

# **Consumer Driven Healthcare Overview**

**Mass. Consortium for Children with Special Needs**

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# Agenda

- ◆ **What's consumer-driven health care?**
- ◆ **How the Liberty plan works**
- ◆ **Consumer engagement strategies**
- ◆ **Questions consumers should ask**

# What's consumer-driven health care?

- ◆ **Consumer-driven health care (CDHC) is a term that encompasses a wide variety of health care plans**
  - PPO platform
  - Significant member deductible
  - Employer funded savings account
- ◆ **Major providers include:**
  - National insurance companies
  - Niche players (though most have been acquired)
  - Local health plans and partnerships
- ◆ **National membership is 3.2 million and growing**
  - Recent legislation encourages the growth of Health Savings Accounts (HSAs)

# The Liberty Plan

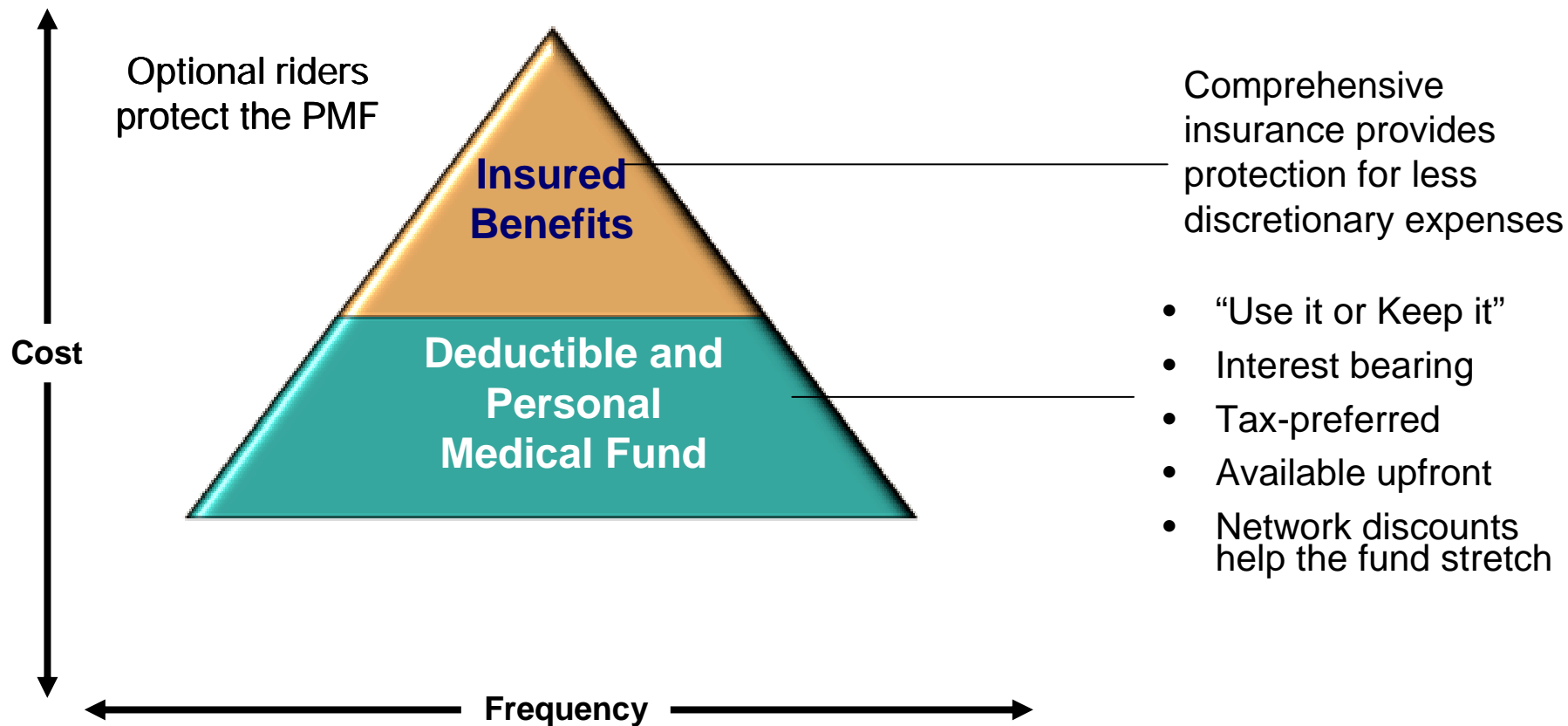
- ◆ **Liberty by Tufts Health Plan™, powered by Destiny Health is a second-generation consumer-driven health plan that combines the best of consumer-driven health care with the best of managed care**
- ◆ **Tufts Health Plan is partnering with Destiny Health**
  - **Destiny has operated a consumer-driven health plan for five years in Illinois**
  - **Discovery Health, its parent company, launched a consumer-driven health plan in South Africa 10 years ago and now has 1.9 million members**
- ◆ **The Liberty Plan launched in Massachusetts on January 1, 2004 and is growing rapidly**
  - **Over 90 accounts**
  - **Groups as small as two and as large as 3,500 eligible members**
  - **Evenly split between option and full replacement**
  - **Broad spectrum of industries**

# The Liberty Plan embodies four consumer-driven strategies

- ◆ **Consumerism – create awareness and accountability**
- ◆ **Education – share health care and provider information**
- ◆ **Health and disease management – improve health outcomes through health promotion, preventive care, and disease and case management**
- ◆ **Incentives – reward healthy lifestyles and prudent decisions**

# How the Liberty Plan works

## *Triangle of health care needs*



# The Liberty Plan helps members become educated consumers

- ◆ **The Liberty Plan provides a variety of informational and decision support tools**
  - **Interactive decision support video for common surgical procedures**
  - **On-line health content**
  - **Audio library**
  - **Symptom checker**
  - **Nurse advice line**
  - **Health risk assessment**
  - **Decision support tools**
  - **THP's provider quality information**
- ◆ **Members can access this information through the web or the phone**

# The Liberty Plan uses THP health promotion and medical management programs

- ◆ **Tufts Total Health Care™ is a full spectrum of clinical population management programs to improve health outcomes**
- ◆ **These programs address the needs of the entire population, from the healthy to people with multiple chronic conditions**
  - **Health promotion and wellness programs**
  - **Risk reduction programs**
  - **Disease management**
  - **Case management**
  - **High-risk and complex case management**

# The Vitality™ Program provides incentives for members to take care of their health



# Vitality incentives

- ◆ **Members earn points for:**
  - Preventive care
  - Completing a health risk assessment
  - Lifestyle choices
    - weight management
    - smoking cessation
  - Participation in medical management programs
  - Fitness activities (adults and children)
  - Generic/mail-order drugs
  - Staying in-network
  - Electronic transactions
- ◆ **Instant platinum status for substantial healthy behavior changes**
- ◆ **Vitality for Kids includes health information and interactive quizzes in kid-friendly language and graphics**

# Vitality rewards

- ◆ **Member rewards, which are tied to Vitality status, include:**
  - Health club discounts
  - Vacation packages
  - Movie tickets
  - Pedometers
  - Shopping miles
  - Magazine subscriptions
- ◆ **Rewards targeted at children include theme park vacation packages**
- ◆ **Employers can distribute Vitality points to promote participation in their worksite wellness programs**

# How will this consumer-driven plan change behavior and control costs?

- ◆ **Members think of the PMF as their money**
  - More than 50% carry over money
- ◆ **Anecdotal evidence confirms that the plan helps members behave like active consumers and adopt healthier lifestyles**
  - “How much is this ER visit going to cost?”
  - “I signed up for the 10K so I could get to a higher Vitality status”
- ◆ **Data confirm that the plan components**
  - Lower costs for controllable expenses
  - Increase members’ preventive activities
  - Reduce high-cost utilization
- ◆ **Survey data show that members are engaged**
  - They understand their plan better than members of traditional plans
  - They are more likely to enroll in an exercise or nutrition program
  - They are much more likely to seek cost savings (generic drugs, challenge a provider bill)

# Questions consumers should ask

- ◆ **Coverage**
  - What benefits are covered?
- ◆ **What medical management programs does the plan offer?**
- ◆ **Administration and member education**
  - How do I file a claim? Does the plan automatically take payment from my savings account or do I have to get a provider bill and pay it?
  - Does the plan have 24x7 assistance (customer call center or nurse line?)
  - How will you explain the plan to my family and me?
- ◆ **Decision support**
  - Does the plan offer a product comparison tool to help me make a decision?
  - What kind of health-related information does the plan offer, and how do I access it?
  - What information on provider cost and quality does the plan provide?
- ◆ **Financial profile**
  - What are my co-pays, coinsurance?
  - What is my maximum out-of-pocket financial exposure?
  - Can I keep any balance in my savings account if I change employers?