Consumer-Directed Health Plans Pushed by Big Firms

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WASHINGTON — Consumer-directed health plans remain popular with large companies despite a lack of enthusiasm among insurers, according to the results of a biennial national survey. “Employers and health plans continue to be … quite optimistic about the future for these plans despite the fact that to this point enrollment growth has been possibly slower than expected,” Jon Christianson, Ph.D., said at a conference sponsored by the Center for Studying Health System Change (HSC).

In the interview-based survey conducted in 12 communities across the country, researchers with HSC found that cost-sharing arrangements continue to be popular, although growth in the level of cost sharing has begun to level off. For most large companies, health care spending is rising at a slower rate than 4 years ago so that there is less pressure to share the pain. Some employers also reported that they have pushed cost sharing as far as they can.

“We were told by some employers—not a large number, but some employers—that they felt that they had moved deductibles up to the point … where any further increases they could contemplate probably wouldn’t have much of an impact on utilization and in changing people’s decision making,” said Dr. Christianson, professor of health policy and management at the University of Minnesota, Minneapolis.

However, employers increasingly are encouraging their workers to make lifestyle changes that will potentially improve their health and reduce their need for medical services. Companies also are urging health insurers to provide more price information so that their workers can make informed decisions about health care.

That said, “There’s still very little evidence on return on investment” on health promotion and price transparency, said Dr. Debra Draper, Ph.D., an associate director at HSC. “Employers really believe that these are the right things to do for their employees. And for some employers, setting up these types of tools is … an intermediate step toward implementing tools like consumer-directed health plans.”

Insurers simply respond to market demand, said Karen Ignagni, president and CEO of America’s Health Insurance Plans, an industry trade group. “Our job is to offer a portfolio of products so that we can be nimble enough to give purchasers the alternatives that they want and consumers the alternatives they want,” she said.

Both employers and employees want lower premiums. To get there, health plans are developing strategies that involve not only penalizing individuals who fail to take steps to manage their chronic conditions but also rewarding those who maintain good health. Ms. Ignagni said.