

Digital Health Tools

# The Strategic HR Imperative



---

Over the past several years, multiple drivers have caused HR and benefits leaders to rethink their traditional benefits models. These include rising healthcare costs, persistent gaps in access to care and growing employee expectations for flexible, personalized support. According to recent research from Employee Benefit News (an Arizent brand), one resource employers are turning to help navigate these challenges are digital health tools – 89% of HR respondents say their company is using them in some capacity for wellness support. Many employers are investing in them to address areas such as mental health, physical wellness and financial wellness. Fortunately, HR leaders report seeing significant positive impact from the implementation of these tools, specifically related to access to care, employee health and wellbeing and overall employee engagement with benefits.

Despite these positive outcomes, challenges getting the most out of these tools – for the employer and employee – remain. Consider many digital health tools are being individually implemented to quickly solve a workforce challenge, leading to a fragmented employee experience and data silos.

To fully recognize the value of digital health tools, employers should consider adopting a structured, outcome-driven approach that considers the overall KPIs of the company, including ROI. This is particularly important as the digital health tools market matures and executive leadership scrutinizes not just the number of solutions offered, but what defines the “success” of those offerings.

This digital health tools primer offers HR and benefits leaders information on the major categories of digital health solutions, the workforce challenges they are designed to address and how to evaluate vendors effectively. The guide also outlines the governance structures, implementation best practices and ongoing management strategies required to drive long-term value and measurable outcomes. Key points include:

**1**

**Digital health tools must align to measurable workforce outcomes.**

Every solution should address a clearly defined business objective, whether that be enhancing financial wellness, improving behavioral health access, lowering absenteeism or supporting high-cost chronic populations. Without a quantified workforce problem and baseline metrics, digital health becomes an added expense rather than a strategic investment.

**2**

**Engagement, not availability, is the true driver of ROI.**

Purchasing a solution does not create impact; sustained employee utilization does. Tools that sit underused generate cost without value. Employers must evaluate vendors based on demonstrated engagement rates, behavior change capabilities and communications support – not just clinical claims or feature sets.

**3**

**Integration matters more than features.**

In a crowded market, many tools offer similar capabilities. What differentiates high-performing digital health solutions is seamless integration with existing carriers, TPAs, navigation platforms and internal communications. A fragmented ecosystem erodes employee experience and dilutes results. Cohesion drives credibility and utilization.

**4**

**Governance determines long-term success.**

Digital health cannot operate on autopilot. Clear internal ownership, defined performance metrics, regular vendor reviews and renewal criteria (established in advance) are essential. Organizations that treat digital health as managed infrastructure and not as a one-time procurement are far more likely to realize sustainable value.

Together, these principles form a disciplined approach to digital health – one that moves employers beyond experimentation and toward measurable workforce impact.

---

## The Digital Health Tools Landscape: Categories and Problems Solved

The digital health tools market has expanded rapidly, creating both opportunity and complexity for employers. Hundreds of vendors now promise improved access, lower costs, better engagement and measurable outcomes. While capabilities often overlap, most solutions fall into a set of strategic categories aligned to specific workforce challenges. For HR and benefits leaders, the goal is not to evaluate every vendor individually, but to identify which solution categories align with the organization's most pressing cost and productivity drivers.

Below is a high-level view of the major digital health categories and the workforce problems they are designed to solve.



### Mental and Behavioral Health

Core workforce problem: Untreated mental health conditions drive absenteeism, disability claims and turnover.

Digital mental health solutions have become one of the fastest-growing categories in employer benefits. These tools expand access to therapy, psychiatry, coaching and digital cognitive behavioral therapy, often addressing long wait times and provider shortages in traditional networks. For employers, the strategic value lies in improving access to timely care, reducing crisis escalation and supporting workforce resilience. When effectively implemented, behavioral health tools can reduce productivity loss and mitigate downstream medical and disability costs.



### Financial Wellness

Core workforce problem: Financial stress contributes to distraction, absenteeism and mental health strain.

Financial wellness tools provide education, budgeting support, student loan assistance and personalized financial planning resources. While not traditionally categorized alongside clinical digital health solutions, financial stress is strongly correlated with productivity loss and healthcare utilization. Employers increasingly recognize financial wellness as a complementary strategy to mental health support, addressing upstream drivers of employee stress and overall wellbeing.



### Chronic Condition Management

Core workforce problem: A small percentage of employees drive a disproportionate share of total healthcare spend.

Solutions targeting diabetes, hypertension, cardiovascular disease and other chronic conditions aim to improve self-management through remote monitoring, coaching and personalized interventions. Chronic conditions are among the most significant long-term cost drivers for employer-sponsored health plans. Digital tools in this category seek to improve clinical outcomes, reduce complications and avoid high-cost claims. Success depends heavily on sustained engagement and measurable biometric improvement.



### Women's Health

Core workforce problem: Gaps in support across reproductive health, maternity, menopause and family building impact retention, equity and healthcare costs.

Women's health platforms have expanded beyond fertility benefits to encompass maternity support, postpartum care, menopause management and broader reproductive health navigation. For employers, these tools address rising maternity-related costs, reduce complications and NICU admissions and strengthen retention, particularly among mid-career women. As workforce demographics evolve, comprehensive women's health support has become both a cost-management strategy and talent imperative.



### Navigation and Care Coordination

Core workforce problem: Employees struggle to understand where to go for care, leading to inefficient utilization and higher costs.

Healthcare complexity remains one of the largest barriers to effective benefits utilization. Navigation platforms guide employees to high-quality, cost-effective providers, assist with appointment scheduling, explain benefits coverage and offer advocacy support during complex medical events. For employers, navigation tools aim to reduce unnecessary emergency room visits, steer care to appropriate settings and improve the overall employee experience. These solutions often serve as connective tissue across multiple digital vendors.



### Virtual Primary Care Platforms

Core workforce problem: Limited access to timely, affordable primary care drives delayed treatment and higher downstream costs.

Virtual primary care platforms provide on-demand access to physicians, ongoing care management and in some cases integrated specialty referrals and chronic condition support. By expanding access and reducing wait times, these platforms aim to improve preventive care, close gaps in treatment and reduce reliance on urgent or emergency services. Increasingly, employers are evaluating whether virtual-first models can serve as a gateway to more coordinated, cost-effective care.



### Third-Party Administrators (TPAs)

Core workforce problem: Fragmented data and disconnected vendors limit visibility and performance management.

While not a direct tool used by employees, third-party administrators play a critical role in the successful implementation of digital health tools, therefore impacting employee engagement. More specifically, TPAs provide support in claims processing, reporting and network management. As digital health solutions multiply, TPAs are increasingly central to integration as they facilitate data exchange, coordinate vendor relationships and support consolidated reporting. For employers, alignment between digital health vendors and TPAs determines whether insights translate into actionable cost and utilization management. Without this integration, even strong digital tools may operate in isolation.

---

## A Strategic Evaluation Framework for HR Leaders

While these categories provide structure, many vendors now span multiple domains and consolidation continues across the market. For employers, the key is not to build the most expansive digital portfolio but to ensure each solution addresses a defined workforce need, integrates within the broader ecosystem and delivers measurable impact. In a crowded marketplace, clarity of strategy matters more than the number of tools deployed.

The following four pillars provide a practical framework for decision-making:



### Pillar 1: Workforce Alignment

Every digital health investment should begin with a clearly defined workforce challenge. What specific cost or productivity driver is the organization addressing? Is the focus rising emergency visit claims, unmanaged diabetes, behavioral health-related absenteeism or maternity costs? Without a quantified baseline and a defined objective, success cannot be measured.

Equally important is defining the target population. Is the solution intended for the entire workforce, a high-risk subset or a demographic segment such as caregivers or mid-career women? Broad access does not guarantee meaningful impact.

Finally, HR leaders must assess whether the solution duplicates existing capabilities within the medical carrier, TPA, EAP or another digital vendor. Redundancy increases cost and creates confusion for employees.

#### Strategic test:

If the vendor cannot clearly articulate the workforce problem they solve within your population, alignment is likely weak.



### Pillar 2: Engagement and Behavior Change

Purchasing access does not create outcomes. Engagement does. Digital health tool ROI depends on sustained employee utilization and measurable behavior change. HR leaders should scrutinize historical engagement rates across comparable employer populations, not just pilot results or early adopters.

Key questions include:

- What percentage of eligible employees actively engage?
- Is enrollment passive (automatic eligibility) or active (opt-in)?
- What communications and activation support are provided?
- Are incentives used to drive participation?

Solutions with strong clinical models but weak engagement strategies often underperform. Underutilized tools create cost without impact, eroding credibility with leadership.

#### Strategic test:

Would this solution realistically drive behavior change within our workforce culture?



### Pillar 3: Integration and Data

Even strong point solutions fail when disconnected from the broader ecosystem.

Integration with carriers, pharmacy benefit managers, TPAs and navigation platforms determines whether care is coordinated or fragmented. Employers should evaluate technical integration requirements, referral workflows and eligibility feeds before contracting.

Data visibility is equally critical. Vendors should provide clear reporting on utilization, outcomes and cost trends, with a defined reporting cadence. Data-sharing capabilities must allow aggregation across vendors to support population health insights.

Privacy and compliance safeguards – including HIPAA adherence, SOC 2 certification and clear data governance policies – are foundational, not optional.

**Strategic test:**

Does this solution operate as part of our ecosystem or in isolation?



### Pillar 4: Financial Model and ROI

Pricing structures vary widely, and surface-level comparisons can be misleading. Employers should evaluate total cost of ownership including vendor fees, internal administrative burden, incentive costs and integration expenses. Increasingly, CFOs expect measurable guarantees tied to engagement levels, clinical outcomes or cost savings. While guarantees do not eliminate risk, they signal vendor accountability.

Common pricing models include:

- Per employee per month (PEPM)
- Per participant per month
- Performance-based or risk-sharing arrangements

**Strategic test:**

Is ROI defined upfront, measurable and contractually supported?

## Sample Decision Matrix

Below is a simplified example of how employers can compare vendors across the four pillars:

Evaluation Pillar	Vendor A	Vendor B	Vendor C
Workforce Alignment	High	Medium	High
Engagement and Behavior Change	Medium	High	Low
Integration and Data	High	Low	Medium
Financial Model and ROI	Medium	High	Low
Overall Strategic Fit	Strong	Moderate	Limited

A structured comparison reduces bias, clarifies trade-offs and strengthens internal decision-making.

---

## Governance and Implementation: Where Most Employers Fall Short

Selecting the right vendor is only the beginning. The majority of digital health tools do not underperform due to poor solutions but from weak governance.

### Why a Digital Health Tools Approach Fails

Several common patterns emerge across employers:

- 1 Too many point solutions**  
Well-intentioned benefit expansions lead to overlapping vendors, fragmented employee experiences and diluted engagement.
- 2 No internal owner**  
When responsibility is unclear, no one monitors performance, drives communications or challenges underperformance.
- 3 Weak communication strategy**  
A single launch email rarely drives sustained utilization. Without ongoing, coordinated messaging, awareness fades quickly.
- 4 No performance review process**  
Absent defined metrics and regular review cadence, vendors operate without accountability. Renewals occur by default rather than by design.

In each case, the root cause is the same: digital health is treated as a procurement exercise rather than managed infrastructure.

### A Governance Model for Sustainable Impact

High-performing employers adopt a structured governance approach across three phases:

#### Phase 1: Selection

Decisions should incorporate cross-functional input, including HR, Finance, Legal and DEI leadership. This ensures alignment with financial objectives, compliance standards and workforce equity goals. Selection criteria and success metrics should be defined before contracting.

#### Phase 2: Launch

Implementation requires more than technical onboarding. Effective launches include integrated communications aligned with other benefits messaging, visible leadership endorsement to signal importance, manager education to reinforce awareness at the team level and a coordinated rollout to increase credibility and accelerate engagement.

#### Phase 3: Ongoing Management

Digital health performance must be actively monitored. Best practices include quarterly utilization and outcome reviews, a standardized vendor scorecard and predefined renewal criteria established at contract signing. By setting expectations upfront and reviewing performance consistently, employers shift from passive vendor management to disciplined portfolio governance.

---

## Moving Forward Successfully

Digital health tools are key components of a modern workforce wellbeing strategy. As costs rise, access challenges persist and employee expectations evolve, HR and benefits leaders are being asked to deliver measurable impact, not just expanded offerings. The organizations that realize value will be those who approach digital health strategically: aligning each solution to a defined workforce outcome, prioritizing engagement as the driver of ROI, ensuring integration across the benefits ecosystem and establishing clear governance from selection through renewal. The next phase of digital health will not be defined by innovation alone, but by execution.

## Digital Health Implementation Checklist for HR Leaders

### Step 1: Define the workforce problem

- What specific cost or productivity issue are we solving?
- Do we have baseline data to measure improvement?
- Who is the target population?
- Does this duplicate an existing benefit?
- What measurable outcomes will define success?

### Step 2: Evaluate vendors across four pillars

#### 1. Workforce alignment

- Clear connection to our defined workforce objective
- Evidence of results in similar employer populations

#### 2. Engagement and behavior change

- Demonstrated engagement rates
- Clear behavior change strategy
- Ongoing communication and activation support

#### 3. Integration and data

- Integrates with TPA/carrier and HRIS
- Reporting supports population-level insights
- HIPAA and SOC 2 safeguards confirmed

#### 4. Financial model and ROI

- Transparent pricing model
- Total cost of ownership understood
- ROI assumptions documented
- Performance guarantees included

### Step 3: Assign governance before launch

- Name internal owner
- Define performance metrics
- Establish quarterly review cadence
- Set renewal criteria at contract signing

### Step 4: Launch intentionally

- Integrated communication strategy
- Leadership endorsement
- Manager awareness
- Clear explanation of why the tool exists

### Step 5: Review and decide annually

- Review engagement trends
- Assess outcome metrics
- Validate ROI
- Expand, optimize or sunset decisions made