



Broker Bulletin

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Employers Seek Next Wave of Healthcare Cost Control Strategies

Employers who have switched workers into high-deductible, consumer-directed health plans to curb costs have seen an average of five-percent savings. Now, they wonder if simply putting plan members in the driver's seat is enough. For sustainable cost control, the answer is, "No."



IN THIS MONTH'S BROKER BULLETIN...

We'll examine the next big wave of strategies designed to help employers reduce total healthcare spend for the long run: population health management (PHM), member engagement tools and plan design.



PHM: Get the Best Health Return From Every Dollar Invested

PHM, the use of predictive modeling across multiple clinical conditions for individuals at every level of predicted health risk, is helping employers target the highest cost conditions and promote healthy behaviors to health plan participants.

Armed with health data, employers can stratify their population into three levels of focus:

- o prevention to encourage healthy behaviors and good consumer choices
- o secondary prevention to reduce risk factors through effective programming and resources alignment
- o effective case management to reduce the high cost of poor quality care and waste

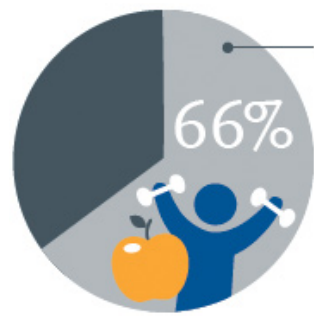
KEY MESSAGE: AUTOMATION HAS BE COME A CRITICAL PHM TOOL FOR STAYING AHEAD OF FACTORS THAT AFFECT POPULATION HEALTH AND THE FLUCTUATING DISTRIBUTION OF HEALTH RISKS.

Sources:
[NPR, High-Deductible Health Plans Cut Costs at Least For Now](#)
[Health Affairs, What Are We Talking About When We Talk About Population Health; 2015](#)
[HR Professionals Magazine, Employers Embrace Population Health Management](#)

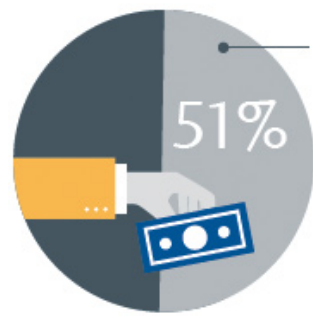


Engagement Tools = Informed Decision-Making

SMART EMPLOYERS RECOGNIZE THE IMPORTANCE OF PLAN MEMBER ENGAGEMENT.



One study found that 66 percent of companies planned to develop or enhance a workplace culture where employees are responsible for their health.



51 percent planned to adopt or expand the use of financial incentives to encourage healthy behaviors.

To make it all work, education and tools for better decision-making are essential, particularly when it comes to choosing providers based on quality and cost information. In 2016, 43 percent of employers plan to provide price and quality transparency tools to help employees make better choices.

KEY MESSAGE: TRANSPARENT DATA ENABLES PLAN MEMBERS TO MAKE INFORMED DECISIONS, AND CHOOSE PROVIDERS BASED UPON COST-EFFECTIVE, QUALITY CARE MEASUREMENTS.

Sources:
[Towers Watson, 2015](#)
[Health Policy Ohio, Transparency Basics, 2014](#)



Plan Design: No Back-Seat Driving

U.S. employers expect a four percent increase in healthcare costs this year, despite plan design changes. Without these changes, however, costs are expected to increase 5.2 percent.

Clearly, employers need to be more hands-on when it comes to plan design. They must also embrace a more aggressive approach to reduce unnecessary expenses, and create more efficiency.

This means steering plan members to high-quality hospitals or physicians for specific procedures or conditions. These high-performance (also called “narrow”) networks are designed to raise the level of care while also helping to make healthcare more affordable.

This model is effective because it relies upon a careful review of provider information and data, ensuring that the high-performance network includes only those providers with proven evidence of delivering quality care while keeping down costs.

KEY MESSAGE: HIGH-PERFORMANCE NETWORKS USE SOPHISTICATED DATA ANALYSIS TO IDENTIFY PROVIDERS WITH BEST PRACTICES, BETTER OUTCOMES AND EFFICIENT COST CONTROL. THEY ALSO USE THE DATA TO TRACK PATIENT EXPERIENCES, MEASURING SATISFACTION LEVELS AND IMPROVING SERVICES AS NEEDED.

Sources:

[Towers Watson, U.S. Employers Expect Healthcare Costs to Rise 4 Percent in 2015](#)

[Finance News, Employers Plan Pay Tactics Cut Costs](#)



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