

# KNOW YOUR BENEFITS.

From



## In Focus: Health Care Consumerism

Health care costs in the United States continue to more than double the rate of inflation. Hoping to encourage a turnaround, many employers have turned to consumer-driven health plans for providing employee health care benefits. Consumer-driven health plans are employer-sponsored health benefit programs that aim to educate employees about the true costs of medical services and how to be more responsible for their medical care purchase decisions.

These plans require a more educated patient, who in theory will become financially responsible for more of the real costs of health care services. Employers who offer these types of plans hope that better, more efficient use of health care services on the part of their employees will create a downward shift in both demand and cost for health care over time.

Ultimately, consumer-driven health plans are more than just a few specific types of health plan “models.” Rather, the entire consumer-driven movement relies upon the introduction of a wide spectrum of “consumerism” elements that, coupled with a formal employer-sponsored health plan, will encourage employees to assume a greater role in managing their own health and the associated costs. Consumerism, as it relates to health care, can range from simply offering employees the ability to choose among a few different health plans to providing vouchers for employees to

purchase their own individual health plans on the open market. Whatever the case, consumer-driven health plans only work when a variety of peripheral financial incentives and informational programs are introduced, such as preventive care services, wellness and disease management programs and provider cost and quality information. These programs provide employees with the tools they need to make the most value-driven choices.

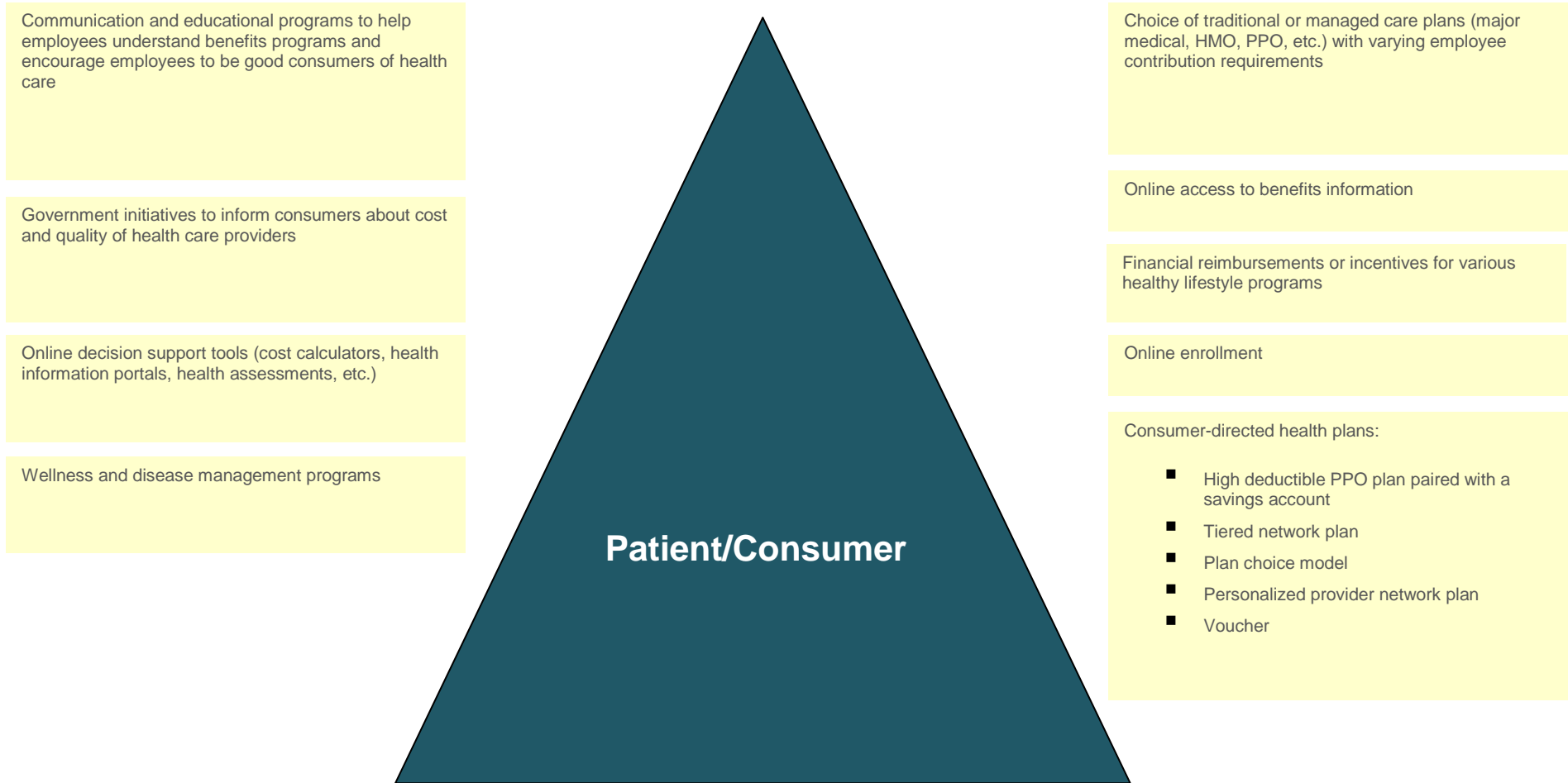
The most common consumer-driven health plan pairs a health savings account (HSA) with a high-deductible insurance plan. Employers and employees make pre-tax contributions to the HSA, which can be used to pay for routine and preventive medical care. The insurance portion provides coverage for catastrophic or high-cost events. Typically, any unused amounts in the savings account can be rolled over and used in subsequent plan years.

Other types of plan models exist, but are not as prevalent. The key component of any type of consumer-driven health plan remains: Employees must be provided with a set of tools to help them understand the complex health care system. Often, additional design features include a separate benefit for preventive care coverage and/or for certain medications to treat chronic conditions.

The model that follows illustrates the various components that exist for health care consumerism.

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# Employer Sponsored Health Benefits



## Patient Advocacy and Information

Nurselines or health coaches to help employees with medical questions, provide resources, explore options

Provider price transparency

Provider quality/outcomes information

## Providers

Employer works with health plan and providers to increase availability and use of health care data