IS YOUR HEALTHCARE RISK MANAGEMENT PLAN GOING IN THE RIGHT DIRECTION?

HOW TO BALANCE COST AND QUALITY.
Employers and employees are facing significant challenges in the healthcare realm. Both, employers who offer health benefits, and their employees, continue to feel the pain of the rising cost of healthcare. Employees are also struggling with issues related to access to care now that the Affordable Care Act (ACA) has increased the number of people with insurance seeking both primary and specialty medical care. There are, however, tools and strategies that can address both issues and have a positive impact for employers and employees.

**Limited Access to Physicians Can Delay Essential Care**

Recent estimates project a growing shortage of physicians as the U.S. population ages, and millions of the newly insured enter the healthcare system. At the same time, more physicians are opting out of Medicare and other forms of insurance, restricting the number of patients they see.
This impacts access to primary care physicians for day-to-day health needs and preventive care, as well as access to specialists to treat complex health problems such as cancer, heart disease, or back pain.

In many areas, there are already long waits to get an appointment with a primary care doctor. In fact, a study by Merritt Hawkins found the average cumulative time to see a physician in the 15 regions surveyed was 19.5 days for family practices and 18.5 across all specialties.
Difficulty accessing both primary and specialty care can have a significant negative impact on the health of employees and their families, which can contribute not only to poorer health outcomes, but also to higher healthcare costs. When employees aren’t getting the preventive care they need or rapid access to diagnoses for serious health problems, the cost of their care inevitably rises.

Is Cost-Shifting the Solution?

As the complexity of the U.S. healthcare system increases, so does the cost of care. And costs are projected to increase significantly for decades to come. Last year, annual healthcare spending in this country hit $3.8 trillion, a significant increase from $2.6 trillion just three years prior. The Centers for Medicare and Medicaid Services projects that healthcare spending will continue to increase and will account for one-fifth of the U.S. economy by 2021.

To manage the impact of this increased complexity and increasing costs, a growing number of employers are developing strategies to engage employees in healthcare decision-making and in sharing in the cost of their care. There are a number of cost-sharing approaches, including:

- Increasing the amount employees must contribute towards health insurance premiums or shifting the entire premium cost to employees
- Increasing deductibles, co-payments, and co-insurance
- Introducing consumer-driven plans with low or no cost for preventive care, but a high deductible for all other care

“Confirming the diagnosis is key to ensuring that employees focus on solving the right problem.”
“Employees are paying for procedures they don’t need or that may actually be harming them.”

Solutions to Manage Risk and Support Better Medical Decisions

Increased spending on healthcare does not mean that employees are necessarily getting better care. A 2012 report from the Institutes of Medicine noted that about 30% of health spending in the U.S. was wasted on unnecessary services and other inefficiencies. Not only can this waste have a negative financial effect, some of these unnecessary or inappropriate services may mean that employees are paying for procedures they don’t need or that may actually be harming them.

To mitigate healthcare risk and better contain costs, employees need better tools for helping them make more informed healthcare decisions. The most comprehensive approach is to offer employees several types of tools that can work in tandem; tools such as:

- Health advisory services that facilitate expert medical opinions to ensure proper diagnosis and appropriate treatment for improved access and outcomes. Services provided can include:
  - collection, organization and review of medical records for second opinions
  - evidence-based, objective data on physicians, medical centers and treatment options
  - improved access to expert medical opinions and appointments with specialists
  - medical referrals and resources when employee are away from home
  - coverage options for aging parents, whether they live nearby or across the country
• Critical illness, accident and hospital insurance to help employees manage the cost of care. These products can include:
  o Lump sum payments for employees diagnosed with a critical illness
  o Group accident coverage to offset costs associated with an injury on or off the job
  o Defined payouts to cover deductibles and coinsurance for hospital care

• Defined contribution plans, which give employees a set amount of money per year to spend on health insurance and related benefits like healthy advisory services.

Employers are offering these types of options, to add value to employee benefit packages in the face of increased out-of-pocket costs. In addition, options such as health advisory services increase employee satisfaction and encourage employees to be active participants in their healthcare decisions, so they can make decisions based on evidence and information rather than just going through a series of tests and treatments.

**Health Advisory Services: A more personalized healthcare experience**

Health advisory services, like those offered by PinnacleCare, a pioneer in the field, also offer another important benefit—they provide much-valued personal attention and support and guide employees and their families through the healthcare system toward the best possible care and treatment for their medical situation.
The personalized guidance helps employees:

- Be proactive, seeking preventive care that can mitigate health risks - rather than reactive, seeking care primarily when they’re sick
- Receive second opinions from experienced medical experts for a more conclusive and appropriate assessment of their diagnosis and treatment options at the onset of their condition
- Confirm their diagnosis so they can focus on solving the right problem
- Make more informed medical decisions about their course of treatment
- Get faster access to the most qualified primary and specialty care physicians

In addition, by helping coordinate care and communication between healthcare providers, health advisory firms remove the burden of researching physicians and treatments, scheduling appointments and dealing with the often-overwhelming complexities of the healthcare system. All of these benefits not only provide greater peace of mind for employees and their families, they also can help prevent unnecessary procedures and lower an employer’s direct and indirect healthcare costs.

Ultimately, navigating through complex medical issues for the healthcare you need is similar to navigating the complexities of our financial and legal system. Consider tapping into a proven team of experts to ensure you get the best advice and personalized support for your most important asset – your health.

At the 2014 Employer Healthcare and Benefit Congress, the author and PinnacleCare Chief Medical Officer, along with representatives from Buck Consultants and Lafarge, presented case studies of how some employers are addressing Risk-Mitigation in a Post-ACA World.

About the author:

Todd Martin is PinnacleCare’s Chief Sales and Marketing Officer. Since 2001, PinnacleCare has been providing personalized health advisory services and access to top specialists for expert medical opinions - avoiding unnecessary care and mitigating healthcare risks. Todd has over 30 years of experience in the healthcare field and has spent the past 22 years in the Pharmacy Benefits Management (PBM) industry working directly with large scale Fortune 500 companies. Todd can be reached at CMO@pinnaclecare.com