NEJM Catalyst

Insights Report · May 2019

Patient Engagement Survey

Why No Single Health Incentive Works

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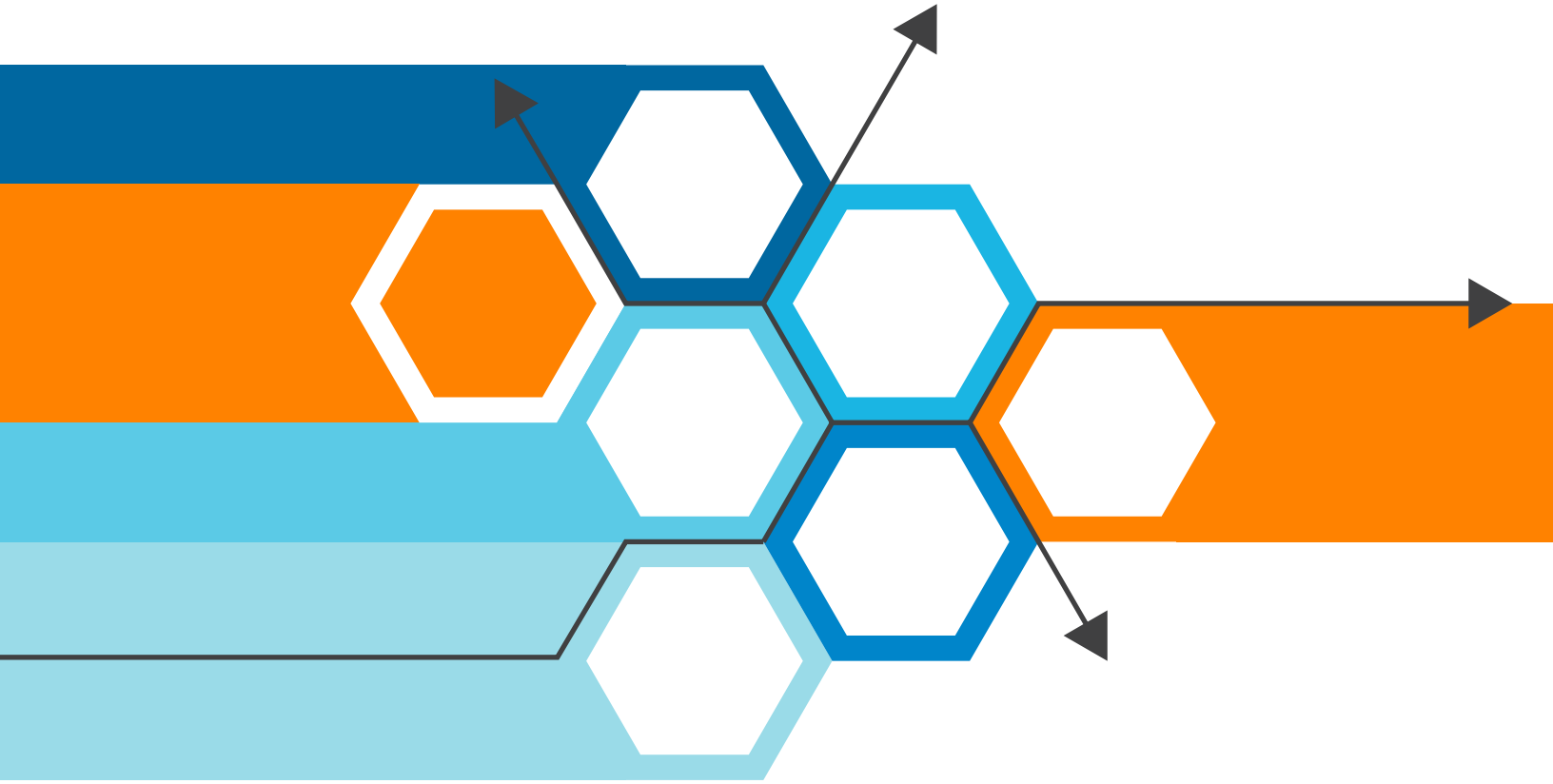

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Why No Single Health Incentive Works

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Initiatives to improve patient engagement come in a variety of forms. While insurers, employers, and health care providers are all involved in using financial incentives and penalties for engagement efforts, improvement in health outcomes has been elusive. Achieving that ultimate goal will usually require a combination of financial and social approaches.

What do you consider the top two most effective approaches to engaging patients in order to realize their health goals?

Base: 607 (multiple responses)

Responses to a survey of NEJM Catalyst Insights Council members in January 2019 suggest that financial incentives alone are not enough to move the needle to realize patients' health goals. The most effective approach to engaging patients to realize health goals is family/friends support (chosen by 35% of respondents), followed by education (30%), clinician support (30%), and financial rewards for healthy behaviors (27%).

Charlene Wong, MD, MSHP, is a practicing adolescent medicine pediatrician, health services researcher, and Assistant Professor at the Duke University Department of Pediatrics, Duke Clinical Research Institute, and Duke-Margolis Center for Health Policy. She says that financial incentives have a reputation for providing uneven results when it comes to modifying patient behavior.

"I hear a lot of skepticism around the use of financial incentives," says Wong. "There are a lot of concerns that, number one, we're using an extrinsic motivator that's going to crowd out the intrinsic motivation that people need to find that would be potentially more sustainable."

"And number two, the presence of real sustainability is limited. Patients change their behavior while the financial reward is on, but when you take the financial reward away, in almost all of the studies that I've seen, that behavioral effect diminishes quite quickly. So, the evidence behind the financial rewards for health behaviors is certainly mixed."

Several factors contribute to the inconsistent effect of financial incentives in modifying patient behavior. Along with the lack of sustainability, the impact of monetary rewards can become minimized if delivered in the form of a biweekly paycheck or if the reward takes the form of a premium reduction that comes once a year at insurance plan renewal time.

> *With behavioral economics, it's the design, framing, and delivery of that financial incentive that can make such a huge difference.*

In contrast, approaches rooted in social aspects such as the support of friends and family may have more lasting impact because the people involved will, at least theoretically, have permanence in the patient's life, says Wong.

"When you put people in teams so they can have that social support, it can be beneficial for changing behavior, particularly those that are hard to change like eating healthier, being more physically active, stopping smoking. I think that's where we do see an effect because even after the intervention is over, your friends are still your friends. Your family is definitely still your family. So those networks persist and therefore you see more promising data on effectiveness."

Other factors that influence the effectiveness of financial incentives relate to plan design, says Wong. "With behavioral economics, it's the design, framing, and delivery of that financial incentive that can make such a huge difference. Whether you're giving someone $20, potentially taking $20 away from them, or putting them in a lottery to win $20, that type of design choice can influence the rates of motivation. Even though a standard economist would say we should all perform exactly the same because it's $20 in each scenario, I think that type of nuance in how you design and deliver the financial incentive is a really critical point."

The survey tally on the effectiveness of financial penalties for unhealthy behaviors (12%) is well down the list, indicating that most respondents think using penalties as a means of engaging patients in health goals is ineffective.

"The penalty has to be designed carefully," suggests Wong. "When we're offering any type of incentive program – reward or penalty – one of the major issues we see is there's just very low consumer engagement."

"The issue is engagement and education, because some people might not even know that they are either eligible for a reward or at risk of a penalty. It seems unfair to hit someone with a penalty when they're not even aware of it, and I feel like our health care system is so opaque [in general] that it's particularly challenging."

Another concern with financial penalties is unintended consequences on vulnerable populations who already have challenges with equitable access to quality health care, says Namita Seth Mohta, MD, Clinical Editor at NEJM Catalyst, internal medicine physician at Brigham and Women's Hospital, and faculty at The Center for Healthcare Delivery Sciences at

Brigham and Women's and at Harvard Medical School.

"We have to avoid inadvertently exacerbating health disparities and inequities with any type of improvement initiative. When we start considering penalties, for example a tax on sugary beverages, I do worry about disproportionate effects on people who are already marginalized," she says.

The survey respondents consider financial rewards to be most effective in improving patient engagement for risk reduction, such as smoking cessation (56%), completing preventive screenings (49%), and promoting fitness and nutrition (35%).

"Some of the best evidence around the use of financial incentives is in the smoking cessation space," says Wong. "That, along with completing preventive screenings, also has some of the most promising data. The use of incentives for one-time behaviors is generally more effective than the third item on the list – promoting fitness and nutrition – which is something that, if you really want it to work, you have to sustain it over a longer period of time."

In summary, it's important to use a combination of different initiatives, both financial and social, Wong says. "My personal feeling is that if you are able to combine two sources of influence, such as a financial incentive paired with something like social support, you'll see a more robust and potentially more sustained effect."

Mohta agrees, saying, "Pairing social programs with financial incentives makes sense. We should not be thinking about it as an either-or situation, but rather about how we can creatively do both to ensure that we're getting effective, sustainable results that lead to better outcomes for our patients."

Why No Single Health Incentive Works

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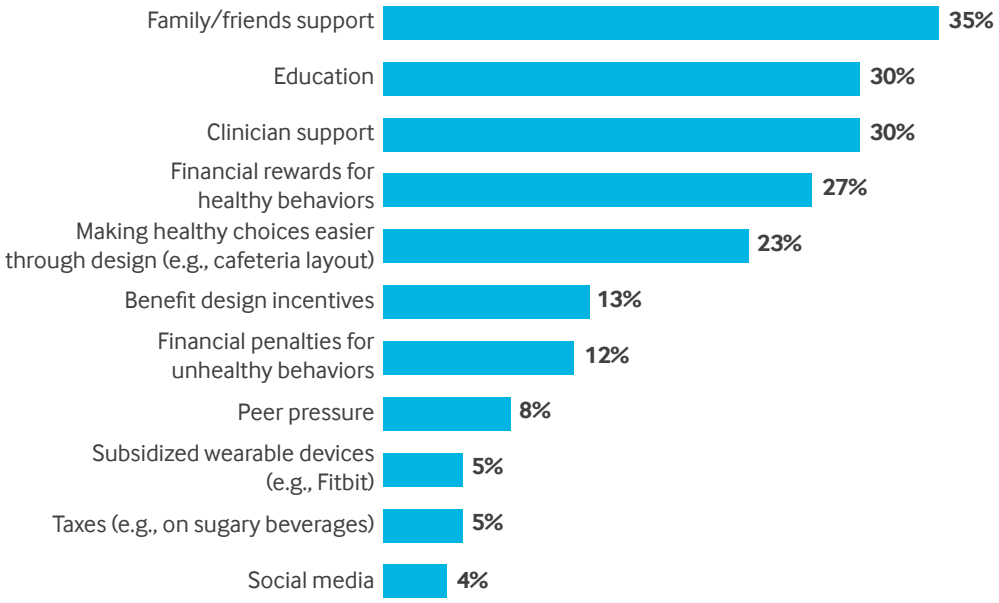
Charts and Commentary

We surveyed members of the NEJM Catalyst Insights Council — who comprise health care executives, clinical leaders, and clinicians — about patient engagement incentives that do and don't work. The survey explores the most effective approaches to engaging patients to realize health goals, sources of financial awards to realize health goals, sources of financial penalty when goals are not realized, effectiveness of financial rewards from various sources, activities for which financial rewards are the most effective, effectiveness of financial rewards and penalties to engage patients, and whether health care provider organizations should incentivize patients. Completed surveys from 607 respondents are included in the analysis.

Insights Council members indicate that family/friends support (35%) is the most effective approach in engaging patients in achieving health goals, likely because this approach offers the most sustainable benefit. Approaches such as financial rewards (27%), which can be effective in the short term, may lose their effectiveness once the rewards program ends.

Support of Family and Friends Is More Effective than Clinician Support in Realizing Health Goals

What do you consider the top two most effective approaches to engaging patients in order to realize their health goals?



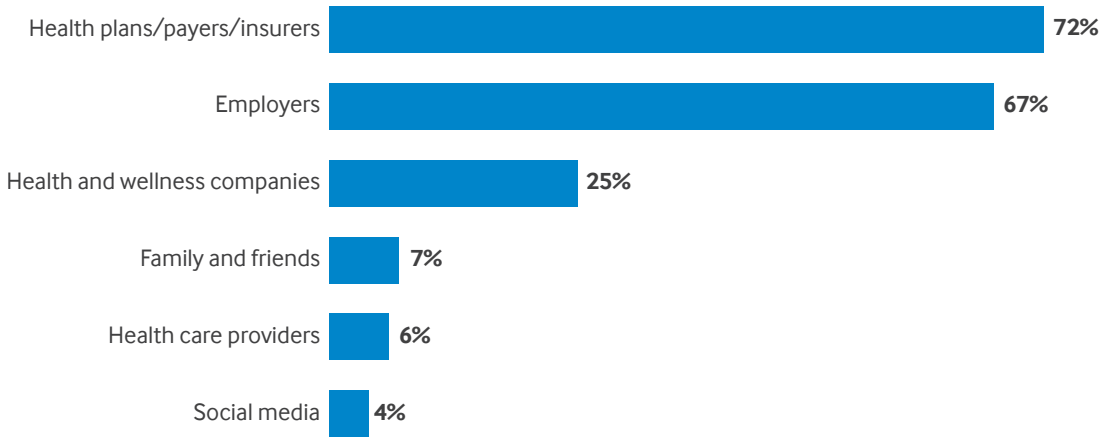
Base: 607 (multiple responses)

> *Even after the intervention is over, your friends are still your friends. Your family is definitely still your family. So those networks persist and therefore you see more promising data on effectiveness.*

Not surprisingly, survey respondents indicate that health plans/payers/insurers (72%) and employers (67%) are the top sources of financial rewards — they have the most to lose if patient health goals are not realized.

Payers and Employers Are the Leading Sources of Financial Rewards to Realize Health Goals

Which of the following sources provide your patients with financial rewards to realize their health goals?



Base: 607 (multiple responses)

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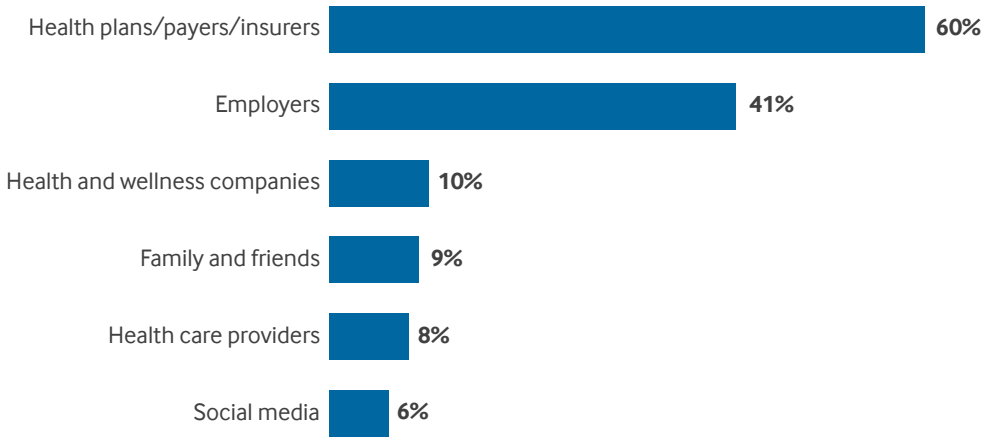
> *The survey respondents consider financial rewards to be most effective in improving patient engagement for risk reduction such as smoking cessation.*

While respondents say that health plans/payers/insurers (60%) and employers (41%) are the top sources of financial penalties, the level of response is 12 and 26 percentage points lower than with financial rewards, respectively, indicating that fewer of these organizations see value in penalties.

Payers and Employers Are the Leading Sources of Financial Penalties When Health Goals Are Not Realized

Which of the following sources penalize your patients financially if they do not realize their health goals?



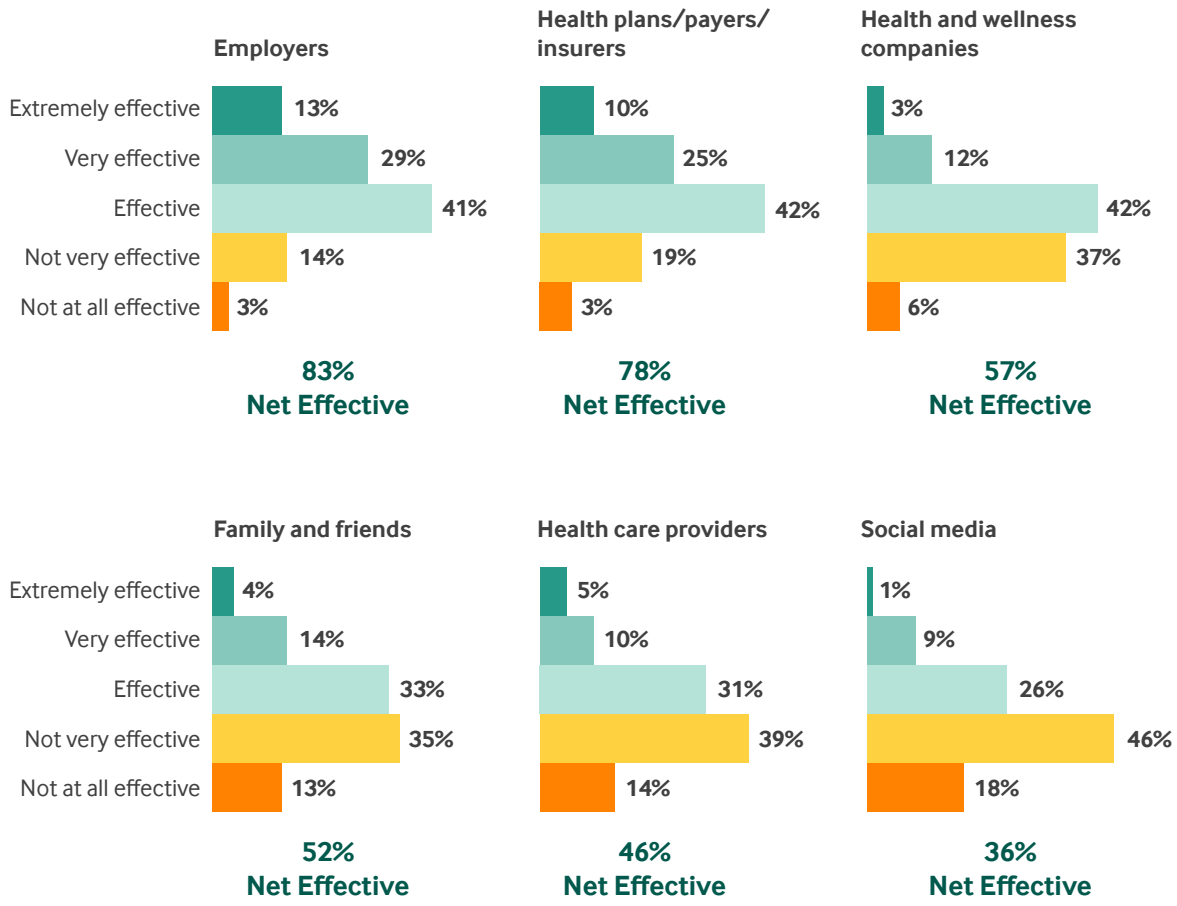
Base: 607 (multiple responses)

> *The penalty has to be designed carefully, When we're offering any type of incentive program – reward or penalty – one of the major issues we see is there's just very low consumer engagement.*

Insights Council members indicate that employers (83%) and health plans/payers/insurers (78%) receive the highest net effective ratings as sources for financial rewards. Almost half of Council members (46%) rate the financial rewards provided by health care providers as effective, very effective, or extremely effective.

Financial Rewards Are Most Effective from Employers and Payers, Least Effective from Care Providers

How effective are financial rewards when they come from the following sources?



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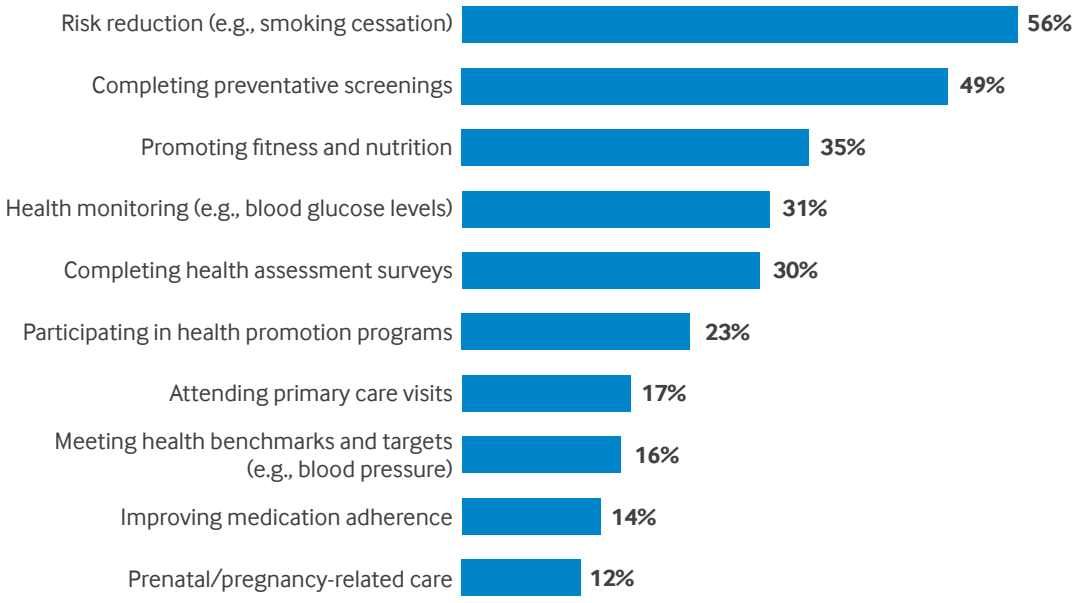
The top three activities for which financial rewards are most effective in improving patient engagement are risk reduction (e.g., smoking cessation) (56%), completing preventive screenings (49%), and promoting fitness and nutrition (35%). There is a higher incidence of clinicians (39%) than executives (28%) who indicate promoting fitness and nutrition as one of the top three activities for which financial rewards are most effective at improving patient engagement.

Financial Rewards Engage Patients Best When Tied to Risk Reduction

What are the top three activities for which financial rewards are most effective in improving patient engagement?



Base: 607 (multiple responses)

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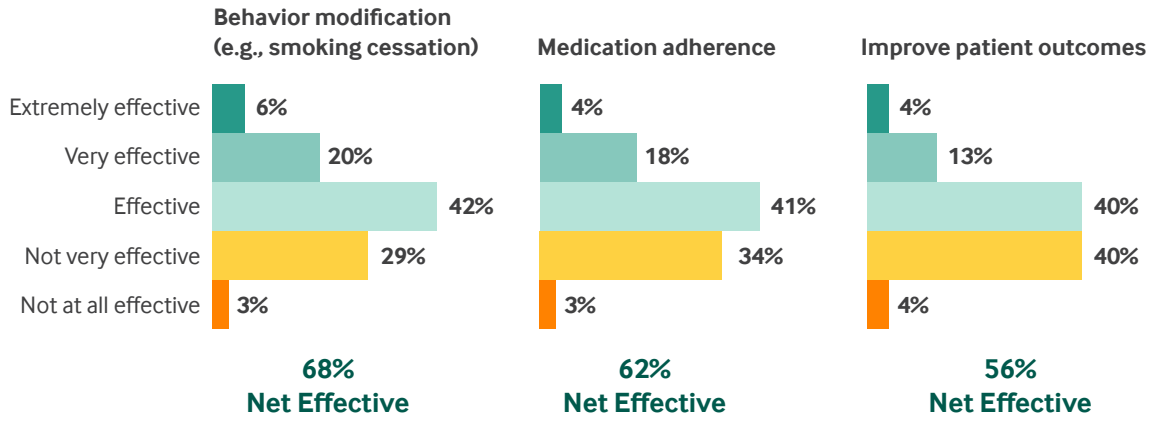
> *The use of incentives for one-time behaviors is generally more effective than the third item on the list – promoting fitness and nutrition – which is something that, if you really want it to work, you have to sustain it over a longer period of time.*

Respondents are split on the effectiveness of financial rewards and penalties on outcomes. More than half of all respondents rate financial rewards and penalties as effective for behavior modification (68%), medication adherence (62%), and improving patient outcomes (56%), leaving a significant percentage who rate them as not effective.

Financial Rewards and Penalties Are Effective for a Range of Health Outcomes

How effective are financial rewards and penalties for each of the following outcomes?



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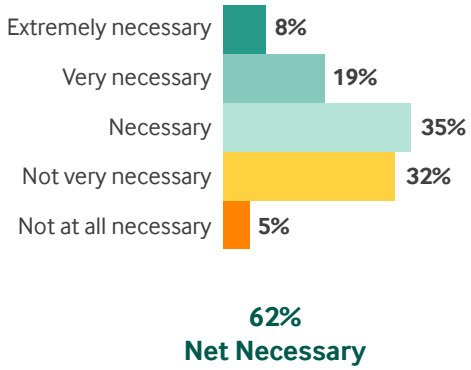
> *My personal feeling is that if you are able to combine two sources of influence, such as a financial incentive paired with something like social support, you'll see a more robust and potentially more sustained effect.*

Almost two-thirds (63%) of Council members think that financial rewards and penalties are necessary to engage patients in realizing their health goals.

Financial Rewards and Penalties Are Necessary to Engage Patients in Realizing Health Goals

How necessary are financial rewards and penalties to engage patients in realizing their health goals?



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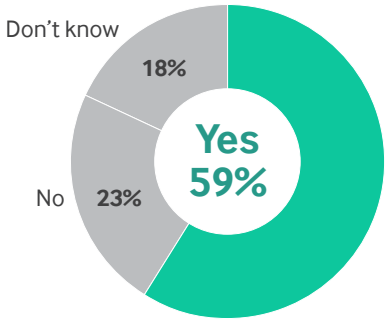
The majority (59%) of Insights Council respondents say that health care provider organizations should be involved in incentivizing patients to improve health behaviors, but nearly one-quarter (23%) indicate that they should not. This is consistent across all audience and age segments.

Health Care Providers Should Incentivize Patients

Should health care provider organizations be involved in incentivizing patients to improve health behaviors?



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Verbatim Comments from Survey Respondents

What is the most effective program or initiative your organization has used to improve patient engagement, and why was it successful?

"1. explanation from providers. 2. level of understanding of patients. 3. level of commitment of patients to follow what he or she understands. 4. we have enough tools to monitor improvement."

— Clinician at a small nonprofit government health organization in the West

"Financial penalty for smoking."

— Vice department chair at a large nonprofit teaching hospital in the Northeast

"An engaging, persuasive, passionate, caring doctor is the only thing that will work. I think that paying your patients to do the behaviors that they should be doing anyway is a terrible idea – the only reason to offer rewards is so that you can decide who should NOT receive it. Period. That means you now have a toxic relationship with the patients you should not give it to, whether you decide directly or indirectly. It won't change long term behaviors, and you will ruin a percentage of your patient relation."

— Vice President of a large nonprofit health plan in the South

"Gift cards to finish full vaccine schedule. It did work well."

— Clinician at a large nonprofit teaching hospital in the Midwest

"I can't think of anything that was particularly effective in promoting wellness. High deductible health plans have had the opposite effect – a negative incentive – of pushing away people from receiving care almost until too late."

— Department chair at a large nonprofit teaching hospital in the Northeast

"Employee health plan benefit incentive for completing biometric screening."

— Vice President of a large nonprofit health system in the West

"Gimmicks like patient payments don't work well, and when they do, it's not for long. Patient engagement must come from within, and receptive physicians must be able to spend time to stoke the little sparks of ambition that come to patients from time to time. My organization has done nothing effective lately."

— Clinician at a large nonprofit medical school program in the South

"Financial benefits to those who improve their health conditions using benchmark measures."

— Chief Medical Officer at a small nonprofit health system in the West

"Most are ineffective. There is a substantial disconnect between industry and political understanding of the need to change the delivery/payment/utilization of health care services and the level of personal responsibility required of the patient for their part in the system. Patient experience is touted as the one of the most important parts of this remaking of the US health care system. However, we have left out of the patient experience metric – personal responsibility."

— Director of a small nonprofit community hospital in the South

"Our hospitals are not interested in this unless they receive financial rewards or bonuses. There is no commitment to patient outcomes, only to improved reimbursement. We see this in over-treatment, over-testing and circular in-house referrals to hospital owned practices, and hospital owned service agencies like VNA. Frankly it's awful and it is transparent and obvious."

— Clinician at a small nonprofit community hospital in the Northeast

"Our clinic developed a food pharmacy, which dispenses healthy food by prescription from a physician to our patients with diabetes. It reduced the stigma of poverty, increased access to healthy foods, and improved knowledge about healthy eating. It is successful because of continued marketing to our patients, who are uninsured and food insecure."

— Chief Medical Officer at a small nonprofit clinic in the West

"Reduction in benefit costs for healthy behaviors like smoking cessation, colonoscopy, mammography, weight targets, etc."

— Director of a large nonprofit teaching hospital in the Midwest

"Have RN level nurses answer the phone in my Primary Healthcare office for medical TRIAGE since they also managed the through-put process during office hours. After one to two years, the nurses almost knew everyone by name on the phone. Remember that the least skilled member of a Team determines its effectiveness."

— Clinician at a small for-profit clinic in the Midwest

"Providing Medical Missions at Home. This is a program where we do free clinics for those who have difficulty paying for care. We will identify those with Diabetes, hypertension and other conditions which would have gone unnoticed. Once someone is identified, we continue to pay the bills for their care and also assist with trying to get them insured in some way if possible. We are also involved in helping to meet some of the social determinants of health, by providing food banks, food missions."

— Chief Medical Officer at a midsized nonprofit community hospital in the Northeast

"We don't have a program."

— Executive at a small for-profit physician organization in the Northeast

"Using health coaches to follow up on office visits."

— Clinician at a small for-profit clinic in the South

"Worked with self-insured employers to increase completion of initial engagement visits (HRA, Coaching Introduction, Health & Wellness visit, biometric screen) with onsite health clinic. Employer provided $600 to Employee and significant other for the HSA & promoted move to HDHP. Dramatic increase in satisfaction and total health costs and improved preventive health performance."

— Chief Medical Officer at a small for-profit clinic in the West

"Internally we have a wellness / fitness point system tied to a small percent of our annual bonus – if not completed then whatever annual bonus is available gets paid at a decreased rate. We get majority participation."

— Executive at a large nonprofit health plan in the Northeast

Methodology

- The Engaging Patients – Incentives That Work (and Those That Don't) survey was conducted by NEJM Catalyst, powered by the NEJM Catalyst Insights Council.
- The NEJM Catalyst Insights Council is a qualified group of U.S. executives, clinical leaders, and clinicians at organizations directly involved in health care delivery, who bring an expert perspective and set of experiences to the conversation about health care transformation. They are change agents who are both influential and knowledgeable.
- In January 2019, an online survey was sent to the NEJM Catalyst Insights Council.
- A total of 607 completed surveys are included in the analysis. The margin of error for a base of 607 is +/- 4.0% at the 95% confidence interval.

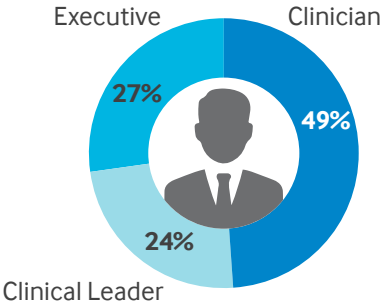
NEJM Catalyst Insights Council

We'd like to acknowledge the NEJM Catalyst Insights Council. Insights Council members participate in monthly surveys with specific topics on health care delivery. These results are published as NEJM Catalyst Insights Reports, such as this one, including summary findings, key takeaways from NEJM Catalyst leaders, expert analysis, and commentary.

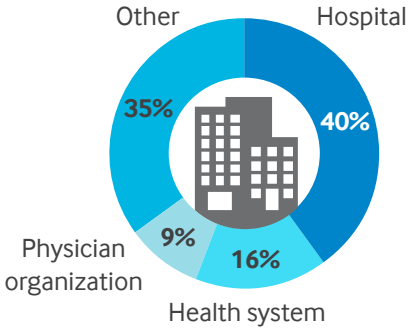
It is through the Insights Council's participation and commitment to the transformation of health care delivery that we are able to provide actionable data that can help move the industry forward. To join your peers in the conversation, visit join.catalyst.nejm.org/insights-council.

Respondent Profile

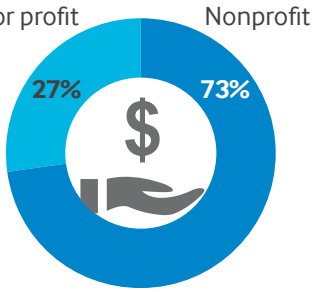
Audience Segment



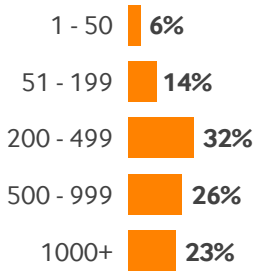
Organization Setting



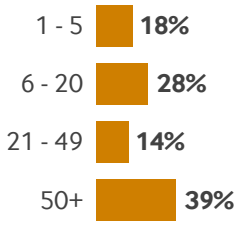
Type of Organization



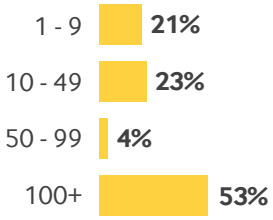
Number of Beds
(Among hospitals)



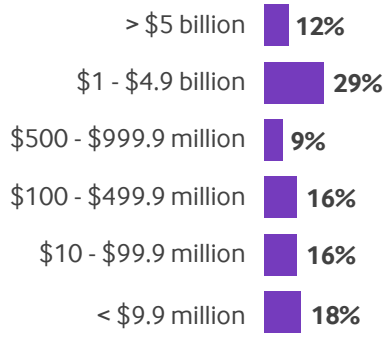
Number of Sites
(Among health systems)



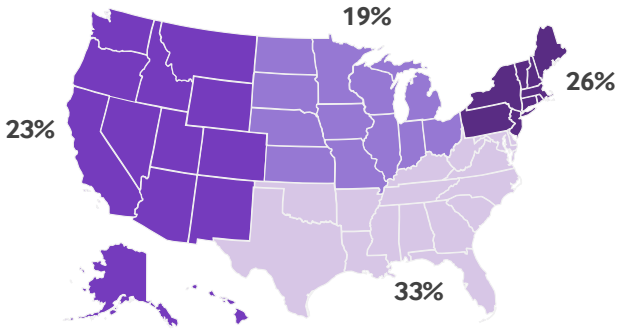
Number of Physicians
(Among physician organizations)



Net Patient Revenue



Region



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About Us

NEJM Catalyst brings health care executives, clinical leaders, and clinicians together to share innovative ideas and practical applications for enhancing the value of health care delivery. From a network of top thought leaders, experts, and advisors, our digital publication, quarterly events, and qualified Insights Council provide real-life examples and actionable solutions to help organizations address urgent challenges affecting health care.

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