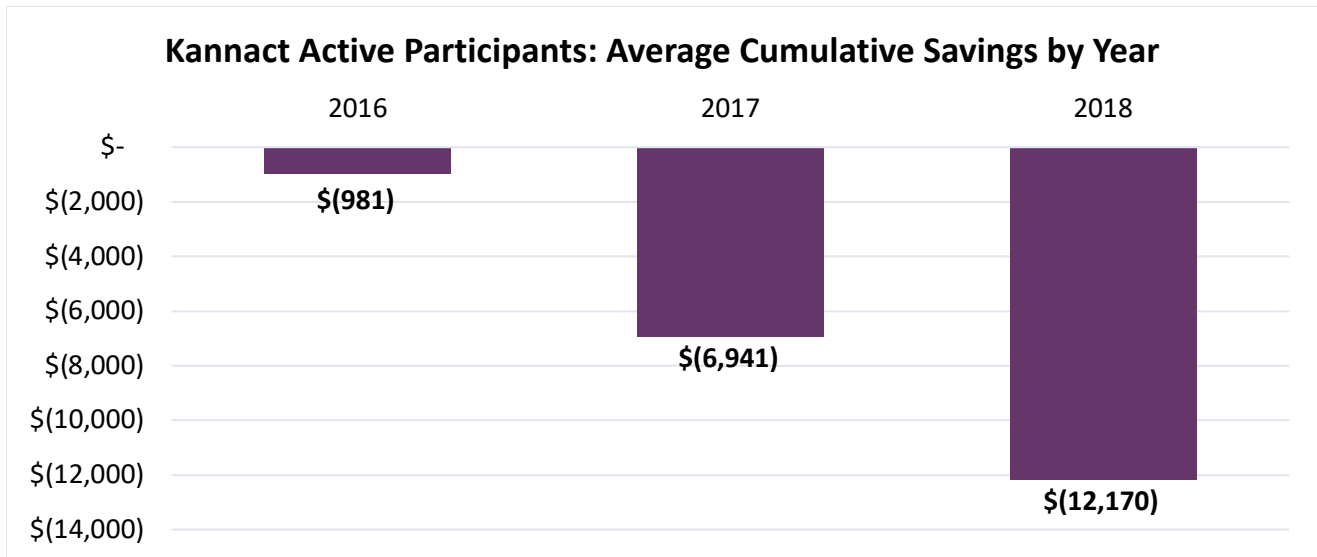
Figure 3

Control Population: Average Claims Costs Per Person			
Year	Annual Average Claims Cost Per Person	Cost Increase Compared to Baseline	Percent Increase Compared to Baseline
2015	\$ 5,440	NA	NA
2016	\$ 6,405	\$ 965	18%
2017	\$ 11,376	\$ 5,936	109%
2018	\$ 8,124	\$ 2,683	49%
Average Increase 2016 - 2018		\$ 3,195	59%

Three-Year Claims Cost Cumulative Savings vs. Increase

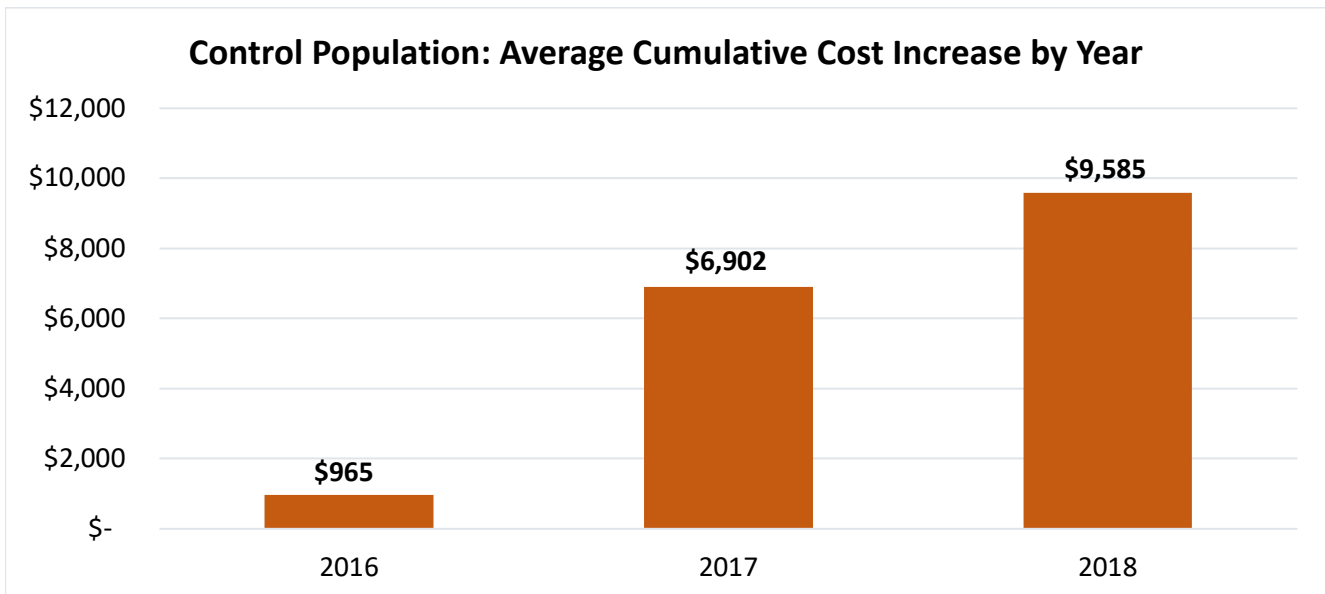
Average cumulative cost savings for the 54 Kannact Active Participants was \$12,170 per person over three years. **Figure 4.** That amounts to a total of **\$657,180 in cost savings** for the group.

Figure 4



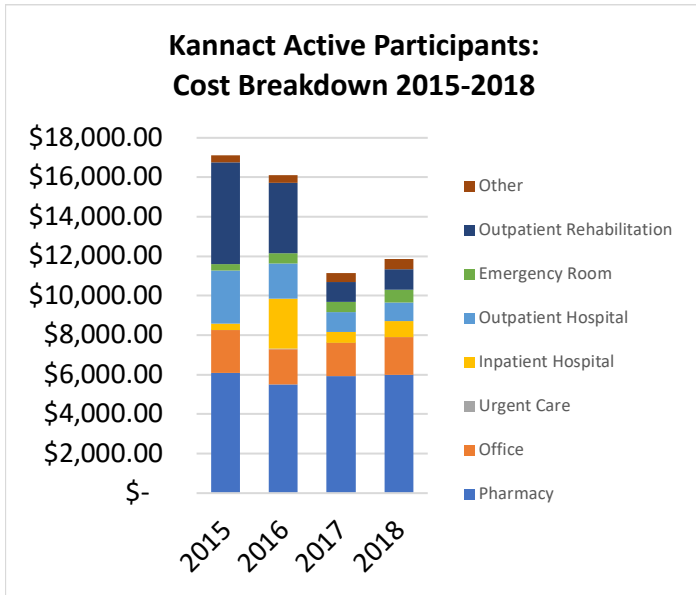
In comparison, the average cumulative cost increase for the 378 members in the Control Population was \$9,585 per person over three years. **Figure 5.** That amounts to a total **increase of \$3,623,130** for the group.

Figure 5



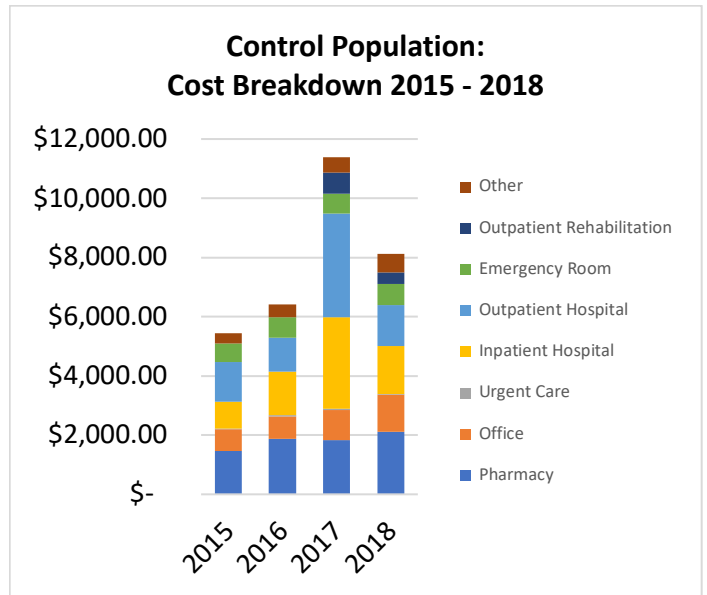
Utilization of Services

Figure 6



High-cost services have drastically decreased for members participating in the program. The total costs by year in **Figure 6** includes a breakdown by specific services.

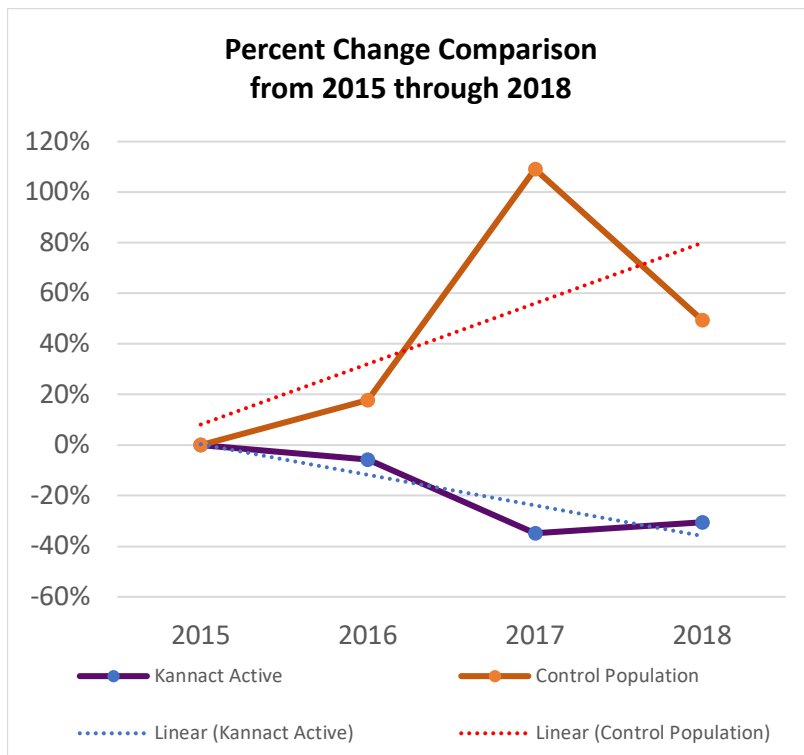
Figure 7



The increase in costs for members not participating can be attributed to increases in multiple services. **Figure 7**.

Trend Comparison

Figure 8



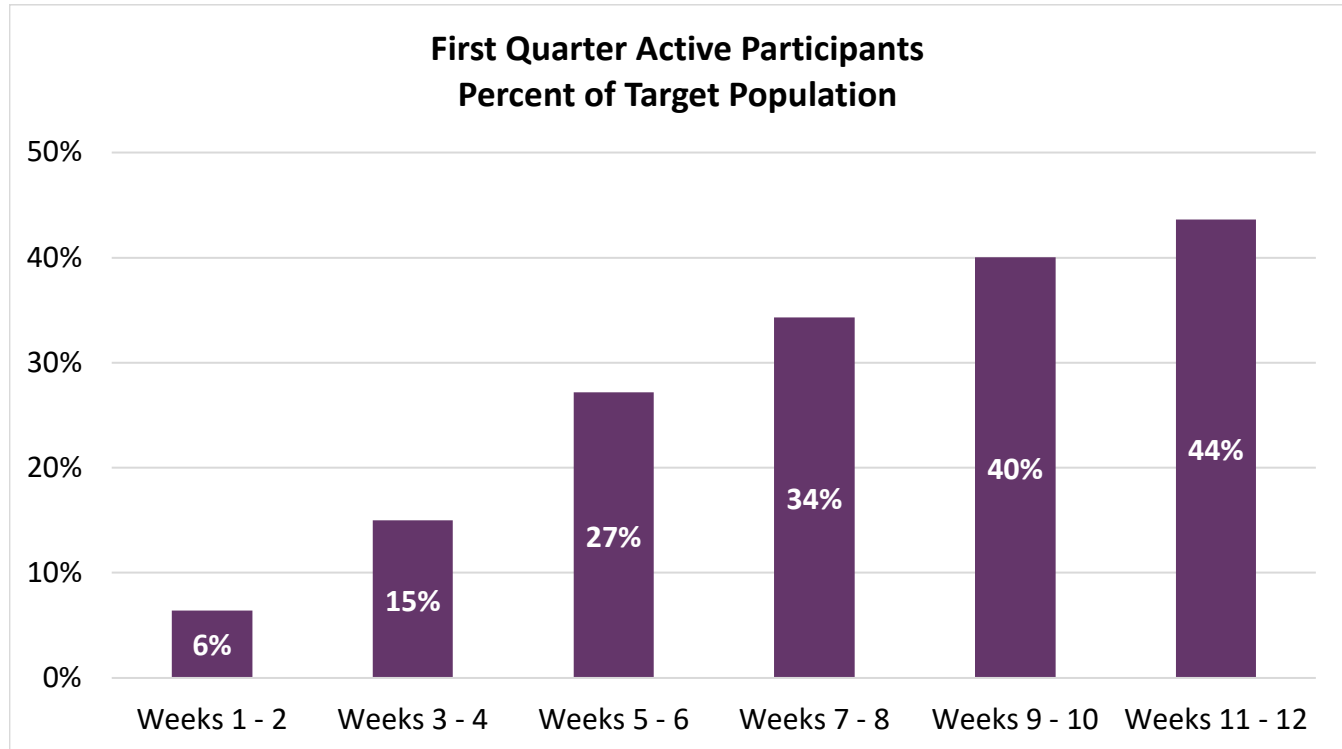
The Kannact Chronic Care program reduced total medical and pharmacy costs of active participants by an average of 25% per year. Members not engaged experienced an average increase of 59% per year. The trends in **Figure 7** highlight the clear difference in year-over-year sustained cost savings for members in the Kannact program compared to a significant increase for those who did not participate.

We conclude that the Kannact comprehensive program is effective in bending the cost curve, leading to better health outcomes and reduced health care costs.

Enrollment Success

Kannact's implementation approach prioritizes partnership with our clients to deliver industry leading enrollment solutions that engage and motivate individuals to participate. A large client with a combination of English and Spanish speakers and a wide range of technical skill and resource enrolled 44% of their identified population in the first quarter following program launch. **Figure 9.**

Figure 9



Extensive Enrollment Plan

Key initiatives were jointly agreed upon by leveraging Kannact's best-practices and the client's knowledge of their membership culture. Examples of promotion practices include:

- Kannact emails, phone calls, and mailers to members identified with chronic conditions
- Posters, flyers, and FAQ's visible to members across multiple locations
- Quarterly client email promotion from leadership, including HR Director and CEO
- Flyer in open enrollment benefits guide
- Wellness points incentive for program participation
- Health coach participation in company-wide health promotion webinars

Ongoing quarterly promotion ensures new members have access to the program, and less proactive members receive updates and reminders.

Engagement Success

Fifteen months into the Kannact program, active participation is steady at over 40% of the target population. The high retention is a direct result of our proactive coaching model and easy-to-use support mechanisms.

Ongoing Partnership to Improve Membership Health

Membership health progress has propelled appreciation amongst the client leadership team. The CEO invited the primary health coach for this account to attend their annual banquet, a formal event where the coach was honored on stage and given the opportunity to speak to thousands of members about his personal health journey.

Participant Success Stories

Participants' are experiencing significant health outcomes and proudly sharing their stories with fellow members. Positive word-of-mouth amongst the population encourages others to engage and achieve health goals. Two of the many stories are shared below (names fabricated for privacy):

Joseph

Enrolled with the following concerns:

- Taking oral medication for diabetes and hypertension
- Weighed 250 lbs
- Drinks 6 beers a day on weekend
- Struggles to eat healthy at work
- A1C was 6.7

After fifteen months engaged with Kannact:

- Weighs 209 lbs, lost 41 lbs in 15 months
- Improving meal planning on the weekend to take healthier lunches to work
- A1C is down to 5.2
- Cut alcohol intake in half
- Appreciates the motivation from coach and recommends the program to co-workers

Tammy

Enrolled with the following health concerns:

- A1C was 9.0
- Regular trouble with sleeping
- Doctor recently prescribed insulin
- High cholesterol
- Needs to attend doctor visits more regularly

After fifteen months engaged with Kannact:

- A1C is down to 7.0
- Doctor took her off insulin after 11 months
- Sleep has increased to 7-8 hours per night
- Walks or rides bicycle daily
- Cut out all alcohol, soda, and ice cream
- Visiting physician regularly and added eye exams
- Shares exam and blood test results with coach



I am excited about my recent results and weight loss and am still losing more. I am grateful for the motivational talks from my coaching calls, all my co-workers should try the Kannact program!



I felt like the insulin was working against me, I knew I was getting worse. With the help of the program, I began to test regularly and understand my numbers, and with daily improvements I've been able to get off insulin completely!

