

# THE NEXT GENERATION OF HEALTHCARE:

A CHANGE IN BEHAVIOR





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Employer's past solutions to rising healthcare costs were to adopt managed care, greater employee contributions, and reducing benefits. These tactics are no longer effective in controlling healthcare expenses and will not support a long term reduction in healthcare costs. When you look at healthcare coverage from a “supply and demand” economic perspective, the equation is no longer balanced. Managed care can't manage the supply of healthcare and employees are demanding more services from their providers. Therefore, how do we fix the supply and demand economic question of healthcare?

We change our behavior! In a recent study by the Centers of Disease Control, 75% of all health care spending pays for illness that can be prevented. When you consider that employers are struggling to pay for healthcare benefits or have dropped coverage altogether, reducing or eliminating up to 75% of avoidable healthcare expenses alone may be the key to preserving benefits.

As managed care has shown it's limitation to control costs long term and employees can no longer burden more cost shifting, it's time to consider more creative approaches to lowering healthcare costs.

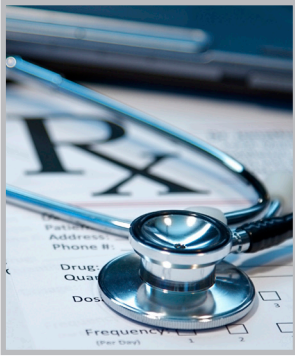
Many employers are trying a new trend in managing healthcare cost expenses: employee and dependent health management. Health management utilizes the demand side of the economic equation. Specifically, health management helps to reduce the need for medical care through improving a persons' health and supporting better decision making when a person is seeking care. Health management also supports the recent trend in employers sponsored Consumer Driven Health Plans (CDHP) or high deductible health plans. As more employers offer CDHPs, employees will need greater assistance in becoming better consumers and navigating the healthcare arena.

Recent studies have shown that the cost of a health management program can return an employer's investment 3 to 1 or even as high as 5 to 1, depending on the program offered to plan beneficiaries. This is especially true for employers offering a self-funded benefits plan.

There are many approaches to implementing a successful health management promotion program. A successful health management program should have some or all of the following components:

- A strategic health management plan that will evaluate outcomes and timelines.
- Strong endorsement by senior management to gain the employee's input and participation.
- An employee assessment of attitudes, behaviors, risk factors, and responsiveness to incentives.
- An ongoing communication plan to encourage healthy behaviors.
- A Health Risk Assessment (HRA) for individuals to help them gain insight into their personal health.

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- Information targeted at risky behaviors to help reduce future claims.
- Incentive programs to help employees stay engaged in the plan.
- Effective management of the overall program with evaluation of results, planning, and implementation.

The best health management programs are those that are web-based. The best web-based health management tools are easily accessible and provide high quality healthcare information. With this information available, employees can become healthier and smarter consumers when they access healthcare. In turn, the change in their behavior will reduce healthcare over the long term making healthcare more affordable for everyone.

At Payne Financial Group Inc, we have been providing health management support and services to our clients for years. Feel free to call one of our offices to discuss this new benefit opportunity for your company.