

EMPLOYERS SET NEW STANDARDS TO DRIVE VENDOR PERFORMANCE

As employers rethink their health care strategies and require more customized solutions targeted to different subsets of their employee populations, a growing number of organizations are taking a fresh look at their vendor partnerships. Apart from focusing on age-old operational targets for claim processing, phone call responsiveness and other administrative details, these employers are setting clear expectations and accountability standards for a broader range of services — from care management and timely reporting to account management and financial performance — which often vary in quality and consistency from one health plan to the next.

Here's a sampling of key vendor accountability standards leading organizations are putting in place to cut costs, improve quality and boost performance.

TAILOR RESOURCES AND SUPPORT TO THE EMPLOYER'S ENTIRE WORKFORCE

To reach different subsets of an employee population, keep them engaged in their health care and get the right results, vendors should:

- Reach out to at-risk members with targeted interventions, such as enrollment in appropriate disease management programs and ongoing follow-up
- Track at-risk members' compliance with evidence-based guidelines. For example, are diabetics undergoing the recommended number of A1c blood tests, eye and foot examinations, and other procedures? Are negative results flagged for follow-up intervention?
- Track healthy employees' compliance with preventive measures to stay healthy
- Confirm that care management solutions are getting the right results, such as fewer hospital admissions, complications after surgery and drug interactions.

PROVIDE INNOVATIVE PRODUCTS AND SERVICES THAT MEET THE EMPLOYER'S NEEDS

To ensure new products and services are tailored to specific employer needs, vendors should show how they:

- Align with an employer's strategic objectives (e.g., by demonstrating how these products and services will impact employee health and the employer's costs)
- Leverage emerging trends, such as the movement toward increasing employee financial responsibility through health savings accounts (HSAs) and other vehicles
- Meet the employer's short- and long-term needs
- Solve specific problems (e.g., a prenatal program designed to reduce the number of high-risk pregnancies by improving the health status of pregnant women).

PROACTIVELY MANAGE PROVIDER NETWORKS

To effectively monitor and manage the quality of network providers, vendors should:

- Report and proactively manage network disruptions, such as the elimination of a provider specialty group
- Develop quality-of-care guidelines and assessments for providers
- Continuously monitor and improve the quality of network provider services
- Encourage and reward the use of evidence-based guidelines
- Deliver provider discounts at levels agreed upon during the proposal process.

PROVIDE ACCURATE, TIMELY REPORTING

To help employers better understand and manage the factors that drive costs in their specific populations, vendors should:

- Provide meaningful data analysis
- Predict cost drivers
- Alert employers immediately if they foresee a potentially large claim
- Provide timely reports on a monthly or quarterly basis that pinpoint specific problems, such as shifts in consumption and other issues.

DELIVER TARGETED FINANCIAL PERFORMANCE

To help employers better manage health care cost increases, vendors should:

- Meet specific per-employee-per-year cost targets
- Achieve year-over-year claim cost trends that are consistent with target benchmarks
- Work collaboratively with key employer representatives and other vendors to analyze and, in some cases, guarantee overall health plan ROI.

PROVIDE STRATEGIC ACCOUNT MANAGEMENT

To align vendor performance with the employer's business objectives, the vendor account management team should:

- Understand the employer's organizational and employee culture, as well as its experience and cost profiles
- Meet with the employer frequently to share new ideas
- Have excellent problem-solving skills and regular contact with the appropriate individuals within their organization who can promptly and accurately address a broad range of issues — from network management to customer satisfaction problems.

LOOKING AHEAD

At the end of the day, even companies that take standard approaches to health benefit management can improve the efficiency of their health benefit programs by actively selecting and managing their vendors. But employers looking for customized solutions that are more closely aligned with their business objectives can and should play a larger role in driving performance by clearly articulating what they expect of their key health plan vendors and digging beneath the surface to measure results.

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