



New Independent Study Finds Accolade Significantly Bends the Healthcare Cost Curve for Employer

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Aon study shows that Accolade lowered employer claims costs across major clinical categories and risk groups

SEATTLE, Feb. 4, 2021 /PRNewswire/ -- Healthcare costs are rising year over year, and this year with the pandemic, uncertainty about costs is higher than ever for employers. To address employers' needs, Accolade (Nasdaq: ACCD), providers of personalized, technology-enabled solutions that help people better understand, navigate and utilize the healthcare system and their workplace benefits, turned to [Aon plc](#), a global professional services firm, to undertake an independent study on the impact of Accolade's personalized advocacy model on employer healthcare claims costs.



The results show employers utilizing Accolade's services had higher healthcare claims costs before implementing Accolade, and significantly reduced costs after Accolade – with savings beginning in the first year. Employers that partnered with Accolade experienced trend and claims cost reductions that include:

- In 2019 implementations, a healthcare trend of zero percent (flat) in their first year, compared to a precisely matched market control of 8.3 percent trend.
- The claims costs for these employers dropped from \$590 Per Employee Per Year (PEPY) above the market control, to \$432 PEPY below market control in the first year.
- Customers implementing Accolade in 2018 saw an annualized healthcare cost trend of 2.0 percent compared to 6.1 percent from the market control over a two-year period.
- In this two-year cohort, employers saw a 5.0 percentage point reduction in claims trend in the first year after implementing Accolade, and a 3.2 percentage point reduction in year-two trend.

"This study is important today because it highlights the healthcare cost challenges facing U.S. employers, and demonstrates how each Accolade customer studied here was able to reduce claims starting in year one," said Todor Penev, Aon senior vice president, Fellow of the Society of Actuaries and a member of the American Academy of Actuaries. "We applied our rigorous Cost Efficiency Measurement (CEM) methodology to analyze Accolade claims costs against the experience of hundreds of employer plan sponsors in the market. The results show that these employers achieved claims costs reductions and significantly lowered trend after implementing Accolade."

Aon's team of actuaries analyzed medical service utilization and spend of six Accolade employer customers – ranging in size from 2,000 to 70,000 members – and across major clinical categories. Aon calculated claims reduction for each customer over one or two years, place of service, conditions, comorbidities, catastrophic claims and age bands. The complete study is available for review on the [Accolade website](#).

"The report shows that Accolade's personal advocacy model, in conjunction with intelligent technology, is a significant driver in lowering the healthcare cost trend for employers," said Carolyn Young, Accolade executive vice president and chief actuary. "Aon's findings also underscore the importance of whole population care – regardless of age, demographics and condition levels."

Inside Accolade Healthcare Cost Trend Reduction

To achieve significant claims cost savings, Accolade personalized advocacy model blends empathetic Health Assistants, clinical expertise, and intelligent technology to serve the whole population and support people in obtaining the right care at the right time. Accolade provides highly personalized healthcare support, improving health outcomes and employee experience while reducing costs for individuals and their employers.

In line with Accolade's whole person, whole population clinical model, the Aon study demonstrated lower costs in every major clinical category with Accolade compared to the control population. Accolade was associated with cost-savings across the top 15 healthcare conditions, from Mental Health to Hypertension/Cardiovascular and Musculoskeletal. Savings were generated across risk groups from healthy members with no medical conditions to members with complex medical needs (those with four or more conditions).

"We recognize challenges ahead including vaccine distribution, workplace safety and how our members will seek non-COVID-related care in the new year," said Rob Cavanaugh, President of Accolade. "Employers can expect up to 10 percent healthcare cost trend increases in 2021¹ due to the pandemic. The Aon study's promising findings validate again how Accolade's personalized advocacy model can help employers of all sizes manage this complexity and achieve significant savings on one of their largest line items."

Aon Study Webinar

Accolade and Aon will present an overview of the study, methodology and findings in a webinar February 9 at 11:00 a.m. PST. To attend the webinar and learn more about the findings, please register [here](#).

About Accolade

Accolade provides personalized health and benefits solutions designed to empower every person to live their healthiest life. Using a blend of cloud-based technologies, specialized support from Accolade Health Assistants® and Clinicians, and integrated data and programs across mobile, online and phone, Accolade navigates people through the healthcare system with trust, empathy and ease. Employers offer Accolade to employees and their families as the single place to turn for all health, healthcare, and benefits questions or concerns, increasing their engagement in benefits and connecting them to high-quality providers and care. By empowering members to make better decisions about their health, Accolade can support members in lowering the cost and complexity of healthcare while achieving consumer satisfaction ratings over 90 percent. For more information, visit Accolade on [Twitter](#), [Facebook](#), [LinkedIn](#) and at www.accolade.com.

Forward-Looking Statements

This release contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, and the Private Securities Litigation Reform Act of 1995, as amended. These forward-looking statements include statements regarding our future growth and our financial outlook. Forward-looking statements are subject to risks and uncertainties and are based on potentially inaccurate assumptions that could cause actual results to differ materially from those expected or implied by the forward-looking statements. Actual results may differ materially from the results predicted, and reported results should not be considered as an indication of future performance. In some cases, you can identify forward-looking statements because they contain words such as "anticipate," "believe," "continue," "could," "estimate," "expect," "intend," "may," "might," "likely," "plan," "potential," "predict," "project," "seek," "should," "target," "will," "would," or similar expressions and the negatives of those terms.

Important risks and uncertainties that could cause our actual results and financial condition to differ materially from those indicated in the forward-looking statements include, among others, the following: (i) changes in laws and regulations applicable to our business model; (ii) changes in market or industry conditions, regulatory environment and receptivity to our technology and services; (iii) results of litigation or a security incident; (iv) the loss of one or more key customers or partners; (v) the impact of COVID-19 on our business and results of operation; and (vi) changes to our abilities to recruit and retain qualified team members. For a detailed discussion of the risk factors that could affect our actual results, please refer to the risk factors identified in our SEC reports, including, but not limited to our prospectuses filed with the SEC on July 1, 2020 and October 19, 2020, respectively, and our Quarterly Reports filed on Form 10-Q. All information provided in this release and in the attachments is as of the date hereof, and we undertake no duty to update or revise this information unless required by law.

⁽¹⁾ *Health Research Institute, Medical cost trend: Behind the numbers 2021, Medical cost trend in the midst of the COVID-19 pandemic, June 2020, pwc.com/us/medicalcosttrends*

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