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EXECUTIVE BRIEF

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Consumer Health Care Decision Support: State of the Art

Veronica Goff

The tools are more sophisticated. The consumers are savvy. During open enrollment for the 2001 plan year, more employees than ever before used Internet-enabled self-service tools to help them identify, select, and enroll in the health plans most appropriate to their individual needs.

The latest health care decision-support tools go beyond the employer-sponsored intranet pages introduced in the late 1990s for benefits communication and enrollment. Most new approaches provide educational checklists, financial modeling, and the ability to customize plan comparisons. Many tap into the power of the Internet by linking to quality information or helping consumers create portals to customize information. Perhaps the most important advancement of this newest generation of tools is movement away from one-size-fits-all expert systems to the use of personal preferences in the decision-making process.

It is difficult to estimate how many consumers used decision-support tools during the past year. But it is safe to say there is considerable excitement and hope that these new tools will further engage consumers in their own health care buying decisions and in broader health system improvements.

This executive brief looks at recently introduced decision-support models for health benefits enrollment. Reasons behind growing employer interest in consumer decision-support tools are discussed, as well as lessons learned from their implementation and the outlook for further adoption.

Putting Consumer Decision Support in Context

Informed consumer decision making began to get serious attention in the late 1980s when Dr. John Wennberg of Dartmouth University introduced multimedia tools to help patients make care choices for conditions with more than one treatment option. Patients who used the tools were more satisfied with their care and chose less invasive options.²

Since that time, evidence that demonstrates patient participation in health care decisions leads to more appropriate and less costly care has increased, as have efforts to support informed consumer choices.³ Numerous efforts, on both a national and local scale, have been launched in the name of helping health care consumers make decisions informed by quality and cost data.

Despite these efforts, consumers tend to trust more informal sources of information. When choosing a doctor or hospital, consumers are more likely to rely on recommendations from family, friends, and health professionals than on standardized quality indicators, according to a recent survey by the U.S. Agency for Healthcare Research and Quality and the Kaiser Family Foundation.⁴ They also report, however, only one-in-four Americans has seen comparative quality information on health plans and only one-in-10 on doctors. Those who have seen comparative information and didn't use it say the information was not available at the time they were making a decision.

Why Are Employers Making New Tools Available Now?

Two converging trends are stimulating employer interest in consumer decision support. First, employers are losing the battle on health care costs. Health care spending rose more than 8 percent in 2000.⁵ The tight labor market made many employers reluctant to share the increase with employees in 2000, but 40 percent report they will raise contribution levels in 2001.⁶ Rising costs have employers looking for ways to increase health benefit value for their employees. Expanded choice supported by easily accessible and meaningful information is one option.

Second, employees have responded positively to self-service benefits tools. Two-thirds of employers with 20,000 or more employees use Internet/intranet applications for health benefits, with 20 percent of large employers conducting open enrollment for 2001 via the Internet/intranet, in addition to paper and telephone options.⁷

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Decision Support on the eHealth Landscape

New consumer decision-support tools are part of the recent explosion of ehealth products. Touting convenience and customization as hallmarks, new products range from web-based administrative processes to insurance procurement to ehealth insurance plans and fully outsourced products.

Most of the products are premised on consumers making informed choices. For example, new ehealth insurance plan Definity Health uses a defined contribution spending account and wrap-around high deductible insurance plan. Information available to plan members includes examples of how to use their spending account.

After spectacular growth between 1998 and 2000, when \$335 million was poured into new ehealth firms, the industry has entered a period of slower growth and consolidation with traditional health plans.⁸ Technology companies expert in purchase-evaluation analysis and decision-making theory are partnering with traditional health plans to develop and integrate consumer-focused products into the plans. They are also marketing increasingly sophisticated and customizable free-standing tools to plan sponsors.

Decision Support and Quality

Employers and health care experts interviewed for this brief agree quality information is not adequately integrated into current decision-support tools for open enrollment, although the Internet provides easy links to quality information. For example, the National Committee for Quality Assurance (NCQA) announced in November 2000 that it is working with seven major employers and purchasing groups to customize the NCQA Health Plan Report Card. This initiative is a big step forward in providing quality information to employees when they need it, but the check on quality is still one more click away.

The absence of quality information in decision-support tools is symptomatic of quality reporting problems generally; what is important is in the eye of the beholder. One person for example, may be interested in caesarean section and child immunization rates but have no interest in physician turnover. Another may want to know about health plan accreditation but not care about women's health programs.

Some experts believe technology will ultimately solve the problem. Laura Aiuppa, director of

information products with NCQA, predicts the next generation of decision-support tools will synthesize and integrate personal preferences about quality with cost, access, benefits, and network information. She indicated NCQA is working toward that goal.

Promoting Employee Choice and Engagement

Most of the tools introduced in the last two years are Internet-enabled and help consumers choose and enroll in a health plan. They were developed in response to the long-held criticism that individuals lack information to make knowledgeable health care decisions.

Plan enrollment tools range from paper checklists and worksheets to online preference systems backed by sophisticated algorithms and decision-support theory. Hewitt Associates, a management consulting and benefits delivery firm, reports the number of its clients offering enrollment online more than doubled this year.⁹ They conclude more organizations are offering online enrollment to provide employees with the information and tools to make informed decisions.

Preference-based Tools

PlanSmartChoice is an Internet-based tool receiving attention because it helps employees make enrollment decisions based on personal preferences. After piloting the tool in 1998, the U.S. Office of Personnel Management provided employees worldwide with a link to the PlanSmartChoice site for 2000 and 2001 plan year enrollment. IBM offered a customized version of this same tool for its employees during the last enrollment period, bringing the number of eligible users to more than 6 million employees and retirees.

Users of PlanSmartChoice spend about 15 minutes in a three-step process that takes their preferences and compares them to eligible health plans, then presents the health plans ranked in order of match to preferences.

First, consumers select plan attributes important to them among cost, access, benefits, and satisfaction criteria. Then they answer questions that ask them to rate, on a scale of extremely important to not important, the value of those attributes. For example, "How important is the difference between a plan with regular benefits coverage for care provided anywhere versus no coverage for care received out-of-





network?" Finally, the consumer is asked to rate the degree of preference they have between two hypothetical sets of attribute values, each with a high value of one attribute paired with a low value of another attribute. This trade-off exercise forces the user to make choices between attributes already indicated as important to them. The tool then presents a table of plan details based on consumer choices.

Early feedback on the tool is positive. In 1998, 88 percent of federal employee users said they would recommend it to a friend; 83 percent said they were either extremely or very satisfied with the tool; and 81 percent said they found it either extremely or very helpful in the health plan selection process. In 1999, the site had more than 250,000 federal employee/retiree users and more than 5.5 million hits in six weeks. Seven quality measures were included as attributes in the most recent tool. Analysis completed by PlanSmartChoice found 16 percent used quality data as the primary driver of health plan choice.

At IBM, Barbara Brickmeier, director of benefits, was pleased with employee reaction during 2001 plan year enrollment. She pointed out decision-support tools fit well with IBM's strategy of shared employer-employee responsibility for benefits and their business culture as a leading developer of advanced information processing products.

Integrated Tools Enhance Value

Employers interviewed for this executive brief recommend incorporating decision-support tools into benefits enrollment processes to maximize their use and value. Most large employers have well-developed online employee benefits strategies as a basis for incorporating decision-support tools. Other employers, particularly mid-sized companies, may want an outsourced strategy.

Sageo is a health benefits outsourcing solution offered to employers for the first time this year. The company provides full service enrollment, plan administration, and customer service. Modeling tools help consumers consider what type of plan (HMO, POS, or PPO) is right for them. Consumers can create their own plan scorecards based on personal preferences. Through a partnership with the Mayo Clinic, users can research health conditions and treatments throughout the plan year.

Fourteen companies buying health care for 300,000 people contracted with Sageo for 2001. During the fall open enrollment period, 80 percent of active employees used the Internet, while 20 percent used the 24/7 call center or

voice response systems. Among retirees, 25 percent enrolled on the Internet and the balance used the call center. Twenty percent of customers used at least one modeling tool to aid health plan choice. By early January, about 1 percent had already gone to the Mayo site for health information.

Separating the Hype from the Hope: Adoption Issues

Decision-support tools have the potential to more fully engage consumers in health care buying decisions. But a few experts interviewed for this brief question whether they will be widely adopted.

Several factors will influence acceptance of these tools and Internet health care solutions generally. The first is tool effectiveness. Consumers could easily be overwhelmed by the amount of data available to them if tools are not effective synthesizers of information. Even though they are sophisticated, most current tools support plan-level decisions; real health care consumerism will require the tools to support provider and treatment level choices as well.

There is concern not enough consumers have the time and interest or the technology and information literacy skills to drive demand for increasingly sophisticated tools. There is also the question of what consumers really want from the Internet. A recent Harris Interactive poll on Internet health sites reported consumers want more direct interaction with providers, such as being able to email their doctors.¹⁰ Cyber Dialogue, an Internet health research company, reports 78 percent of Internet users covered by health insurance are interested in online benefits

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Lessons From Early Adopters

- Offer decision-support tools to enhance the value of benefits, not just to reduce cost.
- Consider fit of self-service tools with corporate culture, benefits philosophy, and online benefits strategy.
- Communicate, communicate, communicate new tools and enrollment options.
- Consider providing assistance to employees who want help navigating tools for the first time.
- Consider providing kiosks for employees without computer access.
- Don't expect everyone will want to use the tools.

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management. Checking coverage for specific services and status of filed claims are the two most requested features.¹¹

A second factor is the role of plan sponsors. Employers can help facilitate adoption by making tools available to employees as part of the health benefit. Inclusion of decision-support tools in online employee benefits approaches does not yield a direct return on investment, but it can increase employee satisfaction with the benefit and help people become savvier consumers.

Some new ehealth plans are based on defined contribution financing. Most employers are examining new financing options cautiously, but a few companies are moving ahead with a model that gives employees a health care spending account and high-deductible insured plan. If these new models are successful, and more consumers have direct control over the allocation of their health care dollars, demand for consumer decision support tools will likely increase.

A third factor is physician acceptance and connectivity. Informed consumers are already changing the traditional doctor-patient relationship and improved care quality could be a byproduct, but only if consumers and physicians use the information together. Many doctors use the Internet now, but mostly for administrative transactions and clinical research.¹² For now, there appears to be a huge gap between what consumers want and what physicians are prepared to provide. Frustrations on either side of the relationship could negatively affect development of more sophisticated tools.

Conclusion

In 2001 more employees than ever before used Internet-enabled self-service tools to help them select and enroll in health plans most appropriate to their individual needs. Touting convenience and customization as hallmarks, the new tools were developed in response to the long-held belief that individuals lack information to make knowledgeable health care decisions. There is considerable hope the new tools will further engage consumers in their own health care buying decisions and have a ripple effect on health system quality, but several factors, including development of tools supporting provider- and treatment-level decisions, consumer receptivity, and provider acceptance will ultimately influence adoption. ■

For More Information . . .

Definity Health www.definityhealth.com
National Committee for Quality Assurance
www.ncqa.org
PlanSmartChoice www.plansmartchoice.com
Sageo www.sageo.com
Watson Wyatt www.watsonwyatt.com
William M. Mercer, Inc. www.wmmercer.com
"Your Guide to Choosing Quality Health Care,"
AHRQ Pub No 99-0012, www.ahrq.gov

Endnotes

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