ENGAGING WELLNESS

Corporate Wellness Programs That Work

By Renée-Marie Stephano, JD, and Jonathan Edelheit, JD



Consumerism in Healthcare: From "A" to "Ism"

By: Amit K. Gupta

Employers are tasked with the responsibility to deliver healthcare to employees based on promises made decades ago. Accordingly, they are the purse holders in the healthcare delivery chain, owning the decision power over employee healthcare. As each stakeholder in the delivery chain—including the employer— sets their own rules, choices narrow for employees. They have no control over what services are covered under a plan. They do not set the rules for what is reimbursable from a Health Reimbursement Account (HRA) nor for what is qualified under a Health Savings Account (HSA). They are not involved in deciding which costs will be visible to them (e.g., co-pays, deductibles) and which costs will be hidden and paid for by the insuring health plan. They are told which doctors they can see readily and which doctors require a special request for a visit. They are guided to use generic drugs over branded medications, or to get an ultrasound before a more costly imaging procedure such as a CT scan or MRI, and often only after preauthorization.

Already difficult for consumers to understand, the healthcare maze has been further complicated by employers, and often in the name of consumerism. If co-pays for brand name drugs are too small to make an impact on cost savings, we go raise them. If consumers can't see the cost difference between generic and brand name drugs, we make a tool to show them the difference, hoping they'll actually use the tool. If no one enrolls in an employer-offered health and wellness program for smoking cessation and weight loss, we add incentives to the same program and change nothing else. Unfortunately, these adjustments only reach so far when we try to fix what isn't working well.

Are we asking the right questions, and solving the right problems?

To truly push a cultural transformation in healthcare, we have to start solving the right problems, and we need to do this by asking the right questions. In the grand scale of things, does it really matter how the Flexible Spending Account (FSA) and HSA function together? Or, is it really the principle that is more important, where consumers are the owners of a healthcare account and the employers act as co-contributors to cover healthcare expenses that the consumers have deemed necessary for themselves? Is the problem

that not everyone has health insurance coverage and should? Or, is it a problem of healthcare access, availability and cost transparency from providers, which prevents consumers from choosing whom they go to, when, and how much they pay in a free market, with or without health insurance? It is the lack of a solution

to this latter problem, not a lack of health insurance coverage, that makes people seek emergency room visits.

When it comes to health and wellness programs and the use of incentives, we have also focused on the wrong solutions. Although we have bridged the gaps in technology by offering online portals, only a small percentage of employees use them. We have added incentives to health and wellness programs to make them more palatable, but these incentives last only for several months, making their value 'negligible' from an employee's perspective. As a result, many consumers still haven't changed their healthcare behavior. However, the problem isn't with the incentives, the technology or even the consumer, but rather with the structure of the incentives programs and with what the health industry deems as "best practice" when offering these programs—best practices that were not devised using any consumer input.

We envy the technologies that have found a way to engage consumers for several hours a day, be it Facebook, Twitter or Pinterest. Why haven't we? Isn't healthcare important? What's our "fix"? Is it to follow the pack, and put social newsfeeds, walls and friend connections in employee portals that only 1% of employees or plan members use?

While all these efforts are admirable and show that the industry is trying to make a change, it also shows the lack of understanding about what it means to own something from a consumer point of view. What are some solutions to the healthcare conundrum that involve a true degree of consumerism? Could the next best fix be mobile apps or social gaming?

Before we answer some of these questions, let's first discuss consumerism.

The Four Pillars of Consumerism

Allowing consumers to own their health is deeply rooted in four

pillars of human psychology: belief, trust, freedom of choice and building self-expertise.

Belief

The underlying factors necessary for a consumer to believe in his or her own health include self-motivation, an external support system, proven results shown by others and an easy-to-do, easy-to-understand stepwise program for achieving results.

Consumers who don't believe in their own health will fall through the cracks, end up with chronic illnesses and cost thousands in healthcare dollars. The truth is, if a person does not believe enough in their own health to take care of it until push comes to shove, there is nothing that the healthcare industry can offer to improve health engagement, produce better health outcomes or save employers on costs.

The healthcare industry can help instill a better belief system in consumers, but not by taking on the decision-making responsibility on their behalf.

> *Imagine a program called "Cheers." Based on consumers' targeted health needs—weight loss, for example—a five-step program is available. The program has a coach, who is responsible for calling upon the consumers, engaging them in a motivating discussion and getting them to sign up. Furthermore, for each of the five steps, the consumer is free to choose friends who can accompany him or her in completing those steps. These are the support group members who will cheer the consumer on as he or she follows the program. The coach will measure the consumer's progress and record it in an easy-to-use, consumer-accessible technology system. Support group members can also log on to share their motivating comments or verify the activities of the consumer. At the end of the program, the employer can reward the consumer, who is their employee. Rewards can include gift cards, travel benefits, office privileges, lower health plan costs in the next enrollment period and more. If the program is fun and has worked for others (and is therefore "proven"), then the consumer's belief in it will be high. Notice that this is an example of a social media-based solution that enables consumers to own their health.*

Trust

Although we might be connected to everyone in the world within six degrees, trust doesn't go beyond two degrees. When it comes to

health, this means that closest friends and family most often represent the first degree of trust, and a long-term family doctor is likely to represent the second degree of trust. Therefore, it is pointless for an employer or health plan to attempt to gain a consumer's trust, especially when it is obvious to most consumers that employers and health plans have other motives. Recently, even Facebook faced criticism when the company automatically promoted products that a user "liked" to that user's friend circle—along with the user's picture and "endorsement"— without obtaining the user's official permission for such promotion, thereby violating the social trust that exists between the user and his or her friends.

When corporate interests do not align readily with consumer interests, what can companies do to gain at least a little trust from consumers?

Anything health-related that an employer offers employees today has to be maintained within a wall of privacy, both for legal reasons and to allay employee fears about employers knowing their personal health information. Respecting consumer privacy is critical to building trust.

Also important for building trust is permission (e.g., enabling patients to give specific permission on how their health records are used and with whom they are shared).

The most important factor for gaining trust, however, is to give trust. The value of giving trust cannot be stressed enough. Take the case of incentives. Almost all health programs are structured to provide an incentive at the back end of the program, where once the program is finished (or a result is obtained), the incentive is earned. We in the healthcare industry expect results and outcomes; therefore, we think in those terms. Consumers, however, seek a lot more than just results. Consumers seek achievements.

> *Imagine a program called "Fame." In this program, the employer grants $500 to each employee—not after program completion and not based on results, but up front. The employees are instructed that they are completely free to do whatever they want with that $500. However, it is recommended that they use it for accomplishing something related to their healthcare. The employees are free to choose their own health accomplishments and the respective programs to achieve these*

accomplishments on their own, with their own research. Only caveat is that they must document the entire story of their accomplishment in a special online diary. If they are successful in their accomplishment, their story can be published in a new book called "101 Stories of Life-Changing Healthcare Experiences."

Consumers will submit their stories, such as "How I Lost 10 lbs with Yoga in 2 Weeks" to "Hop-skipping is My New Favorite Cardio Workout." If their story is selected, they will become an "ambassador" who teaches others about how to achieve the same results. The book will be published annually and given to all employees during health plan enrollment. Maybe the employer will also provide a bonus reward to the ambassadors for their extra time. This will not only help build a culture of better health, but it also goes a long way in building a trustful relationship with employees. Not many expect an employer to trustfully hand out $500 to let employees spend at their discretion.

Freedom of Choice

Trust and freedom go hand in hand. To date, the providers, health plans and employers have all struggled with each other to gain control of healthcare decision-making. In this struggle, the ones who have done well are the vendors, who will sell their product to whoever holds the cards at the moment. Consumers have mostly stayed out of the struggle, seeking their own alternatives and knowing that no matter who had control, it wouldn't be beneficial for them.

Is it possible for the health industry to give real freedom of choice (i.e., the freedom to choose one's own health plan, or to not have a health plan at all) to consumers? The freedom to directly contract with doctors for the services one needs under a direct primary care or concierge medicine model, or using HSA dollars for direct care are other potential alternatives. What about the freedom to decide that an MRI is better suited for them than an ultrasound, and their freedom to pay the difference in cost because they'd rather have that MRI? Or the freedom to get one's own lipid profile test done from a lab, rather than requiring a doctor visit first at a higher overall cost?

Consumers feel that they lack freedom of choice in their healthcare decision making for many reasons, from laws and regulations and the restrictive design of plans and benefits to the lack of direct access to providers and the lack of consumer price transparency.

Most consumers therefore abide by the rules, but exercise freedom outside of the industry, by doing their own research or accessing independent online services. It will be difficult for the healthcare industry to build a culture of consumerism unless they truly learn to give consumers freedom of choice and decision making.

Imagine a marketplace called "Freedom Health." In this market, the doctors post their own services or bundles of services as "plans." A person can buy any service whenever they need one. The bundled service plans purchased are either prepaid or subscribed to. Every health service or plan has a price posted. A person might have full health coverage and use the market for further convenience, have a high-deductible plan and use the market for their primary 'below the deductible' care or be uninsured, in which case they have come to the right place!

Anyone who cares only about annual physicals and a few labs for maintaining proper health can subscribe to a basic wellness plan. Consumers who want every screening done systematically every year may be interested in a comprehensive plan. An athlete may want cholesterol, lipid profile and hormone-level lab tests. Someone else may want a quick online teleconsultation for a cold, with an antibiotic prescription. A diabetic consumer may even subscribe with a practice for a direct diabetes care plan that includes home visits.

The market has something for everyone, including doctors and practices that provide the services in their area. Doctors receive ratings by the consumers they treat. Consumers can make appointments right online. Their health record is updated directly by the doctor they visited for the services. The market is online and mobile phone access is available 24/7.

Employers can contribute to an account for their employees, who can then use the funds as they please in the marketplace, avoiding unnecessary office visits, ER visits and redundant tests.

This is freedom of choice, where the cost savings will come from price competition between physicians and practices in each region. Price transparency is built into the entire model rather than being a 'transparency tool' for projecting out-of-pockets costs under a health plan. In fact, this model can even drive greater innovation in product

designs and plan offerings directly from providers. All this is achieved with one simple goal in mind: in consumerism, the patient owns his or her health and is free to choose.

Expertise

In every industry, consumers, as buyers of services, build a level of expertise as they compare services, prices and merchants. They research and understand what they want to buy and how it will help them before they make their purchase. Consumers share their expertise and experience with friends and family. Becoming an expert on a subject matter, by self-research, self-understanding and self-achievement, then sharing the gained experience with others, is an inherent need within all consumers. For example, if a person lost 15 lbs in one month using a new spectacular diet he or she found, that person will be eager to tell everyone about it. Self-found authoritative status builds social reputation and credibility among peers. Given the reach of the Internet, a person's peer network can include online forums, communities and social media websites such as Facebook and Twitter.

From an employer's perspective, helping to build consumer expertise as part of the consumerism strategy is critical. Don't think about how you can better provide the expertise to guide consumers. Think how you can let consumers discover for themselves what benefits them, what is more cost-effective for them and who the best providers are for their care needs.

Pre-negotiated provider discounts and access controls were valid ways in the past. However, in the face of rapidly rising costs, if consumerism is to really take off, a truly free-form consumer healthcare marketplace should be given a chance to establish market-driven price pressures on provider costs through competition. In this marketplace, consumers should be allowed to build their own expertise in managing their health with guidance from providers and other consumers who have shown various healthcare achievements.

Imagine a consumer-driven health system called "Expert Health." In this system, consumers are provided both incentive funds and healthcare savings account funds up front with each enrollment.

Catastrophic health coverage remains in place at a higher deductible.

Consumers set their own goals to achieve certain health results, be it weight loss, better diabetes management, learning to eat better, exercising more or a combination of goals based on their own personal needs.

The consumers shop in a marketplace for health services directly from providers. The market defines "providers" as more than just physicians. It includes merchants such as Weight Watchers, nutrition counselors, personal trainers, experts in diabetes care and alternative health providers.

Expert Health allows patients to build their story of how they achieved their health goal(s). Consumers self-document which services they purchased, what providers they went to, what advice they found most useful and which health programs they found on their own that delivered the best results. If they positively achieved their goals, they become an expert in Expert Health and the incentive funds are released to them. They can 'make public' their story, and that story becomes a product to which other consumers can subscribe and follow.

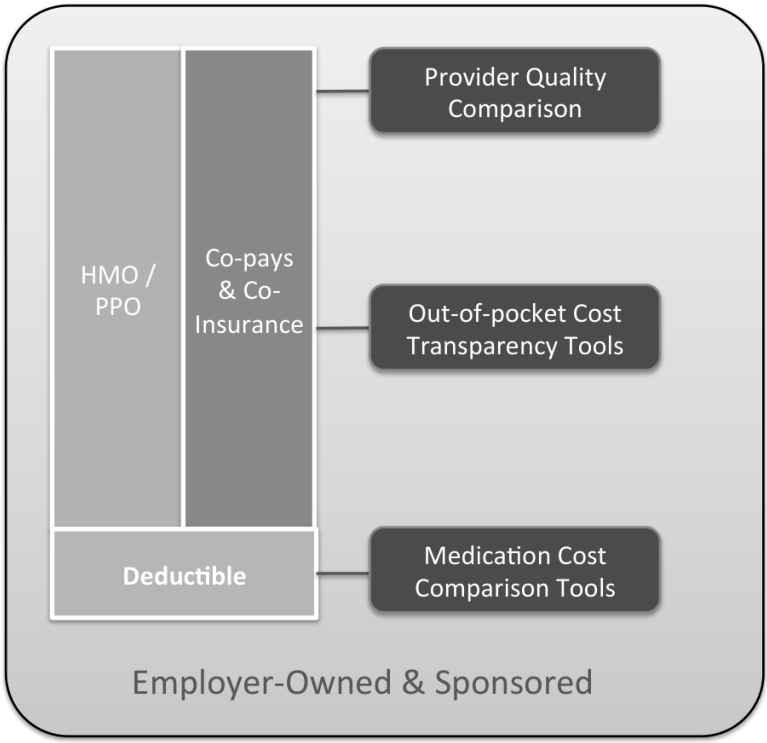
Given that all services, programs, providers, providers' advice and resultant health metrics are embedded within the stories of consumers, it is easy for anyone to follow along, reducing redundancy in the health system. These achievements by consumers may even give rise to new standards and protocols. This is just one example of a market-driven expert health system.

Consumerism Movement and its Stages: A Summary

I have shared a vision of consumerism. But how do you make it happen? What are the stages? What are the gaps in your overall healthcare strategy?

Stage 1

This stage began more than a decade ago, when health plans and employers alike began implementing member portals, complete with health information, medication cost comparison tools, provider cost and quality comparison tools and out-of-pocket cost analyzers that members could use during enrollment to determine their cost exposure under traditional managed care plans. WebMD, Rxaminer, Subimo and HealthShare Technology were among the leaders at this stage.

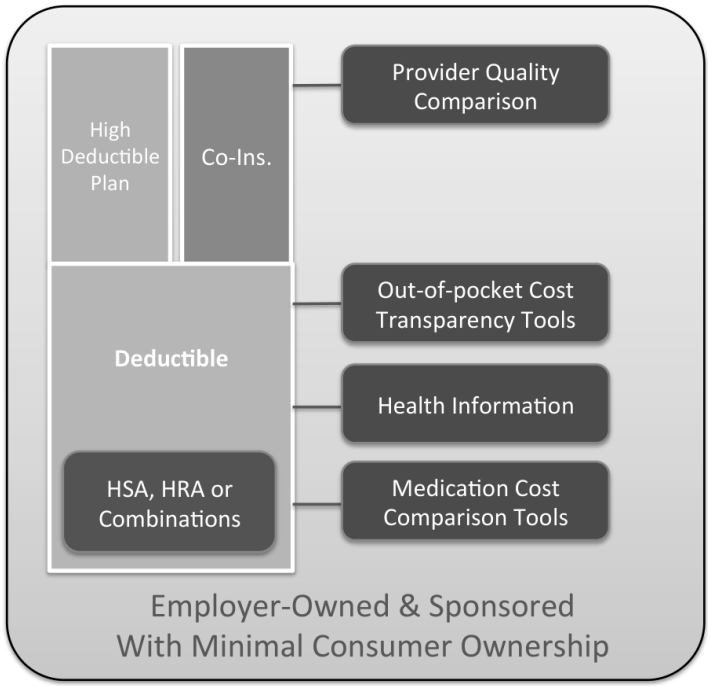


If you are an employer at this stage, you have not adopted consumerism to its fullest extent. Consider stages 2 and 3.

Stage 2

This is the stage where most employers are today with their consumerism strategy, the promise of "consumer-directed healthcare" (CDH). Leaders in CDH, such as Definity Health, Lumenos and CareGain, defined the market for healthcare account administration early on. HRA, HSA and FSA combinations took hold of the market. Multipursing became a buzzword, allowing various services to come out of different account structures. Debit card platforms from MBI, Metavante and Evolution Benefits expanded to include multipursing and auto-substantiation of services at the point-of-service, especially pharmacy. Member portals were expanded to combine healthcare account management, debit card transactions, substantiation functions and decision support tools.

Innovative large employers began experimenting with HRA/HSA combination plans. Some added incentives, where employees received HSA contributions as an incentive for following through with and completing various employer-directed health programs.



While this progress is commendable, it is still an employer-owned and controlled form of consumerism. In an effort to introduce consumerism, we may have possibly added further complexity as well. Employers may wish to consider stage 3.

Stage 3

Consumerism has to be simple and owned by the consumer. This stage offers a vision of a true healthcare marketplace; where there is a role for incentives and a role for healthcare accounts; where employers receive the ROI for their contributions into health accounts and incentive funds; where health plans continue to offer catastrophic coverage, provider discounts and administration. The only difference is that consumers are now 100% responsible for managing their healthcare at the 'first-dollar coverage.' For most, this is approximately the first $2,500 of healthcare spending per person.

HealthTap offers consumers a place to get their questions answered directly by providers. Healthper offers a social gaming model for health engagement, breaking down health programs into daily

actions that are associated with Groupon-style deals and employer rewards. Keas allows employees of a company to form a team and compete with other employers' teams - a team competition model. Health plans have also stepped in with social gaming. Humana Games offers an online game with healthy activities.

Direct primary care practices and concierge medicine models are allowing doctors to directly contract with consumers for primary and specialty care. Qliance, Iora Health, MedLion and MD VIP are examples of practices that directly contract with patients. Meanwhile, KlearHealth became the first to offer a free-form marketplace, allowing doctors across the country to offer services and bundled plans direct to consumers, whether the consumers are insured, have high-deductible or consumer-directed plan, or are uninsured. On KlearHealth, patients can contract directly with providers online and self-pay, including from their HSAs.

Conclusion The healthcare industry has truly advanced over the last decade. Employers have many options, whether they wish to be paternalistic and guide their employees to become healthcare consumers using employer-offered

technologies, tools and programs; or whether they wish to really push employees towards a free-form marketplace model, where the employee owns all of his or her healthcare and is in charge of all decision making while the employer simply contributes towards a portion of the costs.

Healthcare consumerism will progress, and consumers will drive the need for a marketplace. The marketplace may even move towards becoming global rather than regional, with the growth of healthcare tourism markets. It's important for each employer to assess where they stand in the healthcare consumerism movement, and how to best leverage it for their employees. Whether an employer is driven by innovation or by cost pressures, there are plenty of technologies, solutions and vendors now available to help create the right model for each employer's needs.

Key Ideas

To truly push a cultural transformation in healthcare, we have to start solving the right problems, and we need to do this by

asking the right questions.

Allowing consumers to own their health is deeply rooted in four pillars of human psychology: belief, trust, freedom of choice and building self-expertise.

The most important factor for gaining trust, however, is to give trust.

Questions

1. What is missing from the following four pillars of human psychology: Belief _____ Freedom of Choice, and Self-expertise?

    a. Trust

    b. Action

    c. Entertainment

    d. Knowledge

2. The most important factor for gaining trust is to demand trust.

    a. True

    b. False

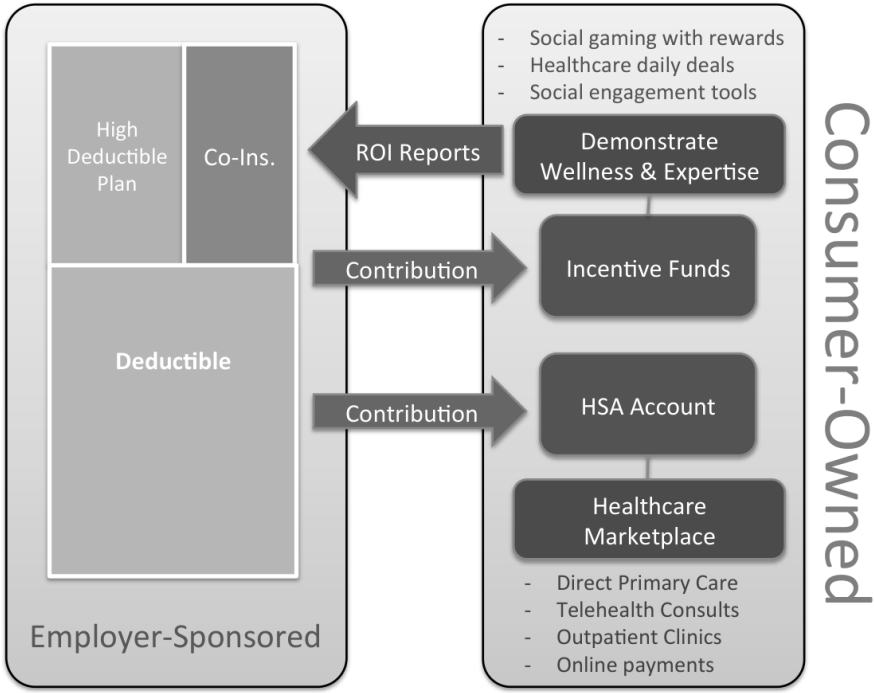
3. What is meant by “consumerism”?

    a. The wasteful spending on healthcare by the consumers

    b. A plan to get healthcare decisions to be made by the consumer

    c. Large companies targeting consumers to buy their products.

    d. None of the above



About the Author

Dr. Gupta is a healthcare entrepreneur and has been at the forefront of healthcare innovation and product strategy for over 20 years. He started COHIS at Boston Medical Center, which was the first online healthcare information system in 1994, receiving an award for innovation by the Dept. of Health & Human Services in 1997. He cofounded and was Healthcare Director for Neuvis (sold to IBM), where he led HIPAA compliance solutions and pharmaceutical exchanges. He was Founder & President of CareGain, a leading consumer-directed healthcare platform provider sold to Fiserv Health in 2006. He has provided strategy consulting for numerous companies in the healthcare incentives and health & wellness markets. He is an advisor to Healthper, a social gaming based health engagement system, Healsa, a concierge medicine practice, and KlearHealth, an online healthcare marketplace for physicians to contract directly with patients. He received his bachelor's and M.D. at Boston University, with further clinical training at Harvard Medical School and Washington University School of Medicine.

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Prevention, health and wellness are among the most crucial topics employers should focus on to improve their workforce's health, maximize productivity, and control rising healthcare costs. In the current economic climate promoting employee health, and wellness and managing healthcare costs are intertwined and more important than ever. This book provides the insights from industry experts on how to successfully implement, operate, and measure a corporate wellness program; as well as how to engage and motivate employees to become active in their health, along with other valuable insights. So open this book and learn how your company can do about Engaging Wellness.

"This book details the must haves, including effective incentive strategies, biometric screenings, chronic condition support, workplace culture, defining/measuring success and more. The secret to success is how you design these features to motivate your unique workforce, impact your company's specific challenges and your vision for success."

-Tami Graham,
Global Benefits Design Director, Intel

"Why has it taken so long for employers to realize that leadership commitment determines the success of a wellness program. Read the book. It gives incredible ideas and meaningful case studies. This is a book whose timing is right. It matches a rising competitiveness for health and wellness initiatives in this country and abroad."

-Missy Jarrott,
Director of Human Resources, Chatham Steel Corporation

"This informative and comprehensive book could not have come at a better time! With the state of healthcare in the US, it is essential that individuals take responsibility for their health; and employers can assist by providing ways for their employees to become engaged in health and wellness to improve their overall well-being."

-Cheri Fisher,
Program Director, Honeywell Health and Wellness Center



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