

# IMPROVING EMPLOYEE HEALTH WHILE BENDING THE COST CURVE FOR L-3 COMMUNICATIONS.

## THE OPPORTUNITY

**A large employer dedicated to improving employee health and reducing medical costs**

L-3 Communications is global defense and aerospace contractor, and a leading provider of military intelligence, national security and technology products and systems. The company currently employs 50,000 people and covers more than 80,000 lives in its self-funded medical plans.

In 2007, L-3 implemented a disease management program to improve the health of its employees while managing rising health care costs. At the time, the company decided to work with its existing payers to leverage their care management and analytics capabilities. However, this approach proved challenging because the two different models were not integrated and did not provide a means to assess and compare Disease Management approaches and outcomes for the company overall. As a result, the analytics, reporting and implementation strategies were not applied consistently across the population. In addition to being difficult to manage, the program's engagement rates were also falling far short of expectations.

In 2009, L-3 decided to implement a new disease management solution to address these issues. The company turned to ActiveHealth Management (ActiveHealth®) after a careful review of its capabilities and the competitive landscape. Since 2006, L-3 had the opportunity to utilize ActiveHealth's CareEngine System with a sub-set of its population, which allowed

analysis of clinical data against evidence-based standards to alert providers about gaps in care and opportunities to improve treatment. This innovative program impressed Dr. Richard Moggio, L-3's Medical Director, so L-3 decided to expand the partnership with ActiveHealth.

"L-3 wanted to develop unique, data-driven disease management efforts that would have a measurable impact on employee health," said Dr. Moggio. "We chose ActiveHealth as our partner based on their clinical expertise and the strength of their technology and analytics."

## THE APPROACH

**An in-depth understanding of population health**

ActiveHealth began by undertaking an advanced analysis of L-3's data to perform segmentation that would profile at-risk employees according to their health status and needs. Based on this analysis, L-3 determined that around 30-35% of its population should be eligible for disease management programs. This group was further segmented by ActiveHealth to pinpoint levels of risk and appropriate

**At the start of the program, ActiveHealth determined that 20% of L-3's population was driving nearly 80% of health care costs.**



Dr. Richard Moggio  
*Medical Director, L-3 Communications*

outreach. Employees that fell into the highest risk category had suffered acute events or had less than ideally managed disease(s) that had led to significant health care costs. In the case of L-3, just 20% of its population was driving nearly 80% of health care costs. These employees needed the greatest level of intervention to prevent complications, improve their quality of life, and reduce these costs.

**A holistic approach to population health improvement**

Based on these findings, L-3 and ActiveHealth designed a comprehensive population health solution that would address the unique needs of all employees. Every employee in their national self-funded plans had access to personalized educational materials, online tools, wellness resources and HRAs.

Disease management programs were offered to at-risk members, which included targeted email communications, one-on-one health coaching and care reminders/alerts. A program of high intensity engagement, including frequent health coaching, was promoted to the highest-risk employees.

ActiveHealth also worked with L-3 to develop a strategic employee incentive program. This included incentives available to the eligible population based on the completion of a Health Risk Assessment (HRA) and an annual preventive screening checkup. To drive greater engagement in the at-risk groups, members who qualified for high-intensity disease management also received financial incentives for their participation in the program.

All of the data from L-3's health improvement efforts, including health screenings and on-site health consultations, was incorporated into ActiveHealth's CareEngine for analysis. As a result, the population was consistently screened for new health risks and engaged in customized outreach as needed.

At the same time, ActiveHealth partnered with L-3 to develop a comprehensive employee communications strategy to promote wellness and participation in these programs.

"When we first implemented these population health programs, employees were skeptical and concerned about privacy issues," said Dr. Moggio. "ActiveHealth helped us develop communications strategies to overcome these issues. This outreach was so effective that today, our employees see these programs as a valuable added benefit. Since we began working

with ActiveHealth, our engagement rates for high risk members have increased by 33%."

As a result of all of these efforts, employee engagement in L-3's disease management program began to grow in the double digits. Still, Dr. Moggio wanted to see the true impact this program was having on the health of L-3's employees. In 2010, he asked ActiveHealth to develop clinical benchmarks that would measure the program's effectiveness against evidence-based metrics. ActiveHealth worked with L-3 to develop this customized program and agreed to performance guarantees based on achievement of these metrics.

"ActiveHealth believed in their program enough to back up their claims with financial risk and that meant a lot," said Dr. Moggio. "They were confident that they could help us achieve these metrics."

## **THE RESULTS** **Delivering outcomes-based,** **measurable improvements**

Today, L-3 Communications is seeing the value of this innovative partnership in many different ways:

- All seven clinical benchmarks for disease management members were met as of January 2013.
- The medical cost trend is holding at 3-4%, a drop from 8-10% in recent years.
- Employees value the efforts the company is making to improve their health. According to internal surveys, employees are familiar with ActiveHealth, have fewer concerns about privacy, and have responded positively to health coaching and outreach efforts.

**"As a physician, I still continue the desire to care for people in my job every day," said Dr. Moggio. "I work with ActiveHealth because their people feel the same way I do."**

- The incentive program has been extremely well-received by employees and the incentive amounts have been increased to encourage greater engagement.

There are also other benefits to the partnership that can't be measured in traditional reporting and metrics.

"The service we receive from ActiveHealth is second to none," said Dr. Moggio. "If an employee is having an issue, a representative is on the phone with them responding to their question that same day."

L-3 and ActiveHealth continue to make incredible strides in improving employee health and reducing costs. As a result, L-3 is interested in expanding its efforts to offer additional programs focused on nutrition and will continue to enhance its current wellness and disease management models. These programs, according to Dr. Moggio, are not just about saving money — they are actually saving lives. That is extremely important to both L-3 and ActiveHealth.

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