Benefits, Challenges of Consumer-Driven Healthcare

Benefits experts discuss how consumer-driven healthcare (CDHC) affects healthcare, disability and prescription drug benefit plans.

Taking a cue from the 1966 western, "The Good, the Bad and the Ugly," one can use this film's title as a jumping-off point for reviewing CDHC. While it is clearly too early to fully evaluate the efficacy of this much-written about, often-touted but little-used approach, we can certainly provide insight into where it is likely to fit in the complex landscape of healthcare benefit and policy concerns.

The backdrop to understand CDHC and the continued search for new health benefit approaches and solutions, as it was with the film, is in large part about money or more accurately - the lack thereof. Simply put, America is looking for ways to control escalating healthcare costs.

In part, a major premise of consumer-driven healthcare is to place more responsibility for both healthcare decision-making and expenditure control on the end user. Let's return to our movie metaphor: First, the good. Few would argue that consumers should not play a greater role or even take more responsibility for their healthcare. In theory, this makes a lot of sense. In practice, at least for some consumers, especially those who are fairly educated and informed, the outcome might yield better financial and healthcare outcomes. This is largely premised on the fact they will be younger and healthier to begin with. Second, the bad. Unfortunately, most consumers are hardly equipped or, for that matter, don't even want to navigate the healthcare system on their own. In fact, as more and more healthcare programs move to a "self-service" model there is increasing evidence that consumers are more frustrated and less capable of dealing with the maze-like world of insurance and healthcare. The notion that Web-based information systems alone will provide the consumer with the tools they need to manage their healthcare on their own is simplistic at best and misleading at worst.

Finally, the ugly. To the extent that large numbers of consumers are "driven" into CDHCs (especially because of financial pressures) without adequate support and assistance, the result is a disaster. The backlash against managed care will look like a tea party compared to what could result from having ill-prepared consumers representing themselves in the healthcare system. Since consumer-driven healthcare derives at least part of its rationale from the 401(k) retirement experience, just think about how Americans will react when monies that were supposed to be reserved for rainy-day health-care needs are no longer available for basic or life-saving medical needs.

As we turn to experimenting with new approaches, we must recognize and learn from the lessons of recent history. First, one size clearly does not fit all when it comes to healthcare. Managed care was not for everyone and what is currently described as consumer-driven healthcare is equally not suitable for everyone. Second, there are no magic bullets and simple answers that apply to healthcare. The healthcare system is complex and if consumers are going to play a more active role, they will need a good deal of help and support.

In this context, health advocacy has emerged as an important facilitator to help both employers and consumers better navigate healthcare and insurance. Through personalized medical and administrative support, this service has also contributed to reducing healthcare costs and enhancing the consumer's healthcare experience. Health advocacy is serving as a bridge between the employer, consumer, insurer and provider. It is showing great promise in maximizing the value of many different types of health benefit programs.

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