

It's All in the Delivery: Simplifying Healthcare Benefits for Consumers and Organizations

Consumer engagement plays a critical role in the success and viability of health plan administration

For consumers and administrators, the complexity around health care plans has never been greater.

Consumers are inundated with healthcare information yet often are unaware of their options. A recent report shows they spend less than an hour evaluating choices during open enrollment, typically defaulting to whatever they chose the previous year.

That's a problem, because ill-informed decisions cause consumers to be either over- or under-insured, with both outcomes inflating the overall cost of healthcare.

Organizations and public exchanges also face layers of complexity in benefits administration while struggling to rein in costs. The challenges are especially keen for state health exchanges, which must deliver benefits seamlessly and economically to vulnerable and under-resourced communities.

To overcome these obstacles, it's essential to put consumer engagement at the center of healthcare benefits delivery. Organizations can do this by looking to the private sector, where a best-of-breed cloud-based solution helps individuals not only take control of their health care decisions, but also reduces costs and simplifies administration.

Individuals are not engaged when making decisions about their healthcare plan:

- **67% of consumers** describe choosing benefits as "complicated, long, stressful"
- **Between 22% and 52% of consumers** can't define basic insurance terms including: deductible, co-pay, co-insurance, out-of-pocket maximum

Confused, unaware, and driving up costs

Consumers also struggle with investment decisions and planning. According to the *WEX Health Clear Insights Report*, 54% of consumers are not aware they're able to invest in their health savings accounts (HSAs), and up to 75% may be unaware that funds can be carried into the following year. Furthermore, most individuals struggle to plan for unexpected costs and worry about what their healthcare costs will be when they are retired.

These challenges are not only frustrating, they could also be expensive. A PLOS study found that "Consumers left to their own devices seem to make large errors when choosing health insurance, suggesting that they will select options that are not cost-efficient, and they seem to be unaware of their failure. If consumers cannot identify cost-efficient plans, then the exchanges will not produce competitive pressures on health plan costs, one of the main advantages of relying upon choice and markets."

That's why it's imperative to focus on improving consumer engagement.

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CHRISTOPHER BREINING, VICE PRESIDENT, BILLING AND PUBLIC SECTOR, WEX HEALTH



Three priorities that improve the consumer experience

There are three main factors to consider when prioritizing consumer engagement:

- 1. Understand what motivates them.** To make better choices, consumers need easily accessible, quickly digestible information and guidance – for example, push notifications, goal trackers, online games related to healthcare decisions, and an online navigational concierge service.
- 2. Provide the right tools.** Workers have identified a variety of resources they say would help them with their healthcare decisions: plan comparison tools, fact sheets, savings and treatment cost calculators, webinars, and videos.
- 3. Deliver a customized yet flexible experience.** The right solution enables organizations and public exchanges to provide a personalized experience. That means a single, consolidated online portal individuals can access anytime, anywhere. It should also take functionality into account; for example, enabling today's smartphone-fueled consumers the ability to check their plan or make payments from a mobile app gives them flexibility and control.

Overcoming organizational challenges

To deliver an improved consumer experience, organizations and public exchanges must first address an important aspect: Costs.

"For example, many state health exchanges leveraged a federal model built by contractors with the plan to become self-sufficient within a few years," says Christopher Breining, Vice President, Billing and Public Sector, WEX Health. "But now enrollments are increasing, the federal subsidies aren't there anymore, and the costs for maintenance and support for these exchanges are inflating.

"It's time for them to look to private exchanges," he continues, "where employers have built

successful solutions based on lessons learned to optimize their infrastructure."

Rather than large, monolithic frameworks that are costly to maintain and support, organizations should look for a cloud-based, best-of-breed solution. Simply adopting a cloud-first strategy shifts the IT infrastructure focus from an expensive CapEx model to an OpEx one.

In addition, modularity can help contain costs. Instead of a comprehensive system with functionality that may not be required, a modular solution enables organizations to pick and choose and ultimately offer delivery services that best align with the needs of their constituencies.

With built-in service-level agreements to ensure support, maintenance, availability, and resiliency, a cloud-first system also reduces the burden on in-house IT. And for administrators, management is simplified with automated and customizable controls for communications, payment processing, and reporting.

Finally, a cloud-based solution increases visibility, offering a consolidated view with analytics and insights into overall employees' health spend and savings to optimize plan design.

ABOUT WEX HEALTH

WEX Health is a technology and payment solutions provider. Its cloud-first solution, WEX Health Cloud, helps organizations and public exchanges cost-efficiently scale and grow to best meet their constituencies' needs.

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Achieving the consumer focus

Being able to leverage a cloud-based framework not only reduces costs, it also addresses the key ingredient: customer engagement. Such a solution:

- **Simplifies access to information:** Online tools and resources help consumers make better decisions, giving them control, while also offering one-stop shopping to view information and make payments.
- **Increases engagement:** Access to healthcare information via a personalized dashboard, keeps consumers' attention. In addition, a cloud-based solution offers the ability to customize emails and text reminders for ongoing retention.
- **Provides flexibility:** In today's mobile world, consumers want the ease of accessing information and making payments whenever and wherever it best works for them. A cloud-based platform that offers options for mobile users makes healthcare decision-making convenient.
- **Streamlines health information:** A personalized interface can be customized to include an entire family's portfolio—even across different healthcare providers. "Some families have complex plans," Breining says. "For example, one member might be on their employer's plan, another may be on a state health exchange, while their child is on the Children's Health Insurance Program. The right solution will give that family one consolidated, aggregated view of all their services."

A purpose-built solution, based on successes in the commercial sector, helps consumers better plan, save, and pay for their healthcare. That in turn enables organizations and exchanges to rein in costs and streamline management. It's the best of both worlds.