Gathering Information

How to utilize the right tools when making health plan decisions

Determining whether it's worth the disruption to move your employees to a different health plan with a new network of hospitals and doctors is never an easy decision. However, there are several different health care tools that can help.

These resources also can give you an idea of how much money you may save by moving to a different health plan.

"These are important decisions employers make to keep their employees happy and keep money in the bank that they can use for other things," says Ann Henry, proposal coordinator, senior, at HealthLink.

What's the timing for using these tools?

Timing is very important. Typically, employers request some type of analysis a year to six months ahead of their effective date, which is the date their health plan starts each year. Most employers like to sync this date with their annual budgets.

Some employers wait until the last minute. But to do a thorough analysis and allow time for good decision-making, it makes sense to start the process six to nine months prior the plan effective date.

The larger the employer, the more time may be required.

What information do GeoAccess reports provide?

A GeoAccess report allows an employer to see if their employees have good access to the network of providers.

The report takes the zip codes of where the employees live and measures how far they will have to drive to get to a hospital or a physician that's in the network. The report shows what percentage of employees has access to a given number of hospitals, primary care physicians or specialists.

Accessing providers that are in the network is important because it saves everyone money, and some health plans won't pay claims for a provider outside the network. For example, if an employer requests a GeoAccess report and finds that 10 employees have to drive too far to see a provider that's in the network, that's a good indication to keep shopping.

What is a disruption analysis, and how does it specifically help?

A disruption analysis shows an employer how disruptive it will be for their employees to use a different network of providers because most people like their doctors and don't want to change them.

By looking at the employer's claims activity for six months to a year, the analysis can match providers used by the employees to the prospective network of providers. This determines what percentage of providers used is participating in this other network.

The analysis can be taken a step further. If the claims data includes the billed amounts of the claims, the analysis also can estimate how much those claims would have cost with the new network. This gives the employer an idea of what kind of discounts they would have received with a different network using the historic claims data. It helps determine if another network of providers will save employers more money.

How can companies get the most out of their RFP process?

Employers need to think about what they like about their current health plan and make sure that any new plan still has those attributes. They also need to think about what is lacking or where there have been issues and see how a different health plan can lead to improvements.

What else should employers consider when making health care decisions?

Employers and brokers need to be careful about network discount information. There are lots of ways to calculate a network discount and different definitions can show different results. An employer may think they are making an apple-to-apple comparison when they aren't. When an employer or broker asks for network discounts, the second question should be, "How was this discount calculated?"