

Consumer-Driven Health Care: What's It Going To Take For This "Silver Bullet" To Find Its Mark?

http://www.insurancenewsnet.com/article.asp?neid=20060901110.56_bcb0001948980d1e

As employers ask brokers to ease rising health insurance costs, one answer is crisscrossing the country: consumer driven healthcare. Is this the silver bullet the industry has been searching for?

The "big idea" behind CDH is increased consumer awareness and accountability - engage and empower them to take a decisive role in where, when and from whom they receive care. If employees have skin in the game and spend money like it's theirs instead of someone else's, the holy grail of cost containment will be attained ... a behavior change extraordinaire.

What's it going to take to succeed?

Health Plans - CDH is seeing a faster ramp-up than HMOs of yesteryear! For health plans however it's a tricky financial game. Rapid adoption of high deductible health plans, a cornerstone of CDH, means a significant reduction in premium revenue (and broker commissions). This comes at a time when insurers are investing heavily in technology to manage new banking functions. It's a tough ROI juggling act and Wall Street is watching.

What's it going to take? Proof-of-concept will make or break CDH over the next 18 months. Tough questions from smart benefit managers need answers:

Can CDH deliver savings, once the "low-hanging fruit" of young and healthy enrollees are harvested? Are expectations for CDH consumers realistic given years of insulation by \$20 copays? Will CDH patients forgo needed medical care when it comes to dipping into their own wallets?

Employers - Corporate America is trying to balance workers' tolerance for change with profitability. Many are looking to get out of the health benefit business. CDH may be the final hope. Spinning it as cost sharing (albeit cost shifting), employers are embracing CDH to get employees involved. From enrollment to point of care, setting realistic expectations about the CDH experience is crucial.

What's it going to take? The ability to educate and guide employees on how to navigate CDH benefits will separate winners from losers. Education starts with easy-to-understand product road maps and is supported with ongoing communications. With employees still suffering a managed care hangover, missteps in a CDH rollout can derail well-intentioned efforts. CDH won't deliver long-term premium savings if employees are not prepared.

Employees - On a good day health insurance is a bureaucratic nightmare. The litany of acronyms - HSA, CDH, HDHP - seem more like a thirteen-year-old's instant message than benefit plans. However, if you ask employees to drive upfront benefit decisions and stay involved throughout care delivery, they need to understand how to make efficient choices. CDH creates a new employer/employee partnership: Get involved in your personal health care decisions.

What's it going to take? Don't sell consumers short about managing a health care budget ... particularly when saving money out of their pockets. To help, the blindfold is coming off. Best-in-class CDH plans make user-friendly information readily available to facilitate confident decisions - real-time account tracking, provider price and quality comparisons, and vast libraries of clinical content.

Brokers - There's a convergence underway. The rapid expansion of CDH has blurred the line between health and finance. Back in the day, health insurers underwrote and managed risk. And brokers sold it. Today, in a market where provider networks and utilization management reign supreme, it's just as common to hear about asset protection and tax-advantaged savings. Health insurance companies own banks, and banks have health care business units.

What's it going to take? As today's consumers become tomorrow's payers, brokers need to move from benefit salesperson to consultative financial counselor. CDH plans are complex. It takes disciplined training and sophisticated, yet practical, product presentations to close sales. Brokers must demonstrate bottom-line value to CFOs and show benefit managers how to transition employees from managed care. Watchwords moving forward are employee education and product ROI. Well-crafted communications will increase CDH uptake among employers and employees alike. By removing confusion and intimidation,

CDH can achieve buy-in and boost consumer confidence in health care decision-making. Ultimately, a track record of financial impact and customer satisfaction will determine if the CDH silver bullet succeeds. Lindsay R. Resnick is chief marketing officer of Finelight, a national marketing communications firm and advertising agency specializing in health care, insurance and financial services. Lindsay can be reached via email at lresnick@finelight.com.

(c) 2006 Employee Benefit Adviser and SourceMedia, Inc. All Rights Reserved.

<http://www.employeebenefitadviser.com> <http://www.sourcemedia.com>

Copyright © 2006 SourceMedia, Inc. All rights reserved. As employers ask brokers to ease rising health insurance costs, one answer is crisscrossing the country: consumer driven healthcare.

<http://www.lowcostinsur.com>