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Health advocacy firms: Stress reliever or added burden?

The scene plays out every day: Employees receive health care bills or “explanation of benefits” insurance statements in the mail, but they can’t decipher the complex forms. Eventually, they call you to help sort it out.

Ever wish there was a better way?

Enter a new breed of employee benefits advocacy firms. Through these fast-growing services, employees have 24/7 access to independent medical and insurance experts by phone and e-mail who assist with health plan issues.

Those advocacy services serve as an extension of your benefits department. Their aim: Take the pressure off HR and keep HIPAA concerns at bay.

These services handle everything from answering simple health plan questions to correcting complicated insurance coverage mistakes. They also can:

- Research and recommend medical providers, facilities and treatment options.
- Secure second opinions.
- Consult on elder care resources.
- Help educate employees about the differences among employer plans.

Former health and medical professionals, health care administrators, counselors and nurses typically staff the service’s phone lines.

Bottom line: Many advocacy services have well-proven track records, but some of their successes are hard to measure. Still, if your company is overwhelmed with health benefit questions, is thinking about benefit changes or is injecting more consumerism, advocacy services are worth a look.

Two of the largest and most well established providers:

- Health Advocate Inc., www.healthadvocate.com
- CareCounsel LLC, www.carecounsel.com

Also, the following groups offer certain types of employee assistance (for example, health claims assistance only) or can find a resource:

- Patient Advocate Foundation, www.patientadvocate.org
- The Alliance of Claims Assistance Professionals, www.claims.org

3 Pros and Cons of Insurance Advocacy Services

PROS

- 1. Privacy.** Enlisting a third-party advocate helps you provide the required confidentiality and separation required under HIPAA. Plus, employees like the anonymity of a neutral third party who is neither employer nor insurer.
- 2. Price.** Advocate vendors' fees are becoming more affordable. They typically charge \$1 to \$5 per employee per month, based on company size, number of employees and types of health plans. That fee covers the employee, spouse and dependent children. You'll receive reports that outline the number of calls and general cost savings.
- 3. Your reputation.** These groups can help boost your HR department's reputation, plus eliminate a distraction. Example: At San Francisco law firm Pillsbury, Winthrop, Shaw, Pittman LLP, simply channeling employees' questions to an outside, knowledgeable source for fast action made the benefits staff look good, says Linda Lew, the firm's benefits manager.

CONS

- 1. Soft ROI.** Some advocacy providers' ROI calculations are soft because exact measures can be limited, in part, by the confidential nature of the counseling.
- 2. Control.** Using a third party for health-claims assistance means you lose some quality control, which makes it critical to monitor your vendor.
- 3. Over-reliance.** While the health advocacy firms promise a full range of services, they may not be able to solve especially challenging cases.