

*The Symposium on E-Healthcare Strategies*  
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*Health Care Leadership Issues*

**The Emergence & Differentiation  
of “Consumer Driven” Health Plans**

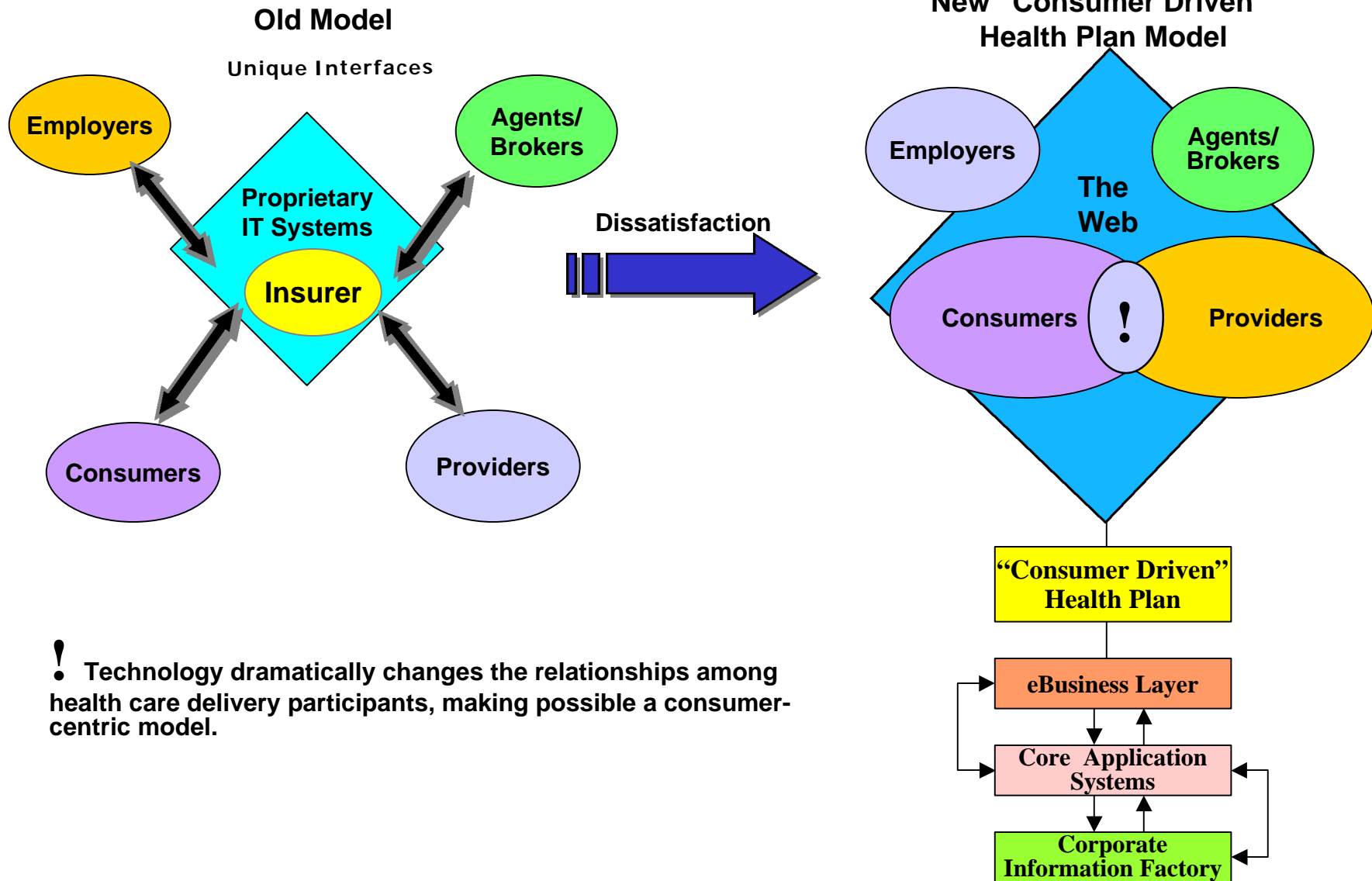
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# The Emergence & Differentiation of “Consumer Driven” Health Plans

- **The Health Care Environment**
  - Consumerism & Technology Accelerate Emergence of “Consumer Driven” Health Plans
  - The “Consumer Driven” Health Plan Approaches to Providing Coverage
    - 1<sup>st</sup> Generation & 2<sup>nd</sup> Generation “Consumer Driven” Health Plans
  
- **1<sup>st</sup> Generation *Web-Enabled* “Consumer Driven” Health Plans**
  - “Consumer Driven” Health Plan eArchitecture
  - Ease of Access and Connectivity
  - *Front End* Applications
  
- **2<sup>nd</sup> Generation *Digital* “Consumer Driven” Health Plans**
  - Exceptional Functionality for All Customers
  - “Consumer-Centric Care”
  - Data Warehouse Drives Capability
  
- **Conclusion**
  - State of the Industry

# Consumerism & Technology Accelerate Emergence “Consumer Driven” Health Plans



# The “eVendors/Health Plan” Employer Landscape



Adapted from Ms. Tracy Cassidy & Mr. Bill Maloney -Mercer

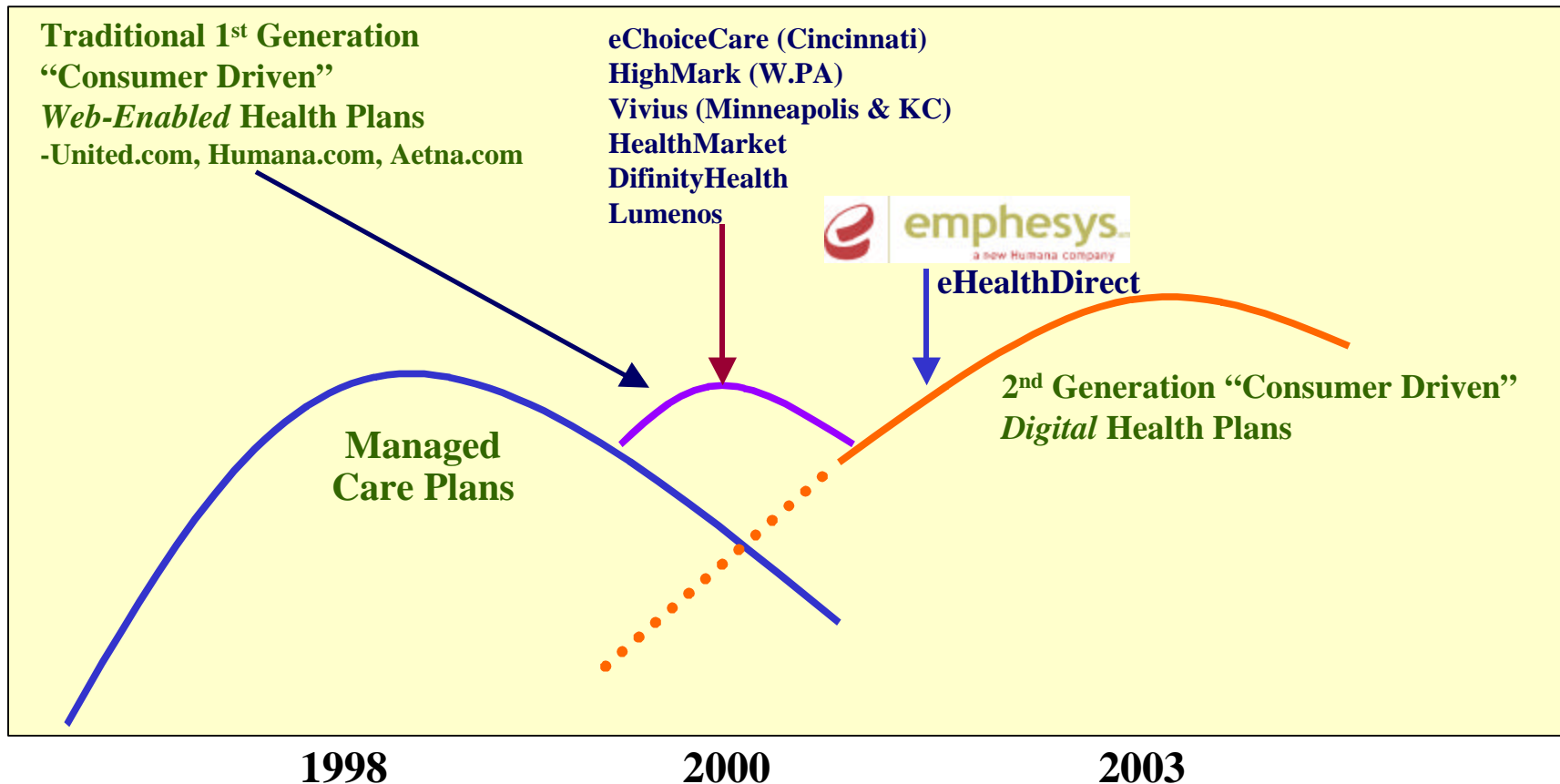
# Two “Consumer Driven” Health Plan Approaches to Providing Health Coverage

## Traditional 1<sup>st</sup> Generation “Consumer Driven” *Web-Enabled* Health Plans

Incremental improvements to traditional health insurance via Internet facilitated automation, electronic data transfer and related efficiencies.

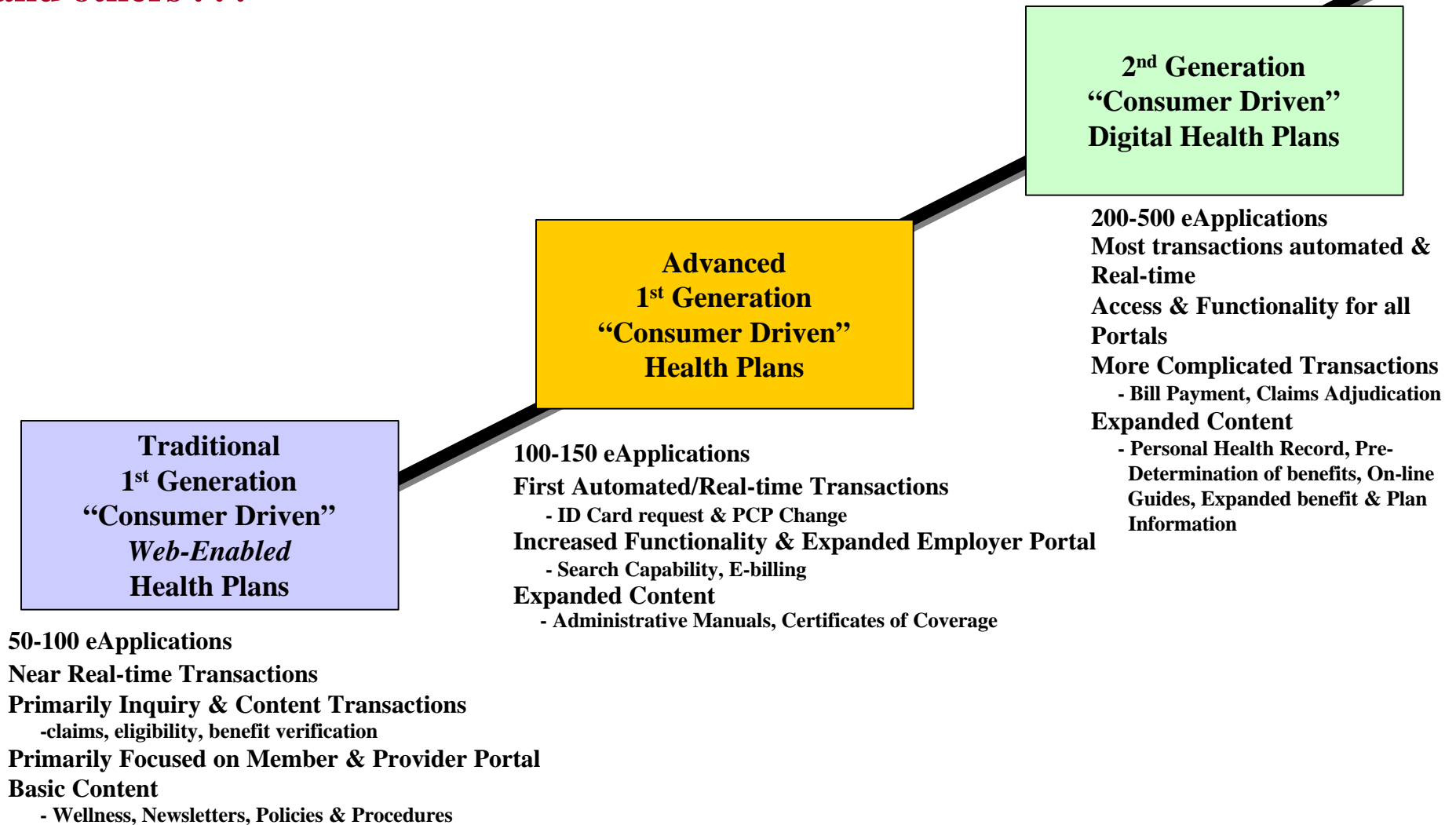
## 2<sup>nd</sup> Generation “Consumer Driven” *Digital Health Plans*

A “Transformative Product” that reinvents the methods & relationships of health management, through integrated shared information that empowers its constituents.

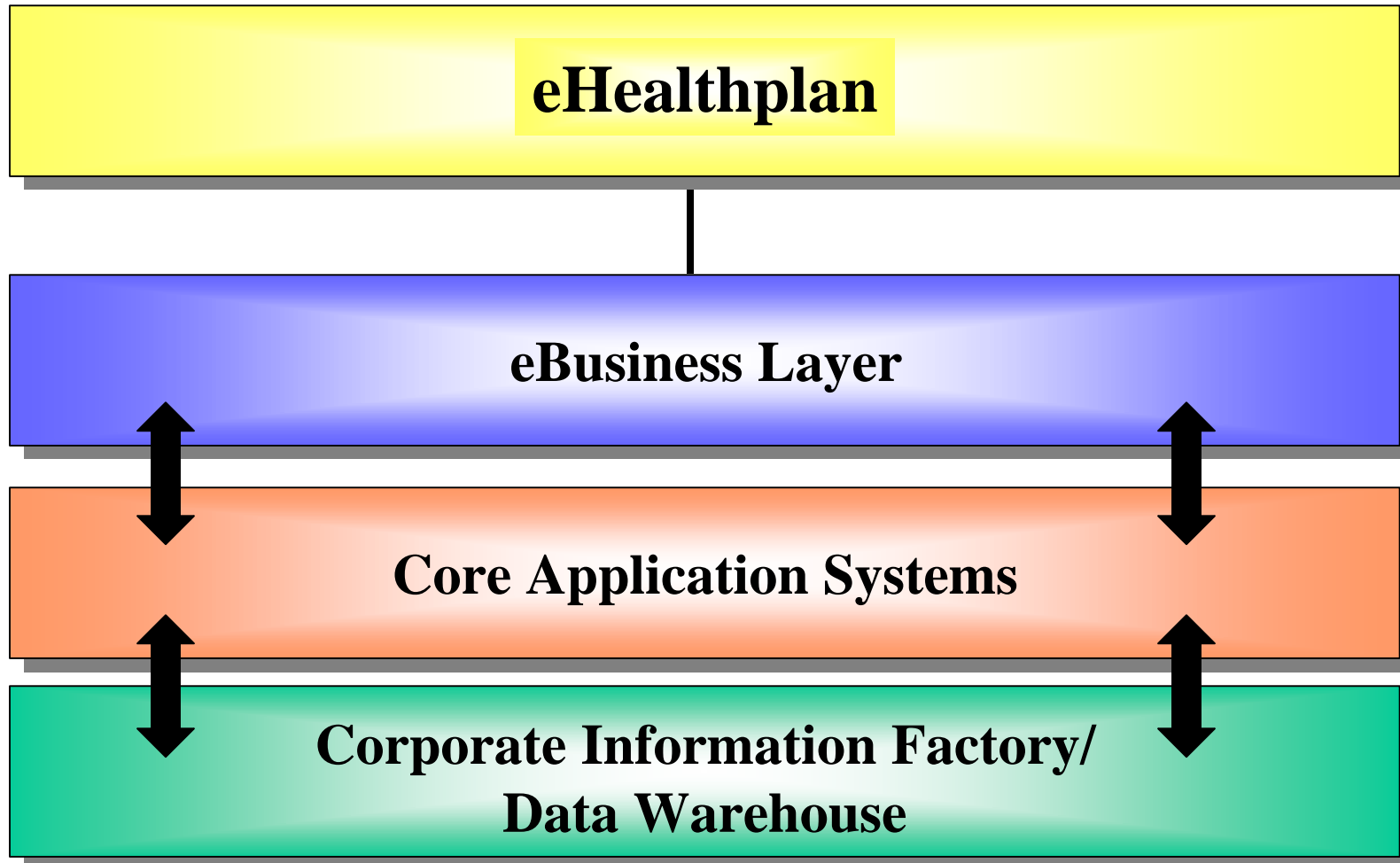


# Progressive Sophistication of Functionality

**Web-enabled relationships with consumers, physicians, agents, employers, and others . . .**

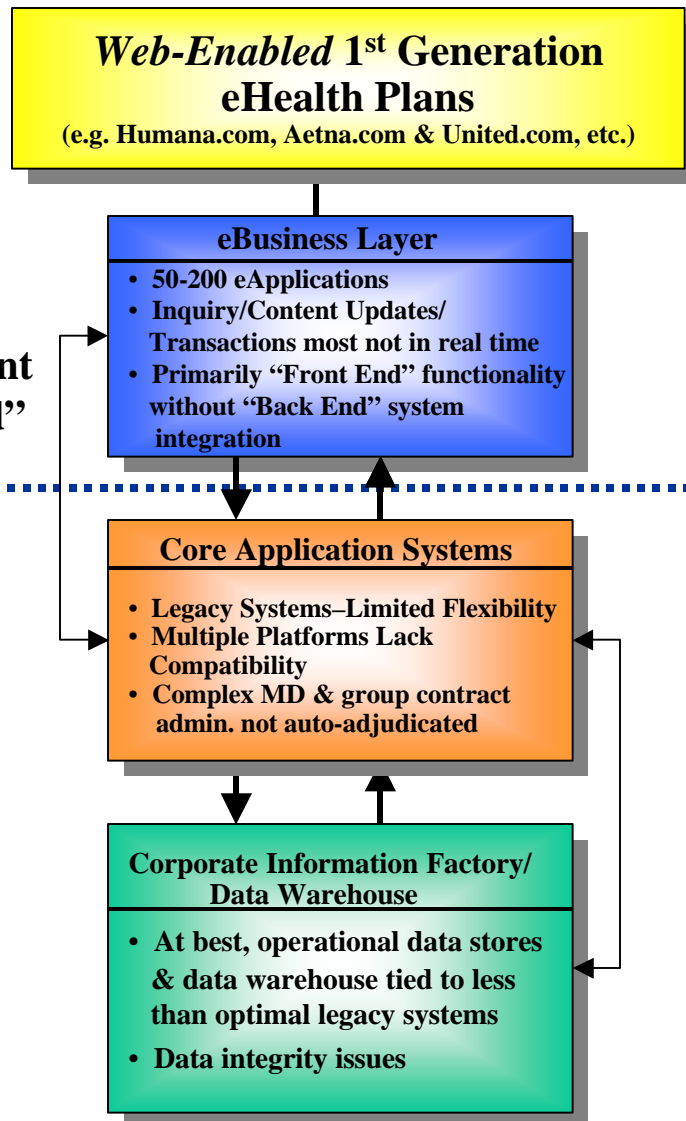


# “Consumer Driven” Health Plan eArchitecture

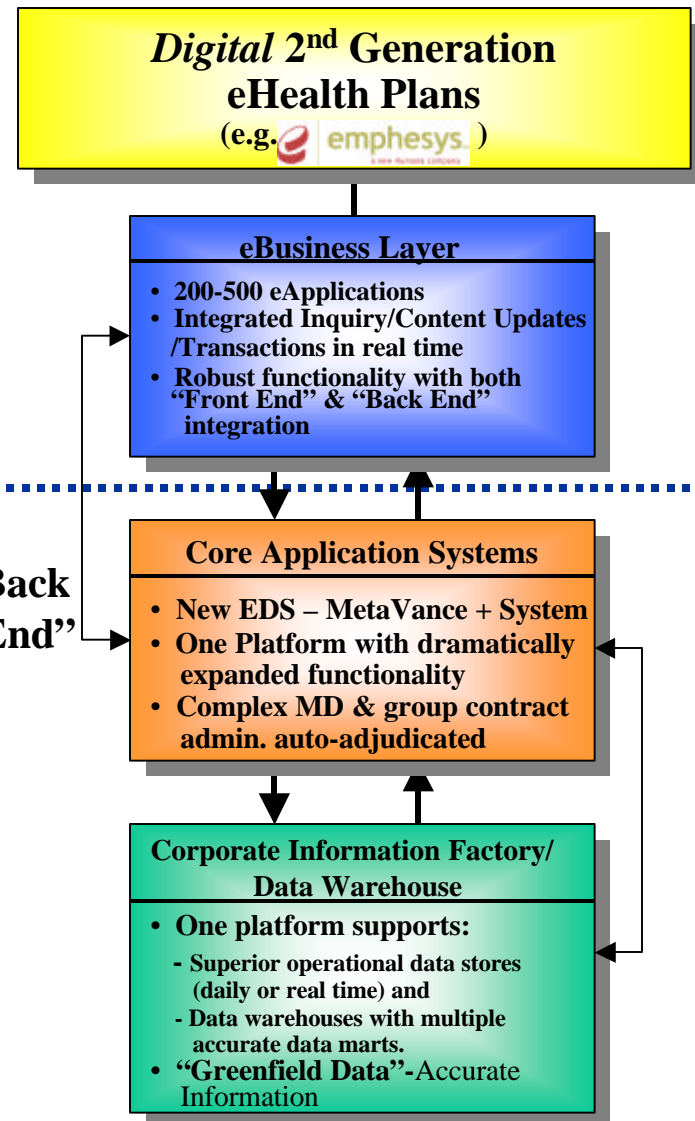


# Key Differences of the Two Models

## “Traditional” Model



## New 2<sup>nd</sup> Generation Model



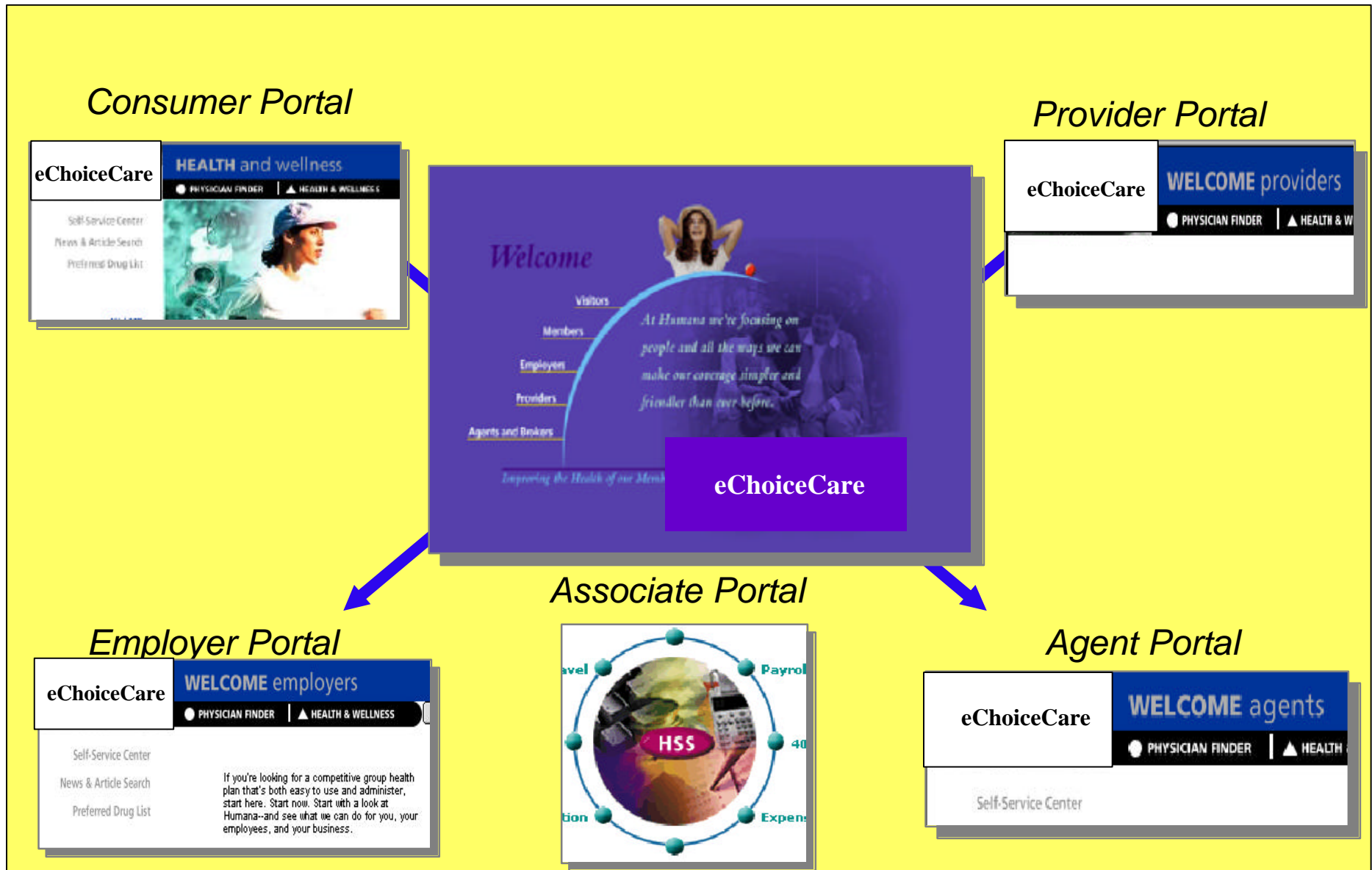


**1<sup>st</sup> Generation *Web-Enabled* “Consumer Driven” Health Plans**  
**Example: Humana/ChoiceCare**

# **Humana/ChoiceCare**

## **eHealthPlan Demonstration**

# 1<sup>st</sup> Generation *Web-Enabled* Health Plans Have Ease of Access & Connectivity



# **1<sup>st</sup> Generation *Web-Enabled* Health Plans Provide Members, Employers & Providers with Internet Functionality**

## **HEALTH PLAN ELEMENTS**

- **Certificate of Coverage/  
Summary Plan Document Search**
- **Expanded Provider Directory Search  
Capabilities/Information**
- **Automated Claims Adjudication**
- **Improved Claims Status Inquiry**
- **Accelerated Eligibility Determination**
- **Claims History Availability**

## **CONSUMER CENTRIC CARE**

- **Formulary Coverage and  
Pharmaceutical Search**
- **Health Risk Assessments/Personal  
Health Record**
- **Preventive Care - Reminders and  
Information**
- **High Quality Health Information  
Available**
- **Interactive Health Care Decision  
Support Tools**

## 2<sup>nd</sup> Generation *Digital* “Consumer Driven” Health Plans

Example-  **emphesys**  
a new Humana company



**emphesys**<sup>sm</sup>

a new Humana company

**The “First” Digital Health Plan**

# 2<sup>nd</sup> Generation *Digital* Health Plans Have Exceptional Functionality

## 2<sup>nd</sup> Generation *Digital* Health Plans

### Consumers:

Unprecedented Customized Benefit Design & Access to Personal Health Information

### Employers:

A “New Level” of Benefit Administration through Digital Health Plan/eHR Compatibility and Greatly Expanded Ad Hoc “Real Time” Access to Plan Performance

### Health Plan

### Associates:

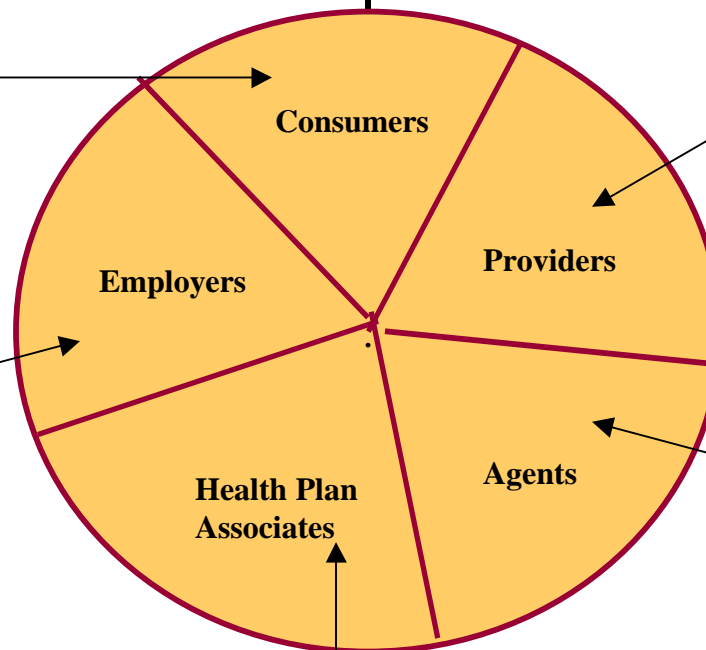
Dramatically Improved Health Plan Operational Processes Leading to an Exemplary Level of Responsivity & Customer Service

### Providers:

Maximum Flexibility in Providing Both Clinical & Administrative Tools to Assist the MD/Patient Care Relationship

### Agents:

Expedited/Specialized Quotation, Enrollment And Underwriting Capabilities



## 2<sup>nd</sup> Generation *Digital* Health Plans Have Exceptional Functionality for Consumers

### Custom Benefit Design Examples:

	<b>“Traditional” 1<sup>st</sup> Generation <i>Web-Enabled</i> Plans</b>	<b>2<sup>nd</sup> Generation “Consumer Driven” <i>Digital</i> Plans</b>
<b>Benefit Design</b>	Health Plan Provides PPO, HMO & POS Options	Consumer creates an individualized benefit plan by specifying key variables (i.e. co-pays, co-insurance, deductibles, ability to share risk, MD networks, etc.). Flexibility for “Defined Contribution” if desired.
<b>Networks</b>	Plan Creates Network for Different Products	Plan creates one “transparent” universal network. The consumer individualizes his network & pays a different premium depending on choices.
<b>Fee Schedules</b>	Plan Negotiates Compensation	Plan negotiates provider compensation and arms the consumer with pricing information before receiving care- “Transparent Pricing”.
<b>Benefit Information/ Status</b>	Plan Provides Periodically Updated Data for Review	Plan allows “real time” consumer (self-service) on-line monitoring of claims status, eligibility and special programs.

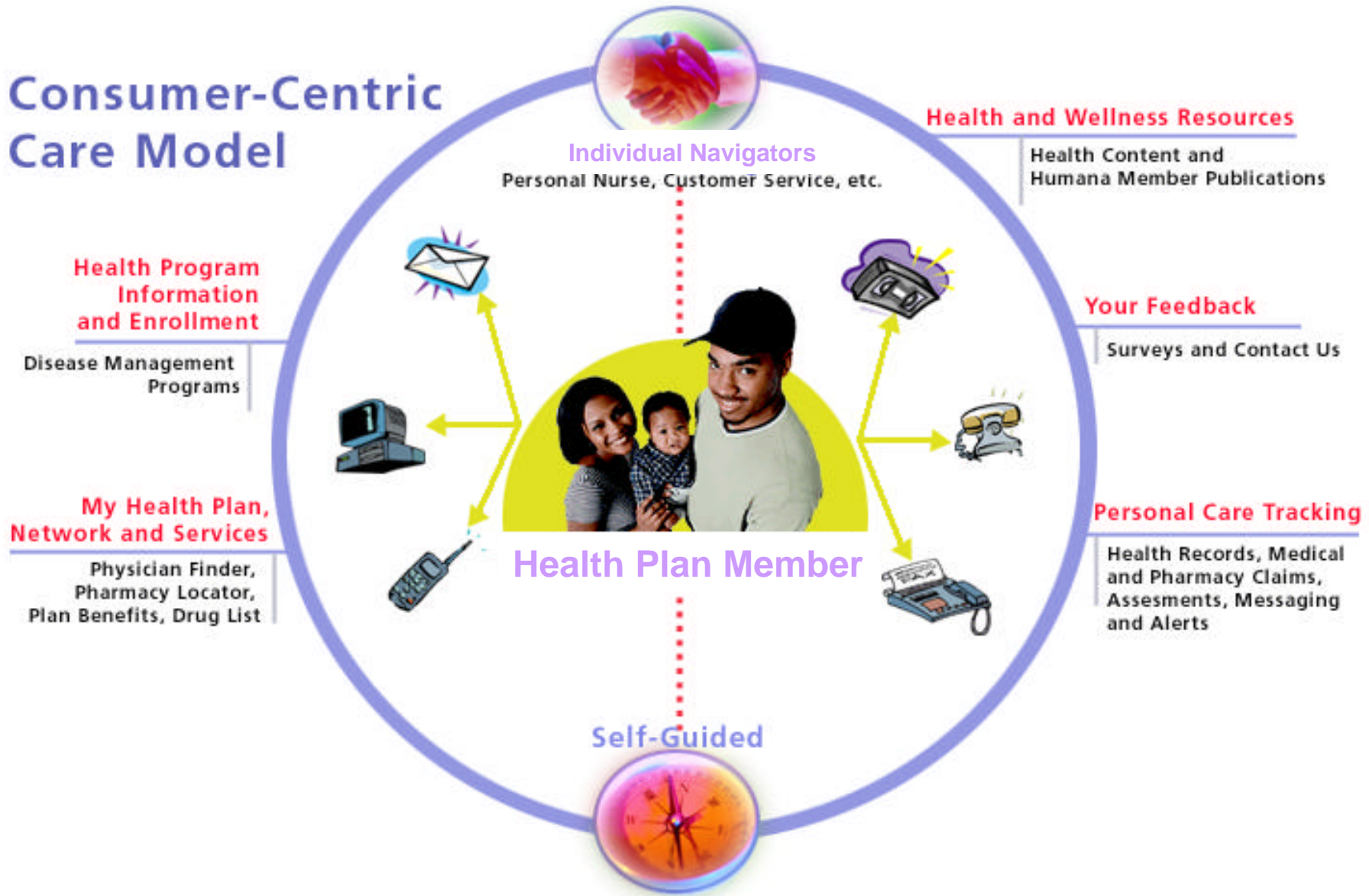
## **2<sup>nd</sup> Generation *Digital* Health Plans Have Exceptional Functionality for Consumers**

**The consumer-centric model entails a fundamental shift from an inward-looking and transactionally oriented approach to one that looks outward with a focus on :**

- **Viewing every aspect of our business through consumers' eyes**
- **Continually learning and understanding members' unique and changing values, needs and preferences**
- **Integrating and aligning products, services and information around specific needs**
- **Enhancing relationships through intelligent, dynamic customization; matching the right resource to the right consumer at the right time**

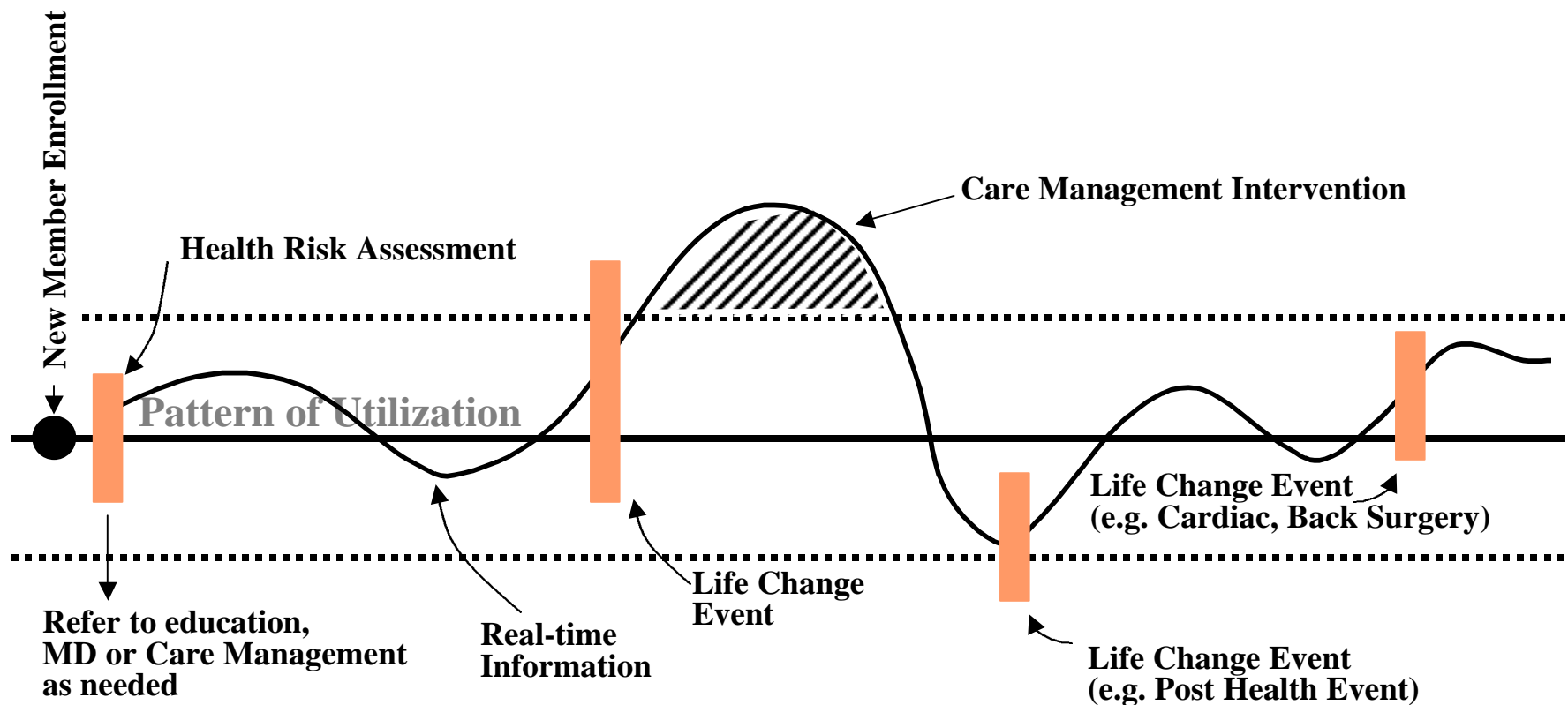
# 2<sup>nd</sup> Generation *Digital* Health Plans Have Exceptional Functionality for Consumers

## Consumer-Centric Care Model



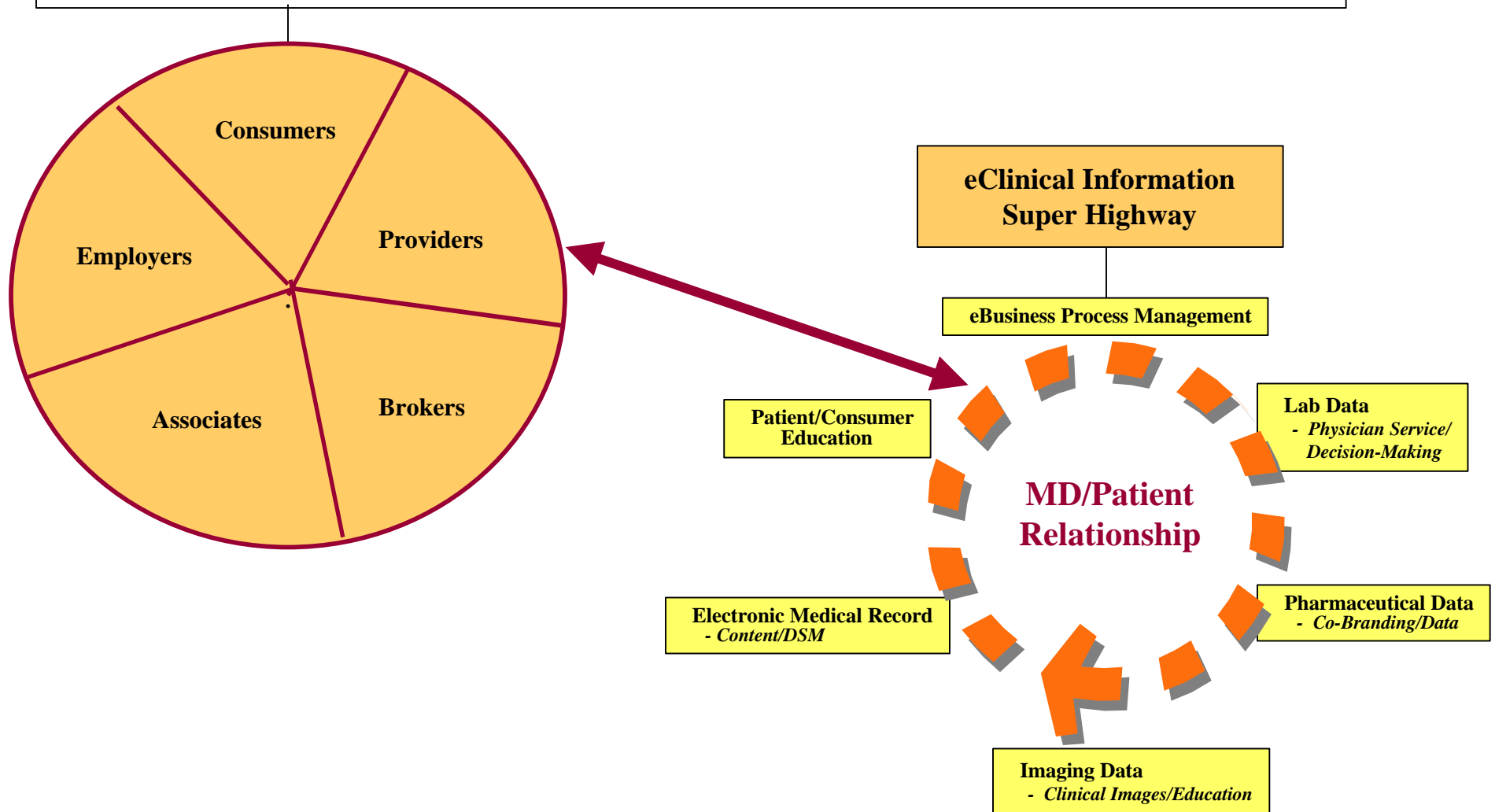


**“Consumer Centric Care”:** The right care at the right place at the right time. The MD/Patient relationship is enhanced by anticipating, over the relationship life-cycle, timely interventions to prevent or mitigate the impact of otherwise serious events.



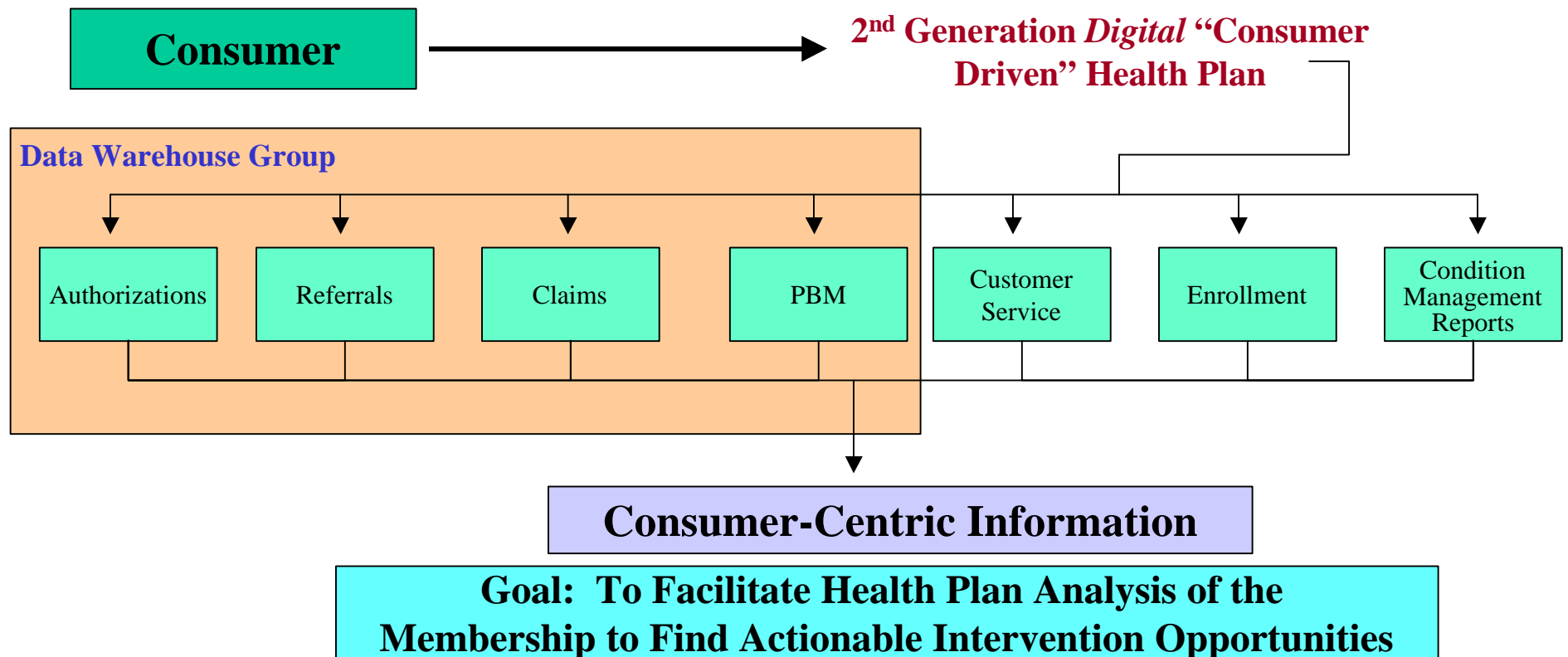
# 2<sup>nd</sup> Generation *Digital* Health Plan Have Exceptional Functionality for Providers

2<sup>nd</sup> Generation *Digital* Health Plan Connects to the eClinical Information Super Highway



## 2<sup>nd</sup> Generation *Digital* Health Plans Have Exceptional Functionality for Employers

Diverse Data Sources are Connected to Create a More Coherent Picture of Member Activity and Behavior

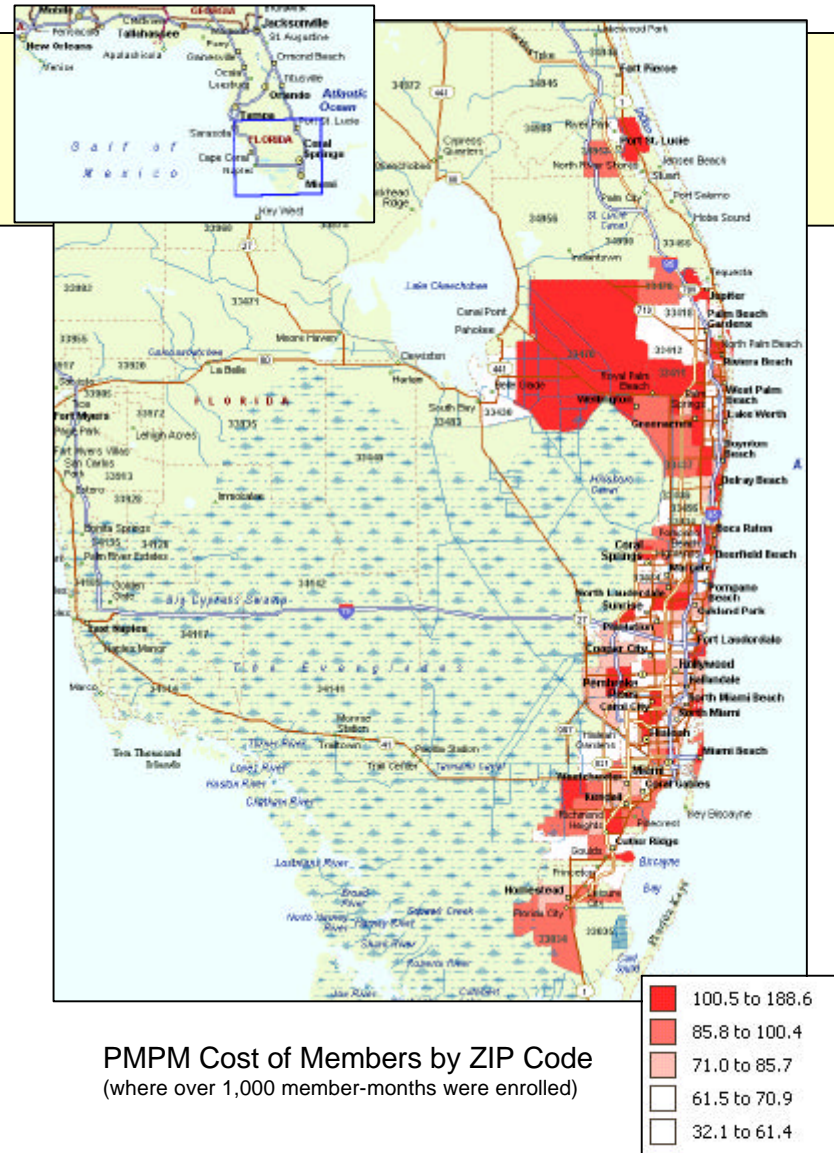


# 2<sup>nd</sup> Generation *Digital* Health Plans Have Exceptional Functionality for Employers

## Is Geography Destiny?

### Members Can Be Identified and Mapped To Their Locations To Initiate:

- Physician Oriented Interventions
- Chronic Care Population Programs
- Door-to-Door Activities
- Site-based Promotion



## **Conclusion: State of the Industry**

### **2<sup>nd</sup> Generation *Digital* “Consumer Driven” Health Plans:**

- **Redefine Clinical Quality Measurement and Promote Appropriate Medical Resource Use through “Consumer-Centric Care”**
- **Significantly Reduce Administrative Costs and Hassles**
- **Integrate Employer & Employee Self-Service (eHR) Capabilities Producing Maximal Flexibility in Care Choice and Benefit Design Options**