

Tackling Top Cost Drivers: How AutoZone & Walgreens Reduced Musculoskeletal Spend

April 8, 2020



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Today's Presenters



Matthew Harmon

VP Benefits, Compensation, and
HR Systems

AutoZone



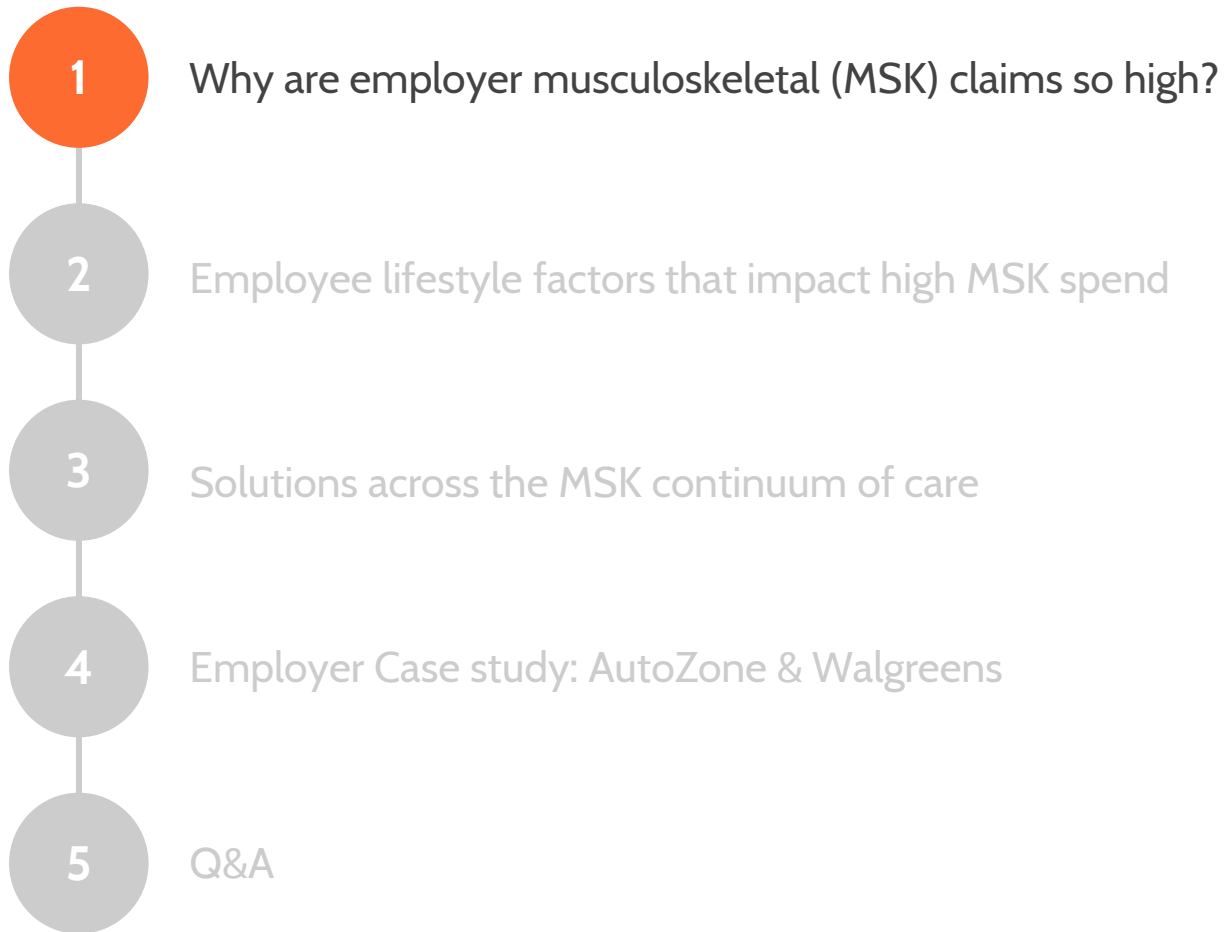
Jeff Krauss, M.D.

Chief Medical Officer

Hinge Health

Some of the critical questions and issues we will be answering today

- Why are employer musculoskeletal (MSK) claims so high?
- Employee lifestyle factors that impact high MSK spend
- Solutions across the MSK continuum of care
- Employer Case study: AutoZone & Walgreens
- Q&A



Meet John

About John

- Male; 48 years old
- Job: Shift supervisor
- Chronic hip pain 6/10
- Overweight
- Struggled with constant dull pain
- Considered PT but couldn't afford it
- Potentially depressed

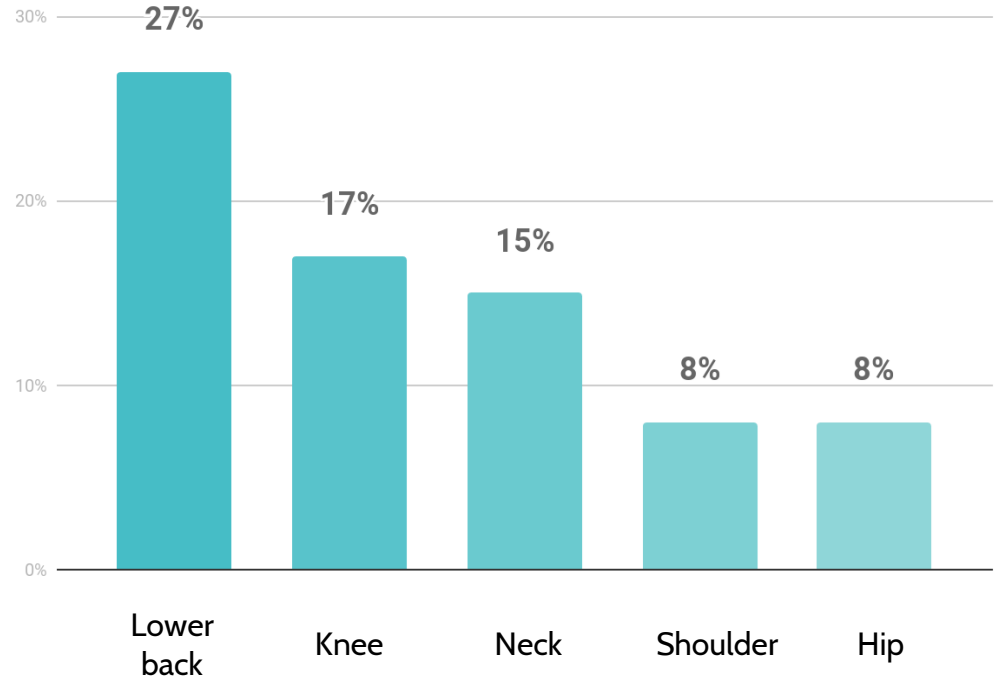


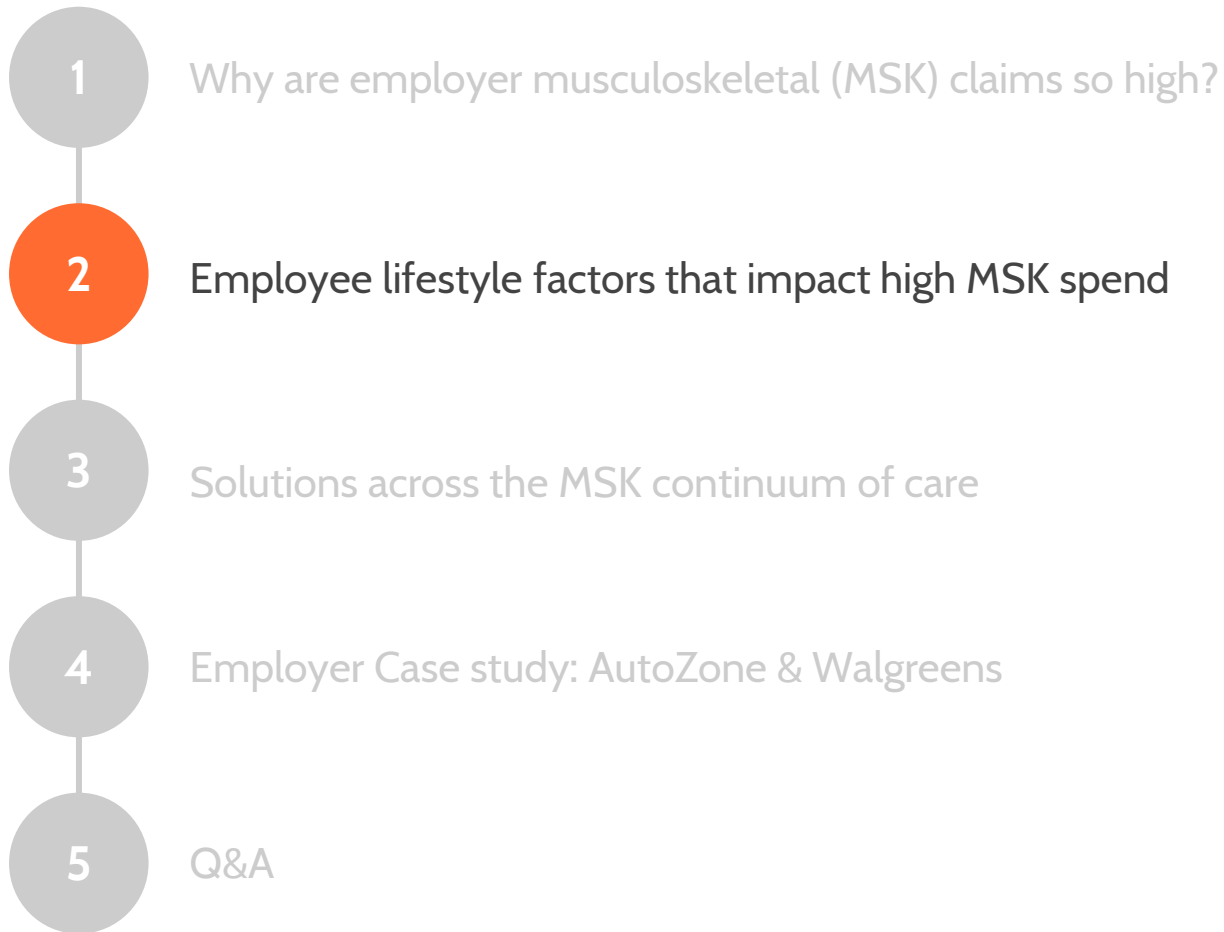
The MSK Problem

1 in 2 employees

are affected with an MSK disorder
in a given year

Top 5 MSK Conditions





Chronic MSK pain has

many factors

which contribute to pain



The cycle of pain & depression

creates a Feedback Loop

MSK Pain
Increases



Depression
Increases

How COVID-19 is impacting chronic MSK pain

Daily Challenges

- Interrupted healthcare
 - Can't see PT or doctors
 - Cancelled elective surgeries
- Social distancing
 - Inactivity; gyms are closed
 - Isolation
 - Haphazard working area setups
- Increased hours working
- Stress impacting mental health



How John navigates daily challenges

How Coaching Helps

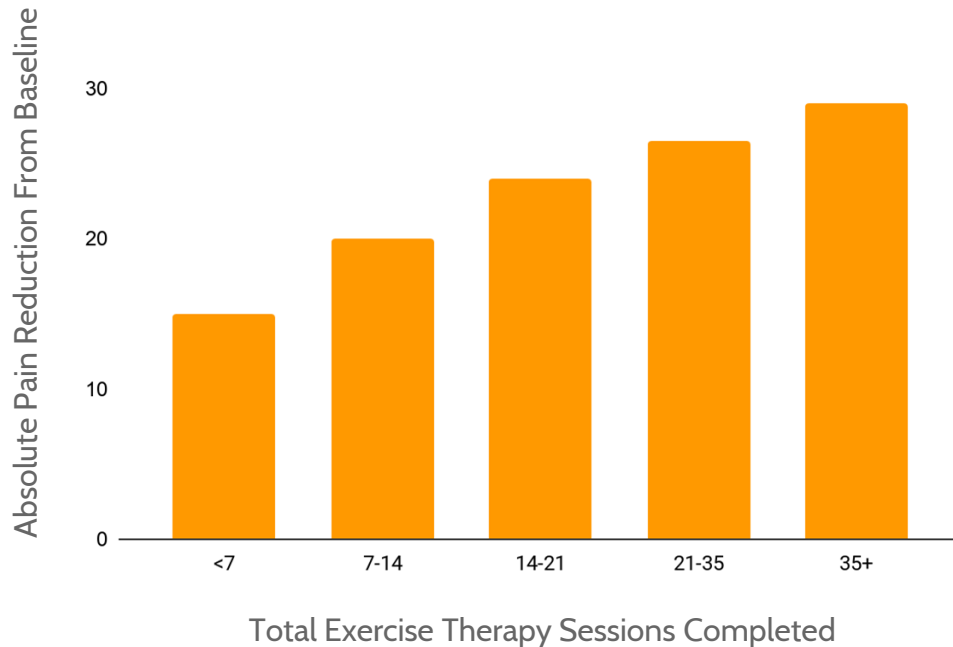
A coach helps John through

- Goal setting
- Motivational interviewing
- Therapeutic alliance
- Overcoming barriers
- Providing tools & accountability



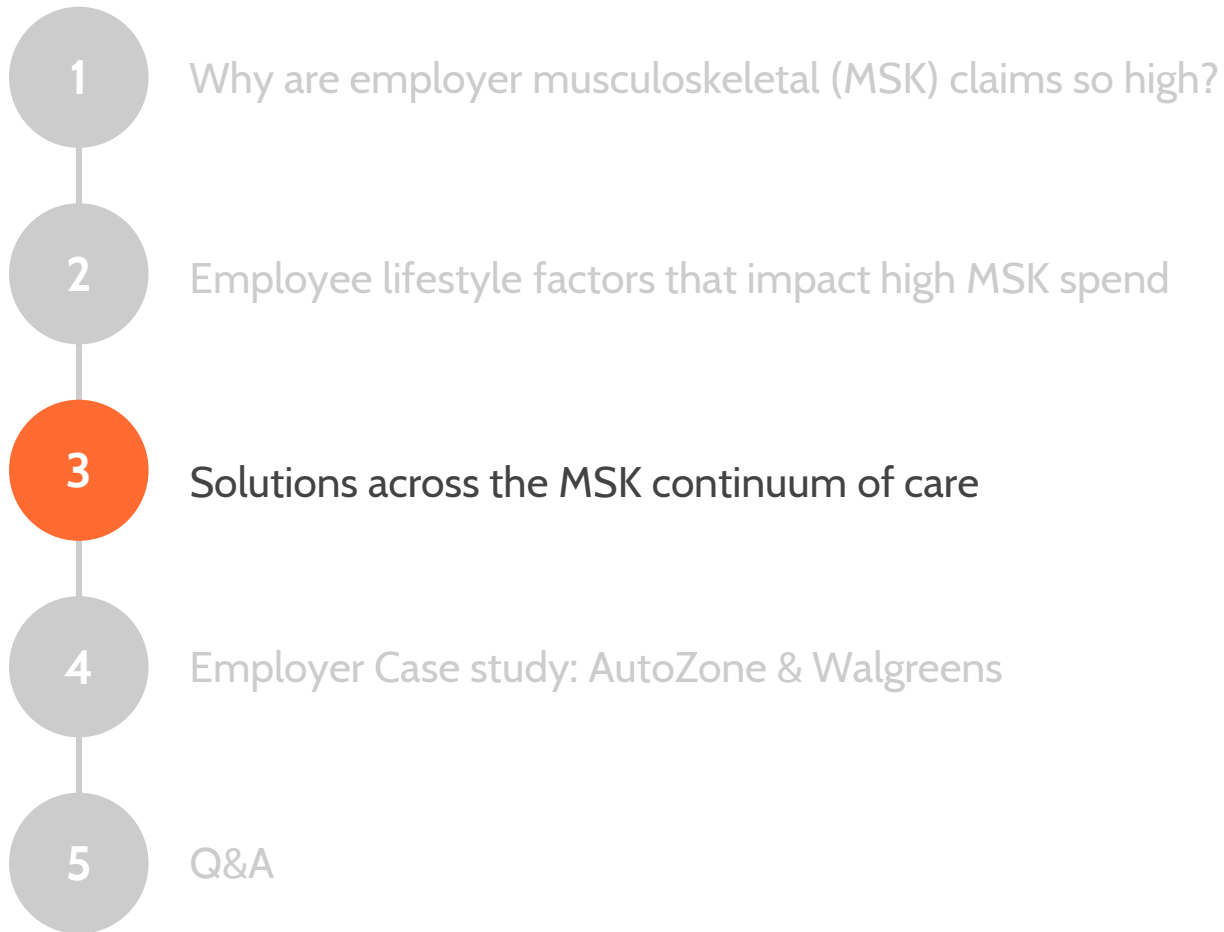
Exercise Therapy and Coaching Reduces Pain

Hinge Health clinical study (N=10,265) is the 1st to demonstrate both exercise therapy and coaching contribute to pain reduction



Pain reduction correlated with more Hinge Health ET and coaching

- Each of the first 10 ET sessions contributed to 1.9 point pain reduction
- Each of the first 20 coach interactions contributed to 0.3 point pain reduction

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- 1 Why are employer musculoskeletal (MSK) claims so high?
 - 2 Employee lifestyle factors that impact high MSK spend
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 - 4 Employer Case study: AutoZone & Walgreens
 - 5 Q&A

Acute and Chronic MSK have different pathways



Acute

Injured lifting boxes



At Risk

Overweight and
not active

Chronic

Recurring hip
pain

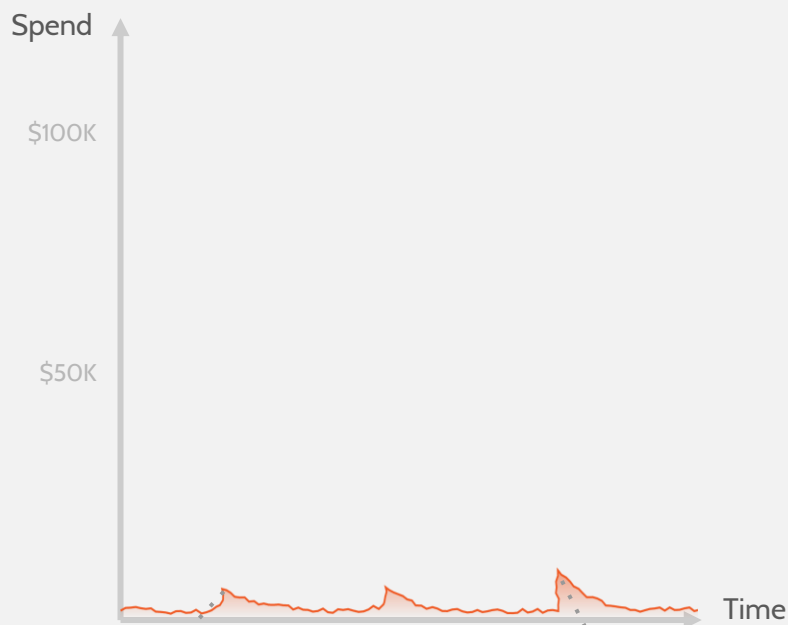
Surgery/ Post-Op

Hip surgery to
manage pain

Chronic MSK impacts our healthcare system differently than acute MSK



Mary's Spend on Acute MSK Episodes



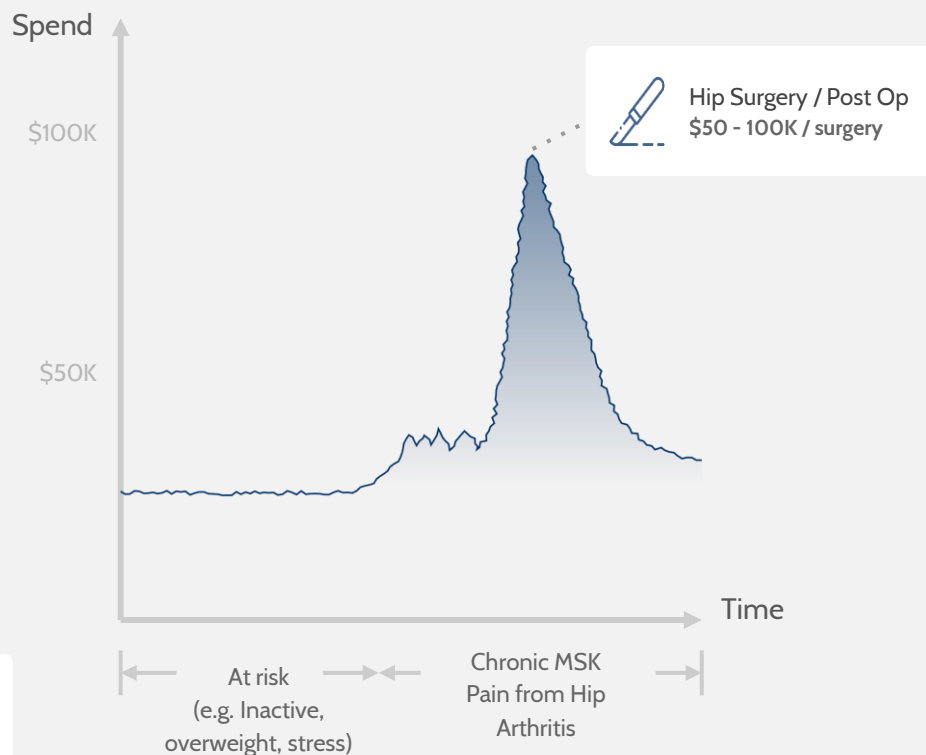
Twisted Knee
<\$200



Broken Bone
<\$1000



John's Spend on Chronic MSK



Hip Surgery / Post Op
\$50 - 100K / surgery

At risk
(e.g. Inactive,
overweight, stress)

Chronic MSK
Pain from Hip
Arthritis

Acute conditions are short-term & self-resolve

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The leading retailer & a leading distributor of automotive replacement parts & accessories

Company Background

- More than 6,450 stores in the US, Mexico & Brazil
- Approximately 96,000 AutoZoners

Challenges with MSK

- Variable schedules & long work days
- MSK #2 medical cost driver

Walgreens

One of the largest drugstore chains in the U.S.



Company Background

- 250,000 US employees
- 8,000 stores in all 50 states
- Predominantly retail workforce—in addition to office & distribution

Challenges with MSK

- Employee costs were 8.4% higher than retail industry
- MSK a top cost driver



The MSK solution

The Challenge

1. How was MSK pain or surgery impacting your company & workforce?
2. What's a typical barrier that your employees have to get chronic care treatment?
3. How has that changed with Covid-19?



The MSK solution

Path to Solution

1. What were you looking for in a musculoskeletal solution?
2. What outcomes were you looking to impact?



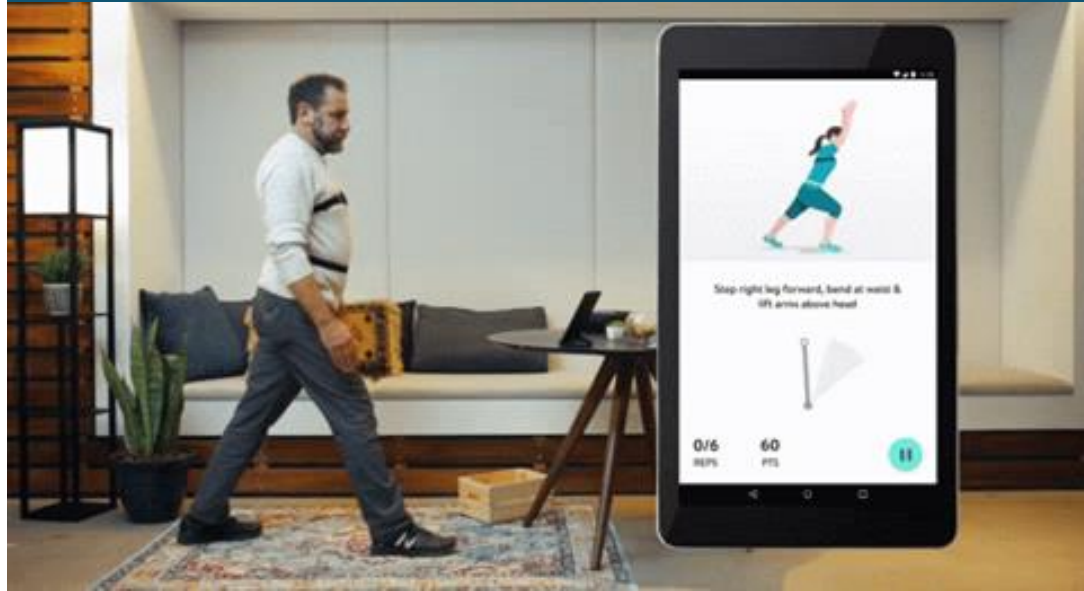
Implementation

Hinge Health

Coach-led, digital program for chronic back & joint pain.

3 pillars of best care practice:

1. Exercise therapy
2. Behavioral Support & Coaching
3. Education





Exercise therapy sessions
per participant over 12 weeks

**2-3 exercises therapy
sessions per week**

22 AutoZone

24 Walgreens



Education articles read
per participant over 12 weeks

**2 education articles
per week**

18 AutoZone

17 Walgreens



Coach interactions
per participant over 12 weeks

**Engaged with
coaches 5+ per week**

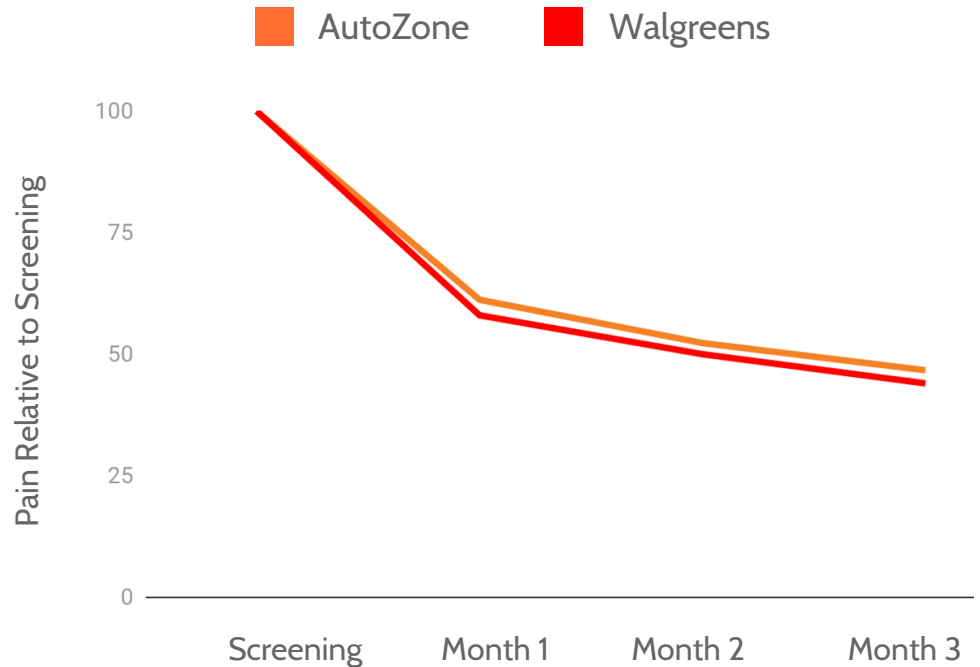
70 AutoZone

60 Walgreens

Each participant averaged ~60% pain reduction

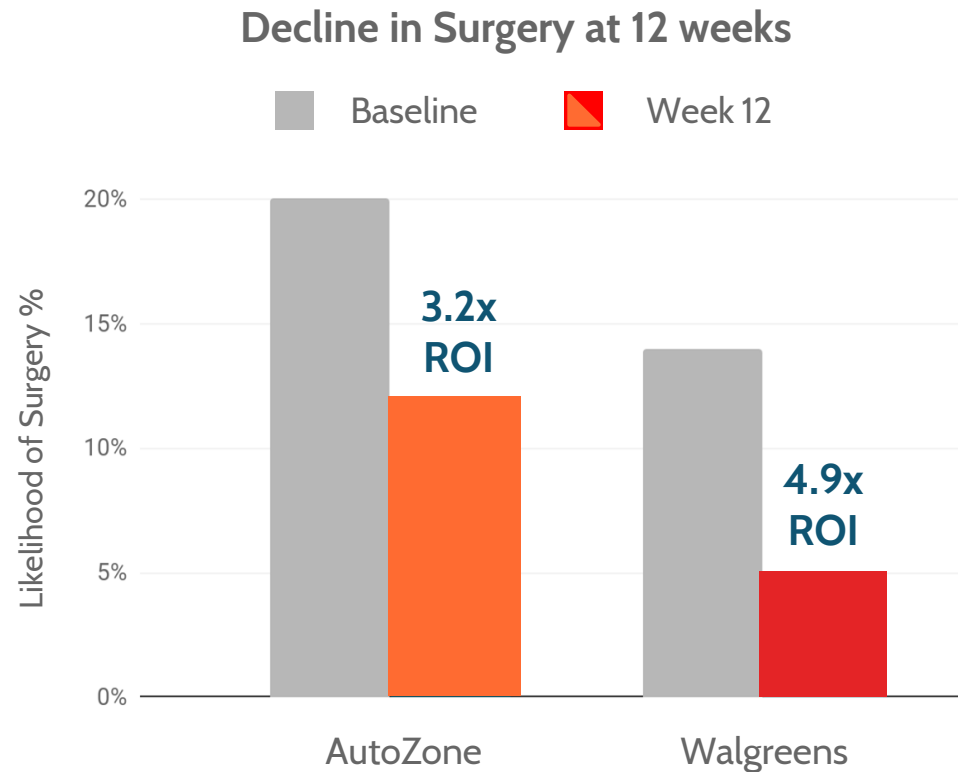
That's **4X better** than the average opioid pain reduction of 15%¹

Each Participant's Average Pain Reduction Over 12 Weeks



Clinical & ROI outcomes

2 out of 3 surgeries avoided

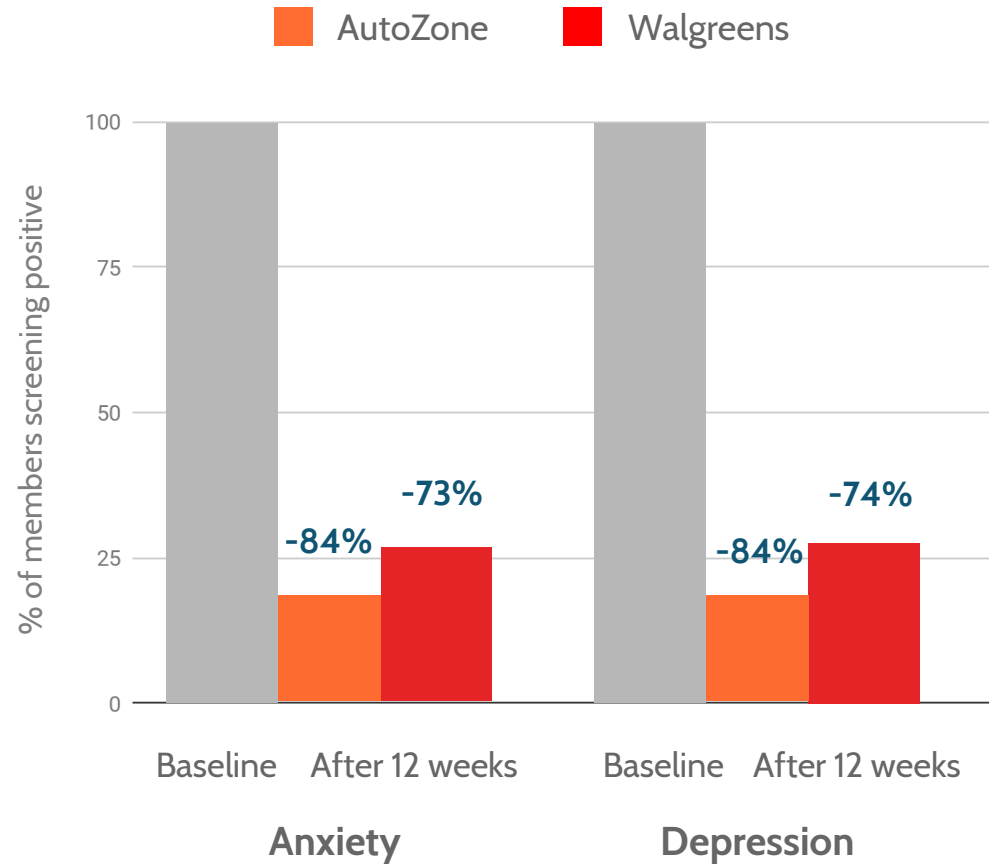


Mental health outcomes on average

↓ **79% anxiety**

↓ **79% depression**

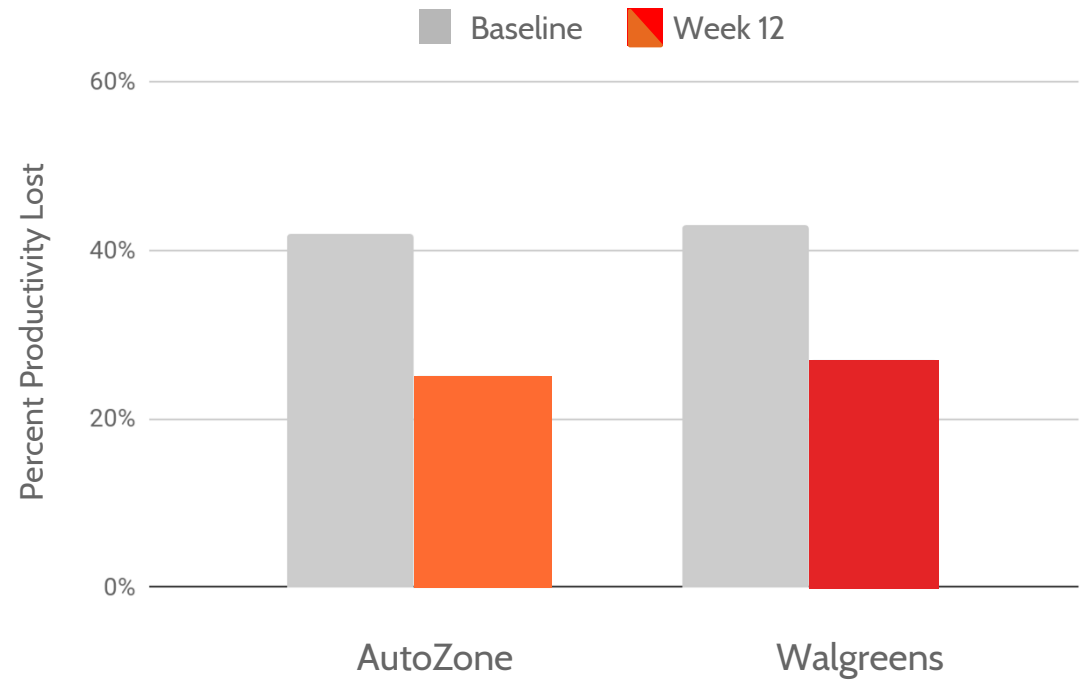
Reduction in Anxiety & Depression Rates



Productivity outcomes

**~40% decrease
in absenteeism
& presenteeism**

Decrease in Pain-related Absenteeism & Presenteeism



Takeaways

How to help your workforce

1. Addressing lifestyle is key to reducing chronic MSK pain, and why **health coaching helps improve adherence and outcomes**
2. There is an opportunity to **reduce costs, increase access, and improve outcomes** by providing employees with a digital solution



Questions?

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