

3

Making Smart Decisions: Helping Employees with a Family to Maximize Health Benefits

As more and more employers move from traditional indemnity plans and managed care health plans to consumer-driven health plans (CDHPs), employees will need to take greater responsibility for health care decision making. While CDHPs require that consumers assume financial risk for health care decisions and service purchasing, they also provide greater freedom in accessing providers and services. Parents will need information on benefit plan options, health care services and health care costs so they can best balance their families' health care needs with available resources.

This section provides employers with tips on the information they will need in order to educate their employees on benefit options. It also provides employees and their families with suggestions on how to best choose a health plan and make the most of it.

For Employers — Tips on Employee Education

It is important for consumers to have accurate, honest and complete information on services and pricing to make positive health care decisions for themselves and their dependents. Employers, health plans, providers and pharmacies need to provide full transparency (or “right to know”) in pricing, service options, available evidence and alternatives. Employers should be able to answer these questions.

General Questions Employers Need To Answer

- What are all of the available options through my employer?
- What services do each of the plans offer?
- How soon will my family be eligible for coverage?
- Is there a waiting period from employment date?
- Is there a grace period?
- What are the premiums?
- What will be my contribution?
- What is covered before the deductible applies?
- What is the deductible per year?
- Does the plan have a family deductible?
- What costs does the plan cover after the deductible?
- Are they included in my premiums?
- Will I pay a separate premium for dental and vision benefits?
- Does the plan have lifetime limits?

For Employees — Points to Consider when Choosing a Plan

Consumer-driven health care requires that consumers become more involved in health care decision making. The following is a list of questions, grouped by category that you can use to guide your health care plan selection. Most employers and health plans provide information about selected options through printed materials and web resources. Employees can seek additional information by asking their company's benefits or human resources department about available benefit options.

Employees: Questions To Ask Your Employer about Health Plan Financing

While health plans can provide information about services offered through the plan, they will not be able to explain details about employers' administrative components. Employers need to share how they will offer the plan to employees and how this will relate to other aspects of employment such as paycheck withdrawals and financial savings accounts.

Most large employers also offer health improvement and health promotion programs at the work site that provide for a health risk appraisal that includes cholesterol, hypertension and blood sugar level screenings. Consider how these programs can supplement your health plan benefits. These additional services can augment a benefits package and work to reduce health care costs to individuals and families.

- Are health plan premiums deducted from my income?
- Where can I get information on the quality of the health plan?
- Is the least expensive plan the best or the worst plan?
- How can I minimize out-of-pocket expenses without jeopardizing coverage?
- Can I access services and products such as prescriptions through the mail?
- Can I access services and products such as prescriptions over the Internet?
- How do employees access savings accounts?
- What services are not allowable under the plan or the savings account?
- Does the company offer an employee assistance program (EAP)?
- How can I access the EAP?
- What types of health improvement programs does the company offer through the work site?
- Does the company offer health improvement programs for my spouse/children?

Employees: Questions To Ask Your Health Plan about Covered Services

When evaluating health plan options, employees should consider the different health care services each plan offers. Covered services are detailed in each plan's Summary Plan Description (SPD), a document that is available from the health plan. Remember to consider the services — such as wellness programs — that your employer may offer outside of your health plan and carve-out services — such as vision or dental plans — that may be offered separately from your health plan. The following questions will help guide your evaluation and selection process:

- Will I have a prescription plan?
- How will it work?
- Does it fall under the deductible?
- How will I need to handle lab work?
- Do I need to go to any special lab facilities?
- What preventive services does the plan include?
- Does it cover them 100%?
- Does my employer cover preventive services for children?
- Can I see my own physician (primary care, pediatrician, specialist, dentist, etc.)?
- How can I tell if my health plan networks with my physician?
- How will the plan cover a pre-existing condition?
- Will it cover conditions covered under previous plans?
- What if this is my first health plan?
- Is maternity care covered?
- Does coverage meet or exceed current regulations for maternity care?
- What mental health services does it offer?
- Does it include long-term care and long-term hospitalization?
- Does the health plan cover nursing home admissions? Hospice admissions? Home health care?
- What other benefits does the plan contain?
- Does my employer cover disease management programs?
- How will my employer handle disability?
- How will disability coverage coordinate with my health plan?

Employees: Questions To Ask Your Health Plan about Covered Providers

Before switching plans, you may want to investigate how a change of health plan will affect the current care you receive from your provider(s). Some plans have “in-network” and “out-of-network” providers that reimburse differently. Using an “out-of-network” provider will usually result in additional out-of-pocket expenses. Employees should check the plan provider directory to determine if their doctors are included in the network. If in doubt, beneficiaries should call the plan or check its web site as printed materials can become obsolete quickly.

When choosing a health plan:

- Does your practice accept the plan?
- Are you considered “in network?” (Note: employees should also check with health plans to verify network status)
- Does my plan classify pediatricians as primary care doctors?

At the point of service (at an actual visit, preferably the first visit with the doctor):

- How do you charge for services?
- Do I pay a co-payment or do I pay in full?
- Do you bill my health plan or do I file for a reimbursement?
- How much will a specific visit cost?
- What services fall under an office visit?
- What services are extra and how much do they cost?
- What services are considered “usual and customary?”
- How will referrals work?
- Do I need to see a primary care physician first (if talking to a specialist)?
- Will this be different for my children?
- Does medical evidence indicate that this procedure/test/lab is effective and safe?

Employees: Questions To Ask Your Health Plan about Pharmacies and Prescriptions

Pharmacies, health plans and intermediaries have complex relationships that set pricing based on a series of rebates, contracts and other factors. When filling prescriptions, it is important to assess exactly what you are getting and how much you will be paying for it.

- What is the full charge for my prescription(s)?
- What are the costs of other drugs in the same class?
- Is it possible to get a prescription from my doctor for one of these?
- What is the price difference between brand name and generic?
- Does this medication come in a generic form?

- Can I get a prescription from my doctor for the generic?
- Can I access mail order prescriptions?
- What is the price difference for the same medications?
- What do I need my doctor to do?
- Does medical evidence indicate that this medication is effective and safe?

Employees: Questions To Ask Yourself about Your Own Personal and Family Health Needs

Consider your family's own health care needs and preferences when selecting a health care plan and health care providers and determining your level of contribution to a health financial account, etc.

- Are your dependents children or adolescents?
- How long will they be covered as dependents?
- How many adult dependents do you have?
- Will the health plan cover dependents?
- Does it have any exclusions?
- Can all my children be covered under my health plan if my spouse works for an employer that provides health care benefits?
- How do birthday rules work for dependents if my spouse/partner has a different health plan?
- If you have dependents, what health care services are they likely to need in the coming year or two? Remember that even healthy children use preventive health care services such as immunizations frequently. And most children will need acute care at some point during the year for mild to moderate illnesses such as ear infections and accidents or injuries.
- Do you have a family history of childhood diseases/conditions such as type 1 diabetes, juvenile arthritis or other rheumatoid disorders?
- Do you prefer lower premiums (lower monthly payments) or lower deductibles (lower payments at time of service)?
- How important is flexibility and choice in a health plan?

What Parents Need to Know About Health Care for Children and Adolescents

Protecting and promoting the health of children is extremely important. Healthy children are better able to learn and grow. And the health habits that children learn, such as exercising and eating a balanced diet, carry into adulthood.

In the past, children became ill, were disabled or died due to infectious diseases such as smallpox, measles and polio. These diseases no longer pose a major threat to children's health in the US. However, many new threats to children's health — including obesity, diabetes, asthma and mental illness — have become a health crisis.

Parents play a critical role in protecting the health of children. Parents decide when to take their children for health care and to what type of provider to take them. They also are responsible for purchasing and dispensing medications or other prescribed treatments. In a consumer-driven health care model, parents have even more responsibility for their children's health. They also have more choices in what type of care their child receives and what type of health care professional provides that care.

The following provides information and tips that will help you understand your child's health care needs and plan for their health care expenses.

Services and Providers

Well-Baby and Well-Child Care

Well-child care is ongoing preventive health care for normal babies and children. The goal of well-child care is to promote the health of children by detecting potential problems early and by giving advice on the prevention of accidents and illnesses.

The first well-baby exam usually takes place about one to two weeks after a baby is born. Additional visits and exams occur at two, four, six, nine, 12, 15, 18 and 24 months. Well-child visits occur at three years of age, just before kindergarten and again just before junior high school.

During well-baby visits the doctor or nurse practitioner will ask about the baby's sleeping and eating; measure weight, length and head circumference; check vision and hearing; and perform a general physical exam. S/he will also check the heart, abdomen, hips, arms, feet, spine, eyes, ears, nose, mouth, thyroid and lymph glands, breathing and lung function, skin, genitalia and reflexes. Well-child visits will include immunizations and a physical exam.¹ All children need well-baby and well-child care. This care is usually covered by all health plans, including Consumer-Driven Health Care Plans (CDHPs).

Children with Special Health Care Needs

While most children are healthy and require only preventive well-child care and the occasional visit for an infection or injury, some children have chronic health care problems such as asthma. Others have special health care needs as a result of injury, disability or birth defect. These children may require specialized medical care and will likely use health care services more often than other children.

Children's Health Care Providers

Several different types of health care professionals can care for children including pediatricians, family physicians and pediatric nurse practitioners.

- Pediatricians are physicians that specialize in the medical care of children from birth through adolescence. After completing medical school these physicians train for an additional three years in a pediatric residency program to learn about the physical, emotional and social health of children. Pediatricians do not care for adults over the age of 18. Some pediatricians have a sub-specialty such as pediatric surgery or pediatric cardiology. These physicians often work in academic medical institutions (sometimes called teaching hospitals) or in children's hospitals.
- Family physicians train in pediatrics and other areas including internal medicine, orthopedics and obstetrics. Family physicians specialize in the lifelong care of individuals and families. Their generalized training qualifies them to care for individuals of all ages, which means that your child could have the same doctor from birth until adulthood. It also means that your whole family could receive primary medical care from the same physician.
- Pediatric nurse practitioners (PNPs) are master's level nurses who have specialized training in pediatric medicine. While these practitioners are not physicians (MDs) they are qualified and able to take care of most primary health care needs. PNPs usually work in a medical office with one or more physicians; they also work with physicians in hospitals and clinics. PNPs can perform physical examinations, diagnose patients and prescribe medicine. If they encounter a problem that they are not able to deal with, they defer to a physician. PNPs usually spend more time with patients than do physicians, and sometimes they may charge less.

If your child needs help with an emotional, behavioral or psychological problem a psychiatrist, psychologist or family therapist who specializes in children may be a better choice. Often your child's physician can suggest an appropriate mental health professional.

Where to Find a Provider for Your Child

If you are looking for a provider for the first time, ask friends or family members what physicians they recommend. You can also ask your primary care provider, OB/GYN or nurse midwife for their recommendations. Your health plan may recommend physicians or have network physicians that they contract with. When you have several potential candidates make a list and compare the physicians. Quality, cost and convenience are all important to consider when choosing a provider.

Health Care Service Measures for Families

Measures of Quality

- ✓ Make sure that the provider is board certified in his or her specialty. Pediatricians are certified by the Board of Pediatrics and family physicians are certified by the American Academy of Family Physicians. This information can be found on the academies' websites:
 - American Academy of Pediatrics www.aap.org/referral/
 - American Academy of Family Physicians www.aafp.org or www.certifacts.org.
 - You can also find out if a physician is board certified by calling the American Board of Medical Specialties at 1-800-733-3367.
- ✓ Check the physician's experience level. The American Medical Association's "Physician Select" service gives you detailed information on physicians' credentials, education and experience. "Physician Select" can be found at the AMA website at www.ama-assn.org or by telephone at 312-464-5000.
- ✓ Some state medical boards provide this information about physicians. Check the Administrators in Medicine website at www.docboard.org for more information.
- ✓ Look for local consumer report guide ratings of physicians. Be aware, however, that these ratings are often a function of patient satisfaction and may not accurately reflect the quality of the care the physician delivers.
- ✓ Find the names of hospitals where the provider has privileges.

Measures of cost

- ✓ What are the provider's fees for services?
- ✓ What is the provider's payment policy? Is payment due at the time of service, are patients billed after their visits, etc?
- ✓ What labs does the provider use and what are the average costs for tests?

Measures of convenience

- ✓ What are the provider's office hours? Do they meet your family's needs?
- ✓ How can you communicate with this provider? Does the office offer e-mail as an option for questions? Telephone-a-nurse hotline? How does the provider handle after-hours phone calls?
- ✓ What hospitals is the doctor affiliated with? Are these hospitals close to your home or the child's school in case of an emergency?
- ✓ Is the physician in a group or solo practice? If in a solo practice, what type of coverage arrangement does the physician provide for emergencies on weekends or after hours?

Frequently Asked Questions

Q: How much money should I contribute to my HSA/HRA or other medical savings account for my children's health care expenses?

A: Think about the kind of care your child needs in a given year, from routine well-baby care to emergency services. Try to estimate how much and what types of medical care your child will need in the coming year. For example:

- How often does your child go to the doctor in a given year?
- What types of medical services does your child use?
- What types of medical equipment does your child need (e.g. crutches, hearing aids)?
- How many prescriptions do you fill for your child in an average year? How much do these prescriptions cost?
- Does your child have a chronic condition such as diabetes or asthma that requires extra care? If so, what type of services will s/he likely need? Will s/he require emergency treatment or hospitalization?
- If your child has special health care needs, what types of special services, such as physical or speech therapy, will be necessary?

Ask your current doctor to help you answer these questions and ask friends or family members how often their children use health care services. Remember that most consumer-driven plans cover general preventive care at no cost.

For more information, see the fact sheet entitled, "Making Smart Decisions: Maximizing Health Benefits within a Family."

Q: Where can I go for more information on children's health and health care?

A: While your child's doctor can provide the most specific information on his or her health, there are many resources for learning more about children's health. The following organizations provide information and resources for parents on child safety and injury prevention, nutrition, mental health, disease prevention and other important topics.

- HealthFinder, National Health Information Center, US Dept of Health & Human Services: <http://www.healthfinder.gov/>
- The ABCs of Raising Healthy Kids, Centers for Disease Control and Prevention (CDC): <http://www.cdc.gov/od/spotlight/nwhw/girls/abc.htm>
- KidsHealth: <http://kidshealth.org/parent/>
- Children's Health Topics, The American Academy of Pediatrics: <http://www.aap.org/topics.html>
- American Academy of Family Physicians, FamilyDoctor.Org, Parents & Kids: <http://familydoctor.org/children.xml>
- The Maternal and Child Health Bureau: <http://mchb.hrsa.gov/>
- Health Topics: Infants and Children: <http://www.cdc.gov/health/infantsmenu.htm>

Personal Savings Accounts

Many employers have begun to offer various personal savings accounts that allow employees to subsidize health care costs either through tax-free investments or through incentive rewards. Employees should speak with someone in human resources or benefits to determine if these plans are an option and if so, in which types of plans an employee can invest. Each plan has its own benefits and employees need to address each one separately.

Since many of these financial plans are investment-based or employees invest funds in investment accounts like stocks or bonds, employees need to determine how much they will want to set aside from their paychecks to cover costs for their families.

See the sample worksheet in chapters entitled “Estimating Your Contribution to a Health Account.” Employers should have their own worksheets based on services available, but this can give individuals an idea of what types of services they need to consider.

Personal Savings Accounts: HSAs

Health savings accounts or HSAs allow employees to invest a portion of their income into tax-free, investment earning accounts. Both employees or employers can establish accounts, but only those individuals in a narrowly defined high-deductible health plan (HDHP) are eligible. If you are eligible for an HSA and wish to participate, you will need to determine the following:

- Will my employer match funds I place in the account (i.e., one-to-one or two-to-one)? Does it have limits on contribution with matching funds (i.e., will match up to 3% or will match up to \$7,000)?
- How much do I anticipate in health spending (the deductible and other outside costs) for my family?
- How long will I have this account (individuals who are 65 or older can remove funds for non-qualified medical expenses without a tax penalty)? If you are close to 65, you also need to consider how you invest your funds — stocks may have greater returns but are more volatile in the short run, whereas bonds have lower returns but tend to be safer financial investments.

Personal Savings Accounts: HRAs

Unlike HSAs, health reimbursement accounts or HRAs are not income deductions like other accounts. Employers provide funding into an HRA as a financial, tax-free benefit. Employers do not deduct value from employee income to subsidize care, but rather provide additional funding and incentives such as lower co-pays, better pricing on prescription drugs or discounts on disease management programs for positive health behavior. Employees should look at what behaviors and what level of program participation will result in incentives and rewards and consider engaging in those as much as possible.

To read more about HRAs and incentive programs, see the fact sheet “Developing Incentive and Health Improvement Programs to Support Consumer-Driven Health Care Plans.”

Personal Savings Accounts: FSAs

Flexible spending accounts or FSAs are similar to HSAs because they are savings accounts for health-related services and not incentive rewards. FSAs allow employees to place money aside from their incomes into tax-free accounts to subsidize health care costs such as deductibles, co-pays, over-the-counter medications and medical supplies such as eyeglasses. These are generally not interest-earning accounts. Employees need to consider the following questions regarding FSAs:

- What services does my employer allow the FSA to cover as qualified medical expenses?
- Will my employer match funds I place in the account (i.e., one-to-one or two-to-one)? Does it have limits on contribution with matching funds (i.e. will match up to 3% or will match up to \$7,000)?
- How much do I anticipate in health care spending (the deductible and other outside costs) for my family?

Employees may be able to access funds in their HSAs and FSAs through a variety of means including a debit/credit card. Employees should check with their human resources, benefits or financial manager to determine how they can use their accounts and if they need to submit any paperwork for reimbursement purposes.

Prioritizing Services

Once employees have chosen a health plan and determine their participation in personal savings accounts, they need to know how to use all of their benefits to maximize coverage and minimize spending. Employees need to prioritize services to best fit their families' needs and resource. To prioritize health care services as effectively as possible, employees should do the following:

- ✓ **Focus on preventive services first.** Preventive services are covered 100% by health plans. This means that you bear no cost for preventive services such as immunization, mammograms and well-baby care.
- ✓ **Follow clinical guidelines.** To ensure proper care, employees and their families should follow all clinical evidence-based recommendations guidelines. This may include filling prescriptions, taking them as directed (including finishing them even if feeling better) and obtaining therapy as needed. Follow-through may prevent conditions from returning, worsening or becoming chronic.
- ✓ **Participate in work site health improvement programs.** Work site health improvement or wellness programs offer employees, and possibly their family members, the opportunity to participate in health improvement activities at little or no cost.

- ✓ **Engage in healthy lifestyle choices.** Healthy behaviors such as physical activity or getting adequate sleep cost nothing and offer a huge return in terms of health benefit. Other healthy behaviors, such as healthy eating or reducing stress, have only minimal costs and can prevent costly and serious conditions such as obesity, diabetes and heart disease.
- ✓ **Get as much information as possible.** When making health care decisions, obtain as much information as possible through periodicals, Internet sites, your health plan, physicians and other trusted sources.

Resources

A number of resources exist to help employees find the best health care services and information for their families. These resources are public and can easily be accessed through the Internet. These sites provide recommendations, measures and guidelines based on clinical evidence to help shop for the best values in health care services.

- The U.S. Preventive Services Task Force (USPSTF): <http://www.ahrq.gov/clinic/uspstfix.htm>
The USPSTF is an independent body of experts that reviews clinical evidence and makes recommendations on preventive services. They weigh the benefits against the harms of particular screening, counseling and immunization practices and determine the strength of the evidence to make a recommendation.
- The National Committee on Quality Assurance (NCQA): <http://www.ncqa.org>
NCQA is an independent non-profit organization that reviews health plans and some providers to evaluate them for quality purposes. NCQA develops the Health Plan Employer Data Information Set (HEDIS) that measures performance of health plans. NCQA also produces health plan report cards: <http://hprc.ncqa.org/index.asp>. These report cards rate health plans on a number of quality indicators.
- The National Business Group on Health (<http://www.businessgrouphealth.org>) provides a number of resources on preventive health and other aspects of health plan delivery. Business Group resources include:
 - The Employer's Guide to Health Improvement and Preventive Services: <http://www.businessgrouphealth.org/services/index.cfm>. This includes summarized information from the USPSTF as well as flyers, a poster and calendar with helpful prevention information.
 - Reducing Child & Adolescent Obesity — Addressing Healthy Weight For Employees and Their Children: http://www.businessgrouphealth.org/prevention/et_childobesity.cfm. This toolkit provides resources on maintaining a healthy diet for children including information on body mass index (BMI) values and suggestions on healthy family dining.
- Health plan web sites. Most major health plans have web sites that will list benefits of particular programs, tools to help individuals find doctors and other informational sources on health care.

UnitedHealth's Consumer-Driven Health Care Plan: iPlan® — A Case Study

“The theory behind consumer engagement is that people will be more prudent if they have the right information and the necessary financial incentives to enable them to play a more active role in making decisions about their care.”

— Tom Polocelli, President of iPlan®, UnitedHealth Group

UnitedHealth Group provides a diverse array of health care services and products including primary, specialty and long-term care through its six subsidiary businesses: UnitedHealth Care, Ovations, AmeriChoice, Uniprise, Specialized Care Services and Ingenix. These businesses serve more than 50 million individuals nationwide. UnitedHealth Group is one of the largest providers of CDHPs in the nation and offers a full spectrum of CDHP type products. In 2002, UnitedHealth Group created iPlan®, a consumer-driven health care plan that combines a high-deductible health plan with an HSA to allow employers and employees greater flexibility in plan design and reduced health care costs. iPlan® offers members decision support services, patient advocacy programs and innovations that “simplify the health care experience” such as:

- Debit cards and automatic check payment options that enable payment for qualified services directly from a member's HSA.
- HSA Plan Comparison Calculator: A program that allows members to compare an HSA with other plan options and determine contribution level.
- iPlan® Health Advocate: An online tool that provides HSA members with a health care “coach” to coordinate their health care service use.
- UnitedHealth Allies: A discount program that gives HSA members discounted access to services generally not covered by their health plan including dental, vision, wellness, over-the-counter drugs, long-term care and other services.
- A customer service and medical claims center.

To better understand the effects of a CDHP on consumer behavior, UnitedHealth reviewed the medical records of 45,000 of its members to investigate changes in medical claims and health care service utilization. The analysis controlled for differences in plan design, member health status and changes in network discounts of the individuals who joined iPlan® (20,000) and the individuals who remained in UnitedHealth's traditional health plans (25,000). Study results showed that:

- Medical claims for iPlan® members dropped 7–8% in the first year of enrollment.
- ER visits decreased by 15–20% for iPlan® members while the average cost of an ER visit increased, suggesting that iPlan® members used the ER more appropriately and only sought emergency services for serious and complex problems.
- Specialist services, outpatient surgeries, radiology services and laboratory tests were reduced.
- iPlan® members increased their use of adult preventive services by 8–10%.

For more information on iPlan® visit UnitedHealth Group's website at:
<http://www.unitedhealthgroup.com>

This fact sheet is based on information from UnitedHealth Group press releases, accessed November 12, 2004:

http://www.unitedhealthgroup.com/news/rel2004/0618iPlan_print.htm
http://www.unitedhealthgroup.com/news/rel2004/0819HSA_print.htm