



## **Consumer Driven Care Training Kit**

An e-learning CD-ROM from MCOL

Positioning you for a new kind of health care

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# Overview...

Mini case studies for 23 representative organizations are provided. They include:

- Health Plans offering Consumer Driven Health Plan Products
- Administrators offering Consumer Driven Health Plans
- Vendors providing Consumer Driven Health Plan Services

The mini-case studies provide the following for most organizations:

- Summary Information
- Products Offered
- Consumer Driven Clients
- Comments

# Aetna...

Health Plan offering Consumer Driven Health Plan Products

**Summary Information:** 40,000 Consumer Driven Health Plan Members. Aetna is based in Hartford , CT, and is a licensed insurance company in all 50 states. Aetna has 13 million health plan members, annual revenue of \$19.9 billion (2002) and 27,800+ employees.

[www.aetna.com](http://www.aetna.com)

**Products:** “HealthFund” HRA introduced January 2002 with self funded PPO plan design, now also available as fully insured. HealthFund can now also be applied to Aetna Long Term Care product premiums. Aetna DentalFund and PharmacyFund products introduced Summer 2003 as stand alone or companions to HealthFund.

**Consumer Driven Clients:** 67 companies: 27 self-insured including Levi Strauss and Toys R Us, and 40 fully insured as of July 2003.

**Comments:** Aetna started slow with just 1,000 members in July 2003, but added material membership and new product offerings over the next 12 months. National PPO delivery system, insurance products and distribution system are major strengths.

## Anthem...

Health Plan offering Consumer Driven Health Plan Products

**Summary Information:** 12,000 Consumer Driven Health Plan Members. Anthem is based in Indianapolis, IN and is a Blue Cross Blue Shield affiliate operating in 9 states. Anthem has 11 million health plan members, annual revenue of \$13.0 billion (2002) and 19,500 employees. [www.anthem.com](http://www.anthem.com)

**Products:** “ByDesign” targeted towards employers under 300 employees in size, with numerous benefit design packages combined with HRA (called Anthem Personal Care Account) available. Anthem has outsourced the HRA administration through National Account Service Company (NASCO), the health care claims processing and system solutions provider for many BlueCross BlueShield Plans, using NASCO’s Consumer’s Choice product. Health navigation is offered through “MyHealth@Anthem”, and value-added programs are provided through “SpecialOffers@Anthem”

**Consumer Driven Clients:** Anthem had 129 employer groups clients in Ohio, Kentucky and Indiana as of May 2003.

**Comments:** Anthem claims savings of 14 to 28% in premiums by switching from a low deductible to a \$1,000 deductible plan.

## **BCBSMN...** **Blue Cross Blue Shield of Minnesota** Health Plan offering Consumer Driven Health Plan Products

**Summary Information:** BCBSMN is based in Eagan , MN, and is a non-profit organization operating in Minnesota and surrounding areas. BCBSMN has 2.6 million health plan members, annual revenue of \$4 billion (2001) and 3,800 employees.

[www.bluecrossmn.com](http://www.bluecrossmn.com)

**Products:** “Options Blue” for employers with over 50 employees introduced April 2003.”BluePrint for Health Online” and “First Help Nurse Line” provided for health navigation. HRA account status can be viewed online.

## **Blue Cross CA...** **Blue Cross of California (WellPoint)** Health Plan offering Consumer Driven Health Plan Products

**Summary Information:** 800,000 Defined Contribution Health Plan Members and 1,000+ consumer driven health plan members. Blue Cross Ca is a subsidiary of WellPoint and is based in Thousand Oaks, CA. Blue Cross CA, and has 6.7 million health plan members (WellPoint totals 13.2 million members) annual revenue of \$ 9.10 billion for 2002 (WellPoint total: \$17.3 billion 2002) and 6,500 employees (16,500 for WellPoint.)

[www.bluecrossca.com](http://www.bluecrossca.com) and [www.wellpoint.com](http://www.wellpoint.com)

**Products:** “Flexscape” is a defined contribution health plan product, offering a range of Blue Cross HMO and PPO benefit design options for employees to select from during an open enrollment period. “Power HealthFund” PPO introduced Jan 2003 with employer funded HRA, plus optional employee funded FSA combined with high deductible (\$1,000 to \$5,000) self funded or fully insured plans for employers with 500 or more employees and web based account management tools and health navigation.

**Consumer Driven Clients:** Flexscape serves small employer market with 800,000+ members. 3 employers with 1,000 Power Health Fund PPO members as of January 2003.

**Comments:** Blue Cross plan to integrate Flexscape and Power HealthFund product offerings in the future..

# ChoiceLinx...

Vendor providing Consumer Driven Health Plan Services

**Summary Information:** ChoiceLinx is based in Manchester, NH and is a venture backed vendor of consumer driven health plan administrative services to purchasers.

[www.choicelinx.com](http://www.choicelinx.com)

**Products:** Internet based “Plan Selector” and “Enrollment Manager” and “Benefits Configurator” software facilitates plan selection, enrollment and personalized benefit package design on behalf of client members. Strategic partners include Milliman USA, GeoAccess and Voice Channel Corporation.

**Consumer Driven Clients:** Clients include State of New Hampshire and Morgan Stanley Dean Witter.

## Cigna...

Health Plan offering Consumer Driven Health Plan Products

**Summary Information:** 3,000 Consumer Driven Health Plan Members. Cigna is based in Philadelphia, PA and is a licensed insurance company in all 50 states. Cigna has 13 million health plan members, annual revenue of \$19.3 billion (2002) and 41,200 employees.

[www.cigna.com](http://www.cigna.com)

**Products:** “Health Savings Account” HRA combined with PPO Insured high deductible product introduced February 2002 for January 2003 effective dates. myCigna.com provides navigation. Contracted with Benu to provide web based enrollment and benefit management systems.

**Consumer Driven Clients:** 3 companies including Charter Communications as of January 2003. 5% enrollment penetration from open enrollment offerings at these companies.

## Definity...

Administrator offering Consumer Driven Health Plans

**Summary Information:** 170,000 Consumer Driven Health Plan Members. Definity is based in St. Louis Park, MN and is a venture backed administrator offering consumer driven health plans to employers. [www.definityhealth.com](http://www.definityhealth.com)

**Products:** “Personal Care Account” (PCA) HRA introduced in April 2000. Member must pay gap between PCA and high deductible insurance plan offered in combination. 62% of Definity employer clients offered one Definity option to employees, 34% offered 2 Definity options, and 14% offered 3 options. Employer funding: 56% of employers funded \$1,000 to the PCA, 21% funded around \$750 to the PCA and 23% funded \$500 to the PCA. Deductible levels: 2% of employers chose between \$3,001 and \$4,000; 21% chose between \$2,001 and \$3,000; 27% chose between \$1,501 and \$2,000; 41% chose between \$1,001 and \$1,500 and 9% chose \$1,000 or less.

# Definity...

Administrator offering Consumer Driven Health Plans

**Consumer Driven Clients:** 69 employer clients include American Postal Workers Union (APWU), Aon Corp, Raytheon, Textron, Wells Fargo, Con Agra, Charter Communications, SuperValu, CVS, Aon, Countrywide, Rohm and Haas, Medtronic, University of Minnesota, Louisiana State University, Hannaford Brothers, Coors, J.B. Hunt, Budget Rent-a-Car, Scientific-Atlanta, Cardinal Health, Starwood Hotels and Resorts, the National Business Coalition on Health, and Pacific Business Group on Health.

**Comments:** After one quarter, 70.7% of the APWU Definity members still had 100% of their Personal Care Account balance remaining (\$1,000 for singles, \$2000, for families), another 25.8% had spent up to 25% of their account, 2.7% had spent between 25% and 50% of their account and 0.9% had spent more than 50% of their account. Regarding member satisfaction, for 2002 61% of Definity members indicated they were very satisfied; 27% satisfied; 8% dissatisfied; and 4% very dissatisfied.

## Destiny...

Health Plan offering Consumer Driven Health Plan Products and Administrator offering Consumer Driven Health Plans

**Summary Information:** 21,000 Consumer Driven Health Plan Members. Destiny is based in Bethesda, MD, and is a subsidiary of Discovery Holdings (with 1.5 million Consumer driven members in South Africa.) Destiny is a licensed insurance company domiciled in Illinois and also operating in surrounding states. Parent Discovery Holdings is publicly traded in South Africa. [www.destinyhealth.com](http://www.destinyhealth.com)

**Products:** Introduced products in August 2000 in Illinois and Wisconsin markets. “Personal Medical Fund” HRA is combined with High Deductible Insured Benefits, 24/7 nurse line and “Vitality” value added programs. Has partnered with various PPO provider networks. Has joint ventured with Guardian Life to offer Consumer Driven Health Plans on national basis to states Destiny is not licensed to offer insurance. Serve as strategic partner to Tufts Health Plan’s “Liberty” product, powered by Destiny’s Comprehensive Consumer Driven Health Care product.

**Consumer Driven Clients:** 700 employer clients as of July 2003.

**Comments:** 52% of members have carried over “personal Medical Funds” to a new plan year.

## Empowered... **Empowered Benefits** Administrator offering Consumer Driven Health Plans

**Summary Information:** 20,000 Consumer Driven Health Plan Members. Empowered Benefits is based in Charlotte, NC, is privately held and operates primarily in the Southeast.  
[www.empoweredenbenefits.com](http://www.empoweredenbenefits.com)

**Products:** “Personal Healthcare Account” HRA for self insured. Seeking health plan strategic partners to provide fully insured products.

**Consumer Driven Clients:** Targeting mid size self insured clients. Clients include Heritage enCon group, Intelistaf Healthcare, and Parker Poe Adams and Bernstein.

## Evolution... Evolution Benefits

Vendor providing Consumer Driven Health Plan Services

**Summary Information:** Evolution Benefits is based in Avon, CT, and is venture backed.  
[www.evolutionbenefits.com](http://www.evolutionbenefits.com)

**Products:** “Benny” debit card for HRAs and FSAs. Private labeled “FlexBenDirect” product offered in partnership with Flex Ben corporation. Strategic partners include Mastercard, Wildcard Systems, BankFirst and PBMs including Advance PCS, Medco, Argus, MedImpact, Caremark and Express Scripts.

**Consumer Driven Clients:** Clients include Humana, Harvard Pilgrim Health Care, CompLink, Flex Plan Services.

**Comments:** Cardholders average 16 transactions per year. Clients average 80% of HRA or FSA transactions processed through card. Pharmacy accounts for 50% of transactions. Study of clients with FSA prior to adding card indicated 31.5% increase in employee FSA usage after card implementation.

## Harvard...

### Harvard Pilgrim

Health Plan offering Consumer Driven Health Plan Products

**Summary Information:** 40,000 Consumer Driven Health Plan Members. Harvard Pilgrim is based in Wellesey, MA, and is a non-profit organization operating in Massachusetts, Maine, Vermont and New Hampshire. Harvard Pilgrim has 750,000 health plan members, annual revenue of \$1.8 billion (2002) and 1,400 employees. [www.harvardpilgrim.org](http://www.harvardpilgrim.org)

**Products:** “Smartspend” FSA and HRA with Evolution Benefits debit card administered through FlexBen corporation, introduced March 2003. HRAs offered with Harvard Pilgrim’s high deductible “Best Buy” plans.

## HealthAllies...

Vendor providing Consumer Driven Health Plan Services

**Summary Information:** 210,000 Members receiving HealthAllies discount programs. HealthAllies is privately held and is based in Glendale, CA. [www.healthallies.com](http://www.healthallies.com)

**Products:** “Consumer Choice Networks” provide discount savings for provider services not directly covered health insurance. Joint venture with include AIG Insurance offers “AIG Savings Network” and “AIG Health Companion,” a supplemental insurance product. Other Business partnerships include Beryl, Aon, Hewitt, Optum, and American Express. Health care strategic partners include VHA, PPO Next and Advantage Health Services.

**Consumer Driven Clients:** 330 employer groups including Staples, VNU, Burger King, Pitney Bowes, Cendant, elan, and Trilegiant as of April 2003.

## HealthMarket... Health Plan offering Consumer Driven Health Plan Products

**Summary Information:** 35,000 Consumer Driven Health Plan Members. HealthMarket is based in Norwalk, CT, and is venture backed. HealthMarket is currently offering products in 8 states, and subsidiary insurance company (American Travelers Insurance Company) is licensed to operate in 29 states. [www.healthmarket.com](http://www.healthmarket.com)

**Products:** “Consumer Driven Health Plan” insured product, offered with “StartWell” insured preventive care first dollar benefit allowance and optional “Smartfunds” spending accounts. Also available to self-insureds. Provider Network supplied by Private Health Care Systems.

**Consumer Driven Clients:** Over 2,500 employer groups as of April 2003.

**Comments:** Over 80% of members had remaining balances in Smartfund accounts to rollover to next plan year. Renewing groups averaged 15% premium increase.

## Highmark... Highmark Blue Cross Blue Shield

Health Plan offering Consumer Driven Health Plan Products

**Summary Information:** 70,000 Defined Contribution Health Plan Members, and additional Consumer Driven Health Plan members. Highmark, Inc. is based in Pittsburgh, PA and operates three separate Blue Cross Blue Shield affiliate insurance companies in PA. Highmark has 4.1 million health plan members, and annual revenue of \$7.4 billion (2002).  
[www.highmark.com](http://www.highmark.com)

**Products:** “BlueChoice” introduced May 2000 for fully insured and self insured groups over 50 employees in size offers defined contribution health plan customizable benefit options. “Blue Account” introduced March 2003 Features HRA and high deductible PPO plan.

**Consumer Driven Clients:** 116 companies as of March 2003.

## Humana...

Health Plan offering Consumer Driven Health Plan Products

**Summary Information:** 29,000 Consumer Driven Health Plan Members. Humana is based in Louisville, KY, and operates in 18 states and Puerto Rico. Humana has 6.6 million health plan members, annual revenue of \$11.3 billion (2002) and 27,800+ employees.

[www.humana.com](http://www.humana.com)

**Products:** “Smarsuite” provides a defined contribution style “bundles” of traditional HMO or PPO options and consumer driven options including “CoverageFirst” \$500 “Personal Care Account” FSA PPO combined with Humana \$1,000 to \$2,500 deductible plans.

“SmartSelect” HRA and customizable benefit design also available. HumanaAccess combined ID and debit card available for FSA/HRA products in partnership with Evolution Benefits. Navigation provided through Humana “Plan Professor” and “Health Plan Wizard”

**Consumer Driven Clients:** 60 Smartsuite employer groups with 120,000 members (24% chose consumer driven options) HRA offering through National Association of Wholesale Distributors.

**Comments:** Humana study of 12 Smartsuite clients representing 28,000 members indicated average 2003 premium increases of 6% compared to national average of 15%. 6% of Humana’s own employees enrolled in Coverage First.

## Lumenos... Administrator offering Consumer Driven Health Plans

**Summary Information:** 70,000 Consumer Driven Health Plan Members. Lumenos is based in Alexandria, VA, and is venture backed. 2003 projected revenue is \$14 million.

[www.lumenos.com](http://www.lumenos.com)

**Products:** “Health Savings Account” HRA for self insured employers . Navigation is provided through the “Lumenos Health Toolkit.” Provider Networks are provided in partnership with Private Health Care Systems. Other Strategic partnerships include RxEOB, NFP Benefits, Heartland Healthcare Coalition, BenefitPoint, Siebel Systems, Synertech, PeoplePC, FutureHealth, and DoctorQuality.

**Consumer Driven Clients:** : 39 companies including Novartis, Pivotal Corporation, Werner Co., Zale Corporation, Komatsu America Corp, NCI Information Systems, Universities Space Research Association, Equitrac, Baylor Health Care System, Compucom, Belo, Pharmacia, and Radnor Holdings

**Comments:** Lumenos customers substituted generic drugs for more costly brand names more than 90 percent of the time in 2002.

## MBI...

### MediBank Inc.

Vendor providing Consumer Driven Health Plan Services

**Summary Information:** MBI is based in Waltham, MA and is venture backed.

[www.medibank.com](http://www.medibank.com)

**Products:** “Flex Convenience” debit card for FSAs and HRAs. Strategic solution partnership with the American Association of Health Plans.

**Consumer Driven Clients:** 4,300 employers representing 310,000 members use the debit card under FSA/ HRA programs, through 210 partnering health plans and TPAs as of July 2003..

**Comments:** MBI estimates they have 80% of the FSA/HRA debit card market share.

## MyHealthBank... Vendor providing Consumer Driven Health Plan Services

**Summary Information:** myHealthBank is based in Portland, OR and is venture backed..  
[www.myhealthbank.com](http://www.myhealthbank.com)

**Products:** “Unify” software product suite provides consumer driven health plan applications for health plans.

**Consumer Driven Clients:** : Regence Group, Blue Cross Blue Shield of South Carolina.

**Comments:** myHealthBank’s original mission when founded in 2000 was to be a consumer driven health plan, and changed to their current vision in 2002.

## Patient Choice... Vendor providing Consumer Driven Health Plan Services

**Summary Information:** Patient Choice Health Care is based in Minneapolis, MN and manages tiered provider network services in five states. [www.patientchoicehealthcare.com](http://www.patientchoicehealthcare.com)

**Products:** “Patient Choice” program involves “Care Systems” provider networks, tiered by cost and quality, designed to require greater contribution rates and or benefit differentials for higher cost tiers. Program available for purchasers including coalitions, TPAs, and health plans

**Consumer Driven Clients:** Business Coalition partnerships include Associated Industries of Massachusetts, Buyers Health Care Action Group (BAHCG), Oregon Coalition of Healthcare Purchasers, and the Massachusetts Health Care Purchasers Group. TPA/Health Plan partnerships with PacificSource Health Plans, Wausau Benefits, The Principal Financial Group, WPS Health Insurance, Corporate Benefit Services of America and Marsh.

**Comments:** From 1998 to 2003 with BAHCG, lower cost Tier I provider marketshare increased from 10% to 50% and highest cost tier III providers decreased from 45% to 12%.

## PacifiCare... Health Plan offering Consumer Driven Health Plan Products

**Summary Information:** 426 Consumer Driven Health Plan Members (pilot.) PacifiCare is based in Cypress, CA and operates in 8 states and Guam. PacifiCare has 3.3 million health plan members, annual revenue of \$11 billion (2002) and 7,500 employees.

[www.pacificare.com](http://www.pacificare.com)

**Products:** “Signature Freedom Self Directed Health Plan” combines “Self Directed Account” HRA and “Preventive Care Account” FSA with PacifiCare high deductible tiered network PPO introduced to groups of 250 employees or more in November 2002 and to small groups starting August , 2003. Synertech providing consumer directed applications for PacifiCare.

**Consumer Driven Clients:** : Completed pilot and now actively enrolling.

**Comments:** 3.4% open enrollment penetration during pilot.

## Regence...

### The Regence Group

Health Plan offering Consumer Driven Health Plan Products

**Summary Information:** 10,000 Consumer Driven Health Plan Members. Larger membership in Defined Contribution health plan options. Regence is based in Portland, OR and operates licensed Blue Cross Blue Shield affiliate insurance companies in Idaho, Oregon, Utah and Washington. Regence has almost 3 million health plan members, annual revenue of \$6.4 billion (2002) and 6,600 employees. [www.regence.com](http://www.regence.com)

**Products:** “Blue Choices” offers defined contribution health plan customizable provider network and benefit options. “Health Freedom Accounts” provide FSA option. myHealthBank provides consumer driven software applications.

**Comments:** 44,000 Blue Choices Members in Utah.

# Subimo...

Vendor providing Consumer Driven Health Plan Services

**Summary Information:** Subimo is based in Chicago, IL and is venture backed.

[www.subimo.com](http://www.subimo.com)

**Products:** “The Healthcare Advisor”, “The Hospital Advisor” and “The Pharma Advisor” are web based decision support tools providing health navigation for consumer driven organizations. Content partners include The Health Forum, Ingenix, National Research Corporation, Solucient, and adam.com. Channel partners include Arioso and bswift. Strategic partnership with HealthTrio and Workscape.

**Consumer Driven Clients:** Clients include Definity Health, Wausau Benefits, Humana, WellPoint, PacifiCare, Oxford Health Plans, and Capital District Physicians Health Plan.

## Synertech...

### Amysis Synertech, Inc.

Vendor providing Consumer Driven Health Plan Services

**Summary Information:** Synertech is based in Harrisburg, PA and is privately held by Whitney & Co. LLC. Synertech has 1,000+ employees. [www.synertechsystems.com](http://www.synertechsystems.com)

**Products:** “Synertech Web Exchange” offers portal for consumer driven related transactions . Partnered with RxEOB for to offer “Consumer Centric Rx Decision Support” Synertech also provides Administrative Outsourcing and Implementation services. Synertech products and services have been designed to support three separate types of consumer driven models.

**Consumer Driven Clients:** Synertech’s total client base is 30 health plans and TPAs.

**Comments:** Synertech has processed over 100,000 claims for consumer driven health plans as of January 2003.

## Vivius...

Administrator offering Consumer Driven Health Plans

**Summary Information:** 10,000 Consumer Driven Health Plan Members. Vivius is based in Minneapolis, MN and is venture backed. [www.vivius.com](http://www.vivius.com)

**Products:** Internet based facilitation of customizable benefit design and provider networks that set employee premium contribution for self insured or health plan clients. “Uchoose” offered to self insureds in Colorado. “Uselect” private labeled product in partnership with HealthNet piloted in Washington and now being phased into 14 additional HealthNet markets. HealthSpring health plan partnering private labeled product to be launched in TN.

**Consumer Driven Clients:** self insured employers, Healthnet, HealthSpring