

Healthcare Reform Creates Challenges and Opportunities for Patients *and* Payers

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For payers who have been struggling in a stagnant economy, the proposed health reform mandates will create much-welcome growth in the health benefits market. Estimates are that health insurance exchanges will expand coverage by approximately 32 million patients who are currently uninsured. Additionally, analysts predict that many of the newly insured will be individuals who are younger in age who had previously chosen to forego health insurance because they had few health issues.

One of the challenges for payers, however, is that they will have to alter their focus from employer-sponsored coverage to individual health plans. With new restrictions placed on pre-existing exclusions, payers will need to become more actively involved in promoting wellness initiatives among their customer base. They will need to provide tools to help patients understand what steps they can take to prevent various health conditions, and how they can better and more effectively manage existing

chronic health conditions.

With new state and federal regulations requiring increasing standardization of plan designs, it will also be imperative for payers to adopt a consumer-based mindset and compete on those factors that drive consumer decision making. Consumers have indicated that price and service are especially important to them in the emerging health market environment. In particular though, payers will need to be sensitive to the shift in culture from an environment of employer paternalism regarding health benefits. In the past, employers have made the majority of decisions concerning what health benefit coverage employees should have, leaving patients with a relatively limited understanding of how to engage in informed decision making. To successfully attract patients, payers will need to deliver on the promise of transparent information regarding treatment costs, covered benefits, health risk and prevention.

There are many steps payers can take to create strategies to benefit from the emerging market envi-

ronment and be successful in a consumer-driven market. Some of these include:

- Understanding how consumer purchasing decisions are made. While this may seem obvious, it represents a shift for most payers who are used to focusing on the requirements of employers and producers. Understanding what aspects patients consider when choosing a health carrier and what assistance they need in making choices regarding their health benefits are important factors in making the transition to business-to-consumer marketing.
- Educate patients on how to address their needs and desires. Patients in the health market have different motivators for making better health care decisions. For some, it may be living longer and healthier lives. For others it may be meeting the financial challenges associated with health care. And for still others, the motivation may be cosmetic ones. It is not enough to create quality products and services – to be suc-

successful payers must also speak to the mindset of potential users and to the emotional aspect of their buying decision.

- Provide patients with tools that help facilitate health care decision making. Though the changes brought about by the health reform initiatives are designed to make health care easier for patients to navigate, the health system remains complex for most patients. Simple, interactive tools to help facilitate decision-making are paramount in achieving success in marketing to consumers. These can include risk assessment tools that help patients understand and learn simple lifestyle changes they can make to reduce their risk for disease, treatment cost calculators that help patients estimate what the cost of their care might be, or “wizards” that help patients decide the most appropriate benefit structure for them.

- Facilitate relationships with health partners. Constantly evolving technology allows for creative and innovative solutions that help facilitate patients’ relationships with various health partners. Payers can add value to their offerings by using technology to help patients more easily interact with those involved in their health care. This can take many forms, including: video conferencing with health providers; centralizing patient health information electronically; creating support systems for sharing health information with family and friends; or providing online “meet-up” connections for exercise partners.

Other sectors within the health industry - such as pharmaceutical companies – have successfully made the transition to business-to-consumer marketing. They have done so by recognizing that the

purchasing decision for customers is based on understanding their mindset and creating an emotional attachment to the product or service. By understanding the needs of patients, creating value for them based on their needs and desires, and facilitating their relationship with the healthcare system and their health partners, payers too can make this transition successfully.

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