



January 11, 2024

The Honorable Virginia Foxx
Chairwoman
House Workforce and Education Committee
2176 Rayburn House Office Building
Washington, DC 20515

RE: Expanding and promoting direct to employer agreements

Chairwoman Foxx & Members of the Committee:

At Parkview Health, we know that lowering health care spending for patients, employers, and government payors is a top priority for Congress. And we too are committed to moving the needle.

In fact, we are working every day to reduce health care costs by directly engaging with area businesses to improve the health of their employees. These partnerships ultimately reduce the cost of health care for the employer. We appreciate the opportunity to share some of these programs and their results in our testimony below.

Parkview Health is a medium-sized health care system in northeast Indiana and northwest Ohio. With 11 hospitals – eight located in rural communities – Parkview has more than three million patient encounters annually. We have long recognized that preventative health measures provide the best health outcomes, thus eliminating costly health services and reducing the development of acute, poly-chronic illnesses. These preventative measures can be implemented more effectively by partnering with employers. We work to understand the risks of injury or lifestyle that come with specific professions and advise the employer on how to mitigate workplace injuries or disease. Further, with this knowledge, employers can create opportunities to incentivize healthy behaviors among their employees.

We currently have over 4,500 employer partners in the region, ranging from those as small as 2 employees to larger, regional, and national corporations with over 3,500 employees. Presently, our direct to employer agreements provide a vast array of services including health data analytics; value-based care contracts; employer clinics; direct services for specialty health care, including diabetes and orthopedics; and more.



Care coordination and data analytics agreements lead to savings

Local employers have seen great success in our agreements for health data analytics and care coordination. With these agreements, Parkview’s care coordination team analyzes historical data to identify health conditions in the workforce that need to be managed or improved. By establishing a baseline through bio-metric data, the employee collaborates with a team of Parkview nurses, clinical professionals, social workers, and pharmacists to work toward improved well-being.

A local employer has participated in a direct to employer agreement with Parkview since 2021. In the first year, 27 of their employees, who were identified to have moderate to acute health risks, participated in varied programs with Parkview. The savings to the company in the first year were \$230,000.

In the second year, the same employer had 78 participants that provided \$687,000 in cost avoidance savings. They continue to partner with Parkview, as they recognize that creating opportunities and incentives for employees to improve their health helps their company realize significant savings.

Employee health clinics offer convenience

Parkview Health currently partners with 13 companies, representing just under 11,000 covered lives, that have engaged in a direct to employer agreements to provide on-site, remote, or virtual employee health clinics to their employees.

Our clinics provide annual wellness screenings, primary care services, treatment of illness, and specialty care referrals. Employers pay one fixed membership fee for access to these clinics, which also includes a formulary of medications dispensed during the patient visit, as well as an extensive list of lab tests included at no extra charge. Employers find these clinics particularly beneficial for their employees because the network of locations reduces travel time, allows for same-day or next day appointments and reduces wait times for employees and improved access to providers specifically trained in “Employer Medicine”. This new “specialty” provides additional training in Lifestyle Medicine (a more holistic approach to treating patients), diabetes care and metabolic / weight management, while also considering cost containment for the employer’s health plan. It also eliminates over-utilization of emergency department visits that can come with injury or illness when individuals do not have a primary care physician. Our virtual video visits from the workplace allow an employee to access a provider using an online portal and virtual medical kit with remote capabilities.

In 2023, we launched a new network of multi-employer or “shared site” health clinics that allow specific employers to share health care services in a single location. This allows smaller employers to gain access to services that may have traditionally only been viable for larger employers.



Providing direct diabetes care to employees

According to the American Diabetes Association, the United States has over 37 million individuals (11% of the population) living with diabetes. Within northeast Indiana, Parkview Health has nearly 80,000 patients on our internal diabetes registry.

For the business community, medical costs for employees with diabetes are more than twice as high as employees without the disease. This is why Parkview developed the Parkview Diabetes Care Direct program. Under this model, Parkview analyzes data provided by the employer to identify those employees who have diabetes or are at risk to develop diabetes. The employees are then invited to participate in the Diabetes Direct Care program. Rather than requiring the employee to travel and take time off work for appointments, Parkview brings all the clinical and non-clinical resources directly on-site to the workplace. The initial consult with the employee includes lab work, retinal scans, and body composition screening. Secondary engagements include foot exams, diabetes education, lifestyle coaching, medical nutritional therapy and additional services as needed.

Appropriate management and care reduce costs to the patient and the employer alike by avoiding unnecessary hospitalizations and acute health care episodes. Preventing diabetes and proper management of the disease keeps individuals more productive in the workplace by limiting time away from work for appointments or sick days.

On-site proactive injury care programs help reduce workplace injury

Parkview's proactive injury care contracts provide on-site athletic trainers and access to physical therapists to work directly within the company to instill a wellness culture and offer consultations, massage, at-home stretching programs and exercises. These specialists also assess risk (ergonomics, repetitive movements, station set-up, etc.) within the organization to aide in prevention of injuries. Given their acute knowledge of the employer, the specialists can triage pain and injuries to apply appropriate first aid, massage, and home exercises to prevent further complication of the injury. One large manufacturing company shared with Parkview that they avoid \$4.50 in health costs for every \$1.00 spent on preventative services through their direct contract with the Parkview team

In another example, a smaller local, family-owned manufacturer with approximately 125 employees reduced their workplace injuries and workman's compensation claims from over \$400,000 in 2021 to just \$47,000 in 2022 with a part-time, on-site resource and access to virtual triage to the proactive injury care team. Once the company saw their savings, they doubled the on-site hours and their worker's compensation claims dropped to \$9,000 in 2023. They have also estimated a \$107,000 cost avoidance annually in musculoskeletal claims in total (reductions can be seen on the personal medical spend as well as on the worker's comp spend totals). Beyond the cost avoidance and savings to the company, the workforce has realized improved health outcomes and participants reported better quality of life overall.



Another mid-size manufacturer in Indiana partnered with Parkview during the latter half of 2023. In the first two months, their DART rate – or the employees’ days away, restricted or transferred – dropped from 30% to 10%.

Conclusion

Health care spending is often addressed in terms of health care providers lowering price in a fee-for-service model or reference-based pricing solution. Unfortunately, these solutions create a chaotic policy approach that often squeezes one stakeholder while benefiting another stakeholder, with no change in outcomes to health care consumers. The best way to reduce health care spending is through a reduction in the total cost of care, which must be achieved through strategically aligned solutions and preventative health services that provide long-term sustainability and enhance coordination of care.

Given the success of many existing programs, Parkview continues to look for innovative ways to directly engage with employers based on the clinical needs of their employees. We support policies that promote and expand direct to employer agreements between health care providers and employers. We have witnessed improved health outcomes, the prevention and mitigation of expensive disease and injury, and direct savings to employers and employees/patients alike. We applaud the Education and Workforce Committee for bringing awareness to this issue and considering policies to expand and promote these agreements.

Thank you once again for allowing us to submit comments to the committee. Should you have additional questions, please do not hesitate to reach out directly to Beth Lock, Director of Governmental and Legislative Affairs, at beth.lock@parkview.com.

Sincerely,

A handwritten signature in black ink, appearing to read "Greg Johnson", written in a cursive style.

Greg Johnson, D.O., M.M.M.
Regional Market President,
Parkview Health