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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
    - 1st Generation & 2nd Generation “Consumer Driven” Health Plans

- **1st Generation Web-Enabled “Consumer Driven” Health Plans**
  - “Consumer Driven” Health Plan eArchitecture
  - Ease of Access and Connectivity
  - *Front End* Applications

- **2nd Generation Digital “Consumer Driven” Health Plans**
  - Exceptional Functionality for All Customers
  - “Consumer-Centric Care”
  - Data Warehouse Drives Capability

- **Conclusion**
  - State of the Industry
Technology dramatically changes the relationships among health care delivery participants, making possible a consumer-centric model.
The “eVendors/Health Plan” Employer Landscape

<table>
<thead>
<tr>
<th>Individual Web-based Admin Solutions</th>
<th>Insurance Procurement Exchanges</th>
<th>“Consumer Driven” Health Plans-1st &amp; 2nd Generation</th>
<th>Consumer DC Exchanges</th>
<th>End-to-End Admin Solutions</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Enrollment</td>
<td>• Digital market place for group insurance product sales</td>
<td>• Empowers Consumers</td>
<td>• Platform for direct employee access to all health plans in a market, regardless of employer</td>
<td>• Enrollment</td>
</tr>
<tr>
<td>• Data Transfer</td>
<td>• Used by: - brokers/consultants - insurance companies - employers</td>
<td>• Customizable Products</td>
<td>• Direct Provider Selection by Employee</td>
<td>• Administration</td>
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<tr>
<td>• Claims Payment</td>
<td></td>
<td>• Accumulation of health care savings</td>
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<td>• Information</td>
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<tr>
<td>• Other stand-alone administration + self-service functions enabled by the Internet</td>
<td></td>
<td>• Real Time Functionality</td>
<td>• Real Time Functionality</td>
<td>- Benefit Decisions - Health Mgmt.</td>
</tr>
</tbody>
</table>

- BenefitPoint.com
- eHealthInsurance.com
- HealthAxis.com
- Quotesmith.com

Humana/ChoiceCare (Cincinnati)
HighMark (W. PA)
Vivius
HealthMarket
DifinityHealth
Lumenos
HealthPlan.com

Emphesys
eHealthDirect

HealthSync
eBenX “Benefit Exchange”

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

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

**Traditional 1st Generation “Consumer Driven” Web-Enabled Health Plans**

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

- United.com, Humana.com, Aetna.com

**2nd 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.

- eChoiceCare (Cincinnati)
- HighMark (W.PA)
- Vivius (Minneapolis & KC)
- HealthMarket
- DifinityHealth
- Lumenos

Progressive Sophistication of Functionality

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

Traditional 1st Generation “Consumer Driven” Web-Enabled Health Plans

- 50-100 eApplications
- Near Real-time Transactions
- Primarily Inquiry & Content Transactions
  - claims, eligibility, benefit verification
- Primarily Focused on Member & Provider Portal
- Basic Content
  - Wellness, Newsletters, Policies & Procedures

Advanced 1st Generation “Consumer Driven” Health Plans

- 100-150 eApplications
- First Automated/Real-time Transactions
  - ID Card request & PCP Change
- Increased Functionality & Expanded Employer Portal
  - Search Capability, E-billing
- Expanded Content
  - Administrative Manuals, Certificates of Coverage

2nd Generation “Consumer Driven” Digital Health Plans

- 200-500 eApplications
- Most transactions automated & Real-time
- Access & Functionality for all Portals
- More Complicated Transactions
  - Bill Payment, Claims Adjudication
- Expanded Content
  - Personal Health Record, Pre-Determination of benefits, On-line Guides, Expanded benefit & Plan Information
“Consumer Driven” Health Plan eArchitecture

- eHealthplan
- eBusiness Layer
- Core Application Systems
- Corporate Information Factory/Data Warehouse
**Key Differences of the Two Models**

### “Traditional” Model

**Web-Enabled 1st Generation eHealth Plans**
(e.g. Humana.com, Aetna.com & United.com, etc.)

- **eBusiness Layer**
  - 50-200 eApplications
  - Inquiry/Content Updates/Transactions most not in real time
  - Primarily “Front End” functionality without “Back End” system integration

- **Core Application Systems**
  - Legacy Systems—Limited Flexibility
  - Multiple Platforms Lack Compatibility
  - Complex MD & group contract admin. not auto-adjudicated

- **Corporate Information Factory/Data Warehouse**
  - At best, operational data stores & data warehouse tied to less than optimal legacy systems
  - Data integrity issues

### New 2nd Generation Model

**Digital 2nd Generation eHealth Plans**
(e.g. )

- **eBusiness Layer**
  - 200-500 eApplications
  - Integrated Inquiry/Content Updates/Transactions in real time
  - Robust functionality with both “Front End” & “Back End” integration

- **Core Application Systems**
  - New EDS – MetaVance + System
  - One Platform with dramatically expanded functionality
  - Complex MD & group contract admin. auto-adjudicated

- **Corporate Information Factory/Data Warehouse**
  - One platform supports:
    - Superior operational data stores (daily or real time) and
    - Data warehouses with multiple accurate data marts.
    - “Greenfield Data”- Accurate Information

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

Humana/ChoiceCare

eHealthPlan Demonstration
1st Generation *Web-Enabled* Health Plans Have Ease of Access & Connectivity
1st 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
2nd Generation Digital “Consumer Driven” Health Plans
Example - emphesys

The “First” Digital Health Plan
2nd Generation *Digital* Health Plans Have Exceptional Functionality

**Consumers:**
Unprecedented Customized Benefit Design & Access to Personal Health Information

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

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

**Agents:**
Expedited/Specialized Quotation, Enrollment And Underwriting Capabilities

**Health Plan Associates:**
Dramatically Improved Health Plan Operational Processes Leading to an Exemplary Level of Responsivity & Customer Service
**2nd Generation Digital Health Plans Have Exceptional Functionality for Consumers**

**Custom Benefit Design Examples:**

<table>
<thead>
<tr>
<th>Benefit Design</th>
<th>“Traditional” 1st Generation Web-Enabled Plans</th>
<th>2nd Generation “Consumer Driven” Digital Plans</th>
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</thead>
<tbody>
<tr>
<td>Benefit Design</td>
<td>Health Plan Provides PPO, HMO &amp; POS Options</td>
<td>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.</td>
</tr>
<tr>
<td>Networks</td>
<td>Plan Creates Network for Different Products</td>
<td>Plan creates one “transparent” universal network. The consumer individualizes his network &amp; pays a different premium depending on choices.</td>
</tr>
<tr>
<td>Fee Schedules</td>
<td>Plan Negotiates Compensation</td>
<td>Plan negotiates provider compensation and arms the consumer with pricing information before receiving care—“Transparent Pricing”.</td>
</tr>
<tr>
<td>Benefit Information/Status</td>
<td>Plan Provides Periodically Updated Data for Review</td>
<td>Plan allows “real time” consumer (self-service) on-line monitoring of claims status, eligibility and special programs.</td>
</tr>
</tbody>
</table>
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
2nd Generation *Digital* Health Plans Have Exceptional Functionality for Consumers
“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.
2nd Generation *Digital* Health Plan Have Exceptional Functionality for Providers

2nd Generation *Digital* Health Plan Connects to the eClinical Information Super Highway

- **Providers**
- **Consumers**
- **Employers**
- **Brokers**
- **Associates**

**eClinical Information Super Highway**

- **eBusiness Process Management**
- **Lab Data** - Physician Service/Decision-Making
- **Pharmaceutical Data** - Co-Branding/Data
- **Imaging Data** - Clinical Images/Education
- **Patient/Consumer Education**
- **Electronic Medical Record** - Content/DSM

**MD/Patient Relationship**

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2nd 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

Consumer

Data Warehouse Group

Authorizations  Referrals  Claims  PBM  Customer Service  Enrollment  Condition Management Reports

2nd Generation Digital “Consumer Driven” Health Plan

Consumer-Centric Information

Goal: To Facilitate Health Plan Analysis of the Membership to Find Actionable Intervention Opportunities
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

2nd 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