

Trends in Consumer Driven Health Care

At our February seminar, presenter Rosemary Daskiewicz, a partner at Cairncross & Hempelmann, stated most companies are in a “wait and see” mode in their adoption of Consumer Driven Health Care (CDHC) initiatives. This mirrored the results from the 2005 Northwest Employee Benefit Survey conducted by Kibble & Prentice, where only 6.8% of employers had adopted either a Health Savings Account (HSA) or Health Reimbursement Arrangement (HRA). The majority of survey respondents indicated they needed additional education on these plans before adopting such a strategy.

Employers anticipate a move toward CDHC. Our own survey reported 38% of companies planned to adopt a HSA or HRA between last year and this year; compared to nationally, where 45% of employers stated they would add a HSA in the next two years. (*Forrester Research*)

Another report on the topic of trends was published last year by McKinsey & Company. The article may be viewed in its entirety by clicking on the link below:

http://www.mckinsey.com/client-service/payor-provider/Health_Plan_Report.pdf

Here are a few notable points from this report:

Are participants enrolled in Consumer Driven Health Plans (CDHPs) more conscientious consumers?

- CDHP enrollees are 50% more likely to talk to their doctors about cost
- CDHP enrollees are 3 times more likely to choose less extensive/expensive treatment

How do HSAs influence employee health behavior and decisions?

- Use of preventive services by employees increased by 23%
- CDHP enrollees are 25% more likely to engage in healthy behaviors
- CDHP enrollees with chronic conditions were 20% more likely to say they carefully followed their treatment regimens

The trends above play a significant role in managing health plan costs. Kibble & Prentice is committed to an ongoing analysis of these trends and we will continue to develop educational articles and future seminars as more information becomes available.

Kibble & Prentice will conduct our annual employee benefits survey later this month, giving you the opportunity to “feel the pulse” of the regional market trends for CDHC. The results from the survey will be available at the next seminar on June 6th.