THE INTEGRATED HEALTH CARE MODEL
An Employee Benefits Strategy for Reducing Costs While Improving Outcomes
Overview
The rising cost of medical treatments threatens to engulf the country. Health care now stands at 16.4% of GDP, according to 2015 statistics from the Organization of Economic Cooperation and Development, the highest in the developed world.¹

In response, a new integrated health care model is emerging. This approach is centered on the ability to share information across medical specialties to improve outcomes while reducing costs.

Such a paradigm involves sharing pertinent HIPPA-compliant data with all stakeholders—including patients, primary care physicians, ancillary doctors and care managers.

While still early in the game, the potential benefits appear to include a reduction in employee absences through early detection of chronic conditions, along with a corresponding increase in employee productivity.

A 2015 study by Anthem, for example, found the average medical cost associated with a disability claim was 25% ($8,000) less for members who engaged with a medical nurse care manager.

This white paper describes the characteristics of the integrated health care model, presents research about its current state of adoption and provides recommendations for overcoming barriers to this new approach.

What Is Integrated Health Care?
Today, employer-provided health care benefits are typically delivered in “silos.” Medical, pharmacy, vision, dental, life, disability, wellness and behavioral health are generally offered through different carriers with little or no interaction among them (Figure 1).

The inevitable outcome is that employees and their clinicians are forced to operate in isolation, denied a view of the larger clinical picture. Under today’s fragmented benefit plans, there are no centralized data repositories, no shared analytics, little interaction among providers and, ultimately, each employee is on his or her own.

A lack of integration may be a missed opportunity for early detection of chronic conditions, such as diabetes or hypertension, which are easily picked up by vision screenings.

In contrast, the integrated health care model is designed to break down silos; data is shared and benefits are connected. But to be truly integrated, a health care model must encompass five core requirements (see Figure 1):

1. Medical data must be passed among providers, care managers and patients to ensure that an employee’s total health profile is taken into account.

2. The data from all of an employee’s benefit plans should be stored in a central repository.


What are the ideal components of an integrated health care delivery?

- Employer-defined objectives
- Central data repository
- Population health analytics
- Data sharing between providers and care managers
- HIPAA-compliant data

Source: Anthem Blue Cross and Blue Shield

3. This data must be analyzed with population health analytics to develop meaningful insights on appropriate preventive care, drug safety, medication adherence and potential gaps in the employee’s health coverage.

4. The entire process must be secure and HIPAA compliant, including all data transfers and messaging to the participant.

5. The integrated benefits plan must be structured to achieve employer-defined objectives. What is the employer trying to accomplish? Is the overriding goal to reduce medical costs? Improve wellness and productivity? Under this new model, rather than having objectives imposed on them from the outside by a consultant or a carrier, employers set their own goals.

The Early Adopters
To date, only a select group of employers has opted for an integrated health care model. Most of the employers in this group are large enterprises. Half of them have at least 1,001 employees, while nearly a third have 3,000 employees or more.

According to a 2015 study by SourceMedia/Employee Benefit News\(^2\), just 16% of employers offer an integrated benefits program, defined in the study as coordinated insurance and services provided by a single carrier.

For most employers, however, integrated health care has yet to hit their radar. Nearly two-thirds of the SourceMedia study respondents (57%) have not even considered an integrated benefits model, although this is hardly surprising, given the relative newness of the concept.

But employers are open to the approach. Once it was presented to them, the majority (69%) of the study’s respondents were receptive or not opposed to the model (Figure 2).

FIGURE 2. Employers Generally Embrace Integrated Model

Integrated Health Care Benefits
The employers that have already adopted an integrated health care model cite four important sets of benefits:

1. Improved health care
2. Simpler and easier benefits administration
3. Improved customer service
4. The efficiencies and ease-of-use that come from dealing with a single carrier

Under an integrated benefits plan, 38% of employers report a reduced rate of employee disabilities\(^2\) as a top benefit.

Another often cited advantage was the greater simplicity and efficiency of administering such a program due to improved claims processing and having a single point-of-contact. Improved service levels and increased cost savings were also noted.

To determine their program’s success rate, employers relied on several metrics including medical costs and claims-based savings, enrollment levels and measures of employee engagement.

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\(^2\) Integrated Health Care Study” (August 2015) commissioned by Anthem Blue Cross and Blue Shield and conducted by SourceMedia Research/Employee Benefit News.
**Resolving Key Challenges**

Faced with rising medical costs, employers are well served by the early identification of the chronic medical conditions that are driving the majority of their health care spending. As the reports from early adopters make clear, they hold great potential on both counts.

The integrated health care model and its shared data paradigm were developed to flag such conditions at early onset in order to improve outcomes and reduce costs.

**The Outlook for Further Adoption**

Per the SourceMedia study, the overwhelming majority of employers are already offering the benefits that the employers themselves deem essential for an integrated health care model (Figure 3). In other words, most employers have the necessary offerings that would comprise such a model already in place.

Barriers to adoption, however, remain. Chief among these is the lack of awareness and knowledge of the integrated health care model. One-third of employers that don’t currently offer an integrated benefits program have not considered doing so, according to the study. This holds true even for large enterprises of 1,001 employees and above.

Among employers that don’t currently offer an integrated benefits program, upper management is the group most receptive to the idea.

There are also clear differences in the way various industries think about integrated health care and its corresponding benefits. Non-profits are the most receptive, according to the survey, as opposed to the manufacturing sector, which was the least.

**Recommendations**

Employers ready to make the leap to full health benefit integration should consider a phased implementation. Working with either a carrier or a consultant, the employer can evaluate its current benefit package to determine which benefits can be most readily integrated. This low-hanging fruit approach will yield the quickest results and the greatest return-on-investment.

During this initial evaluation, employers should also be alert to opportunities to break down their benefit silos and support the five core requirements of integrated health care.

Best practices for employers to consider as they think about implementing an integrated health care model at their organization:

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**FIGURE 3. Employers Offer Benefits Cited as Critical to Integrated Model**

Q: Which of the following types of benefits do you offer to employees? Select all that apply.

Q: How important are each of the following ancillary benefits as a component of an integrated health insurance/ancillary benefits program, whether or not you currently have one? Rate on scale of 1 (not at all important) to 7 (extremely important). (Chart shows % combined rating 6 and 7.)

![Chart showing benefits offered and importance ratings](chart-image)

Partner with benefit advisers to create an integrated model best suited to your organization’s needs. Designing a successful integrated model means working with benefit advisers to better understand your organization’s priorities based on culture, cost and commitment to the program.

Set a phased implementation strategy. Delivering benefits through a unified model and a single carrier can eliminate the setup required to connect multiple carriers and vendors. Work with key stakeholders to set a timeline for a phased implementation strategy.

Have seamless integration. Provide a platform that offers seamless integration and allows employees to easily transition to the integrated model.

Conclusion
The U.S. health care picture remains clouded by crippling the high expenses for employers, but the strategy of shifting the cost burden from employer to employee has already reached its limits.

In this context, working towards a solution that reduces overall costs while positively affecting outcomes is a rational way to proceed. The new model of comprehensive, integrated health care is such a solution, even if it has not yet been widely implemented.

About Anthem’s Integrated Health Care Solution
Anthem is responding to the integrated health care movement with its Anthem Whole Health ConnectionSM program. Anthem Whole Health Connection innovates dental, vision, life, disability and pharmacy with health care for a healthy approach to benefits.

With Anthem Whole Health Connection, claims and clinical data are received from medical providers, dentists, vision care providers, disability claims managers and pharmacists. With this data, complete health profiles are available to providers. The collected data helps us identify gaps in care, while helping providers deliver better, more informed care.

What does this mean in real terms? It means an eye doctor has the information needed to determine if a patient’s blurry vision is caused by a prescription medicine. Or a primary care physician gets a care alert about a patient’s early signs of diabetes based on the results of an eye exam. Or our disability claim team can coordinate with our care management nurses to ensure that your employees are getting the appropriate care to get back to work quickly and safely.

The benefits of this level of integration add up quickly. Learn more at anthem.com/specialty.

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