Winning with Domestic Utilization

How health systems' employee benefits plans can win the battle to secure greater use of their own healthcare services

The domestic struggle

Not all employee benefit plans are the same. While all benefits leaders want to contain costs by having their plan members access high-value care, the benefit managers at health systems have even more at stake: ensuring their health plan members are turning to the domestic network as much as possible. Certainly, domestic utilization is good for the health system's bottom line. After all, that means the health plan is accessing the best rates available to them and therefore fulfilling their fiduciary responsibility. But domestic utilization is also an opportunity for health plans to motivate members toward high-quality coordinated care from a trusted team of colleagues. According to a benefits survey of hospitals, 82% of respondents indicated that retaining services within their domestic network is a top concern.[1] Adequacy and access to those domestic services was also found to be a rising priority.[2]

Despite its clear importance, driving domestic utilization can remain a significant challenge for health systems. For instance, their plan members may have existing relationships with nondomestic physicians they trust. In turn, those physicians can be inclined to steer patients toward the specialists the physician knows and trusts (and who may not be within the domestic network). In the end, plan members, including health system employees, may simply choose nondomestic providers based on physician relationships and referrals, even if that care comes at an increased cost. In the evolving healthcare environment, the domestic utilization challenge may be further compounded as health systems attempt to manage the trend toward an increasingly remote workforce spread across a broader geographic footprint—especially when those employees need access to specialty care.[3]

How well are health systems tracking their North Star?

For a health system employee benefit plan, domestic utilization is—or certainly should be—the plan's North Star. The goal should be to drive domestic utilization as high as possible when care is needed (in other words, without promoting overutilization of healthcare services in general). That makes domestic utilization perhaps the most important metric the health system can be tracking and managing as an organization. Unfortunately, if the plan administrator or analytics vendor isn't providing detailed breakdowns by network tier and site of service, there won't be an accurate picture of the health system's employee benefit plan's domestic versus nondomestic utilization nor identification of where opportunities exist to close outmigration gaps. Because domestic utilization is so vital to the well-being of both health system and health plan, a health system's employee benefits plan should maintain detailed reports of both domestic utilization and nondomestic utilization in order to establish and continually monitor where the organization stands at any given moment in time.

But how can the health plan know if it is in a good place (or bad) when it comes to domestic utilization? Is there a benchmark? Based on its 25 years of experience administering employee benefit plans for health systems, Contigo Health, LLC has seen domestic utilization range anywhere from 40 to 80%, depending on clinical services offered, employee geography, and benefit design. Of course, there may be times when members travel outside of the coverage area on business or for personal reasons. Or they need highly specialized care that may not be available within the health system's network. (We'll address that a little later in this paper.) How much of that out-of-network care is called for depends on the services and the service area provided by the health system. The rest hinges on the preference of the health plan members. Fortunately, the health plan can play a role in positively influencing those preferences toward Tier One care.

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Why go anywhere else?

Perhaps the better question is, why should the health plan's members NOT go anywhere else? Sure, health systems go to great lengths and make significant investment in talent, technology, and systems to provide high-quality clinical care for their community (which, of course, includes the health system's employees and their families). But health systems must be careful not to assume that their own associates will automatically be inclined to choose their employer health system as the provider of their care. As mentioned previously, existing physician relationships and specific referrals by their PCPs to nondomestic providers can influence members' preferences and, ultimately, their actions.

Provided a health system is able to offer the quality care health plan members need and expect, the question becomes, what is the health system doing to attract plan members and earn their trust? At the same time, what is being done to discourage members from going elsewhere if staying with Tier One does not compromise their care?

Let's look more closely at ways that the health system's employee benefits plan can impact domestic utilization.

Motivate domestic PCPs to refer domestically.

It is fair to recognize that physicians often have long-standing relationships with fellow clinicians and specialists they trust (and therefore tend to refer to). Often, those relationships extend beyond the domestic network the PCP works for. Being human, physicians may also stick with referrals they have had good experience with, seeing those as less risky than referring a patient to a physician with whom they have no established relationship or track record.

To get referring physicians to be open to referring to the health system's own physicians, there is much that can be done to help domestic—and nondomestic—PCPs get to know more about the health system's docs and be more inclined to refer to them. Here are a few ideas for health systems and health plans:

- Leverage physician profiles to familiarize referring physicians and their patients.
- Provide referring physicians with physician directories (organized by specialty area) so they can more easily help patients identify the right Tier One specialist for them.
- Consider hosting meet-and-greet events that introduce referring physicians to the team of Tier One physicians.
- Educate PCPs about the integrated and coordinated care advantages the health plan is uniquely able to provide to members when they choose treatment within the health system.
- Remind the referring PCPs that out-of-network care can cost their patients significantly more money out of their own pocket.
- Consider ways to recognize PCPs within the system that are doing a great job of supporting domestic utilization and contributing to giving health plan members the best possible care, experience, and value.

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If the network of domestic PCPs is limited, so too are the opportunities to drive domestic referrals. A health system can benefit by having a broad network of referring physicians who are tied to the health system, and by making it more attractive for health plan members to engage those physicians. Consider these approaches:

- Build a robust presence of domestic PCP practices within the domestic network. These can include employed or independent practices that are part of a clinically integrated network or even virtual primary care.
- Establish employee on-site/near-site clinics that utilize an advanced primary care approach that can help attract members.
- Consider offering incentives to encourage members to establish a longitudinal PCP relationship, including annual checkups.

Establish tiered pricing.

If health systems have not established a pricing distinction between their own domestic care and that of nondomestic providers, they may be missing out on a powerful opportunity to positively influence their health plan members. How so? If a provider-sponsored health plan has not established a tiered pricing approach to benefits, there is little keeping the health plan's members from routinely seeking care elsewhere. With a tiered pricing approach, the health plan creates a cost differential that makes use of its own domestic providers more affordable than use of nondomestic options.

This simple pricing factor helps to make domestic utilization more attractive while creating some level of disincentive around nondomestic providers in the interest of prompting plan members to rethink going elsewhere for care.

It is important to note that while tiered pricing can be effective in identifying an important contrast between domestic and nondomestic care, the cost differential alone is not likely enough to solve the domestic utilization challenge.

Show employees and plan members how exceptional the health system's clinicians are.

How can a health system's employee benefits plan overcome its members' existing physician relationships that extend beyond the boundaries of the domestic network of providers? Health systems have an opportunity to boost awareness and perceptions of their own doctors through a campaign designed to inform, build confidence, and establish a sense of familiarity that feels like the beginnings of a relationship. This has the potential to put the health plan's doctors on a more level playing field with established relationships the member may have. The following are just a few things that the health system and health plan can do to promote its own physicians.

- Create physician bios and promote them.
- Produce simple videos that feature the clinician talking about their specialty, their background and qualifications, their passion for helping people, and even their personal interests. Such videos can make an unfamiliar physician more approachable, credible, likable, and easier for members to choose.
- Showcase the health system's physicians through stories in employee- and plan-member-facing communications (e.g., newsletters).
- Consider establishing objective quality score information to provider directories and search tools.
- Post clinician and/or clinical team bios in the physical spaces where employees will see them regularly.
- Leverage plan member testimonials.
- Explore ways to engage health plan members to solidify their appreciation of the quality of care that is available within the boundaries of their own health system.

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Make it easier to find and select health system physicians.

The path to selection of Tier One clinicians should be a simple and straightforward one. Health systems can make it easier for prospective patients—including their health plan members—to find a physician and make an appointment by establishing a patient-friendly find-a-physician function on their website that includes a simple "schedule now" function. Combined with the physician bios, videos, and other elements designed to build patient knowledge, confidence, and comfort levels, health plan members can find it much easier to find the right physician for them and make an appointment for consultation.

Establish a better member experience.

Perhaps one of the most effective ways to create demand for domestic care is to demonstrate ways in which the patient experience is unsurpassed. Every investment into the member experience contributes to the likelihood that plan members will not only appreciate the care and support but may also share how special the experience was. The member experience can be one of the most powerful ways of establishing advocates for domestic utilization (and, when done poorly, can also be a significant deterrent to domestic utilization). By engaging a specialty third-party administrator such as Contigo Health, a health plan can seamlessly integrate proven member engagement and support components that can quickly enhance the member experience. Working as a "connector," Contigo Health enables integration between payor and provider. Contigo Health® Sync Health Plan TPA services integrate clinical data into care management programs, such as integration of patient tools like patient portals that include convenient health plan member tools for a one-stop "digital front door." When possible, there is also integration of third-party data back into the clinical setting, including data from pharmacy, wellness, and disease management programs.

Create a domestic center of excellence.

There are certainly benefits to employees and their dependents in simply being part of a health system. The health system may want to package those advantages as a domestic center of excellence that delivers exclusive benefits to its own health plan members. By adopting this "Tier Zero" approach, the health plan can position its own health system as a center of excellence (COE) dedicated exclusively to the core needs of its health plan members, giving the health plan an opportunity to promote select care and support services and added-value components that are only available to the health system's employee benefits when members choose to see a domestic care provider.

Leverage virtual services strategically.

To build confidence and solidify a good decision to use the health system's providers, the health plan may want to consider promoting a virtual second opinion service. This can be particularly valuable for oncology cases, where patients and family members feel immense pressure to make the right choices for care. By including a virtual second opinion option, the health system can give its health plan members added value with a second set of peer specialist eyes, while reinforcing confidence in the health system's own physicians' diagnosis and treatment plans.

The health plan can also use virtual care to provide its employees and dependents with confidential access to behavioral health services. Telehealth can be a valuable and convenient way to engage plan members for primary care and urgent care, which can then refer any follow-up care back to the Tier One domestic network.

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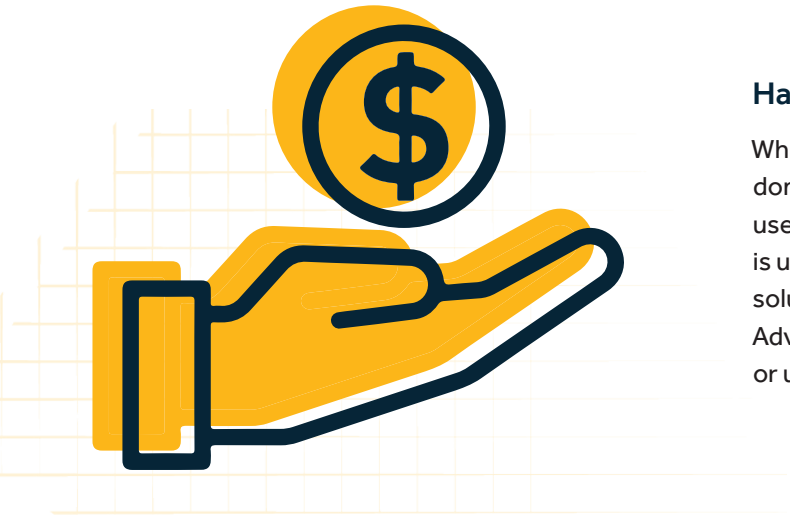
Fill care gaps with negotiated contracts.

Recognizing that 100% domestic utilization is not a practical objective (and even if it were, it would likely trigger member pushback), the health plan should anticipate at least some level of nondomestic care and do all it can to make that care as cost effective as possible. Of course, not all health systems are alike and network and provider contracting needs can vary from case to case, but a viable solution can include a mix of national primary networks, negotiated contracts, and primary supplemental offerings. Through such relationships, a health plan can go far to ensure that when members can't use the domestic network, they are still able to access high-value care.

A good option for out-of-network care when plan members go beyond the domestic footprint is a national wrap network solution such as the ConfigureNet™ provider network from Contigo Health, with its expanding roster of specialists across the U.S. from coast to coast, all of whom have agreed to pre-negotiated rates. That's also a good time to consider adding specialty travel centers of excellence to the network mix as well, such as those offered through the Contigo Health® Centers of Excellence 360 solution.

With an established network strategy in place, plan members will have access to the high-value care they need, whatever that is and wherever they are. Through negotiated pricing and by strategically setting pricing across the tiers, health plans can motivate their members to pursue appropriate care, with domestic resources being the most attractive when possible.



Have a cost-saving repricing solution when nondomestic care is required.

While there is much the health system's employee benefits plan can do to maximize domestic utilization—and even control costs when certain nondomestic care is used—there are still occasions when out-of-network care by a noncontracted provider is unavoidable. In such instances it can pay, quite literally, to have a cost-saving repricing solution available when needed to save on out-of-network claims. ConfigureNet™ Price Advantage from Contigo Health is a flexible repricing tool that can be set as a fixed solution or used on demand to significantly cut down on claims costs.

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Engage a TPA that understands health systems and the importance of domestic utilization.

A health-system-sponsored employee health benefits plan is a unique entity. That alone may be all the argument needed to support the decision to engage a third-party administrator that intimately understands health systems and knows the ins and outs of driving domestic utilization.

Contigo Health, for instance, is a health plan benefits solution company that was born out of the healthcare industry. (Contigo Health is a consolidated subsidiary of Premier, Inc.) The organization's Sync Health Plan TPA product was developed specifically to help health systems optimize their health plan benefits, grow domestic utilization, and manage escalating cost trends. Contigo Health has more than 25 years of experience working directly with top health systems across the U.S. In fact, 70 percent of its TPA clients are health systems.

Through the Sync Health Plan TPA solution, Contigo Health is making strides to uncomplicate the complicated for many provider-sponsored health plans by offering:

- Plan management for a complex and rapidly evolving healthcare environment.
- A tailored approach through a specialty TPA designed for health systems that has solutions to meet their unique priorities.
- A heightened emphasis on domestic utilization and cost management for employer- and provider-sponsored health plans.
- Exceptional data and analytics through Sync Health Plan Intelligence powered by Cedar Gate Technologies, Inc.
  - High data integrity
  - Powerful quarterly and annual reporting
  - Intuitive dashboards
  - Meaningful benchmarks to help set goals and gauge plan performance
  - Identification of improvement areas and addressable plan performance issues
- Support in overcoming barriers health plans often face within their organizations, including limited internal benefits administration expertise, organizational concerns regarding disruption of relationships, and more.
- Access to a nationwide provider wrap network across the U.S. at pre-negotiated rates to fill any gaps in domestic care services.
- Cost containment for inevitable out-of-network care via ConfigureNet™ Price Advantage.

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The domestic victory.

In addition to claims cost containment, domestic utilization adds another layer of priority and complexity for health systems that have their employee benefits plans. Fortunately, those health plans have options that can help them grow domestic utilization *and* cut costs when out-of-network care is required. By placing greater emphasis on tracking domestic and nondomestic utilization metrics, instituting strong incentives that encourage domestic-first thinking among plan members and referring physicians, and establishing direct contracts and configurable Tier Two network relationships, the health system's employee benefits plan can go far to achieve its objectives. Integrating a TPA that is designed around health systems by an organization born out of the healthcare industry can help ensure that the unique needs of the health system and its employee benefits plan are met most directly and efficiently.

To learn more about Contigo Health and its Sync Health Plan TPA solution, visit contigohealth.com/tpa or contact a Contigo Health Sales Advisor at 330-656-1072.

Sources

1. Aon. Aon 2022 Benefits Survey of Hospitals. October 30, 2023. https://insights-north-america.aon.com/healthcare/aon-2022-benefits-survey-of-hospitals-report
2. Ibid.
3. Ibid.

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