

## Easing the Corporate Health Care Cost Burden

**Although health care costs keep rising, there's finally some good news to report – it could be worse. By 2015, health care costs will eat up 20% of the Gross Domestic Product. Even now, the United States spends 4.3 times more on health care than on national defense.**

Everyone agrees such high health care costs and expected growth rates are not sustainable, but what's being done to get things under control?

### **Consumer-Driven Health Plans**

High-deductible health plans that include a consumer-controlled fund or account now cost employers on average about 6% less than other types of plans, according to a recent study by TowersPerrin.

Even more interesting is what happened when the companies surveyed by TowersPerrin combined consumer-driven plans with other efforts, notably:

- Active management of vendor relationships
- More effective communication about health care costs
- Pushing employees to take responsibility for decisions at the point of care and giving them tools to make better health care decisions.

The companies that undertook such efforts in the most comprehensive and long-term way saw the smallest increases in health care costs — the best of these actually reported a 5% decline in the health care costs of those employees opting for consumer-driven plans. There are numerous tools and solutions to enable the consumer and many different programs that put these pieces together into one helpful resource.



## Seven key features of sustainable health systems

- A vision and strategy to balance public versus private interests in building an infrastructure and in providing basic health benefits within the context of societal priorities
- Better use of technology and interoperable electronic networks to accelerate integration, standardization and transfer of administrative and clinical information
- Incentive systems to ensure and manage access to care while supporting accountability and responsibility for health care decisions
- Defined and enforced clinical standards to establish mechanisms for accountability and enhanced transparency, thereby building consumer trust
- Resource allocation that appropriately satisfies competing demands on systems to control costs while providing sufficient access to care for the most people
- Innovation, technology and process changes to continuously improve treatment, efficiency and outcomes
- Flexible care settings and expanded clinical roles to provide avenues for care that are centered on the needs of the patient

Source: *HealthCast 2020: Creating a Sustainable Future*, PriceWaterhouseCoopers Health Research Institute, 2005, [www.healthcare.pwc.com](http://www.healthcare.pwc.com)

## Transparency and Accountability

In order to make smarter health care decisions, companies and individuals need information about the costs associated with the treatment of particular health conditions as well as the quality of care provided. The Blue Cross Blue Shield Association has created Blue Distinction, a nationwide program that includes three components that will create an unprecedented level of health care transparency. The first component is the Blue Distinction National Transparency Demonstration that is currently being undertaken by 17 Blue Companies. This demonstration aims to identify and test the most effective ways to help consumers learn about the absolute and relative costs of medical services, including physician and hospital services.

The next component includes the Blue Distinction Centers that identify providers of bariatric surgery, cardiac care and transplant services nationwide that meet predetermined standards. These centers give the individual the power to make informed decisions about health services based on clinical data from hospital registries.

Finally, the Blue Distinction Provider Measurement and Improvement Program uses metrics to gauge the care standards applied by providers in treating common conditions such as heart attacks, heart failure and pneumonia.



## Blue Health Intelligence<sup>SM</sup>: Answering The Need for Credible, Actionable Data

Blue Cross and Blue Shield Plans have created a unique and powerful health care database called Blue Health Intelligence<sup>SM</sup> (BHI) that will improve health care quality through opportunities to share critical health information with employers, and in the future, with consumers and providers.

BHI will strengthen the move to greater health care transparency by ultimately providing unmatched detail about health care trends and best practices.

### Evidence-Based Health Care Decision Making

The secure, HIPAA-compliant database is comprised of claims information (with no personal identifiers) from 79 million lives — significantly larger than existing health care databases. Access to the aggregate data will be available only to the 20 Blue Cross and Blue Shield Plans currently participating in BHI.

The development of BHI over the last several years responds to the demands of employers, consumers and providers who have called for credible and actionable data that drives informed, evidence-based health care decision making.

[www.bcbs.com](http://www.bcbs.com)



**BlueCross BlueShield Association**

An Association of Independent Blue Cross and Blue Shield Plans

### Integrated Health Records

Traditionally, a person's health care records are dispersed, inconsistent and often incomplete, which can prevent patients from getting the right care in the most cost-effective way. This messy recordkeeping can also increase the administrative costs associated with delivering and paying for care.

Aetna has taken a first step to both standardize and digitize patient health records with its Integrated Health and Disability business model — which seamlessly integrates members' health, disability, behavioral health and pharmacy data.

The benefits include improved plan performance, employee health care satisfaction and smoother, more efficient health care transaction processing.

### Emphasizing Wellness and Prevention

The more people know about staying healthy, the healthier they stay. Thus more and more providers of health care insurance are emphasizing wellness and prevention.

Aetna's Web site includes learning resources that enable consumers to look up diseases and conditions, tests, procedures and treatments, and get information from experts at Harvard Medical School, Columbia University College of Dental Medicine and other reliable sources. Aetna also offers online tools that help find doctors and pharmacies, make health benefit choices, and select life and long-term care insurance.

### Incentives to Ensure Quality and Safety

Health care becomes less costly when providers adhere to accepted standards of care and safety. The challenge is to create effective incentives for providers to follow those standards.

Blue Cross Blue Shield's BlueWorks initiative encourages its companies to realign incentives to promote quality care. Programs range from fraud and abuse awareness training to collaboration on simplifying office administration.



### At the Heart of Consumer-Driven Health Care: Health Savings Accounts (HSAs)

HSAs combine a tax-favored savings account and a qualifying high-deductible health insurance plan to encourage people to take control of their health care decisions. Since the tax-free funds they deposit in their HSAs — up to \$2,700 for singles or \$5,450 for families — remain under their control, consumers have a vested interest in managing their decisions more closely.

The catch? The money must be spent on qualified medical expenses, from doctor appointments and prescription drugs to other costs not typically covered by health insurance, including:

- Dental treatment
- Mental health and physical therapy
- Alternative treatments (e.g., acupuncture, nutritional consulting)
- Health care-related transportation and lodging
- Preventive health programs
- Nonprescription medications
- Long-term care insurance premiums



### Lifting the Health Care Cost Burden

Each of these programs is a start, and providers of health care and health care insurance continue to find more ways to create sustainable health systems. The more information that consumers and corporations get, the better their health-related decisions will be. This shared responsibility seems to be increasing the efficiency of health care for individuals, companies and health care providers alike, leading to a lessened cost burden for all. ■

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### Focus on Consumer-Directed Health Care

Aetna believes in the power of the consumer — it is one reason we're so focused on consumer-directed health care. As the first national, full-service health insurer to introduce a consumer-directed product in September 2001, we continue our leadership role in this area.

Making it easier for consumers to become more engaged in their own care, Aetna has developed a suite of decision support tools for members. Located within Aetna Navigator™, a secure self-service Web site, members have easy online access to personal information and programs that can help them find and compare doctors and hospitals, and estimate the cost of care. Moreover, we will strive to continuously enhance our members' ability to access information that helps them make well-informed choices.

With the right tools and information, consumer-directed health plans raise consumers' awareness of health care costs and provide them opportunities for greater control over health care spending. More engaged consumers can lead to reductions in total health care spending for both consumers and employers — an ideal situation for everybody.

[www.aetna.com/index.htm](http://www.aetna.com/index.htm)

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