

The FREEMAN

Waukesha County's Daily Newspaper

November 6, 2007

New area of outsourcing: Health care advocates for employees HK Systems among 3,000 firms using service

By DANIEL KURT, Freeman Staff

NEW BERLIN – The three human resource representatives at HK Systems Inc. in New Berlin are experts when it comes to setting up health insurance plans for fellow employees.

But like HR professionals at most companies, they don't have the time or expertise to advise employees on where to go for specific procedures or even how to settle a complicated claim.

Kathleen Bennett, vice president of human resources, said that was the reason the company decided to hire Pennsylvania-based Health Advocate this spring to handle those types of issues.

The automated material handling company is one of a growing number of businesses around the country that utilize such advocates, who help members coordinate care with physicians and medical institutions.

"We were looking for a way to help employees sort through the health care maze," Bennett said.

Many of the case workers at Health Advocate are themselves registered nurses or other former medical professionals, so they can draw on personal experience in the industry, said company spokeswoman Carol Fischer.

Employees at a member company call a toll-free number and explain their needs to a personal health advocate who then researches and resolves the issue.

Bennett said earlier this year, one HK Systems employee called seeking medical advice for her child, who had an eye condition. She said the case worker was able to help her determine which type of doctor was needed and whether the recommended treatment was, in fact, needed.

Health Advocate also helps members resolve billing disputes and negotiate lower medical fees in cases when they'd otherwise have to pay out-of-pocket.

Fischer said her company charges between \$1.50 and \$4.95 per employee each month to handle such issues.

HK Systems vice president of corporate marketing Cheryl Falk said the price is very reasonable considering what they get in return.

"We find it's valuable as an added benefit to our employees," she said.

Bennett said the partnership also frees her department to work on other responsibilities.

Fischer said Health Advocate was the nation's first – and continues to be the largest – company specializing in medical advocacy.

She said the company was started in 2002, when five former health care executives decided to start a health concierge service for other executives.

"We were looking for a way to help employees sort through the health care maze."

When their target market suggested they branch out and serve the needs of entire companies, the founders responded, she said.

After signing its first client that year, the company says it now has more than 3,000 corporate partnerships around the country.

While it started out catering to smaller firms, Health Advocate is using its increased name recognition to sign larger clients such as CBS Broadcasting.

Now, Fischer said the firm is for the first time looking into signing individuals and not just companies.

"We have more and more people asking for help," Fischer said, "and we don't want to turn anyone away."