Health Care Leadership Issues

The Emergence & Differentiation of eHealth Plans

Presented By:
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The Emergence & Differentiation of eHealth Plans

- **The Health Care Environment**
  - **Consumerism & Technology Accelerate Emergence of eHealth Plans**
  - **The Evolution of 1st Generation Web Enabled eHealth Plans and 2nd Generation "Digital" eHealth Plans**
  - **eHealth Plan Architecture**
  - **Developmental Pathways**

- **1ST Generation "Wed Enabled" eHealth Plans**
  - **Portal Connectivity**
  - **"Front End" Applications**

- **2ND Generation "Digital" eHealth Plans**
  - **Integrated "Front & Back End" Function Integration**
  - **Difference to Consumer**
  - **Consumer Centric Care Model**
  - **Data Warehouse Drives Functionality**

- **Conclusion**
  - **Sate of the Industry**

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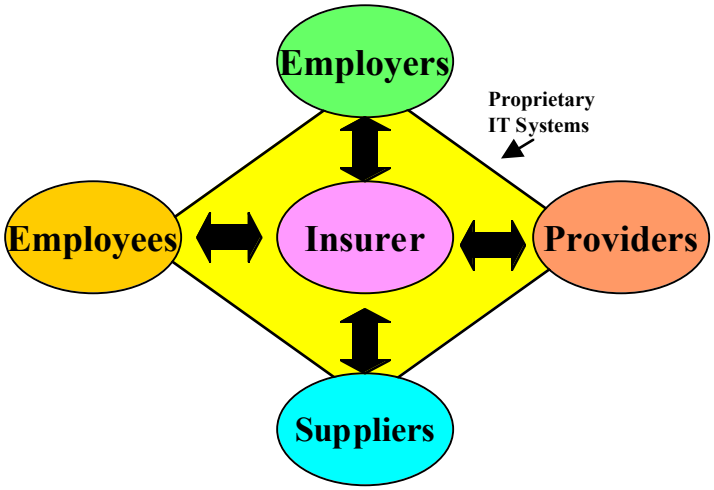
The Health Care Environment
Converging Forces Accelerate Emergence of the eHealth Plans

Current Health Plan Model

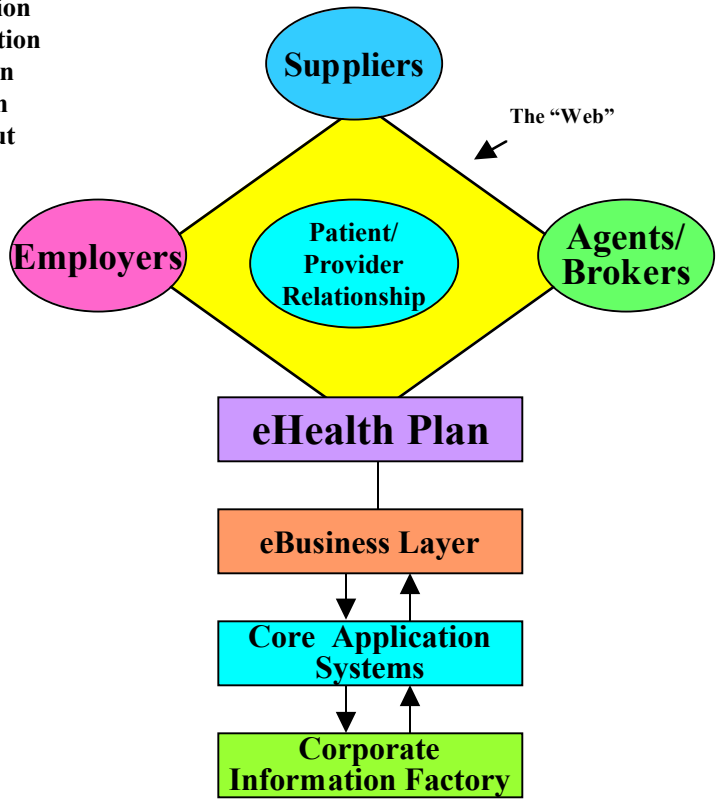


- Consumer Dissatisfaction
- Regulatory Dissatisfaction
- Provider Dissatisfaction
- Investor Dissatisfaction

will push the insurer out of the center...

…but, technology (the internet) will create a new role for the "eHealth Plan".

eHealth Plan Model



Health Plan Centric

Patient/Provider Centric

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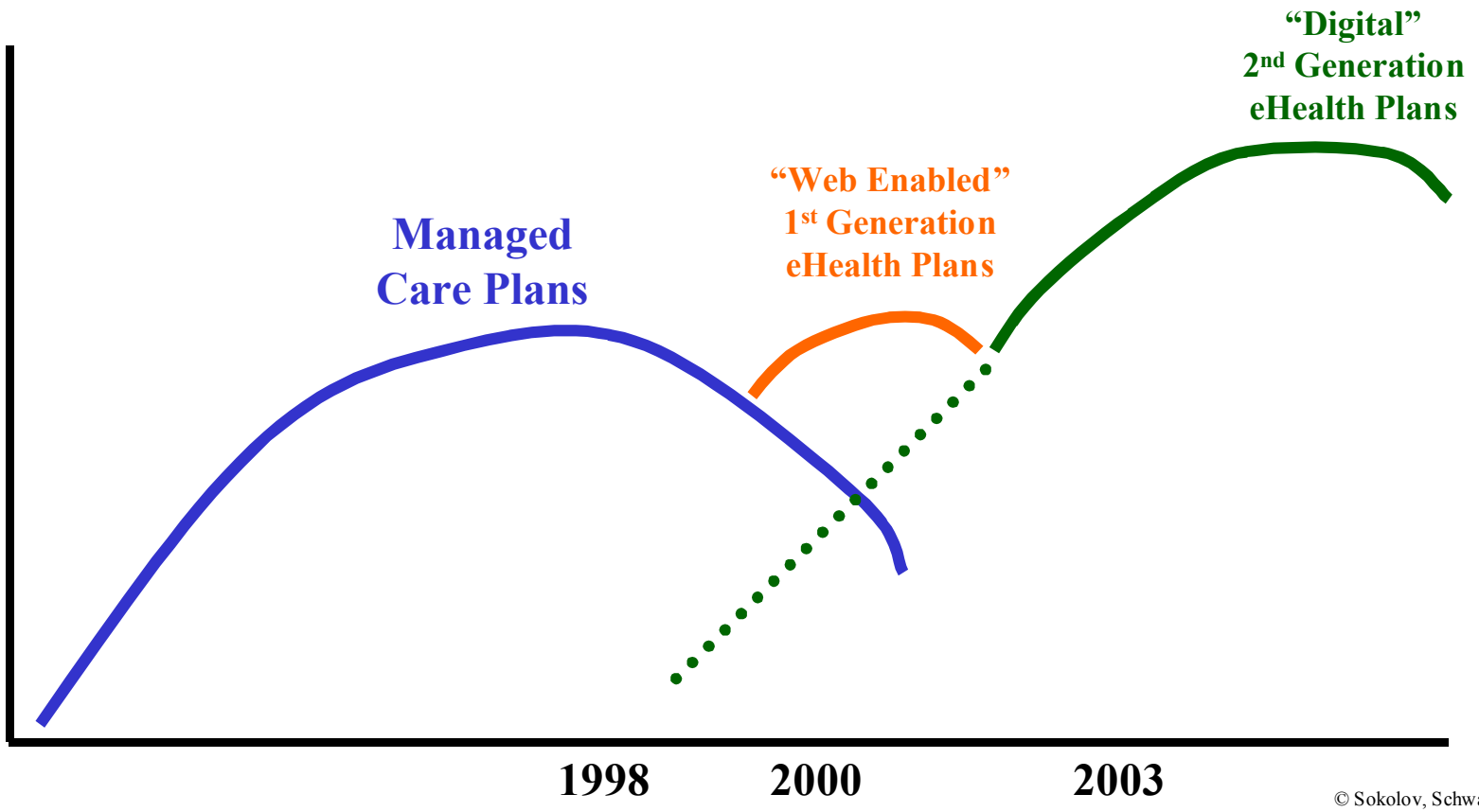
The Health Care Environment
Two Internet Approaches to Providing Health Coverage

1st Generation – "Web Enabled" eHealth Plans: Using information, automation & the Internet to create the most efficient, convenient, best value health insurance company – eHumana, eUnited, eOxford, eAetna, etc.

2nd Generation – Digital Health Plans: Reinventing the methods & relationships of health management, through "real time" shared information that empowers its constituents – Emphesys Digital Health Plan, eHealthDirect, etc.



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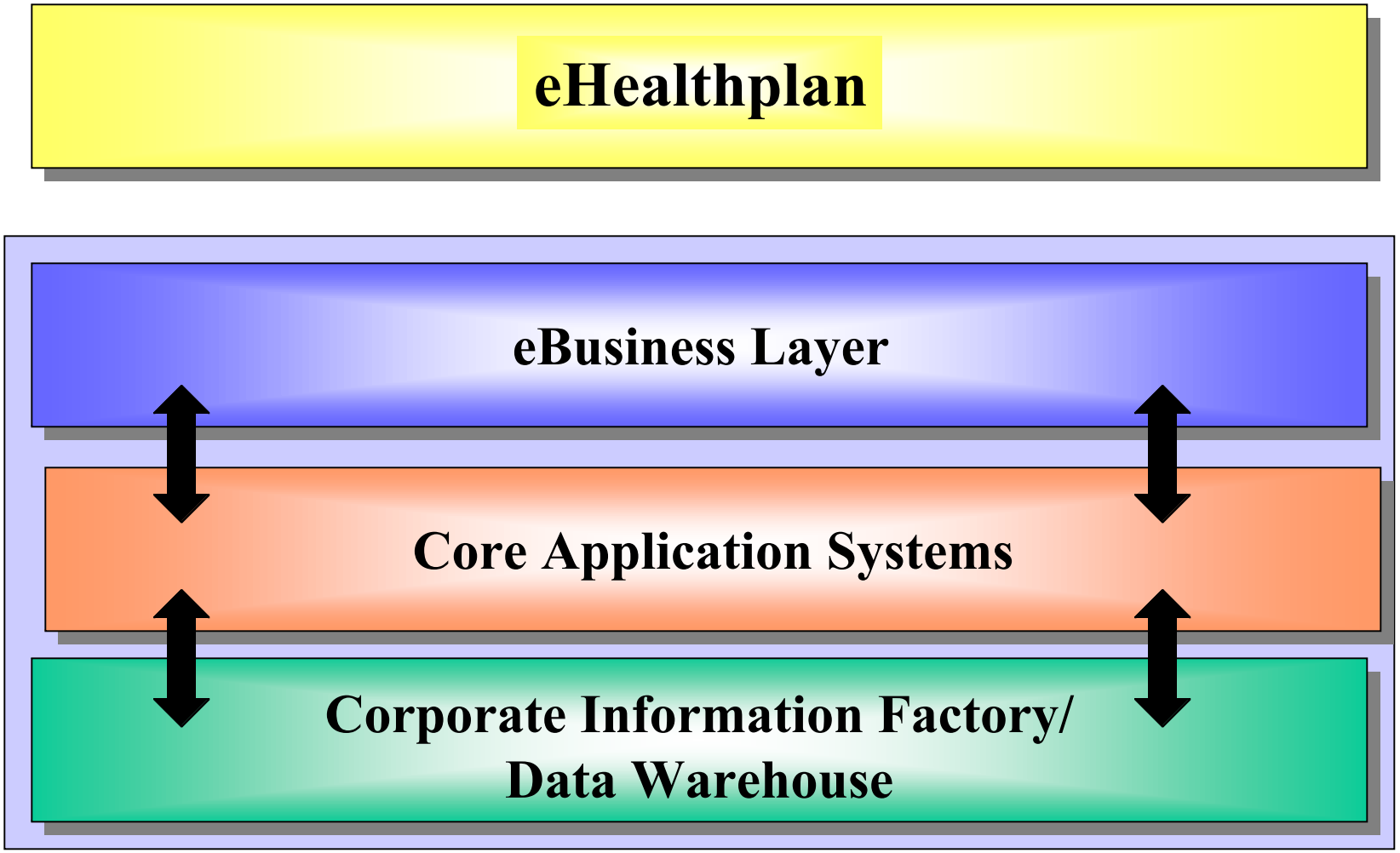
The Health Care Environment
eHealth Plan Architecture



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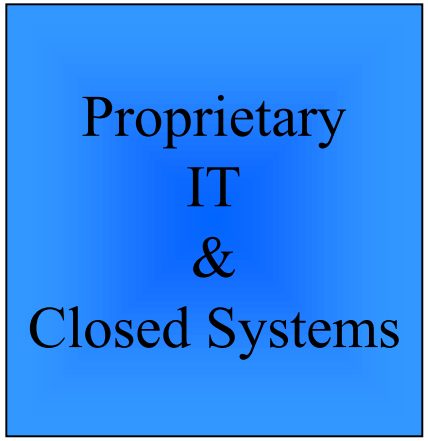
The Health Care Environment
eHealth Plan Transition: "Digital" Health Plans

The Transition to "Digital" Health Plans will be Accomplished in Phases.

Present

Admin. Ratio = 15%

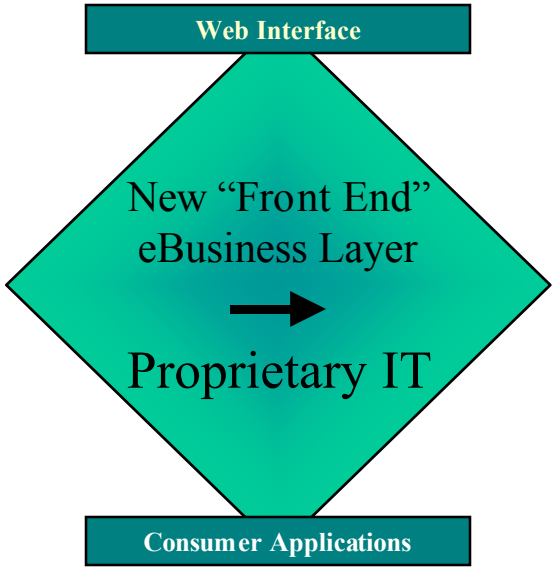


- **Legacy Systems & Databases**
- **Task Workers**
- **No Self-Service**

1st Generation

Admin. Ratio = 12%

9-18 Months

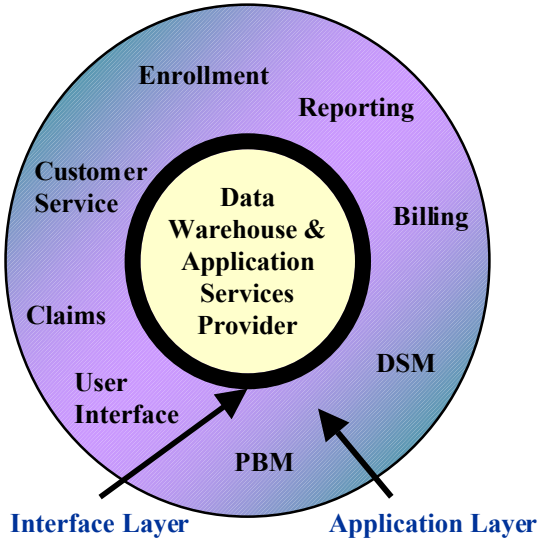


- **Legacy Systems & Databases**
- **Appended "Front End" Web Interfaces**
- **Some Self-service**

2nd Generation

Admin. Ratio = 8%

18-36 Months



- **Digital Core Enables Real-time Transaction Processing for Customers/Managers/Providers**
- **Large "Self-Service" Potential**

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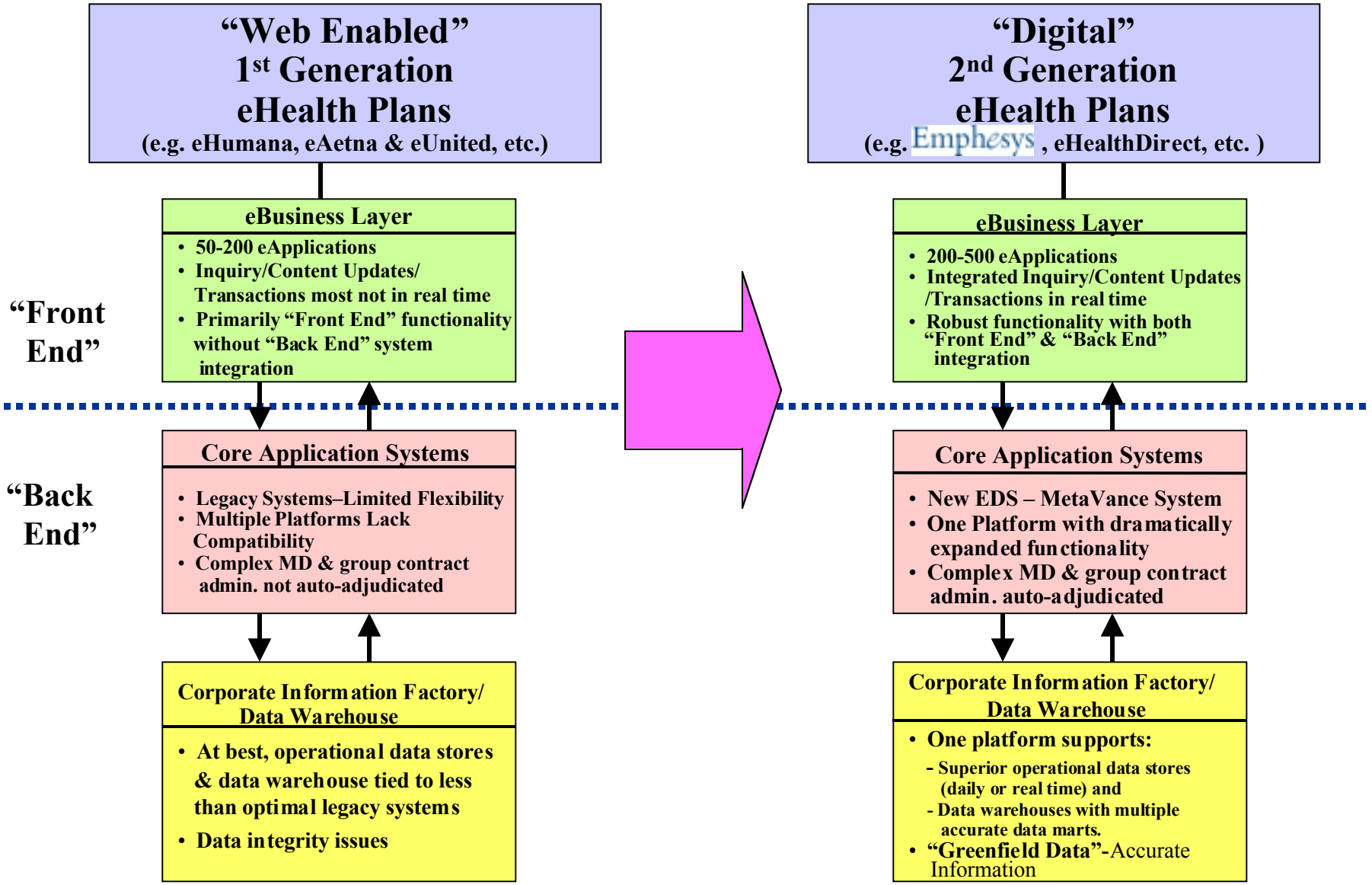
The Health Care Environment
Two Evolving Types of eHealth Plans



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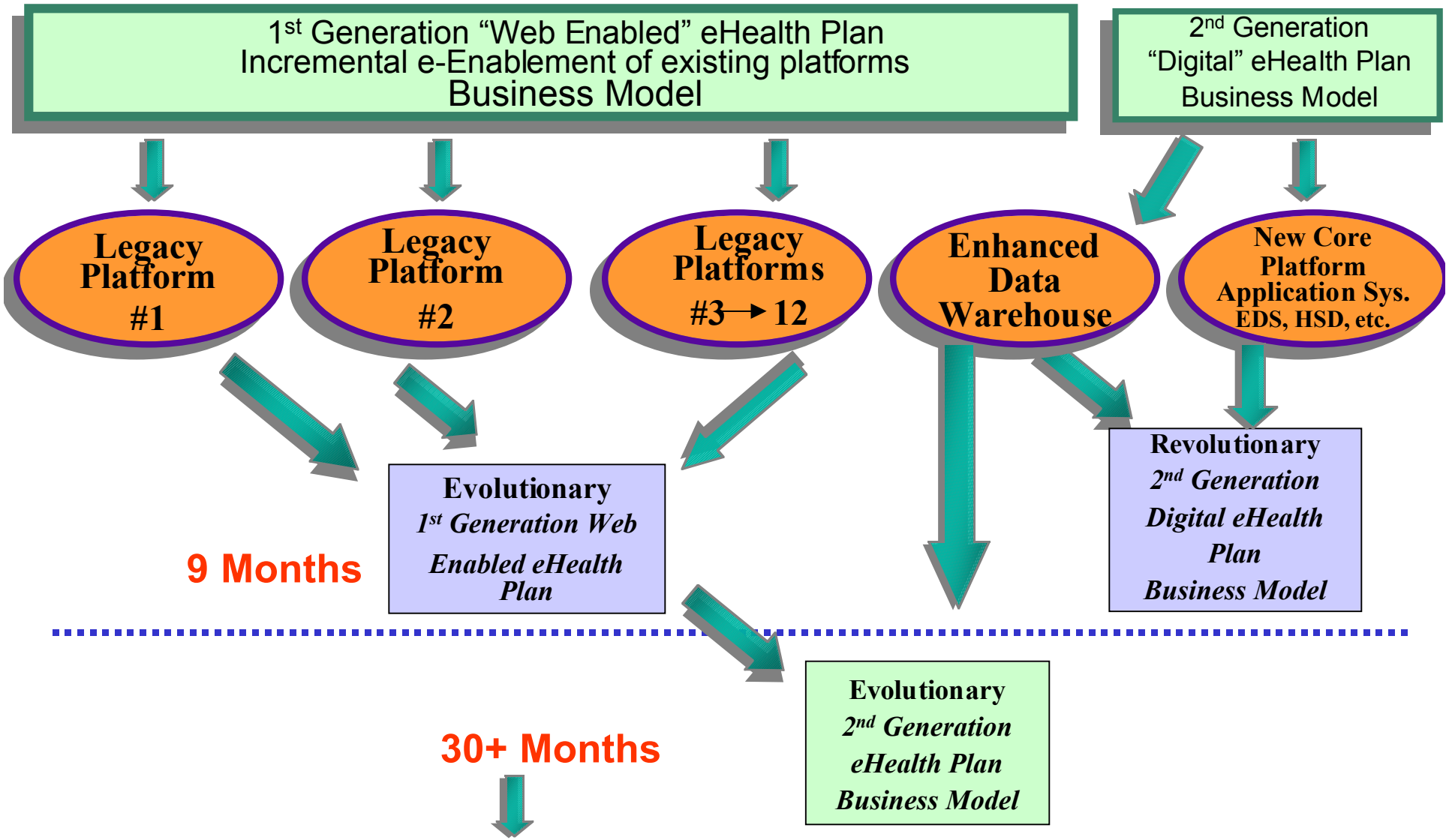
eHealth Plan Parallel Paths



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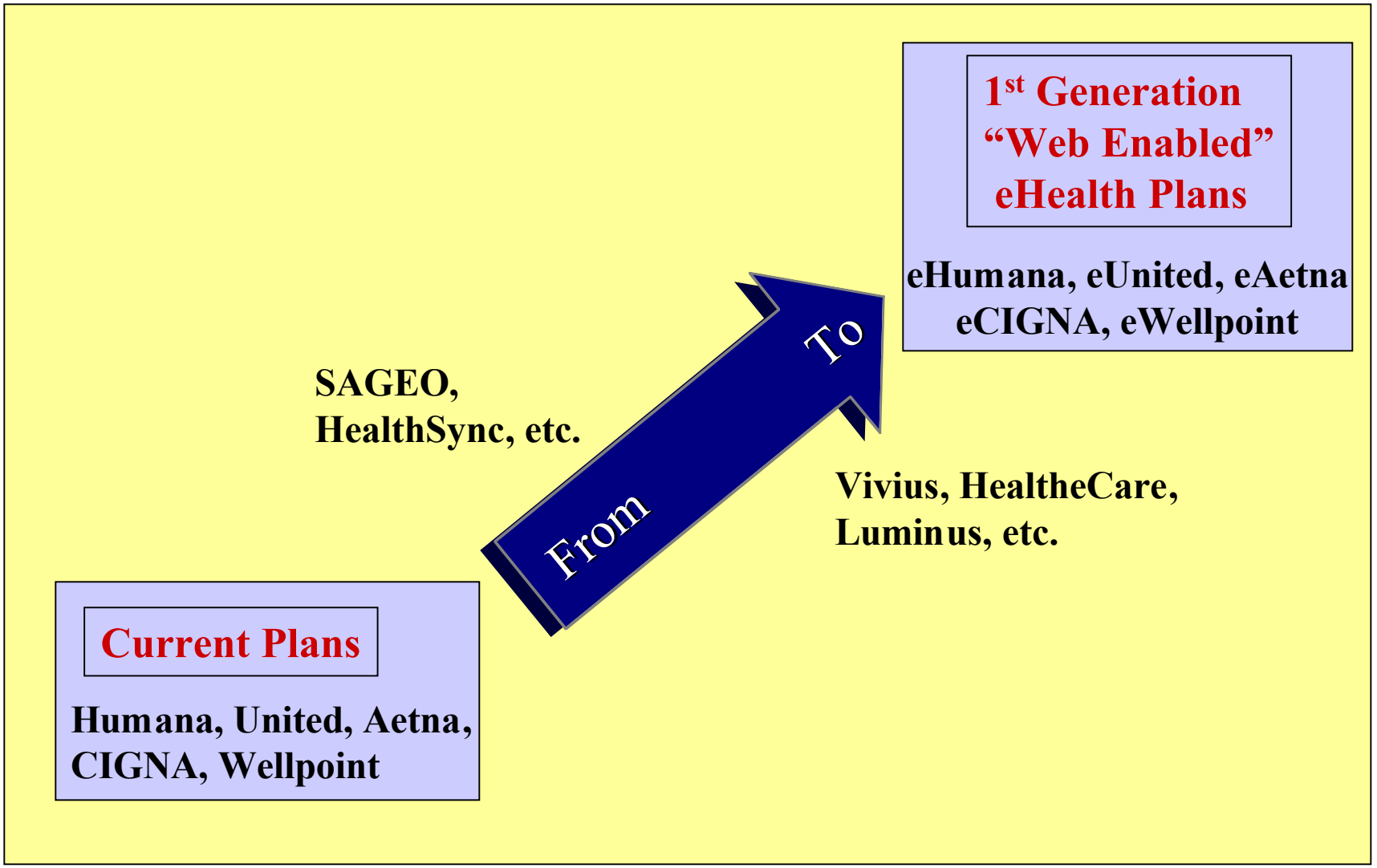
The Health Care Environment
Transition in Process



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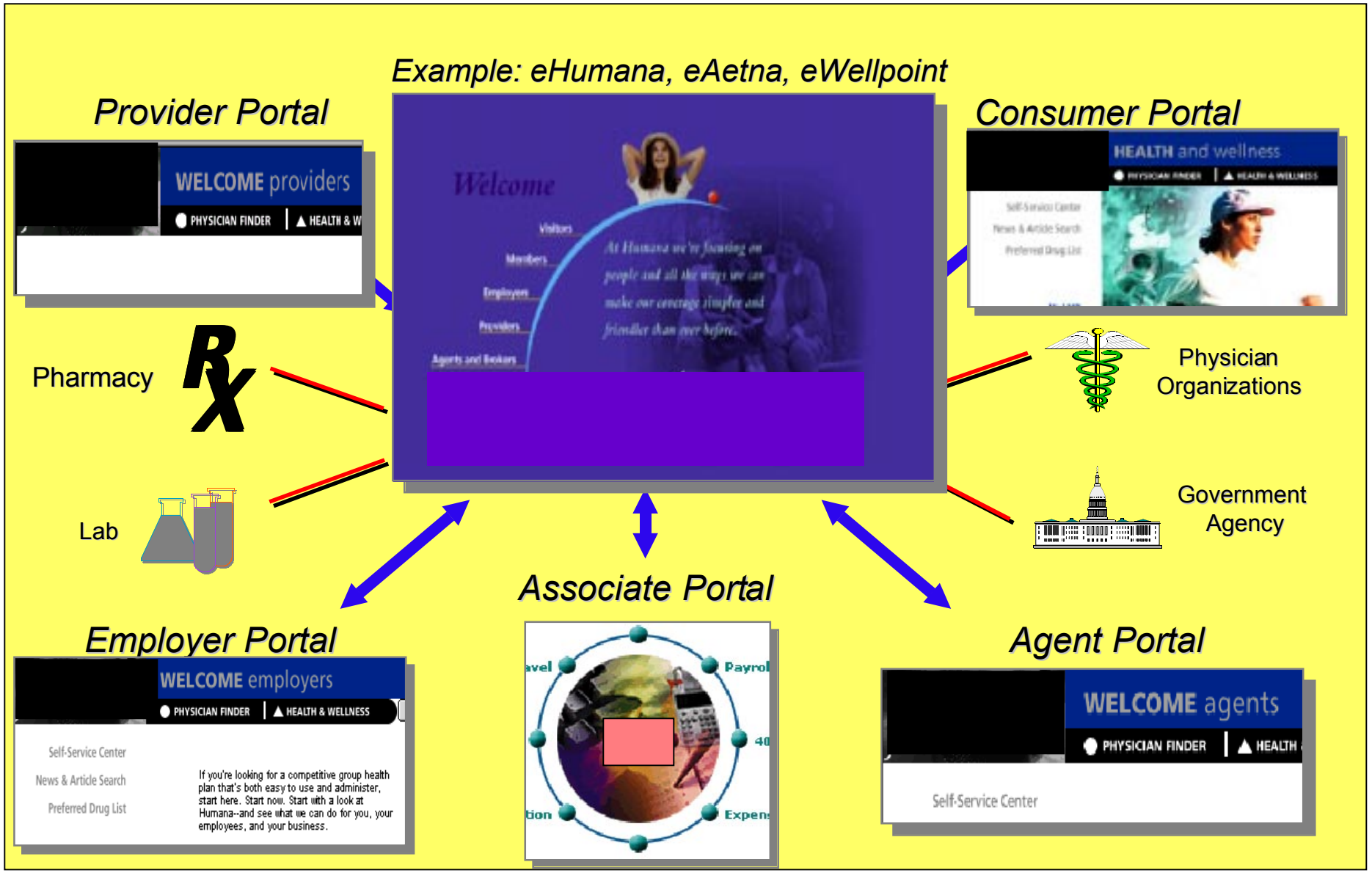
1st Generation "Web Enabled" eHealth Plans Connecting "Five" Different Users (Portals)



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1st Generation "Web Enabled" eHealth Plans Provide Members, Employers & Providers Internet Access To:

- Certificate of Coverage/Summary Plan Document
- Provider Directory
- Automated Claims Adjudication
- Claims Status
- Binding Eligibility Determination
- Claims History
- Formulary Coverage
- Health Risk Assessments
- Preventive Care – Reminders and Information
- High Quality Health Information

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2nd Generation "Digital" eHealth Plans Examples
Emphesys, eDirect Health, etc.

Emphesys

Digital Health Plan

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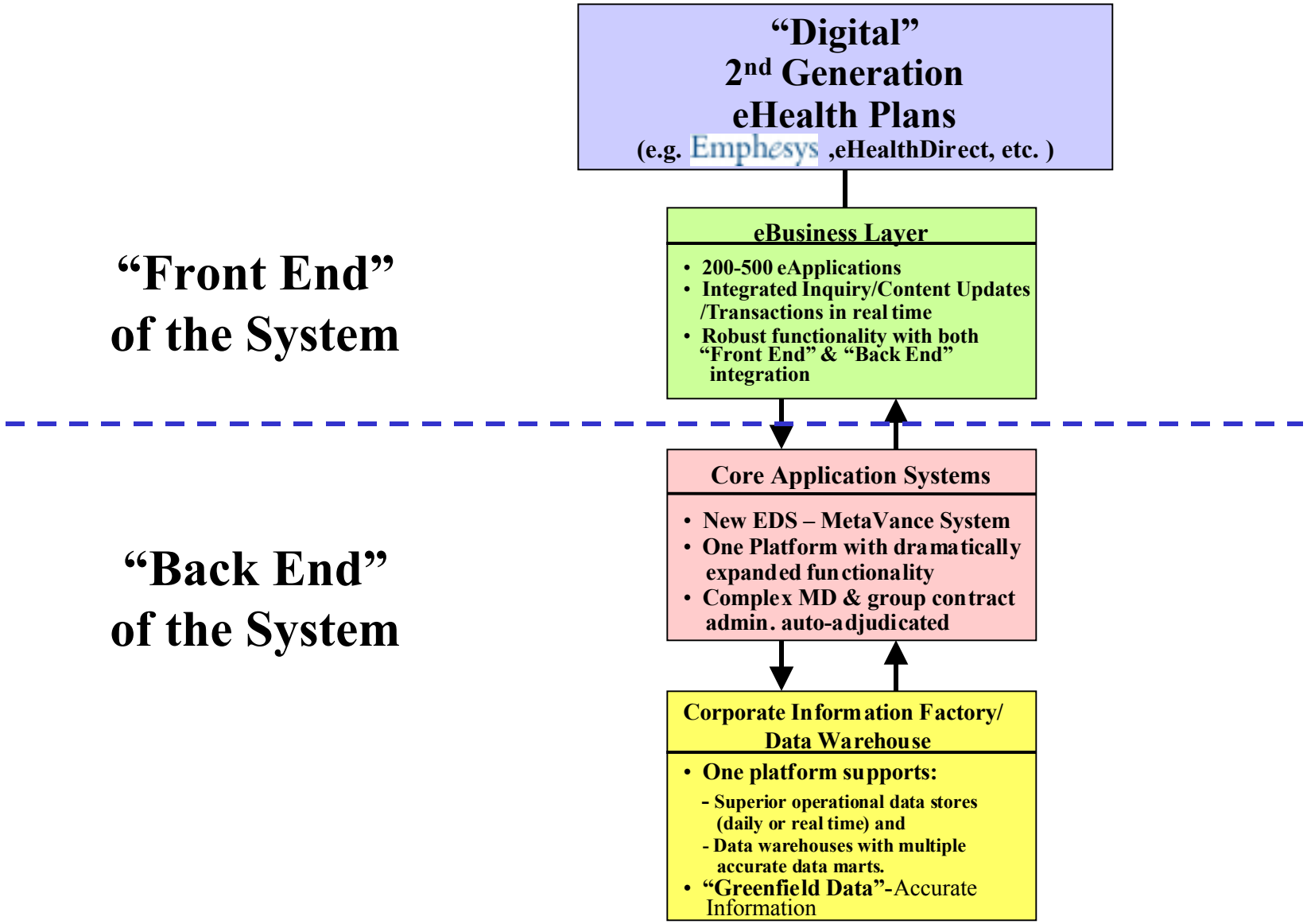
2nd Generation "Digital" eHealth Plans
Front & Back End Integration to Maximize Functionality



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2nd Generation "Digital" eHealth Plans
Difference to the Consumer/Member

Function	Web-Enabled 1st Generation	Digital 2nd Generation
Benefit Design	Health plan provides PPO, HMO & POS options	Consumer creates individualized benefit plan by specifying key variables (i.e. co-pays, co-insurance, deductibles, ability to share risk, networks, quality improvement participation, etc.).
Networks	Plan creates network for different products	Plan creates one "transparent" universal network. The consumer individualizes their network & pays a different premium depending on choices.
Health Risk Appraisals	Plan and/or vendor surveys select populations. Results used for medical management interventions	Everyone surveyed after acceptance. Immediate individualized feedback helps consumer start medical history document/PHR and recommends next steps.
Fee Schedules	Plan negotiates compensation	Plan negotiates compensation and arms consumer with pricing information before they receive care-"Transparent Pricing".

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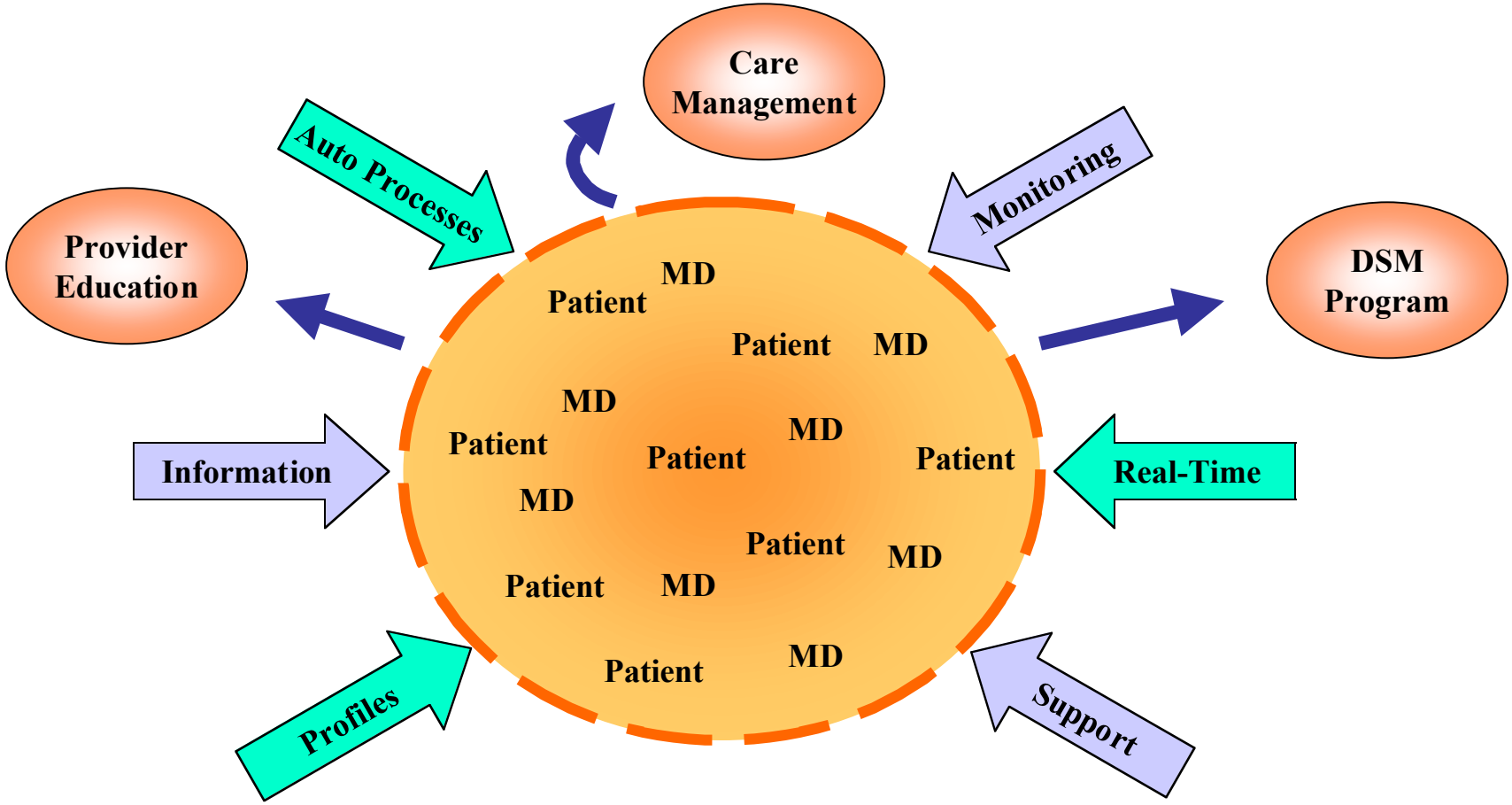
2nd Generation "Digital" eHealth Plans
New "Consumer Centric Care" Models

"Consumer Centric Care" Vision: "MTO's" - (Managing to Outcomes) - The Health Plan Provides Support to Providers and Members to Achieve Desired Outcomes and Implements Focused Programs for Outlier Performers.



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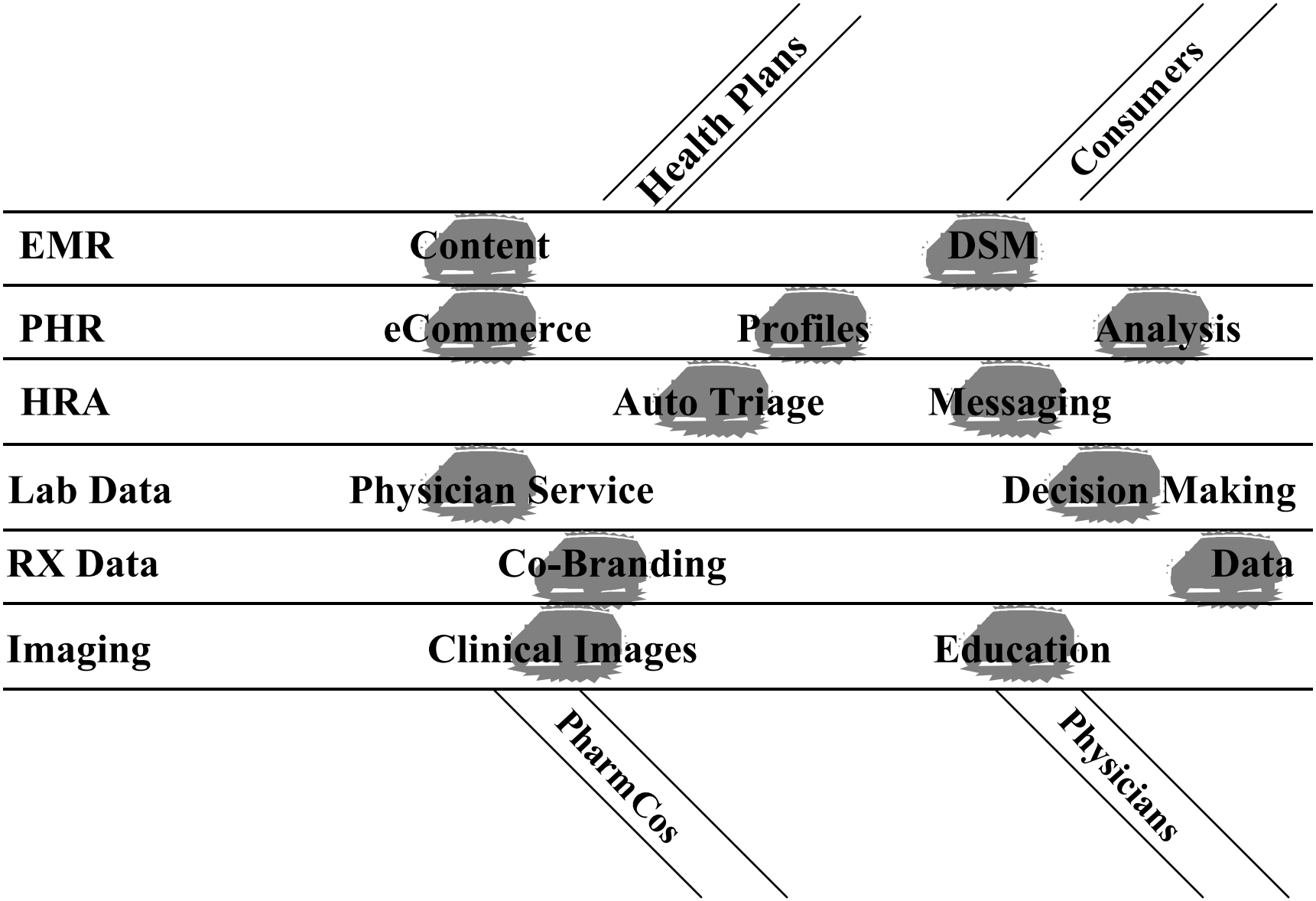
2nd Generation "Digital" eHealth Plan Optimally Connects To The Clinical Information Superhighway



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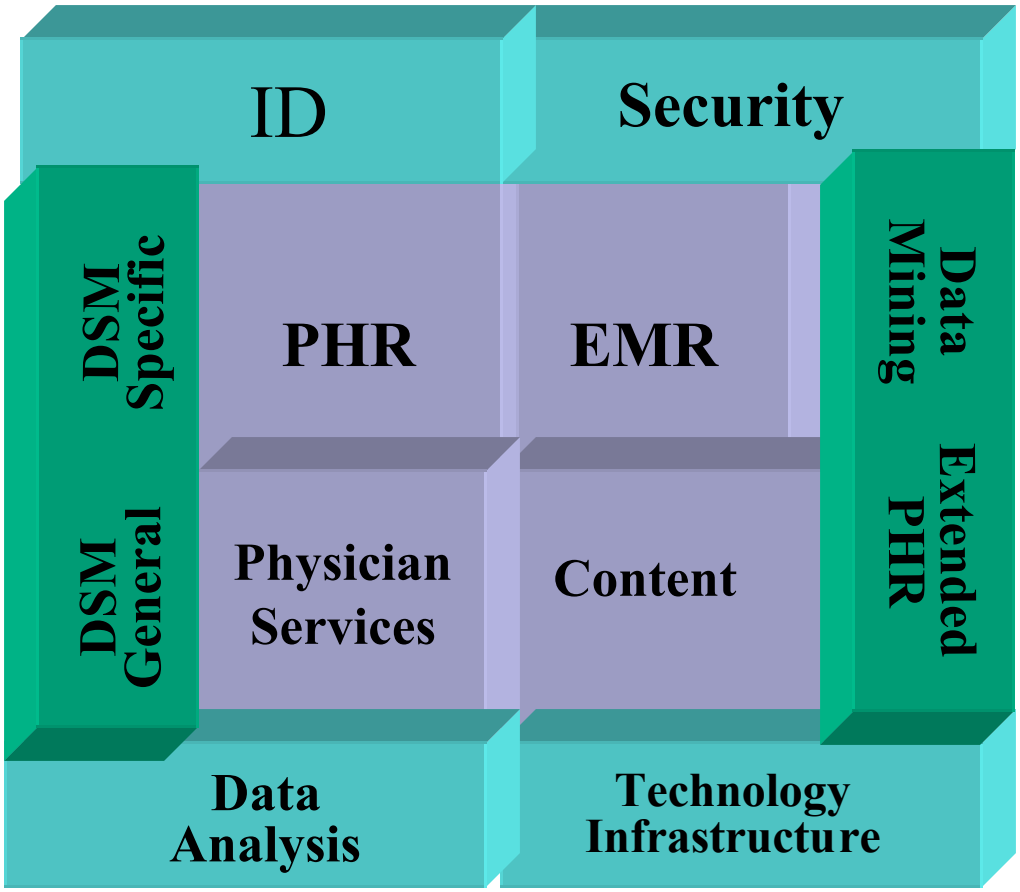
2nd Generation "Digital" eHealth Plans
Building Blocks for the Clinical Information Superhighway



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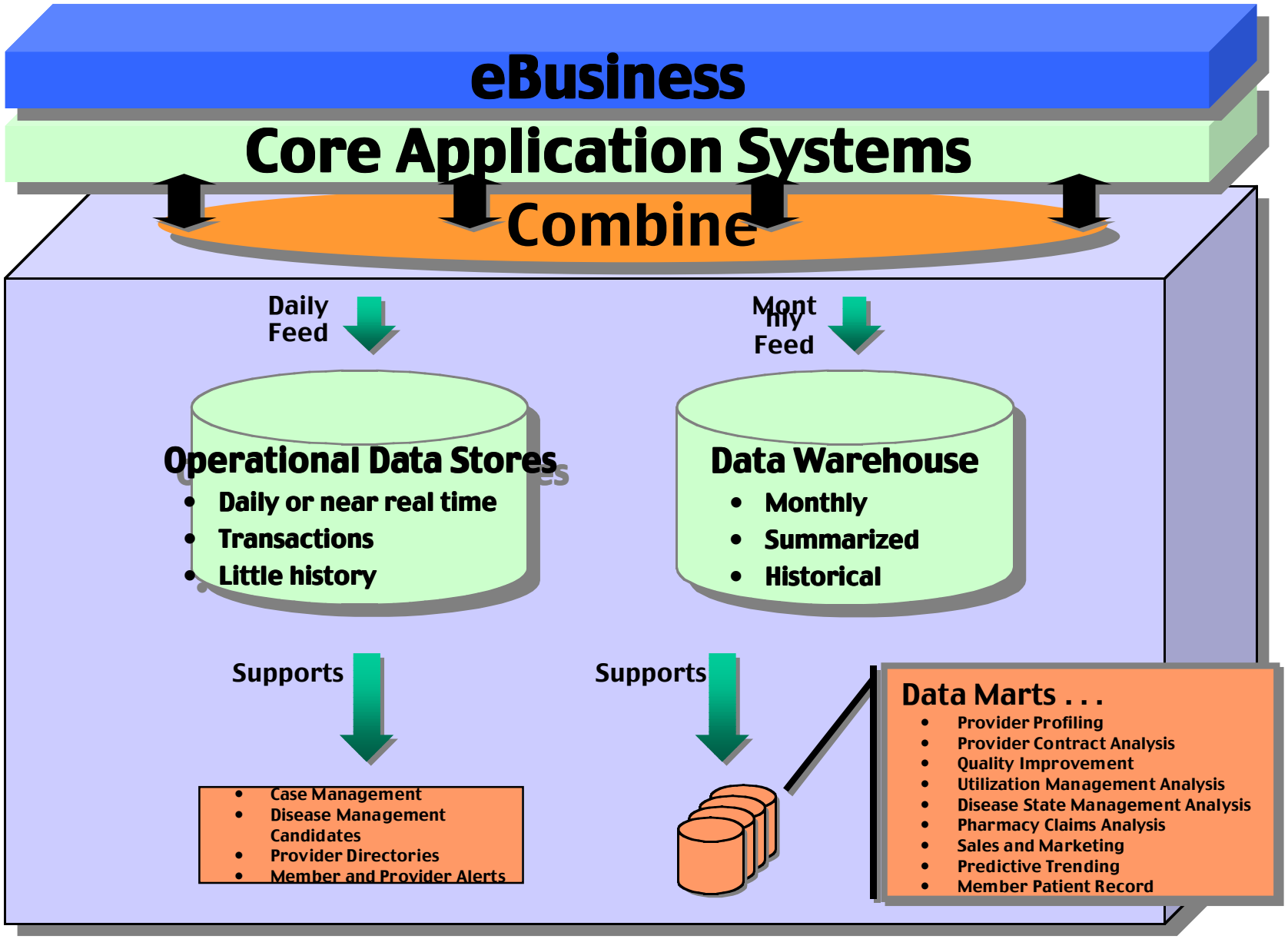
2nd Generation "Digital" eHealth Plans
Expanded Data Base Capability Supports Expanded Functionality



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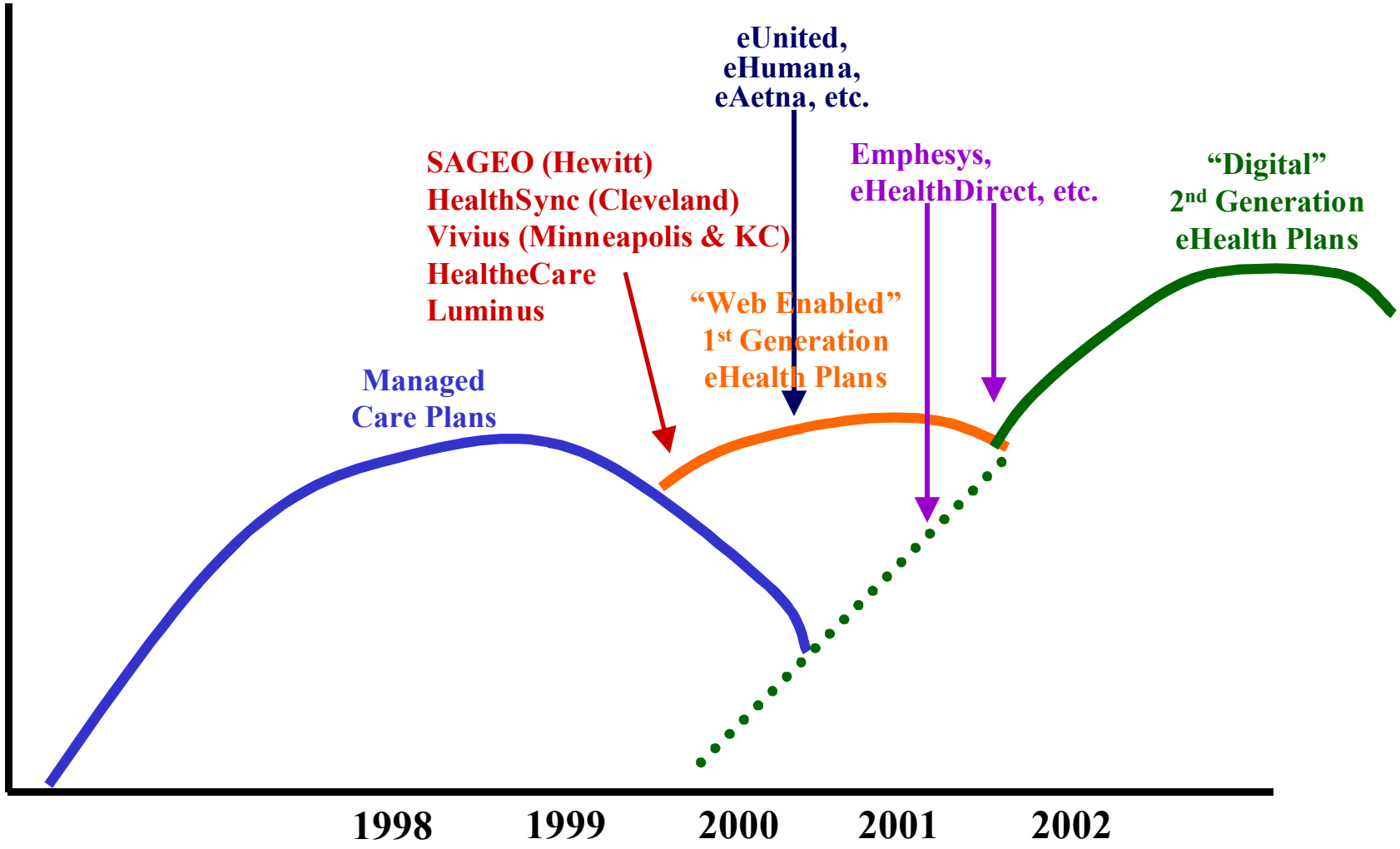
Conclusion:
Evolving Types of eHealth Plans



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Conclusion: Digital Health Plan Differences

2nd Generation "Digital" eHealth Plan Differences

Integration of "Front End" and "Back End" Functionality Enables:

- **The Ability for Employers To Create Employee Self Service (eHR) Specifications, Including "Virtual" Defined Contribution Plans;**
- **Greater Reduction Administrative Costs and Hassles; and**
- **Improved Quality & Greater Reduction of Medical Costs with "Consumer Centric Care"**

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