

## A helping hand with health care Advocates are a growth industry.

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The rest of us may find the complexity of the health-care system maddening, but red tape and confusion have been good for the folks at Health Advocate Inc.

The Plymouth Meeting company, which helps people understand their insurance coverage and find new doctors, has been growing throughout the recession. Its leaders see no reason to fear that health-care proposals in the works will dampen demand for their advocates' services.

Founded in 2002 by a group of former Aetna Inc. executives, the company expanded its office space 20 percent in the fall and already has a team looking for space beyond the squat office park building it occupies. It has hired close to 60 people this year, bringing the total to 300. It has contracts with more than 5,300 companies that have a combined 3.5 million employees.

"We're going to be fortunate enough to end this year with our best year ever," said Michael J. Cardillo, chief executive officer.

Company leaders and clients say the growth of complex, high-deductible insurance plans coupled with the recession, which has led to shrinking, overburdened HR departments, have worked to Health Advocate's advantage. Human resources workers might once have had time to help befuddled

employees with insurance, but increasingly they have other problems and are hamstrung by privacy rules anyway.

The resulting opportunity has also spawned other advocates. Hewitt Associates Inc., a big human resources consultant outside Chicago, does similar work for 4.5 million subscribers. Locally, Kevin Flynn, president of HealthCare Advocates Inc. in Center City, channeled his frustrating experiences as a patient into his company in 1996. He has 12 employees. Nurse Betty Long created Guardian Nurses in 2003. Her Bala Cynwyd company, which employs 11 nurses as advocates, offers a more personal approach and focuses on helping employees with medical questions.

We all might hope that changes to health care will yield a system so efficient and organized that companies like these would not be needed. Even if there were something in the proposed bills that would make that happen - and there is not - advocates say health care is inherently complicated, like law and finance. Plus, when people need health care the most, their reasoning is clouded by fear and illness. Many need help.

"It's such a nightmare to be in the health-care system. There's no how-to manual. You don't know what questions to ask. You're overwhelmed. It's a time of great stress," Long said.



RON TARVER / Staff Photographer  
Health Advocate Inc. chief marketing officer Martin Rosen (left) and Michael J. Cardillo, its president, CEO, and cofounder, at their headquarters in Plymouth Meeting. The company was founded in 2002 by former Aetna executives to help guide people through medical insurance red tape.

"You wouldn't enter the legal system without an attorney, and I don't think you should enter the health system without an advocate."

Though individual patrons can hire Health Advocate (for \$125 an hour), the vast majority of its clients work for businesses that pay \$1.25 to about \$5 per employee per month for help with bureaucratic problems and medical questions. Health Advocate will help the employee plus his or her nuclear family, parents, and in-laws.

One of the key selling points is that letting an advocate deal with medical problems frees employees to concentrate on work.

About 45 percent of the company's time is spent helping people find doctors and medical information. The rest is devoted to helping people navigate insurance billing, a process the founders all know intimately from their previous work in the industry.

The company is built on "the kinds of things that would end up on the desk of a chief medical officer at an insurance company," said Arthur "Abbie" Leibowitz, Health Advocate's executive vice president and one of the cofounders. He should know. A pediatrician, Leibowitz was chief medical officer for Aetna U.S. Healthcare.

Health Advocate also now offers wellness programs and will estimate prices. It will begin offering employee assistance in January.

Mashicka Cunningham, who works in risk management in Rochester, N.Y., gives Health Advocate high marks. She called the company after her mother's insurer stopped paying for diabetes test strips. Her mother was facing out-of-pocket costs of about \$200 a month. Cunningham's mother called the insurer, but got nowhere.

Cunningham said her advocate in Plymouth Meeting arranged a conference call between her mother and the insurance company. She told Cunningham, "Why don't you go back to work, and I will take care of this?"

In no time, the advocate discovered there was a way to get the test strips covered, a procedure that was buried in small print the company had mailed out.

"She was just like amazing," Cunningham said, "like superwoman."

George Abrahams, a lawyer with Blank Rome L.L.P., brought a more serious problem to Health Advocate. His wife was diagnosed with cancer in 2007 and died a year ago. The company helped him deal with bills from two hospitals and later helped arrange hospice services.

Even as a lawyer who special-

izes in financial services in New York, Abrahams found the bills challenging. "It's impossible to reconcile the hospital bill with the insurance payment," he said.

The service spared him some stress. "When you have this pressure of your wife with cancer, you can't focus on anything," he said. "That's why you need them."

Brian Davenport, director of compensation and benefits for Blank Rome, said the law firm had offered Health Advocate to its 1,000 employees for at least five years. He likes it because it takes some pressure off his staff and lets highly paid employees work. "Our attorneys are focused on billing," he said.

Despite its name, Health Advocate may not always be the aggressive advocate employees would hope for. Company leaders see themselves more as guides, helping clients understand rules they may not like. Martin Rosen, chief marketing officer, says an advocate is an "honest, independent, objective, knowledgeable facilitator."

About 80 percent of the time, they tell employees the insurance company was right, Rosen said. The company does not stop there, though. It looks for other ways to help people get what they need, such as discounts from out-of-network doctors.

Employees of self-insured companies might reasonably question Health Advocate's allegiance. Their employers ultimately are the ones paying the medical bills; they just contract out administration to insurance companies. And the employers are the ones who pay Health Advocate. In some cases, Health Advocate works directly for insurance companies, Rosen said, answering the same kinds of

## Health Advocate

**Headquarters:** Plymouth Meeting.

**CEO:** Michael J. Cardillo.

**Previous job:** President of Aetna's health and employee-related benefits company.

**History:** Planning started in 2000. Company began operating in 2002.

**Employees:** 300.

**Revenue:** \$36 million.

**Customers:** 3.5 million employees of 5,300 companies, plus their families.



questions for subscribers that it answers for Blank Rome employees.

Laura Weil, who runs the graduate program in health advocacy at Sarah Lawrence College, said customers needed to keep potential conflicts of interest in mind. "Whenever you hire an advocate, you need to be mindful of who that person is working for," she said.

Leibowitz said he had never encountered a company that wanted to deprive its employees of benefits they deserved.

"There is not an employer that I've ever met that has said or even implied that we want to make more money or save more money by not giving employees the full option of using the benefit we're buying," he said.

Rosen said he thought that having an advocate could reduce spending by more efficiently getting patients the treatment they need, especially the chronically ill patients who use the most medical resources.

He had a ready answer when asked what he thinks Congress should do about health care. "I think everybody," he said with a straight face, "should have a personal health advocate."