

The Impact of Insurance-Based Wellness Incentives on Hospitalizations and Medical Care Use

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Abstract:

Context: Smoking, cardiovascular disease and diabetes mellitus are among the leading causes of disability and premature death among working-age adults in the United States. Health-insurance-based wellness incentives are a new and controversial preventive intervention. **Objectives:** To examine the impact on health outcomes of an insurance-based wellness incentive program. **Design:** Quasi-experimental “difference-in-difference” observational study. **Intervention:** In 2005, a hospital system in a large Midwestern U.S. city instituted wellness incentives tied to eligibility and premiums for employee health plans. The most generous health plan was made available only to employees who signed a health pledge, provided blood pressure, serum glucose, serum cholesterol and other body measurements and, for smokers, enrolled in a smoking cessation plan. The hospital system offered several on-site health fairs and publicized the new program widely. **Setting and participants:** We use claims data from 2003 – 06 from an average of 30,209 enrollees per month covered by the hospital system’s employee health benefit plan, and from an average of 31,567 enrollees per month covered by two other employers in the same metropolitan area that did not make large changes to their health benefit plans. **Main Outcome Measures:** Occurrence of any hospitalization in the observation month, occurrence of hospitalizations associated with targeted conditions (diabetes mellitus, hypertensive heart disease, cerebrovascular disease, ischemic heart disease, acute pulmonary infections, and chronic obstructive pulmonary disease), occurrence of non-inpatient medical visits (overall and for targeted conditions) and days of prescriptions filled (overall and for targeted conditions). **Results:** We find that the wellness incentives significantly reduced overall hospitalizations (13% drop, 95% CI [–19%, –5.5%]) and hospitalizations for targeted conditions (35% drop, CI [–47%, –21%]). **Conclusion:** Large and persistent financial incentives tied to health insurance eligibility and premiums – in combination with institutional support, information and group learning – may have significant and long-lasting effects on health outcomes.