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Communicating Consumer-Driven Health Care to Employees and their Families

Research and Assessment

The health care system is complicated. Few employees have the medical knowledge necessary to evaluate provider quality, treatment appropriateness or medication needs. Nor do they have the information needed to understand the true cost of medical services. This lack of knowledge and information makes it difficult for employees to understand value.

Advocates for consumer-driven health care plans (CDHP) state that these plans hold great promise for promoting patient-centered care and for reducing health care costs. For them to be successful, however, employees must be provided with the education, resources and decision-support tools they need to become effective consumers.

Research and Assessment

Analysis of claims can provide baseline data concerning the health care that employees and dependents utilize. This analysis can be the basis for development of tools needed.

- ✓ **Determine what employees currently use** — Most health plans offer comprehensive benefits, but beneficiaries do not fully participate. According to a recent survey, 25% of large employers noted that 11–20% of employees participate in preventive services while another 21% didn't know the amount. Education about available services may increase the participation rate in services.
- ✓ **Assess demographics and health status of covered population** — Having demographic data on beneficiary populations, including the number and ages of children and adolescents covered under employer-sponsored health plans, will help to develop programming targeted more effectively to employees and dependents. Knowing more about the covered population will help in developing educational materials. For example, an employer with a large Spanish-speaking employee population may want to create bilingual health and benefit educational materials.

- ✓ **Measure employee readiness to change** — The most well-designed programs will not be effective or successful if employees are not ready to change. Assessment of employees' readiness for change will help to steer educational and marketing initiatives around new consumer-driven plans and may help to determine the ultimate success of not only a launch of new plans, but the participation rate as well.

- ✓ **Investigate your employees' learning styles** — A successful employee education campaign rests on the appropriate delivery of information. Establish what types of media, such as on-line support tools, customer service assistance or printed materials your employees find most useful. This information can be garnered by looking closely at the demographics of your work force. For example, if your work force is composed mainly of young professionals Internet tools are likely to be effective. However, if your work force is likely to lack a computer in the home printed materials may be best. Work with your human resources department or other departments that regularly provide information to employees to see what they have found most successful for transmitting information. Also, consider which media you currently use to inform your employees about health care. Intranets, bulletin boards, e-mail or paper newsletters, paycheck stuffers and other communication devices can all be effective media for employee education.

Employee Education

Introducing a CDHP

The successful implementation of a CDHP or a high-deductible health plan with or without an account requires employee education and the availability of support services. The following steps are recommended if you want to promote CDHPs among your employee population:

- ✓ **Know your employees** — Before you launch an education campaign, establish what your employees know about health care services and health care costs. You may want to gauge how receptive employees are to consumer-driven health care products. This can be accomplished through an employee survey or focus group to assess employee satisfaction with current services and their willingness to participate in a new type of health plan.
- ✓ **Educate to influence behavior** — Employees will need substantial information on CDHPs before they enroll, during the enrollment process and well into their plan term. Experts recommend beginning an education campaign six to nine months prior to open enrollment. This early education should focus on high-level issues such as health care costs, prevention and disease management. Immediately before and during open enrollment focus on the specific features of the offered plans, how the plan works, options enrollees have for determining their benefits and contribution levels.

Tips to Promote Employee Buy-in

Employers can promote CDHPs by stressing the unique aspects of this type of health plan including increased consumer choice and cost saving, and by providing employees with the information they need to use these types of plans effectively.

Highlight how CDHPs may benefit employees and employers:

- ✓ Employee buy-in can be promoted by explaining to employees how CDHPs benefit all stakeholders:
 - Employees and their physicians are in charge of making health care decisions rather than their health plan.
 - Physicians and other health care providers benefit from CDHPs because of reduced administrative tasks and paperwork. Patients may be better informed on health care issues and are motivated to comply with treatment protocols. Physicians also stand to gain rewards for patient satisfaction. As the CDHP model becomes more prominent, patients will bear more of the financial risk and be increasingly responsible for defining health care value. In such a system physicians may be compensated for responsiveness, access, professionalism and communication abilities.¹

- Employers expect that CDHPs will limit increases in the cost of health care by requiring employees to be responsible for their health care dollars. Employers also expect that CDHPs will improve employee satisfaction by giving consumers more choice and decision making power.

Make sure employees know what they are getting:

- ✓ Make the details of the CDHP explicit: explain what benefits are included and which are excluded, detail out-of-pocket payments and state the plan terms (i.e., length of the policy).
- ✓ Subsidize each plan (if more than one is offered) equally so that enrollees' costs parallel those of the company. Currently, many employers subsidize different plans by different amounts so that the enrollee does not understand the company's underlying costs.
- ✓ Offer detailed and comprehensive information about the clinical outcomes and patient satisfaction of the providers in each plan. Research suggests that consumers are more interested in data about the quality of providers than the quality of health plans.
 - Provide patient satisfaction ratings on providers, hospitals and urgent care centers.
 - Provide certification information on providers. For example, highlight recommended providers who are board certified in their areas of specialty.
 - Provide information on the accreditation status of local and regional hospitals.
- ✓ Assist employees in the transition from a traditional plan to a consumer-driven plan.
- ✓ Provide patient education programs or direct employees to resources where they can learn more about their health plan, health care decision making, disease, diagnosis, management and treatment-option issues.
- ✓ Offer support services, especially for those employees new to CDHPs. Such support services should include web-based and telephone customer service centers that can answer questions on benefit coverage, medical claims and status of accounts (for HSAs, etc).²

Helping Employees Get the Information They Need

New enrollees will need information and decision support tools in order to use their plan effectively. Specifically, they are likely to need information on how to best manage their health care dollars, the cost savings and health promotion effects of preventive services, costs associated with different treatment sites (for example, ER versus urgent care), the difference between brand-name and generic drugs and a host of other topics depending on plan type and enrollee population. All enrollees will need information on the services their plan includes, the providers they can go to for care, the facilities that offer health care in their area and other important plan aspects. This information must be accurate and reliable and must be presented in ways that will be understood by employees and their families.

Below is a list of topics employees using a CDHP for the first time will need information about. This checklist will allow you to collate information currently provided by your benefits department, health plan(s) and other sources. It may also provide you with ideas on what type of information you should gather before launching a CDHP.

Category	Information needed by employees	Employer Resources
CDHP	<ul style="list-style-type: none"> How a CDHP works What are the requirements of a CDHP? Information on contribution levels Information on rollover policies Catastrophic coverage supplement options Cost and quality comparisons between CDHP and traditional plans 	
Services	<ul style="list-style-type: none"> Types and numbers of providers and specialists Accessibility of providers including languages spoken, ability to request gender of provider, etc. 	
Providers	<ul style="list-style-type: none"> Credentialing of providers Types and numbers of providers and specialists Accessibility of providers including languages spoken, ability to request gender of provider, etc. 	
Facilities	<ul style="list-style-type: none"> Physical accessibility of facilities including travel time to facilities Accreditation status of institution Quality assurance reports Patient safety information 	
Other	<ul style="list-style-type: none"> Complaints and grievances filed against providers, plans, HMOs, etc. Number and demographic of clients served Satisfaction of clients including satisfaction surveys, rate of continuation of coverage, etc. 	

Media for Employee Education

Research shows that interactive decision support tools that require employees to actively participate in the learning process provide the best means of education. Well-designed tools are informative and user friendly. Decision support tools include:

- ✓ Programs that allow employees to find a doctor or other health care provider and view information about providers such as accessibility, languages spoken, specialties, certifications and accreditations, quality measures and patient satisfaction scores. Many health plans currently offer this type of information to their enrollees. In addition, many physician professional organizations such as the American Academy of Family Physicians (AAFP) and the American Academy of Pediatrics (AAP) offer “find a doctor” websites that allow individuals to search for board certified physicians in their area. For more information visit:
Find a family doctor at familydoctor.org: <http://familydoctor.org/cgi-bin/memdir.pl>
Pediatrician Referral Service: <http://www.aap.org/referral/prsSearch.cfm>
- ✓ Personal health promotion tools such as health risk appraisals, virtual coaches for weight loss, smoking cessation or other health behavior changes.
- ✓ Prescription drug cost information and tools that allow enrollees to compare brand-name, generic and over-the-counter (OTC) medications.
- ✓ Real-time HSA/HRA account information that shows account balances, debits, credits and rollover information.
- ✓ Health information resources such as websites, links to printable brochures, booklets, etc.
- ✓ A toll-free telephone number for an independent nurse or other provider who can discuss information on health care issues and advise employees on what type of provider to see for a specific condition.

Overall Communication Strategies

- ✓ **Set up the network before beginning open enrollment and employee communications** — An established care network is critical to a successful health plan. Employers need to make sure they arrange and contract with all providers before beginning a communication campaign for a new consumer-driven plan. Employees will want to determine if the plan covers their providers before they sign up. A network that hasn't been completed may breed confusion and dissatisfaction.
- ✓ **Start communication plans early** — For a new consumer-driven plan to have the potential for success, create and initiate a communication plan early. If open enrollment occurs toward the end of the year, begin communication and education efforts early in the year to encourage employees and dependents to enroll. Attempt to dispel as many myths, misconceptions and other erroneous beliefs as possible early in the process. Demonstrate the positive benefits to the new program. Explain which parties could best benefit from such a plan and which employees may consider staying on an existing plan. Early communication planning may also help rectify issues arising either from employee opinion or plan design.
- ✓ **Prepare for employee pushback and have a plan in place** — Every employer wants a plan to succeed and for employees to embrace consumerism. However, they should prepare for possible negative responses. Planning proactively for such a response will help temper feelings and possibly change opinions. Components such as higher cost-sharing by employees, greater transparency of service costs and widening of provider networks may leave some beneficiaries nonplussed, angry or confused. Acknowledge that these plans have some down sides, but explain the importance and potential benefit of newer plan offerings. Also, work with any union leaders to discuss possible changes that will be different than non-unionized employees to minimize confusion and concerns over contract issues.
- ✓ **Create awareness through a host of channels** — Convey information on new consumer-driven plans through different channels including company Intranets, paycheck stuffers, fliers and table cards in employee gathering areas and newsletters. Repetition is not only important in remembering information, but also understanding it.

Case Study: Implementing and Communicating New Consumer-Driven Plans

A large manufacturing firm wanted to implement consumer-driven health plans to its employees and dependents. In late 2002, it went to senior leadership for approval and completed the design in early 2003 with hopes to enroll 50% of beneficiaries in the new plans. The firm worked with an outside health plan vendor and developed two different offerings, both with a health reimbursement account (HRA). One plan had a \$2,000 annual family deductible, \$6,500 total out-of-pocket expense and 70% co-insurance and the other had a \$5,500 annual family deductible, \$10,500 total out-of-pocket expense and a 90% co-insurance.

To ensure that the plans would succeed, especially with a goal of 50% employee enrollment, the firm implemented an early communications strategy. Approximately a year from open enrollment for 2004 the company started talking about consumerism. It specified roles of the company and the employee, stressed the positive aspects of the new plans and noted that anyone who did not enroll in any plan would automatically default to a consumer-driven plan. It also developed separate communication and implementation strategies for salaried and union workers.

The company's efforts resulted in 5,699 enrollees out of approximately 9,000 salaried and non-union employees (a 71% enrollment rate) starting in a consumer-driven plan. A high percentage of enrollees remained in the program when open enrollment began again. The firm has also been successful in negotiating consumer-driven plans at union locations.

Overall the firm found success in the plan, but realized that early communication was key to its positive outcome. However, it did learn that all plan pieces need to be in place for enrollment including all network contracts. Confusion over this fact caused some issues, but in the end the company resolved all of its provider relationships. Since the initial year, the firm has added a third offering and continues to provide education and outreach to all employees.

Evaluation Techniques

Evaluation is an important part of overall strategy, especially in health plan design. Employers need to review not only the enrollment in particular plans, but the effectiveness of communication ventures and implementation. As beneficiary populations change over time, employers will need to adjust how they reach out to employees and dependents and what services they offer. For example, as employers continue to hire more non-English speaking workers, they will need to produce more materials that are in other languages. But they can only know to do so if they review their plans and determine their current and future effectiveness.

- ✓ **Survey employees to determine satisfaction with plan offerings** — Some companies already perform this, but a survey of plan satisfaction could help to re-engineer those programs not performing well or increase participation in specific plans.
- ✓ **Calculate usage among beneficiaries** — Determine enrollment in different plans offered and evaluate any switching between plans during open enrollment. Large volumes of plan switching may indicate a dissatisfaction with a particular plan, especially if migration is unidirectional.
- ✓ **Review all education materials as needed** — As plans and beneficiary populations change over time, so should your educational materials. Make sure that all educational materials reflect current plan offerings and target employees and their dependents effectively.

Summary

The success of a CDHP rests on consumer behavior. Employees will need information, guidance and support to become knowledgeable and effective health care consumers. While the education process may take time and resources, both employers and employees will be better served by the outcome.

Section 5 Footnotes:

¹ Vinn NE (2000). The emergence of consumer-driven health care. *Family Practice Management Journal*. 7(1)

² “Tips to promote employee buy-in” adapted from Herlinger R (2004). *Consumer-driven health care: Taming the health care costs monster*. *Journal of Financial Service Professionals*. March 2004.

³ Van Tosh L (2000). *Decision Support 2000+*. Mental Health, United States, 2000. US Department of Health and Human Services, Substance Abuse and Mental Health Services. Rockville, MD.

Nine Key Points in Communicating Consumer-Driven Health Care

The advent of consumer-driven health plans has created lots of questions. How will the plans affect costs for employers and employees? Will consumers still be able to access the high quality services they need? Are there greater risks for minorities, the chronically ill, seniors, children and adolescents or those with special health care needs?

Understandably, there is a lot of confusion right now about consumer-driven health plans.

Most experts believe that consumer-driven plans will still provide the services found under existing managed care and indemnity health plans. However, consumer-driven plans will place a greater emphasis on preventive services and disease management rather than on acute or catastrophic care. Changes in the financing of health services differentiate consumer-driven plans from older managed care and indemnity plans.

This fact sheet seeks to address a number of questions surrounding consumer-driven health plans. It also provides solid management and communication strategies employers can follow to prevent unnecessary problems.

Overview

1. Employers and employees share the costs of consumer-driven health plans.

Consumer-driven health plans ensure that employees and employers share both the risk and costs of health care. One concept behind cost sharing is to encourage employees to make more conscientious health decisions. As employees bear part of the cost for themselves and their dependents, they are assigned the responsibility for managing costs through prudent use of both health plans and personal savings accounts. Conceptually, these plans enable employers to stabilize costs while allowing employees to take on a more active role in managing their health care service use. Additionally, consumer-driven health care models provide employees with more choice in providers and services that were not available under traditional managed care plans.

Employer Strategy

- Stress the greater flexibility and wider selection of services allowable under consumer-driven plans in all communication messages.
- Accentuate the positive components such as coverage of preventive services and possible lower monthly premiums to balance higher deductible costs.
- Encourage the use of preventive services by offering either first dollar coverage for preventive services or by providing discounts through a health reimbursement account (HRA) for preventive service use.

2. Risk will still be evenly distributed among all types of health plans.

With the introduction of consumer-driven health plans, healthier individuals and wealthier employees may migrate into high-deductible health plans (HDHPs), while sicker individuals may stay in managed care or indemnity plans. However, as employers transition to preferred provider organization (PPO), point of service (POS) and HDHP plans, this may become less pronounced and risk will again be distributed evenly among plans.

Employer Strategy

- Offer a variety of plans including a range of PPO and POS models for those employees and dependents with chronic conditions.
- Incorporate disease management programs with incentives in all health plans.

3. Both HRAs and HSAs benefit employers and employees — for different reasons.

The chart below provides a comparison of HRAs and HSAs.

Overall, employers benefit more from plans with HRAs for the flexibility in plan design. Employees can benefit equally through HSAs or HRAs, depending on factors such as employer contribution, health status and income level.

Employer Strategy

- Prepare educational materials detailing the benefits and risks of whichever financial plans are available.
- Advise employees about which plans and personal savings accounts would benefit their families best.

Benefits of Personal Savings Accounts

	HSA	HRA
Employers	<ul style="list-style-type: none">• Contributions can be employee only• No options for incentives — employer does not need to spend more to cover additional premium amounts	<ul style="list-style-type: none">• Greater flexibility in programming and incentive options• Have some control over how contributions are spent• Not real dollars — remaining funds stay with the company upon employee's departure (not portable)
Employees	<ul style="list-style-type: none">• Real dollars — travel with the employee from job to job• Provides opportunity to increase savings through interest on investments• Can have employer contributions as well as employee contributions• Control how they spend contributions	<ul style="list-style-type: none">• Potential for incentive rewards for engaging in certain activities• Not part of a cafeteria plan — all employer funds are ancillary to salary and not a salary deduction

For more information on specifics of each personal savings account type, see the Business Group issue brief, *Consumer-Driven Health Care Plan Design and Considerations*.

4. Consumer-driven plans serve the needs of people in all stages of health.

Plans with HRAs allow for greater flexibility in program design. They may also include incentives for those with certain health conditions to participate in disease management programs or self-care activities. This can help to lower health care costs and promote the health of employees with chronic conditions.

People covered under Medicare cannot participate in an HSA. Consumer-driven plans with HSAs were not intrinsically designed for older populations on Medicare. Retired beneficiaries can still benefit from HRAs and FSA plans in HDHPs and non-HDHPs, including Medicare. These populations can use HRAs to cover the costs of disease management programs and possibly subsidize medications.

Employer Strategy

- Demonstrate the benefit of new health plans for all individuals.
- Explain benefits available to employees for improving the health of child and adolescent dependents.
- Work with unions and other employee groups to gain employee buy-in.

5. Consumer-driven plans can benefit people of all ages.

All populations, young and old, may benefit from a consumer-driven plan with an HRA that allows for financial incentives for positive health behavior and compliance with clinical evidence and recommendations.

However, health savings accounts tend to favor young, healthy and/or financially advantaged individuals. Young, healthy individuals may use fewer health care services and can build up their savings accounts faster than those who use more health care services. HSAs tend to favor the wealthier individuals because they offer the ability to save tax-free investments for deductibles as out-of-pocket expenses. Since HSAs are private accounts much like other financial savings plans, they may invest funds. Investments will need to be actively managed to ensure funds remain available for payment of health care services.

Employer Strategy

- Work with retirees to demonstrate benefits of plans for them.
- Ensure the plan covers services for chronic illnesses.

6. Careful education and plan management can minimize disparities in coverage.

Clear consumer education and careful plan management are key in minimizing disparities in health coverage, especially among racial and ethnic minorities. Minorities are at an increased risk for many health conditions such as high blood pressure and diabetes. Language and cultural differences may make them more reluctant to seek health information. Qualities of consumer plans such as increased health care choices and a greater emphasis on fully-covered preventive services could help decrease possible disparities.

Employer Strategy

- Ensure all employees have access to education and appropriate health care services.
- Educate racial and ethnic populations about special health issues affecting them.
- Provide education about racial and ethnic disparities to affected populations. This education should include guidance for discussing their respective health conditions with providers.

Benefit managers need to ensure that newer plans do not exacerbate existing health care disparities.

7. Consumer-driven plans reward greater participation.

Some beneficiaries want to be major drivers in making health care decisions. Others want very little input. Consumer-driven health plans can serve both groups.

PPO or POS plans with an accompanying HRA may offer the opportunity to those who actively engage in care management to maximize benefits. Employees who are more active in the plan earn lower co-pays by utilizing in-network providers and services. They may also receive additional incentives through the HRA by participating in ancillary disease management programs and complying with all prescriptions.

Employer Strategy

- Educate employees and dependents on how to get the most out of benefit plans.
- Design plans so that employees who want limited input can still access benefits through simple lifestyle changes and using in-network services.
- Ensure that all health plan materials clearly spell out which services and providers are in network. Also, list all activities that could result in rewards through an HRA.

8. Consumer-driven plans promote the use of preventive services.

Some public health officials are concerned that higher out-of-pocket costs will discourage beneficiaries from seeking treatment. The reality is that consumer-driven plans actually promote preventive services through 100% coverage. Financial incentives through an HRA may also increase the use of preventive services and promote adherence with prescription medication and disease management protocols.

Employer Strategy

- Clearly and aggressively define and promote preventive services for employees and their dependents.
- Offer preventive services at 100% coverage to encourage participation. Services like cancer screenings and childhood immunizations may result in some initial cost increases, but the substantial return on investment will offset this initial payout. For more information, see the National Business Group on Health's *Employers Guide to Health Improvement and Preventive Services*.

9. Consumers will use pricing to determine what services to purchase.

Under newer plan designs, costs of services will help employees make more direct decisions about which services to purchase. Because of costs, geographical limitations and rarity of some highly specialized services, not all services will be comparable especially on price or availability. Providers will need to focus on evidence-based medicine to offer the most effective and cost efficient services to consumers.

Employer Strategy

- Provide beneficiaries with access to evidence-based health care information.
- Provide employees with information that will allow them to compare different clinical services.

CREDITS

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*Support for this work was provided by the U.S. Health Resources and Service Administration,
Maternal and Child Health Bureau.*