Sponsored Content

thought leadership roundtable

HEALTH CARE & BENEFITS

Pandemic shines an even brighter light on consumer engagement, cost containment

SARAH STILZ
Founder
Prime Movement Healthcare
sarah@primemovement.org

BRIAN SULLIVAN
Senior Vice President
Commerce Bank
brian.sullivan@commercebank.com

CAMERON TROXELL
Advisor
First Person Advisors
ctroxell@firstpersonadvisors.com

Executives at Commerce Bank, First Person Advisors, now a subsidiary of NFP, and Prime Movement Healthcare talk about how employers and health care organizations are responding to the many challenges caused—or exposed by—the pandemic.

Q: How has COVID-19 affected health outcomes and costs?

BRIAN SULLIVAN: The coronavirus cast a long shadow over 2020 and triggered fundamental shifts that will reverberate throughout 2021. The abrupt cancellation of elective inpatient and many outpatient procedures in 2020, along with the influx of COVID-19 cases, caused provider revenue and profitability to decline dramatically. The American Hospital Association estimated aggregate losses were $323 billion. Analysts estimate costs will rise between 4% and 8% for health care organizations, with investments coming in IT infrastructure, patient-facing digital health tools, remote monitoring/wearable and AI/machine learning. Costs continue to rise for consumers as well, with rising insurance premiums leading to insurance coverage and affordability concerns.

CAMERON TROXELL: One of the biggest concerns for plan sponsors is that preventive and some non-emergency chronic disease care may have been skipped or avoided during the height of the pandemic. Rightly so, providers' offices reduced their hours or outright closed to stop the spread. A concern now is that members are settling into new habits, which includes decreased care. That could lead to a spike in claims in the near future.

SARAH STILZ: We will start to see more focus on improving preventive care overall. More people are aware now that focusing on diet and nutrition can make a huge difference in one's overall health. Telehealth can eliminate disparities and improve health with minimal disruption. This technology is great for improving access to care!

> *"The strategies and means by which you engage and communicate with your patients in this new paradigm will need to ... accommodate patients by meeting them at their point of need."*
> BRIAN SULLIVAN

Q: What strategic moves are organizations making to support the emotional and physical well-being of their employees?

CAMERON TROXELL: The pandemic illuminated gaps in employer support of emotional and physical well-being, while remote and hybrid work made it more challenging to engage employees in support programs that are offered.

Enhanced Employee Assistance Programs (EAP) reduce the stigma and barrier to entry—compared to previous EAPs—by engaging employees with a digital experience. Employers are upgrading their EAPs to include innovative solutions like text therapy and other services that enable employees to engage through their mobile devices from where they are and when they need it most.

Providing employees the opportunity to be reimbursed for a wide variety of health and well-being items is also an emerging trend, especially as organizations support more flexible work arrangements. Programs like First Person's "Improve Mint" enable an employee to purchase something that is of value to their own personal needs and have the company reimburse their expense.

SARAH STILZ: There is more emphasis on preventive measures to improve the health of employees. I have been working with several large organizations, both here and overseas, to identify ways to implement preventive strategies. Programs like the National Diabetes Prevention Program can have a huge impact, if offered as a benefit, and can prevent much more serious issues in the future. Many organizations realize the impact of improving mental health; there has been much more attention paid to this as well.

Q: What strategies are employers implementing to contain rising health care costs and minimize the financial impact of high-deductible plans, especially for lower-income earners?

SARAH STILZ: One organization that I work with is developing its own value-based initiative to obtain a better insurance rate. Another organization that I work with is revamping its benefits plan to incorporate multiple preventive measures, like those offered by the National Diabetes Prevention Program. Creating more ways to access care reduces absenteeism and improves workplace attendance, minimizing errors and improving work productivity for the employer.

Sponsored Content

It also reduces the out-of-pocket costs for an employee who couldn't otherwise afford care. Providing these services in languages other than English is an easy, inclusive way to improve access, too.

CAMERON TROXELL: Offering preventive prescription drug coverage at 100% enables individuals who rely on medications to control chronic conditions to get those medications at zero out-of-pocket cost. This is a win for the employees, particularly lower-income folks, but it is an added cost to the health plan.

More aggressive pharmacy program management, with the addition of specialty medication management, is a solution that, in many cases, particularly for lower income earners, allows the individual to qualify for subsidy-type programs to get their specialty medications at no cost-share. This also creates a huge savings opportunity for the health plan.

Offering supplemental health benefits provides income support and money toward out-of-pocket expenses in the event of an accident, hospitalization and/or diagnosis of a chronic condition. These programs help lower-income earners on high-deductible plans pay their out-of-pocket expenses by giving them cash payments depending on the nature of their event.

Q: From a benefits perspective, what positives have come out of the pandemic?

CAMERON TROXELL: For years, rural communities lacked access to quality mental health care providers. The pandemic forced providers and consumers to embrace telehealth, which provides a direct solution for those with clinical mental health needs in more rural parts of Indiana in an effective and cost-efficient way.

Initial data for the rolling 12 months ending March 31, 2021, shows a decrease of 5% to 15% in the utilization of emergency rooms. A majority of that decrease was during stay-at-home orders and the hesitancy to access care that followed. Some of that care shifted to a better site of care, like telemedicine, and our hope is that care continues to take place and individuals stay out of the more expensive emergency departments.

SARAH STILZ: On-site clinics are great until a national pandemic shuts down the facility. Telehealth is efficient and affordable. Covering the cost of preventive programs on a per-capita basis is an affordable way to lower insurance premiums and improve the workforce. A small investment per employee can reduce insurance costs by tens of thousands of dollars, per employee, per year. More employers are thinking outside the box, and that is great!

Q: How do you recommend measuring the effectiveness of a benefits plan?

CAMERON TROXELL: We are consistently reviewing a wide variety of data to determine benefit plan effectiveness. It starts with determining whether the benefits are truly meeting the needs of employees. This piece is measured by a thorough analysis of the benefits offered compared to income and benchmark data to determine where gaps exist for employees. We further support this with employee survey and focus group data.

The next way we measure effectiveness is from a financial perspective. Is the benefits plan meeting the financial needs of the organization? To answer this question, we rely on financial and clinical analytics tools, like Springbuk. The Springbuk system consolidates more than three years' worth of claims data into meaningful insights. Our team then uses those insights to inform and develop strategies that drive financial and health outcomes for the organization.

> *"Covering the cost of preventive programs on a per-capita basis is an affordable way to lower insurance premiums and improve the workforce."*
>
> SARAH STILZ

Q: How has COVID-19 changed consumer-engagement strategies for health care organizations?

BRIAN SULLIVAN: The COVID-19 shutdowns we saw last spring forced a lot of existing trends, previously on the periphery in health care, to the forefront. It instantly became obvious that traditional channels and methods of engaging with patients were no longer functional and new and innovative channels needed to be established for how and where you engage your patients.

By most estimates, telehealth adoption was accelerated in particular-use cases by as much as 5 years in a span of 6 months. The dust has yet to settle on where those particular cases will ultimately land. However, the strategies and means by which you engage and communicate with your patients in this new paradigm will need to reflect those changes and accommodate patients by meeting them at their point of need.

SARAH STILZ: Consumers want efficient access to care via telehealth. Consumers also want better access to ancillary services, like mental health providers. In fact, we received so many requests to provide grief counseling that we added the service to better support our clients. We also expanded our services to provide care to bilingual populations.

CAMERON TROXELL: For some time now, health care providers have been working toward better consumer engagement strategies, regardless of COVID-19. There are two areas we see changes happening. Health care organizations are expressing more interest in partnering directly with employers to provide care for their people, often at a discount. Additionally, there's a greater appetite for capitated fee arrangements, or pricing for specific services on a per employee per month arrangement. This changing dynamic puts responsibility on employers to develop internal communications strategies that encourage employees to get care and make the most of their benefits.

Q: How are health care organizations dealing with new price-transparency rules?

CAMERON TROXELL: While health care organizations are determining how to abide by the new price- transparency rules, there are challenges we're seeing that could impact how that plays out. For starters, if they are forced to put prices out there, what prices are they going to use? The pricing methodology follows the contracts that providers have with insurance companies, such as the percentage the insurer will get from each service charge. There's potential for contract infringement and hesitancy from insurers to disclose those details. At best, we think the furthest this will go will be providers posting billed charges versus net discount charges.

Q: What new forms of automation have health care organizations adopted because of growth in the number of remote workers?

BRIAN SULLIVAN: Technology is altering the financial landscape, notably in the payments sector. The need to streamline the health care industry's persistent and costly complexity has been brought into focus by the pandemic. New levels of standardization are essential to improve the patient financial experience, and we anticipate the following: increased usage of robotic process automation that creates software "bots" that can perform repetitive tasks; automation platforms that offer paperless processing and exception-based workflows that let off-site, short-staffed workforces safely handle transaction growth; and frictionless financial programs that include patient lending based on pre-service estimates and that include higher-dollar lines of credit without credit checks.

See page 26

Continued from page 25

Sponsored Content

Q: How have health care organizations changed operating and collections practices over the last few years?

BRIAN SULLIVAN: With the rising cost of health care, payors are shifting a higher proportion of that cost to employers and patients by means of higher premiums and the introduction of High Deductible Health Plans. These changes in reimbursement have forced providers to change their longstanding operating models and how they have traditionally interacted with their patients from a financial perspective. Historically there has been no financial conversation at the point of service about patient liability, but health care providers are now being forced to change their operating models to have those financial discussions, either during pre-service activities or at the point of service. In addition, providers are having to get creative in finding new, consumer-friendly ways to collect from their patients. These initiatives range from offering pre-service estimates and funding options, to internal payment plans and 0% lines of credit to help facilitate payment of any balance after insurance.

"Employers are upgrading their EAPs to include innovative solutions like text therapy and other services that enable employees to engage ... from where they are and when they need it most."

CAMERON TROXELL

Q: What can health care organizations that are dealing with COVID-related challenges learn from other industries?

CAMERON TROXELL: Over the course of the pandemic, many organizations reimagined how they engage with customers and their employees. The hospitality industry is a great example of resiliency and innovation. They changed their thinking to meet customers' needs, such as engaging digitally and curbside pickup. Not to mention their survival depended on it. This should push health care organizations to think outside the box when it comes to engaging consumers.

In addition, health care organizations can learn from the shift to remote work arrangements. While it wasn't possible for many providers to work anywhere but in-person, organizations can take a cue from those organizations that did. This could mean adopting new technologies to improve patient experience, using digital communications to engage employees when and where they are, and updating benefits packages to make them more inclusive and supportive of individual needs.

Q: What is the most important health care legislation our state and federal lawmakers should consider and, in the meantime, how can employers work more effectively with state agencies to improve public health?

SARAH STILZ: Indiana needs to expand Medicaid to include the National Diabetes Prevention Program. When the Centers for Disease Control and Prevention did the NDPP pilot study, Indiana was one of the states to participate in that study, but our at-risk population still cannot get the help they need. Most people who participate in the NDPP can afford out-of-pocket costs, or it is a covered benefit by their employer. Covering diabetes management on a per-capita basis would also save on insurance costs and future hospitalizations. In the meantime, large organizations like the Central Indiana Corporate Partnership can work with Connections in Health to lower health care costs by identifying needs within employee populations and providing better access to preventive programs on a per capita basis.

BRIAN SULLIVAN: Among many actual or proposed regulatory changes, we think three carry notable impact for 2021: The extension or permanent adoption of liberalized rules to promote telehealth; patient data access that requires software developers to remove data-sharing barriers and ease patient information access; and price transparency rules that require hospitals to disclose information like payer-negotiated rates.

CAMERON TROXELL: The Indiana legislature is considering draft bills on Pharmacy Benefits Managers transparency. While imperfect in their approach, these bills are shining a light on the need for plan sponsors to be more educated and diligent around their prescription drug spend and the partners that support them.

Prime Movement

Sarah Stilz is founder of Prime Movement Healthcare, the country's first, virtual-first telehealth clinic that offers wrap-around services to better treat and prevent chronic conditions. The primary focus of Stilz and her firm is chronic-disease treatment and prevention, with a special emphasis on diabetes and eliminating health disparities.

CommerceHealthcare

Brian Sullivan is senior vice president at Commerce Bank. He has been in commercial banking for more than 25 years, including the past five years with Commerce Bank/CommerceHealthcare® supporting the health care industry. Outside of work, Brian is active in his local parish and community activities.

FIRST PERSON
now a subsidiary of
NFP

Cameron Troxell is an advisor at First Person Advisors, now a subsidiary of NFP. He's passionate about helping organizations develop benefits strategies that keep their people healthy, productive and engaged. Troxell has nearly 10 years of experience, specializing in medical and pharmacy benefits and population health management.

Content paid for by Commerce Bank, First Person Advisors, and Prime Movement Healthcare.