

National Press Building Washington, DC

# Managed Care Report

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## 3 Reasons You Should Offer Health Advocate Services

### ► *Why one plan is working with an independent group to help members "navigate the system."*

As consumers face more choices in planning health care not only for themselves but also for their children and elderly parents, health plans can win their loyalty by helping them through the red tape.

That's one reason why **Blue Cross** and **Blue Shield of Montana** recently announced a new relationship in which patient advocacy company **Health Advocate** will provide various services to members. Health advocacy companies typically contract with employers rather than health plans, but as the need for advocacy services increases, more health plans may choose to work directly with these companies in order to offer the best service to their members.

"Health plans are starting to recognize the need for an independent advocacy function to help their members cut through the red tape as they navigate their health plans," says **Lawrence Gelb**, president and CEO of advocacy company **Care Counsel**.

Health advocates perform a wide array of services, **Abbie Leibowitz**, cofounder and chief medical officer of Health Advocate, explains. Half of the time, members need help with administrative work — claims, benefits and bills. The other half of the time is spent on clinical issues, such as helping patients find generic drugs, track down the right specialist, or understand a new diagnosis.

Patient advocates can be especially helpful for people in the "sandwich generation," who need to arrange care for their elderly relatives, for themselves, and for their children, explains **Linda McGillen**, communications director of BCB-SMT. BCB-SMT is currently offering the program to employees and their families. Next year, the plan will begin offering it to large employers.

There are three key reasons for growth in this field:

- **Advocates can help reduce health plans' administrative workload.**

By working with members, a health advocate can help to reduce the appeals burden on a health plan, Leibowitz says. Health Advocate often receives calls from members who want to appeal a denial of a service, and nine times out of 10 the company can resolve the issue without having to go through the official grievance process, Leibowitz says. This relieves health plans of a tremendous administrative burden.

Health plans pay an extraordinary number of claims, so even if a health plan pays 99 percent of its claims accurately, that still means plenty of members are being hit with incorrect claims. Health Advocate helps correct these problems, Leibowitz says.

But a patient advocate isn't simply siding with the patients against the plan, Leibowitz says. Often, Health Advocate sees that a claim in question was indeed paid correctly, in which

case it helps the member understand that there was no error.

Patient advocates also help reduce medical costs by helping patients find providers who are in the plan's network. By showing patients the cost differences between certain providers, advocates help patients see that going out-of-network would be too expensive, Leibowitz says.

- **The rise of consumer-driven health plans makes health advocates more necessary.**

With the CDHP model, employers and employees will be much more interested in making sure that they're getting the best and most appropriate health care for their particular needs, Gelb says. "When [consumers] have more freedom to go wherever they want, as those choices expand, the need for a consumer intermediary becomes much more paramount."

"To assume that the average guy ... understands the health care system any more just because they have to spend more money out of their pocket for it is silly," Leibowitz says. "Just because you have to spend more of your own money doesn't make you smarter."

"Most employers now are implementing programs that are designed to help their employees become better health care consumers," and advocacy becomes a key tool, explains **Jane Cooper**, president and CEO of advocacy group **Patient Care**.

- **Advocates make the plan look good to consumers.**

If a health plan works with a health advocate, that relationship can serve as a "seal of approval" in members' eyes, Leibowitz says. It can be the plan's way of showing members how committed it is to giving its members exemplary service and making the health care system work for them.

Many health plans are adding their own in-house advocacy departments, but, in Leibowitz's words, "that's like having the fox guard the hen house." He says it's important for health plans to work with an independent, third-party, outside advocacy group.

Health plans need to get over the idea that the need for an outside health advocate means that the plan is doing something wrong, Leibowitz says. Plans don't try to make members' lives difficult, but the hugeness of the health care system means that problems do happen, and outside groups can best help resolve those problems, he says.

But some advocacy groups, such as Patient Care and Care Counsel, say they are hesitant to work directly with plans for fear of compromising their commitment to patients. It is unclear whether they will continue to feel that way or if the market for working with plans will change their minds. ■

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