

Consumer Driven Healthcare

VOLUME 3

• NUMBER 7

• JULY 2004

• PAGES 73-84

A light in the wilderness

Healthcare advocates help consumers find their way

Jack London, MBA, MHA, flies around the country getting people the best deals on the best service, and sometimes even the best rooms. He laughingly calls himself a concierge; that's not too far from the truth, although "sherpa" may be a bit closer.

London, based in Las Vegas, is senior consultant and executive director of patient-advocacy programs for NiiS/APEX, a Princeton, NJ-based actuarial consultancy which is a division of Gallagher Benefits Services. He is one of a growing number of healthcare advocates who help consumers navigate the complexities and pitfalls of the healthcare system.

A professional advocate is someone who is experienced in and knowledgeable about the intricacies of the healthcare system and how to make the best and most affordable use of it. Advocates can run interference, negotiate rates, and help members find the care and resources they need.

Advocates work in a variety of contexts. For instance, they may be in-house employees or they may work with a company that provides a variety of insurance-related services — as London does.

Health Advocate, Inc., a pioneer in the field, represents another approach: The Blue Bell, PA-based company provides only advocacy services. It was founded and is run by former top Aetna executives — they helped design the managed care system they now navigate.

Not all advocacy programs are the same. Among the services advocates may provide are:

- Identify — and then arrange appointments with — healthcare providers to meet special needs.
- Help to resolve claims problems and appeal denials.
- Review billing issues, negotiate healthcare bills, and help resolve unpaid claims issues.
- Help obtain second opinions.

- Provide lists of and information about appropriate facilities (centers of excellence, rehab centers, etc.).
- Schedule adult daycare assistance with spouse or other family members (some advocate programs — including the two discussed here — provide services to parents and parents-in-law).
- Help secure home care services.
- Help coordinate care among physicians and medical institutions.
- Coordinate transfer from an out-of-network facility into an in-network system.
- Negotiate out-of-network fees, transportation costs, etc.
- Coordinate coverage issues discharge and home care services.
- Coordinate with appropriate social services organizations.
- Help find in-network providers when directories are out of date.
- Provide health coaching.

A match for CDH

CEO **Richard Travers** of Travers, O'keefe, a New York-based employee benefits and property/casualty consulting and brokerage firm, is sold on the concept. Advocates, he believes, can help consumers make informed healthcare decisions and, through Health Advocate, his brokerage offers advocacy as a value-added product.

He points out the concept is not new, but until recently it has been limited to larger companies with their own health advocates. "We're bringing it down to smaller employers."

The healthcare system has grown more complex, but that's not the primary reason for advocates, notes **Martin Rosen**, executive vice president and chief marketing officer of Health Advocate. Many insurers and employers are expecting employees to take more responsibility for their own healthcare. These consumers, usually coming out of a managed care environment, are, perhaps for the first time, being exposed to the true costs of healthcare.

A key role in consumer driven healthcare

"We see Health Advocate playing a central role in consumer driven healthcare plans. Given the increased role and responsibility for the consumer in these types of plans, our service takes on even greater importance in providing the plan participants assistance with healthcare—and insurance—related issues," says Rosen.

And success in this area is why advocacy programs are gaining popularity, he says. "I think the acceptance of this service very much relates to our success in helping people as well as saving time and money for plan sponsors and their employees." Not only has his own company seen tremendous growth, but the advocacy concept is catching on with employers, insurers and TPAs, he says.

The shortcomings of the health system — and of CDH — also help create the need. Too often, says Rosen, consumers haven't been given the tools and the education they need to navigate the system. "It's like throwing someone out into a very deep body of water without a life preserver ... and not teaching them how to swim."

London takes a similar view. Consumers — many exposed for the first time to the machinations of the healthcare system — may be at a loss, especially when they have a mishap away from home. Not only are such events traumatic on a human level, but they are costly: Most large claims come in out-of-network emergencies, says London.

In such situations, people are confused, often frightened or grieving, as well as ill-equipped to deal the system.

Gary Earl, vice president for benefits at Caesars Entertainment, Las Vegas, and one of London's clients, agrees — and he's a bit more pointed: "The healthcare system is broken and people don't know how to use it."

You can give employees money and tell them to use it to make wise healthcare choice, but if they don't know how the system works, they are going to make poor choices — or no choices."

Advocates, he says, help people understand and engage the system. And with an aging population and rising healthcare costs, "We can't afford for someone not to engage the system."

Rosen points out it's not just lower-level employees who are daunted. When it comes to healthcare, virtually everybody has a similar set of emotional reactions. "They get caught up in many of the same issues in terms of getting lost in the system, be they clerks or CEOs."

Sanity in crisis

People simply don't think straight when a loved one is facing a serious health problem. "People will do anything when a family member is sick, since money is no object," London says. And being away from home simply compounds the problem.

But that problem must be addressed. And that's where an advocate can make a significant difference. "I'm here to help. I want to make this as painless as possible for everyone."

He can help someone find the most appropriate providers and hospitals and identify any that may be in-network. He also can negotiate with hospitals and providers about payment when insurance doesn't cover. Often, it's a matter of convincing everyone involved that something is better than nothing, he says. "We don't want to take a crisis in health and turn it into a crisis financially."

Advocates help patients jump through the "50 million hoops" they can face when they or a loved one is hospitalized, London explains.

It's a whole other world, full of \$8 Tylenols and other bizarre charges, he says. "Billable charges are not the real world." By negotiating more reasonable costs and catching billing errors, he saves the consumer and his clients money, headaches, and heartache.

London and Rosen have dozens of stories to tell — stories of helping people who couldn't find a provider or who needed very specialized emergency care. They aren't miracle workers, and not all the stories have happy endings, but enough do to make both of them passionate about the advocacy concept.

Patients receive the care they need and have an expert to lean on, and employers, insurers and other stakeholders save money. (See Figures 1 and 2.)

There's another advantage, notes Rosen: Insurers, whether they are the client or not, respect the advocates. If the advocate disputes a denial, the plan or insurer takes it seriously. "We're an early warning system that something fell through their cracks," says Rosen. "We don't bring up frivolous items."

How it works

Fees vary, depending on a variety of factors. Health Advocate fees range from \$1.25 per employer per month (PEPM) for larger-size groups to \$3.95 PEPM for groups with fewer than 100 members. Clients include employers of various sizes, unions, government organizations, schools, TPAs, and various nonprofit organizations.

The services can be configured various ways.

With London's clients, the employee may call the employer's benefits department, which contacts London or a member of his staff, who then calls the employee.

At Health Advocate, most clients allow employees direct access, but some employers filter the calls through their benefits department.

Regardless of how the initial contact is made, at both NiiS/APEX and Health Advocate, the employee (or family member) has one contact person throughout the process.

Advocates can't change the terms of a health plan, but they can push to have something covered — even if the health plan is the client, says Rosen.

Both Rosen and London say they are free to assist the patient without interference.

"I've never had a company say 'do this, but you can only do it so far.' I go in unencumbered," London tells *Consumer Driven Healthcare*.

Beyond insurance

One of the problems with the CDH model, says London, is that people are reluctant to take money out of their account to visit a primary care doctor for sake of wellness; they wait until they have a problem. "I'm

Figure 1: Return on Investment Consecutive Case Study : 2003

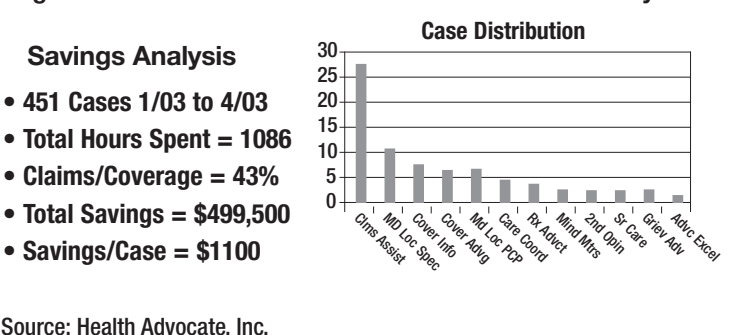


Figure 2: Return On Investment Data Sample Group Analysis: 2003-2004

Group Savings	Time (Hours)	Productivity Savings	Member Savings	Plan Savings	Total Savings
1	319.25	\$47,932	\$69,198	\$64,036	\$181,166
2	267.50	\$40,125	\$93,147	\$13,222	\$146,382
3	121.0	\$18,150	\$51,187	\$8,115	\$77,152
4	238.25	\$35,738	\$54,677	\$0.00	\$90,415
5	259.0	\$25,388	\$5,462	\$4,2000	\$35,050

• Group Size Ranges From 900 to 5000 Employees/Retirees
 • ROI Ranges From 1.15:1 to 8:1

Source: Health Advocate, Inc.

more concerned with them withholding care than getting care. Most problems happen because people refuse to get in the system. That's why ERs are overwhelmed."

To address this issue, he'd like to spend more of his time on the prevention end. "That's what I love doing the most — getting people hooked up with a relationship with a doctor."

He wants to increase system utilization on the front end—and he tells his clients that. He helps them work out a plan design that encourages use of the system. He's often met by disbelief until he explains. "What I tell my clients: I can negotiate the best possible rates, but if we can't keep them out of the hospital, we can't save any money. So let's think of ways to keep these people healthy."

Health Advocate is tackling the prevention side by offering health coaching as part of its advocacy services.

The coaching program, Rosen explains, works on both the disease management and prevention fronts, addressing everything from diet to compliance with medication regimens.

Advocacy services are just one aspect of a much larger issue: Offering access to an advocate is just one way of giving consumers the information and support they need.

Travers says advocates work best when the patient has access to information on the front end rather than waiting until after a problem has occurred. Accordingly, he provides in-depth online resources for clients and their employees.

Earl plans to take a similar approach; starting in 2005, Caesars plans to dramatically expand its advocacy program. London will still handle the matters that need special attention — catastrophic cases, or particularly challenging ones, but the company plans to contract for a dedicated phone center. As Earl envisions it, this fully integrated service will allow employees to pick up a phone and talk to someone informed about the company's insurance plans, EAPs and other programs, and can refer employees to the appropriate wellness programs.

"It's not about insurance," says Earl. "This is about life and health."

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