

## DEMAND MANAGEMENT: IMPLEMENTING MANAGED CARE ONE EMPLOYEE AT A TIME

*Presented by: Carol Brezina, Product Specialist, United Healthcare Corp., Minneapolis, MN*

*Summarized by: Carolyn Merriman, President, Corporate Health Group, Omaha, NE*

### Situation

United Healthcare is a large managed care organization that offers managed care insurance to employers and demand management services to employers and other health plans. It found that employers in many areas, including areas not served by United Healthcare plans, were greatly concerned with rising costs of healthcare, while providers were going crazy coping with Utilization Management and paperwork requirements of plans.

### Challenge

One alternative or complement to Utilization Management, which focuses on providers, is Demand Management, focused on consumers. Effective demand management services must motivate and empower consumers to make the best health and demand choices. In addition to controlling use of and expenditures for health services, it should promote rather than undermine, consumer satisfaction and member retention.

To succeed, demand management programs should promote appropriate use of health services while satisfying enrollees, being accountable to employers, reducing paperwork for physicians and making enrollees better informed managers of their own health and healthcare utilization.

### Action

United Healthcare initiated demand management with a phone triage service for General Electric, one of its larger employer clients. This service was called GE Health-Line and provided nurse counseling and precertification for specific uses

of health services when callers felt an urgent need for care. With growing experience, the service was expanded to include counseling and answering questions for callers faced with significant treatment choices, plus sending relevant information to help them make choices.

The service, with the new name "Total Care Management," is now offered to health plan and employer clients to promote access to the best medical advice, regardless of employer or consumer location. Its toll-free phone line advice services are customized for each client and benefit plan.

Under TCM, enrollees are assigned a specific Primary Nurse, with from 500 to 700 families per nurse. The nurses work in teams of three so that each can cover for the others. They employ an on-line computer reference system so they can function as gateways rather than gatekeepers for callers. Typically, enrollees in client health plans have an incentive to call the TCM line, such as lower copayments if they do. They are not required to follow the nurse's advice, but will typically pay a higher copayment if they do not.

The same phone number accesses member services for questions about benefits, coverage, claims, etc., offering one-stop shopping convenience. If the primary nurse cannot answer specific benefit questions, the call is made a conference call to include someone from member services who can. Callers concerned about a perceived emergency get immediate response vs. waiting for a physician to call back and often have their anxi-

eties immediately alleviated by the nurse counselor, who can advise them on self-care steps they can take, or approve their using a needed service.

In addition, nurses get results of Health Risk Assessments made of new enrollees and initiate calls to promote healthier behaviors or discuss concerns over chronic conditions. They aim to make family members comfortable about calling their Primary Nurse. They make follow-up calls after enrollees have used care to check on how they are feeling, promote taking of medications, etc.

Primary Nurses serve as case managers for complex treatment episodes and chronic disease patients, except for mental health/substance abuse problems. There has been little opposition from physicians to this service. They gain a lot of uninterrupted time away from patients since the Primary Nurses can handle so many after-hours problems. There have been no lawsuits over Primary Nurse advice. Protocols used by the nurses are reviewed and updated quarterly by physicians to ensure they represent the latest clinical benchmarks.

### Results

In one client situation, annual costs per employee had been \$3,300, projected to go up to \$3,860. With the Total Care Management program, costs came in at only \$3,395 despite increased benefits, an estimated saving of \$465 per employee. Another client started with annual costs per employee of \$4,608, projected to be \$5,206 the following year. With TCM, annual costs went down

to \$3,360, a 36% reduction over projections.

The program has 30,000 covered lives, counting new clients coming on board January 1, 1996. Surveys by Gallup have found employer and employee satisfaction levels of 98%.

## **Learning**

No one thing accounted for savings, nor were experiences the same for all clients. Emergency room use declined by 40% for one client, 20% for another. Hospital use declined, but office visits went up, though they were used in a more timely fashion. Office visits typically increase in the first year of the program, as consumers learn when they should or should not see a physician.

When Demand Management is done well, consumers gain greater confidence in their decisions, whether to employ self-care for routine problems, or select the right procedure for complex and life-threatening situations. The TCM program can help parents care for their children and manage prenatal care. In a true emergency, it can promote callers getting care earlier than would otherwise be the case by engaging the emergency medical system, 911.

Employers gain improved access to the best practices in medical care, integrated care across the continuum, better control of healthcare use and expenditures and improved employee satisfaction with their health plan. Physicians gain allies in managing patient care according to protocols they help develop and approve, plus less trouble in caring for patients after hours.

The TCM system requires careful selection and training of Primary Nurses and places special value on retaining them. Those who perform best love the idea and their role in promoting continuity of care and customer satisfaction as well as appropriate use of services.

Demand Management challenges providers, employers, health plans and consumers to develop and maintain close working partnerships. Its emphasis should be on empowering consumers to make the best choices, about their own health and chronic condition management as well as healthcare use in terms of timing, self-care or provider selection. Follow-up after advice has been given by nurses is essential in ensuring the appropriateness of care and in promoting integration of services across the continuum. Flexibility – of employers and health plans – is necessary to enable the most appropriate response to unique consumer needs. For example, one woman caller needed home care to enable her to handle a problem pregnancy and the Primary Nurse was able to arrange for coverage beyond the scope of the benefit package so as to enable the woman to have a normal, full-term delivery.