
Canary Health's six-week diabetes management program saves \$815 in one-year healthcare, pharmacy utilization costs - August 10, 2018

Executive Highlights

- **Canary Health recently [announced](#) positive cost-effectiveness outcomes - published in [JMIR](#) - for its Better Choices, Better Health diabetes program.** Compared to a propensity-matched control cohort, 558 individuals who took part in the six-week program had one-year cost savings of \$815. Given an average cost of <\$270 for the program, the financial ROI for the in-person and virtual programs was between \$2.00-\$3.00 for every \$1 invested.
- **Cost savings were driven by decreased all-cause inpatient, outpatient, Emergency Department, and pharmacy utilization, as well as diabetes-specific outpatient utilization.** Participants also had lower comorbid disease burden at one year than their controls, including hypertension, hyperlipidemia, renal disease, and depression.
- **Notably, the study was conducted by HealthCore (an Anthem subsidiary), National Council on Aging, Oasis (in-person intervention provider), Stanford, and Canary Health.** Though Canary Health doesn't yet have a commercial contract with Anthem, management is optimistic that these strong results will lead to one in the future.
- **Canary Health management told us that it has served ~65,000 people between its CDC-recognized DPP and the Better Choices, Better Health diabetes program.** Currently the company has 75 professional coaches on staff, each of which can support "multiple hundreds to thousands" of patients at a given time - this scale is presumably enabled by the extensive peer support offered through the programs.

Canary Health recently [announced](#) that [JMIR](#) [published](#) an economic analysis of its six-week "Better Choices, Better Health diabetes" (BCBH-D) self-management program, demonstrating \$815 in one-year savings for program participants compared to matched controls who did not partake in the program. These outcomes amounted to \$3 saved for every \$1 invested for the virtual intervention, and \$2.00-\$2.70 saved for every \$1 invested in the in-person, community-based intervention (depending on local costs).

[Six-month](#) and [12-month](#) clinical results from a broader study population (n=1,242; 1010 digital and 232 in-person) were previously reported in 2016, and Canary Health management gave us a sneak peek at these economic findings in [December](#). This cost analysis conducted by HealthCore (an Anthem subsidiary), the National Council on Aging, Oasis (in-person intervention provider), and Stanford University mined retrospective medical and pharmacy claims data from 558 of the 1,229 participants. Outcomes and healthcare utilization/spend were then compared to a propensity-matched control cohort who did not participate in BCBH-D.

At 12 months, the entire BCBH-D cohort (intent-to-treat analysis) saw a 0.44% A1c decline (baseline: 8.04%) - the most recent publication did not report A1c change in the n=558 cohort. Cost savings in the BCBH-D group vs. the propensity-matched controls were driven by decreased medical utilization and disease burden. This includes greater reductions in costs due to all-cause inpatient and outpatient utilization as well as diabetes-specific outpatient utilization, pharmacy utilization, and diminished burden of hypertension, hyperlipidemia, renal disease, depression, arthritis, and musculoskeletal disorders. Outcomes were nearly identical between the in-person and virtual programs, and also between individuals over 65 years-old and those under 65 years-old.

Canary Health told us the likelihood of future publications detailing longer-term outcomes from this population are low. However, management pointed to the intriguing trend that clinical outcomes at 12 months were actually better than those at six months, even though the intervention itself ended at six weeks. Durability is of interest, particularly when making cost-effectiveness calculations.

These are very strong results from a payer-backed study, and Canary Health is optimistic that they will support a transition to a commercial contract with Anthem. We are delighted to see more and more diabetes care companies (i) emphasizing financial outcomes in addition to clinical and (ii) going at-risk - Canary Health only charges as participants engage (<\$270 for the six weeks, on average). These two trends, we believe, are really going to move the needle on reimbursement; and while more coverage for diabetes interventions is a definite plus, we hope that they don't become insurmountable barriers for potential new entrants.

- **Between its DPP and diabetes self-management program, Canary Health has provided for ~65,000 people to date (split roughly 60:40, with more through the CDC-fully-recognized DPP).** For context, Omada, the largest DPP provider in the US, has guided >150,000 through its program. Canary Health currently has ~75 coaches on staff, each of which management says can support "multiple hundreds to thousands of participants, depending where people are on the journey." In-person and virtual groups are both built around peer support groups, so it makes sense that the coaches can help guide more people. While Canary Health relies on automation to augment coaches' bandwidth, serving large numbers of participants is also benefited by peer assistance.
- **Interestingly, CEO Dr. Adam Kaufman noted that the company has no intention to be a consumer-facing brand, but rather to white label its six-week program and digital DPP and offer through health plans, payers, other disease management programs, etc.** Current partners include government agencies in Canada, Oregon (all state employees are eligible), Kaiser, Blue Shield California, [Medtronic](#), Moda Health, the Government Employees Health Association, and Oasis. The Better Choices, Better Health program lends itself to conditions beyond diabetes, including pain management, arthritis, and COPD.
- **Dr. Kaufman on Canary Health's philosophy:** "When you empower someone to form a relationship with their health, to take ownership, you get them excited, more connected, happier, and healthier. Self-management, independent of medical care has a huge impact on quality of life. It helps people relate to loved ones and deal with negative emotions. It can have an independent impact on health and quality of life, and it is also a multiplier of medical care."

-- by Brian Levine, Adam Brown, and Kelly Close