

# Employer-Focused Population Health Management

Drive new revenue, increase commercial market share,  
and enhance payor mix.



# The Strategic Imperative: How Health Systems Are Winning Employer Partnerships

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Health systems are navigating an era of persistent margin pressure, rising operational costs, and shifting payer dynamics. To protect financial sustainability and expand their commercial footprint, forward-looking healthcare leaders are turning to direct-to-employer partnerships—a framework that aligns healthcare delivery with the employer’s goal of managing the rising cost of health benefits.

Employers are the largest purchasers of healthcare services in the United States, and their commercial reimbursement represents virtually 100% of health system profitability. Annual double-digit growth in health benefit expenses is driving employers to partner with local health systems, rapidly transforming direct contracting from an emerging trend into a mainstream commercial necessity.

## The Shift Toward Direct-to-Employer Models

The momentum behind direct employer alignment is driven by a fundamental shift in market incentives. Today, approximately 40% of employers are actively partnering with healthcare systems through direct contracting to gain control over benefit cost increases, leveraging health system expertise in education, early detection, prevention services, and risk mitigation.

Employers and employees alike are rejecting fragmented point solutions in favor of unified partnerships offering predictive analytics, targeted interventions, robust reporting, and integrated care models.

Applied Health Analytics has proven that, armed with the right technology and data, health systems are the best partners for employers seeking to reduce the impact of rising health benefit expense by aligning the health risk characteristics unique to their workforce with the abilities of aligned physicians and hospital service lines.

### 100%

Reimbursement from employers represents virtually 100 percent of health system profitability.

### 38 Years

For 38 consecutive years the cost of health benefits has only gone up. That is enough trending data to suggest the model is broken.

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# ~40%

of employers are actively partnering with healthcare systems through direct contracting.



## Value Proposition for Health Systems

Health systems that build direct relationships with local employers secure significant strategic advantages, including commercial market growth that captures higher-margin patients and significantly enhances the health system's payer mix.

Furthermore, employer-facing initiatives minimize care leakage by keeping employees and dependents within an integrated provider network while establishing recurring revenue streams through the annual management of population health initiatives.

Local health systems retain a critical advantage over national payers, third-party administrators (TPAs), and regional brokers by leveraging strong community relationships, brand recognition, and deep consumer trust. By pairing local clinical reputation with proven population health management expertise, healthcare providers position themselves as indispensable partners capable of improving health outcomes and controlling benefit expenses.

With widespread market adoption expected over the next two to three years, health systems that establish their direct-to-employer infrastructure today will lead regional market distribution tomorrow.

# \$9.8M

annual recurring revenue from PCP referrals

“Our commercial strategy is front-and-center to achieving our payor mix objectives. Last year, we touched over 41,445 employees through our HRA, on-site screening events, coaching capability and the closing of care gaps. Primary care physician referrals were up considerably and represented annual recurring revenue of \$9.8 million.”

EMPLOYER SOLUTIONS, ATRIUM HEALTH

# Understanding Employer Expectations

Employers view population health initiatives as strategic business levers designed to manage healthcare trend lines and reverse the rising cost of health benefits. Increasingly, employers are seeking direct partnerships with local health systems to identify and mitigate employee health risks, close gaps in care and accelerate primary care physician alignment.

## Data Driven, Population Health Management Strategy

Sophisticated employers want to move beyond static, historical claims reporting. They require predictive analytics platforms that aggregate claims, Health Risk Assessments (HRAs), and biometric data to identify at-risk and rising-risk populations early. The associated data must directly drive clinical outreach, ensuring that high-risk individuals with chronic conditions (e.g., diabetes, hypertension, musculoskeletal issues) are actively navigated into management programs and aligned physician practices.

## Linking Risk with Local Resources

Program management is critically important and vanity metrics like email click-through rates are no longer enough. Employers want health initiatives that actively shift employee behavior—driving primary care physician attachment, preventive screening completion, and chronic care compliance.

# 72%

of the dollars spent on health care services could have been prevented.

— Centers for Disease Control and Prevention

## Easy Integration

Because HR and benefits teams are often stretched thin, employers seek partners who provide comprehensive support, communication toolkits, dedicated account management, and turnkey technology platforms. Executive leadership expects clear, transparent reporting dashboards that show clinical progress, cost-saving milestones, and engagement levels in real time.

Working with health systems across the United States and over **3,000 employers**, Applied Health Analytics has developed a technology platform that achieves each of these program objectives and has proven to drive down employer health benefit expense while successfully increasing commercial market share and driving new revenue growth for client health systems.

## \$1,290

revenue per screened employee

## 10.2%

conversion to referral

“A single biometric screening event realized us \$1,290 in revenue for every screened employee. The best part? Each had commercial coverage and we measured a 10.2 percent conversion rate to referral and downstream revenue.”

WORKFORCE CARE, BAPTIST HEALTH



“Are you doing this for your own employees?”

## Start Domestically

When health systems face the inevitable question, a direct, transparent answer is essential. Launching population health initiatives internally validates a health system’s strategy, demonstrating true market intent and a genuine commitment to improving employee well-being before taking those solutions to external employers. Doing so will benefit health systems in several ways:

**Make** a clear statement of the health system’s commitment to delivering best-in-class population health enhancement services to the community.

**Retain** healthcare expenditures internally within the practices of aligned physicians and hospital service lines.

**Mitigate** rising health benefit expenses by deploying an employee health strategy built on specific health characteristics unique to the workforce.

**Execute** an initiative that is relevant, targeted, impactful, and precisely measurable.

“We deployed an employer-facing, population health management initiative to enhance our commercial reimbursement. Because we engaged at the senior leadership level, it also led to broader conversations about on-site clinics, bundled payments and direct contracting.”

HEALTH AT WORK, MERCY HEALTH

# Turnkey Delivery

We do the work, you provide the care.

Even financially strong health systems operate with thin margins. Efficiency is an imperative and so are initiatives that drive top line growth and increase commercial market share. Applied Health Analytics understands these realities and deploys a turnkey, direct-to-employer strategy that requires little support from health system personnel. In the execution of the initiative, the Company takes lead and delivers the initiative.

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## Engaging Employers

### 1 Employer Profiling and Sales Support

To steer the sales process key employer data is provided including identifying primary decision makers, contracting and open enrollment dates, carrier and broker affiliation, number of FTEs and plant/office locations. Additionally, Applied Health Analytics delivers in market sales training and local marketing support in collaboration with community organizations like the Local Chamber of Commerce, Rotary Club, and SHRM chapter to communicate its message across the employer base.

### 2 Broker Engagement

Because insurance brokers and benefit consultants act as trusted advisors during population health evaluations, engaging them is crucial to the direct-to-employer sales process. Applied Health Analytics identifies key local, regional, and national brokers representing employers in the market. The Company supports health system employer outreach by actively soliciting brokers, presenting the DTE initiative, and highlighting its core features, benefits, and overall impact.

### 3 Day-to-Day Strategy Execution and Management

Once an employer is engaged, Applied Health Analytics takes a leadership role in designing, executing, and managing the strategy daily. The Company guides both the health system and the employer in building an effective, measurable population health management initiative tailored to the unique health characteristics of each workforce. Strategy components—such as health coaching, incentive management, care gap closure, PCP alignment, health risk mitigation, and early detection and prevention services—are fully customized to align with the direction of the health system and the participating employer.

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# Your brand. Our people. One platform.

The core functionality, features and capabilities of the Applied Health Analytics technology provides complete data interoperability within a single platform.

## Data Integration

Eligibility File · Biometric Data · Personal Health Survey · HL7 · EMR · Claims

## Population Analytics Engine

Customizable Risk Stratification · Risk Expense Forecaster · Care Gap Identification · Database Querying & Cohort Management

## Claims Analytics

Group & Member Analytics · Trending · ROI Investment Analysis · Care Gaps · Data Visualization & Reporting

## Reporting

Care Gap Closure · Member and Cohort Trending · Ad Hoc/Custom · Claims Impact

## Business Process Support

Ongoing Account Management · Event Registration · Custom Surveys · Help Desk & Technical Support

## Health Coaching

Member Risk Profiling and Trending · Member Data Visualization · Goal Setting & Progress Tracking · Session Documentation & Charting · Coaching Reports

## Incentive Design & Management

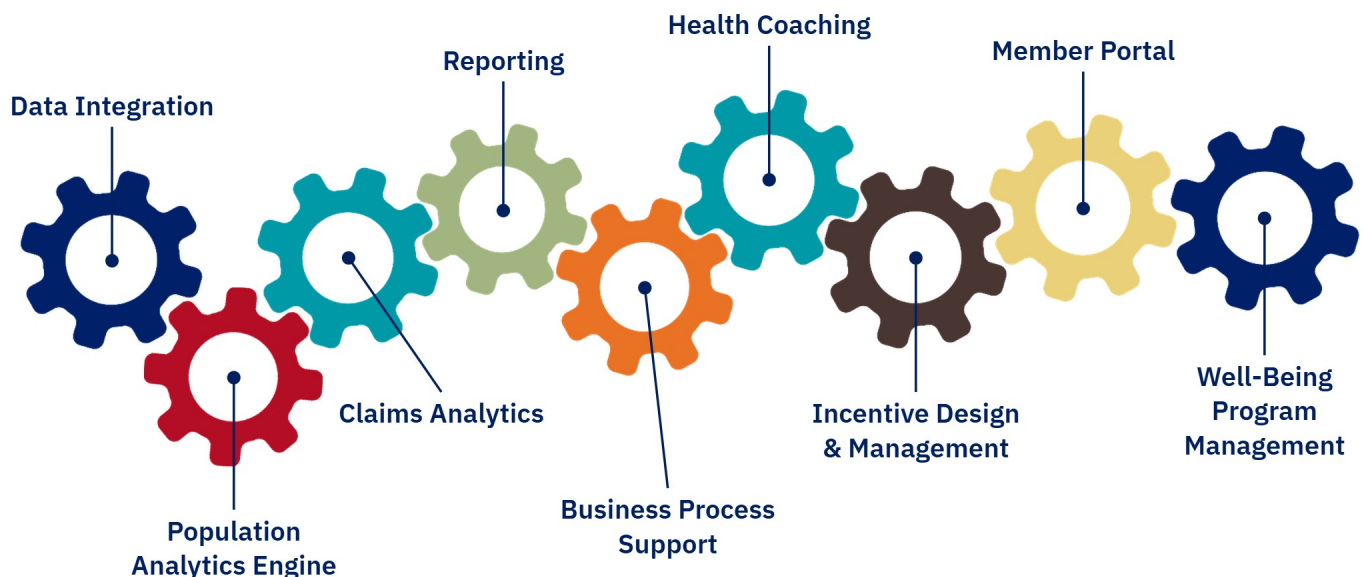
Risk-Stratified Incentive Design · Multiple Reward Options · Payroll Vendor Integration · Member Participation Status/Reporting

## Member Portal

Care Gap Notification · Incentive Participation Status · Event Registration Management · Wearable Device Integration · Solution Alignment

## Well-Being Program Management

Aligns Risk with Solution · Targets Behavioral, Emotional or Financial Health · Screening & Examination Promotion · Challenges · Content Alignment



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# Ready to launch your direct-to-employer service line?

Let's talk about what a turnkey program  
could look like for your health system.

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