

Case Study

CLIENT NAME:

HII (Fortune 500 Aerospace & Defense Company)

FINANCIAL COACHING PROVIDER:

SmartPath

STUDY SIZE:

~33,000 HII Employees

METHODOLOGY:

Merative, formerly IBM Watson Health, conducted this third-party analysis of the impact of financial coaching on a range of healthcare metrics. The study was conducted using employee healthcare data provided by HII along with a list of financial coaching participants provided by SmartPath.

They then analyzed how this group (test group) engaged with healthcare before and after participating in financial coaching and compared it with the broader population of non-participants (control group) in the same period. The analysis was limited to active employees only, excluded high-cost claimants, and was adjusted to account for demographic differences between the test and control populations.

Note: To write this synopsis, SmartPath only had access to data in the aggregate and had no access to PII data.



How A Financial Coaching Program Helped Reduce Healthcare Costs

Overview

Do employees who engage in financial coaching with SmartPath lower their overall medical costs? Merative explored this possibility by examining the impact of financial coaching on the utilization of healthcare services. The study looked at differences in how SmartPath users engaged with healthcare as compared with the rest of the HII population.

Even though SmartPath participants were expected to be 38% more costly based on their relative risk score, the study showed that they lowered their combined medical and drug costs and increased several preventive services. More specifically, participants reduced their emergency room visits, increased cholesterol, prostate, and mammogram screening rates, reduced their duration of non-maternity related short-term disability leave, and increased several other chronic condition engagement measures. **These findings demonstrate that financial coaching can influence participant healthcare usage, leading to significant cost savings for HII.**

Summary of Findings

1 Do employees who engage with SmartPath's financial coaching lower their overall medical costs?

Yes! Employees who engaged with SmartPath decreased medical and drug costs by 3% while the control group increased by 14% (a 17 pt difference).

2 How did financial coaching participants reduce their costs?

Participants changed their behavior in a variety of ways to reduce costs. Specifically, they:

- Reduced their ER visits by 24% while non-participants increased their visits by 2%.
- Decreased the duration of their short-term disability by 40% (20 days) while non-participants increased their duration by 19% (7 days).
- Increased their well visits by 14% while non-participants increased their well visits by 5%.

In summary, these findings demonstrate that SmartPath, along with several other wellness initiatives implemented by HII, is connected with reduced healthcare costs for participating employees and can help HII save on total healthcare-related expenses in the future.

Definitions

Participant - An HII employee who engaged with SmartPath during the defined timeframe.

Non-Participant - An HII employee who did not engage with SmartPath during the defined timeframe.

Relative Risk Score - An assessment of an employee's risk for diseases and illnesses, which correlates to their expected costliness in terms of medical treatment.

High-Cost Claimant - An employee whose allowed medical/pharmacy costs exceed \$100,000 during any calendar year.

About HII

HII is a global, all-domain defense provider. HII's mission is to deliver the world's most powerful ships and all-domain solutions in service of the nation, creating the advantage for its customers to protect peace and freedom around the world. As the nation's largest military shipbuilder, and with a more than 135-year history of advancing U.S. national security, HII delivers critical capabilities extending from ships to unmanned systems, cyber, ISR, AI/ML and synthetic training. Headquartered in Virginia, HII's workforce is 44,000 strong. For more information, visit www.hii.com.

About SmartPath

SmartPath is the leading provider of comprehensive financial education solutions in the country. Its robust offering includes daily educational classes, one-on-one coaching, and digital tools that empower individuals on the journey to financial freedom. Founded in 2010 and supporting over 700,000 individuals, SmartPath delivers its financial education solutions in partnership with financial institutions, fintech companies, and employers nationwide. For more information, visit www.joinsmartpath.com.

