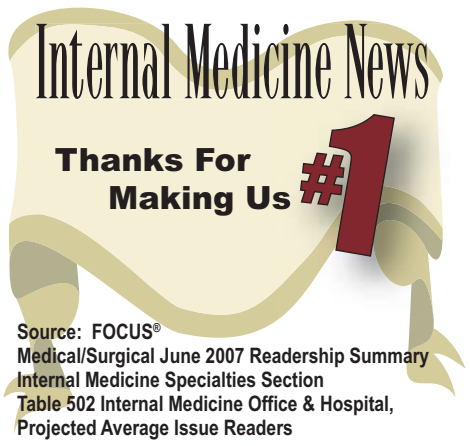

Consumer-Directed Plans Get Push

BY JOEL B. FINKELSTEIN
Contributing Writer

WASHINGTON — Consumer-directed health plans remain popular with large companies despite a lack of enthusiasm among their workers, according to the results of a biennial national survey.

"Employers and health plans continue to be … quite optimistic about the future for these plans despite the fact that to this point enrollment growth has been possibly slower than expected," Jon Christianson, Ph.D., said at a conference sponsored by the Center for Studying Health System Change (HSC).

In the interview-based survey conducted in 12 communities across the country, researchers working with HSC found that cost-sharing arrangements continue to be popular, although growth in the level of cost sharing has begun to level off.

For most large companies, health care spending is rising at a slower rate than 4 years ago; this means that there is less pressure for them to share the pain with their employees.

Some employers also reported that they have pushed cost sharing as far as they can.

"We were told by some employers—not a large number, but some employers—that they felt that they had moved deductibles up to the point … where any further increases they could contemplate probably wouldn't have much of an impact on utilization and in changing people's decision making," said Dr. Christianson, professor of health policy and management at the University of Minnesota, Minneapolis.

However, employers increasingly are encouraging their workers to make lifestyle changes that will potentially improve their health and reduce their need for medical services.

Companies also are urging health insurers to provide more price information so that their workers can make informed decisions about health care when they do seek it.

Health plans are developing strategies that penalize those who fail to manage chronic conditions but reward those who maintain good health.

That said, "There's still very little evidence on return on investment" on health promotion and price transparency, said Debra Draper, Ph.D., an associate director at HSC. "Employers really believe that these are the right things to do for their employees. And for some employers, setting up these types of tools is … an interim step toward implementing tools like consumer-directed health plans."

Insurers simply respond to market demand, said Karen Ignagni, president and CEO of America's Health Insurance Plans, an industry trade group.

"Our job is to be agnostic about what people purchase. Our job is to offer a portfolio of products so that we can be nimble enough to give purchasers the alternatives that they want and consumers the alternatives they want," she said at the conference.

Both employers and employees want lower premiums. To get there, health plans are developing strategies that involve not only penalizing individuals who fail to take steps to manage their chronic conditions but also rewarding those who maintain good health, Ms. Ignagni said.

"The good news is that health insurance premium growth has slowed for the fourth consecutive year. That is a very significant accomplishment," she said. "And the reason for that is that we've been looking very carefully on plan data on disease management and on care coordination. We can see that plans are now documenting reduced [emergency department] visits and days per thousand in the hospital." ■

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