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Brokers see slow growth in health management services

By JOANNE WOJCIK

In response to the growing consumerism movement in health care, insurance brokers have begun providing wellness and other health management services to employers.

But even though most of the services are available at no cost—brokers offer the services to differentiate themselves—most brokers say they must persuade employers, particularly smaller employers, to take advantage of them.

In fact, a recent survey by Indianapolis-based United Benefit Advisors, a network of 138 benefits advisory firms, found that even though most employers believe that their employees can become better health care consumers through education, only about 5% of them are actually providing those services, either on their own or through their brokers or consultants.

Among the new services that brokers are providing are wellness and health promotion, including health risk assessments, health coaching and analytics to determine where to focus health risk management initiatives.

The services can include advising patients on how to tackle the health care system effectively, analysis and promotion of wellness programs, and monitoring plans to see which health issues are causing the most problems, among other things.

For example, four brokers have contracted with Care Council L.L.C. to provide patient advocacy services to their clients, according to Dr. Larry Gelb, president and chief executive officer of the San Rafael, Calif.-based company.

"The broker pays to provide CareCouncil's service as a value-added service to clients, usually with a three-way agreement between CareCouncil, the broker and the employer," Dr. Gelb said.

The service functions as a health benefit "coach," providing access to nurses, social workers or claims specialists who help walk plan members through the complex health care system.

"I've had situations where an employee had a diagnosis for a rare disease. They did research for them. Sometimes there are support groups for certain diseases," said Anna Marie White, a senior vp at Thoits Insurance in Mountainview, Calif., one of the brokers that has contracted with CareCouncil.

Another services provider, Severna Park, Md.-based CBIZ Benefits & Insurance Services, recently rolled out a technology-based platform called Solution 100 to help its clients in the 100- to 1,000-life market perform data mining to determine their populations' health risks and to perform cost-benefit analyses of wellness, health promotion and disease management programs, according to Heidi Cottle, president of the broker's intermountain business unit, which encompasses Colorado and Utah.

"Although in theory, they understood that making a healthier employee would make them happier and more productive, there was not a lot of (return on investment) information available," she said. "While the jumbo market had this data, the middle market didn't have it."

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> **Benefit Insurance Marketing**

The system is supported by Ingenix, a unit of Minnetonka, Minn.-based UnitedHealth Group.

In January, Torrance, Calif.-based brokerage Keenan & Associates began offering a Web-based personal health management resource called KeenanFit, which was created by ePHIT, an online personal health improvement training company. Under the program, participants earn points to qualify for prize drawings or to redeem for discounted health and fitness products. Online health coaching is also available for purchase.

"As a broker/consultant to the California public sector, we know that our clients have lean administrative staffs and are dealing with budget problems on many levels," said Henry Loubet, senior vp. "They look to us to help educate both their staff and their employees on the cost drivers for health care and the things that they can do to help keep their health benefits affordable."

Earlier this year, Frenkel Benefits L.L.C., a subsidiary of Frenkel & Co. Inc. in New York, acquired Onsite Wellness, a wellness management firm.

"We view consumerism and wellness and those issues to really starting to take off dramatically, and we're starting to commit a lot of our resources to pushing them out," said Craig Hasday, president of Frenkel Benefits.

Frenkel Benefits also has an analytics team that can determine what disease states are driving claims experience and help employers design programs to address them.

"We feel that we as a partner with our clients will take them from the passive role to accepting what happens with their experience to a much more active role where they can manage the costs," Mr. Hasday said.

The broker also formed a communications team that develops both Web and print-based benefit communications and encourages employers to provide incentives to encourage employees to participate in wellness initiatives.

One of those initiatives is a "Wellness Awareness Puzzle" that

Largest U.S. benefit specialists

Brokers deriving a majority of 2005 gross revenues from benefit business

Company	Revenues from benefits*	% of gross revenues
CBIZ Benefits & Insurance Services Inc.	$86,240,000	56.0%
Banc of America Corporate Insurance Agency [1]	41,928,255	52.8
Trion Group Inc., dba Trion	38,500,000	100.0
Fringe Benefits Management Co.	31,764,694	100.0
Associated Financial Group	28,180,786	56.1
Thesco Benefits L.L.C.	12,333,895	100.0
McGraw Wentworth	8,600,000	100.0
Mid American Group Inc.	5,523,083	100.0
Western Benefit Solutions L.L.C.	4,375,000	100.0
Preferred Benefits Inc.	1,200,000	100.0

* Includes commissions and fees from brokering group benefits coverage, benefit consulting and health care administration.
1 Formerly Fleet Insurance Services
Source: *BI* survey

employers can give to their employees to communicate to them about the importance of such daily activities as walking 10,000 steps or drinking eight glasses of water. Employees earn a piece of the puzzle after completing each activity, and those who complete the puzzle win an additional paid holiday or some other prize of the employer's choosing, Mr. Hasday said.

But while "we've had a lot of interest" in the puzzle and other wellness initiatives, "I can't say we've had a lot of takers," he admits.

That's because employers aren't exactly pounding down the doors to obtain wellness and consumerism services, according to Mr. Hasday.

"It depends on the size," he said. "Most employers with 2,000 or more employees already have wellness programs in place. It's those that are smaller that need to be educated."

"What we're making the employer aware of that we believe the consumer—the ultimate user of health care—is the last weapon out there in the battle for controlling costs," he said.

Other brokers agree that there is a significant learning curve among smaller and even midsize employers.

"The upper end of the middle market often has a misperception," said Ms. Cottle of CBIZ. "They say they want health and productivity management, but they really want claims management, education and a PR tool for the health fair," she said. "The 100- to 1,000-life employers are doing catch up sophistication-wise."

"We're educating and sharing the vision with them about the opportunity to reduce costs by reducing consumption," said L. Briggs Cochran, president of Benefit Insurance Marketing in Lexington, Ky.

In the last quarter of 2005, BIM hired a medical director with a background in corporate wellness to act in a consultative role to help employers develop wellness initiatives, Mr. Cochran said.

"The larger the organization, the more resources they have, and they are searching for a lot of answers," said Rich Klein, vp at Horton Benefit Services, a division of The Horton Group based in Orland Park, Ill.

Among the services Horton Benefit Services provides are Internet seminars, lunchtime lectures on health topics, quantitative analyses of health risks and benchmarking. The broker will also arrange for health fairs by contracting with third-party vendors and local providers.

"It's counterintuitive to me that in the small group market, where a lot of the pain with double-digit rate increases has been felt, that they're not looking for answers, too," Mr. Klein said. But "there are a lot of small employers struggling to stay in business. They don't have the time to sit down and do the engagement. They just want to get the renewal done and not worry about it for 11 months."

While tweaking plan design by raising deductibles or copayments may help an employer for a year or two, to achieve a lasting impact, they need to implement wellness and disease prevention, Mr. Klein said.

"The savvy employers, no matter what the size, are seeing it has to be done a different way," he said. But, for the most part, "we're still carrying the message to the employers as opposed to being asked."