

Four out of four stars: The gold standard for measuring ROI.

It's possible to precisely measure how your well-being solutions are doing from a financial perspective. The optimal methodology to use is a randomized controlled trial. See how it stacks up against other methodologies.

Health Outcomes Extrapolation



What it is: Infers savings through published articles on health outcomes based on participation without using population-specific cost data.

How it works: For example, take a unit of measurement like A1C improvement. Link that outcome to a previously published study that has measured and connected that same activity to savings. For example, the National Institutes of Health says a savings of \$1,374 can be achieved by lowering A1C from 10 to 9.¹ How many units of success are being measured? Whether it's engagement or health metrics, simply multiply the number of units times the per person savings to calculate your overall savings. But it's not that simple. Actual data is not being used. With a previously published study the data may or may not relate, and it's likely that there is overlap between various metrics that might capture similar cost reduction. In the A1C example, there may be a contributing factor to the results seen.

Pros: Simple execution. Uses large external studies to estimate impact. Solution available to all who are eligible.

Cons: Difficult to prove attribution. Not connected to client-specific results. Can double count results across solutions.

Year-Over-Year (YOY) Trend Assessment



What it is: Evaluates savings based on trend, utilization, and cost compared to the prior year.

How it works: YOY trend assessment evaluates what happens to participants in a solution one year after implementation as compared to the year prior. Sounds logical as the same people are evaluated over time with or without intervention. But the problem of attribution remains. How can the change be proven? It can't be unequivocally tied to the intervention tested.

Pros: Simple to execute. Assesses different types of interventions. Solution is available to all eligible.

Cons: Difficult to prove attribution. Doesn't include assessment of what population would have done absent of intervention.

Prospective Pricing



What it is: Estimates the future cost of a population which is used to create a benchmark to evaluate savings.

How it works: This methodology uses actual data. Multiple years of claims history can be used to assess the spend trajectory, projecting what the cost of the population would be in the coming year without the intervention. But the question remains: how can an outcome be connected and attributed to the intervention? What if some other variable came into play that wasn't measured? What if the trend rate is too high or too low? Trend rates for medical and pharmacy claims vary and are subject to interpretation.

Pros: Uses actual data/historical results. Allows for collaboration for evaluation. Solution is available to all who are eligible.

Cons: Difficult to prove attribution. Relies on prospective assumptions.

Randomized Controlled Trial (RCT)



What it is: Assigns participants either to a treatment or control group. Uses difference-in-difference methodology to evaluate savings.

How it works: This method uses actual data. It is a retrospective look, typically 12 months, at what happened in a control group against a treatment group. **It's the only study where 100% attribution can be achieved.** Set aside a group of people in a random, statistically valid way and measure how the solution performed relative to the control group. This control group is subject to all other variables. The control group does not receive the intervention, but they are eligible after the RCT is complete.

Pros: Proves attribution for an intervention. Uses actual data/historical results. Eliminates need to use prospective assumptions.

Cons: Excludes some eligible members to allow for control group. Once RCT is complete, the solution can be available to all who are eligible.

¹ <https://pubmed.ncbi.nlm.nih.gov/32643451/>