The Search for Much Higher Value Via Consumer Driven Health Benefits

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What Does Much Higher Value Look Like?

- Double-digit offsets of premium trend
- Clinical effectiveness equivalent or improved
- Manageable risk to employee relations
Where Are the Big CDHB Cost Levers? (excluding pure cost shifts)

- Tightly linking OOP cost to TCO of consumer selections of (1) providers, (2) treatment options, and (3) care management participation

- Influencing selections by the sickest 5%

- Applying this approach to all plan offerings
What’s the Best Case Employer Upside?

- 10-25 percentage point cost offset if implemented by few purchasers
- >30 percentage point cost offset if implemented by many purchasers
- Big Q gains if prioritized and scientifically astute
Critical Mass is Essential to Reaching the Summit

**Summit**
- 2010:
  - $Q > 3$
  - $\Sigma $ = >30 pts

**Hillside**
- 2002-5:
  - $Q = 2$
  - $\Sigma $ = 10-25 pts

**Swamp**
- 2002:
  - $Q = 1$
  - $\Sigma $ = baseline

**Re-engineering Phase:**
Engaged consumers reach critical mass and drive core process re-engineering breakthroughs & rapid uptake by providers, care management organizations, and treatment developers.

**Migration Phase:**
Engaged consumers begin to migrate to higher value providers, care management methods, and treatment options.

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