

## Personal Health Care Advocates Sell Benefits Expertise To Firms

### *Pulling Strings*

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Two years ago, after joining Baltimore law firm Venable LLP, Lisa DeFrank was getting frantic.

Expecting her first child, she was new in town and didn't know any pediatricians near her home, let alone on her health plan. Then she attended a benefits seminar, which Venable holds regularly for their employees, and learned that she could access free of charge the services of a personal health care advocate to do the leg work of finding a pediatrician for her.

One 10-minute phone call later, Frank had the names of three doctors, all of whom were covered under Venable's health plan and within close proximity of her home.

"[The personal health advocate] seemed to know what I needed more than I did," Frank said. "It was extremely quick, and very easy."

This option, one health care industry observers say is growing in popularity, enables companies to essentially outsource insurance hassles — an expensive claim thought to be covered, getting an appointment with a hard-to-reach specialist — that otherwise burden employees and HR representatives.

At a time when health care coverage is getting increasingly complex and employee privacy laws are getting more stringent, companies are seeing a benefit in having a personal health advocate do the legwork required to resolve coverage and insurance problems.

Venable, whose Baltimore offices staff 380 employees, signed on with Philadelphia-based Health Advocate Inc. in January 2004. At a cost of between \$2 and \$3 per employee, Venable employees get free and unlimited access to personal health advocacy services. These professionals, generally experienced

nurses or benefits administrators, field phone calls on an array of sticky situations, from locating an expert for a second opinion in a timely manner to rectifying a billing error. Oftentimes, they are backed by a team of professionals that may include lawyers and physicians, depending on the nature of the problem.

Venable human resources manager Dietrich Brown lists the reasons the law firm purchased the services: Because of the HIPAA privacy rule, which increases legal and financial penalties for employers who don't properly protect employees' confidential health care information; to save personnel time; and to take human resources out of the loop. Although she estimates that only about 8 percent of Venable employees have utilized the benefit thus far, Brown said that overall feedback on the service has been "excellent."

While it's too soon to know whether the services of personal health advocates will become as ubiquitous as accountants at tax time, health advocacy companies are growing at a rapid clip.

Since Health Advocate's inception in 2001, the privately held company has gone from using a toll-free number to make it appear professional to one that anticipates this year's revenue to total about \$23 million, a 75 percent increase over last year. The company serves more than 3,000 clients, a total of 10 million people nationwide. In Baltimore and Washington, D.C., the company has 87 clients, covering a total of 43,800 employees as well as their family members.

The competition is growing, too. Jane Cooper, CEO of Milwaukee-based Patient Care, which initially launched in New Orleans in 2001, said the company has doubled its size every year since moving to Milwaukee in 2005.

The company currently has 115 employer-based clients, and a total of 160,000 members. Other competitors include Philadelphia-based HealthCare

Advocate; California-based CareCounsel, an industry pioneer that launched in 1996; and HealthCare Liaison, based in Berkeley, Calif.

Insurance industry experts say the benefit makes sense.

"What employers are saying is 'Look, for \$2.50 per employee per month, it's worth it to me to offer this service, take a load off the HR department, and get back some utilization information,'" said Randy Hart, senior vice president at the Owings Mills branch of CBIZ, a national provider of business services.

### Overall feedback on the service has been "excellent"

Hunt Valley-based Kelly & Associates Insurance Group Inc. spent a year educating customers about the service, said Joe DiMaggio Jr., director of account management for the company's benefits division. He recently brokered a deal between Health Advocate and a large Baltimore company, which declined to be named. Now that company's 14,000 employees, and their family members, have access to a personal health advocate at an estimated \$2.50 per employee per month.

Though the service remains in the "early adopters phase," said Leah Carlson Shepherd, managing editor of Employee Benefit News, she sees it becoming more mainstream as companies recognize its potential to save money and keep employees satisfied.

"When you're having a health care problem, it's not the time to deal with the complexity of health care insurance," Hart said.