



The 5 | 50 Solution™

A Comprehensive Solution to a Complex Problem

Five percent of any population accounts for more than 50% of employer benefit costs (the 5|50 problem). Individuals in this 5% group typically do not have a primary healthcare provider, so their treatment tends to be fragmented. These people often receive disability compensation, and they average 10 providers, 11 diagnoses, 32 tests, and 10 medications annually.

What We Know

We recently announced our 5|50 Solution™ as the unified package of our advanced data analytics and clinical prevention services. This combination offers employers and individuals a rational, data- and economics-based way of addressing the 5|50 problem.

Using our data analytic capabilities, we also know that half of the money being spent on the 5% group is probably putting individuals at higher risk—rather than contributing to health improvement.

This also drains valuable resources and is part of the reason

why the U.S. spends 30% more on healthcare than comparable countries, without similar gains.

Economics and Health

People have inherent capacities to contribute to family, work, and the community (their human capital). Since people will do what is in their best interest, it's important to understand the economic incentives that are embedded in health benefit policies and how they influence individuals.

Our Human Capital Risk Index (HUI[®], patent pending) takes those policies into account along with roughly 300 other variables to identify people at risk of enter-

ing the 5% group. We can then provide them with clinical prevention services through KnovaSolutions[®] to help them return to health while reducing costs.

5 | 50 Solution Values

- **People matter** for their human capital abilities and motivations, both in and out of the workplace.
- **Prevention** is the best medicine.
- **Economic incentives** are important to understand.
- **Healthier people** and **less wasteful spending** are in everyone's best interest.

Research Findings

Education and Health

Health risks for people with a college degree are 20% to 30% lower than for those with a high school education. The finding is based on our Human Capital Risk Index® (HUI, patent pending) and verifies previous research results.

Click [here](#) to visit the full post.

Health and Performance

There's a strong link between better health and better job performance, according to research based on HUI scores and year-end evaluations. It may be that high performance relates to self-responsibility for health, or that illness hurts productivity.

Click [here](#) to visit the full post.

Data Center Enhancements

We are excited to announce significant upgrades to our primary data center, enhancing security and adding capacity for growth. In the process, we are relocating the data center to a new, state-of-the-art facility in Cheyenne, Wyoming. This will result in greater physical and network security, provide for expansion, and dramatically improve redundancy and fault tolerance in critical infrastructure resources—power, internet connectivity, and cooling.

The new data center is operated by Green House Data—one of the most energy-efficient data centers in the world, 100% powered by renewable energy. With a dry climate, easy access to all major cross-country fiber-optic cable

lines, Cheyenne is an optimal location for a green data center. We are pleased to be one of the first tenants in this new Wyoming resource.

HCMS Update

HCMS opened an additional office in August in Loveland, Colorado. The new location houses many of our Colorado staff members, including data analysts and account managers. The new facility reflects the firm's growth and provides space for continued expansion of the staff to meet the needs of new clients.



We are pleased to welcome Robert L. Simison to our team as a communications consultant. Bob's very successful career has included work as an investigative reporter at The Wall Street Journal and Bloomberg News. He has a degree in journalism from the University of Kansas.

KnovaSolutions in Action: Better Health, Less Stress

A middle-aged female reported feeling overwhelmed by heart, lung, and more than a dozen other conditions when she joined KnovaSolutions in 2012. Her annual benefits were costing \$29,200 at the time. She was seeing 13 specialists and taking 15 prescription medications. With a HUI score of 3.5, her health risk was 3.5 times that of the average person. She had 17 diagnoses that included cardiovascular, respiratory, depression, and musculoskeletal conditions.



Over the course of a year, her dedicated KnovaSolutions team consisting of a nurse, a pharmacist, and a medical research librarian spent 18 hours consulting with her by phone. She is now using a primary care provider to coordinate her care. She has reduced the number of prescription medications she is taking to 8 and decreased her overall risk by 37%. She reports feeling healthier and much less overwhelmed. Her annual benefit costs have fallen by 80% and now total \$5,649.

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