Not all plans are jumping headlong into the consumer-centric arena. In this article, the CEO of Oxford Health Plans discusses how advanced managed care can achieve what other consumer-centric programs seek to do—provide affordable, quality health care.

The key issue affecting our society today is health care affordability. Achieving affordable, high-quality care while maintaining positive consumer engagement and physician support is challenging. An MCO that plays little to no role in influencing consumers or physicians is likely to be relatively expensive and of inferior quality. An MCO that seems too intrusive may compromise physician and hospital relationships that are important to its success.

THE CURRENT SITUATION
In recent years, a number of health plans have retreated toward earlier indemnity models of health care financing. As a result, MCOs have been forced to increase rates to employers. Since they can no longer afford to fully cover the health care of employees, employers have responded by shifting more of the health care cost burden to individual consumers in the form of increased payroll deductions, higher copayments, and higher deductibles. At all levels, the simple principle of affordability is compromised. That the current situation is unsustainable is evidenced by annual premium hikes that are beginning to bear a disconcerting resemblance to the most inflationary trends of the fee-for-service era.

CONSUMERS ARE AT THE CORE OF A BALANCED APPROACH
The health care consumer is entitled to a health plan at a predictable price. The consumer has the right to know what to expect at the point of purchase and what will be charged for services and therapies. Placed at increased financial risk for their health care, consumers have earned a greater voice and a larger menu of health care options. They will have more questions about the skill, training, experience, and cost effectiveness of prospective provider choices.

Consumers are clearly demonstrating more medical knowledge and sophistication. The Internet and other information sources have allowed patients to obtain a more comprehensive understanding of various ailments and treatment possibilities. A well-informed membership offers MCO administrators an opportunity to discuss appropriate care and the importance of clinical guidelines and sound science. However, some issues concerning coverage approval may arise if consumers request procedures or therapies that are not medically necessary or are unsupported by scientific guidelines.

Oxford Health Plans encourages the development of consumer knowledge by offering personalized, actionable, relevant educational materials encompassing numerous aspects of health care. This type of information can substantially facilitate informed consumer choices. Consumer-focused offerings include an Internet-based information resource that is accessible from the MCO’s employer and member home pages. Components of the “Oxford Health Center” include www.myhealthtestreminder.com, where patients can sign up to receive E-mail reminders for...
preventive health tests, such as mammography, Pap tests, and colon cancer screenings; a monthly on-line health connection, which provides wellness information and education about managing chronic diseases; and a tool for parents called KidsHealth, which includes topics of seasonal interest and links to a variety of general children’s health categories.

Another important initiative that can be employed to optimize value for consumers and, more importantly, improve health is disease management. From a standpoint of both affordability and quality, it makes sense for members afflicted with chronic conditions to have access to effective disease management programs. Most HMOs have disease management programs that are focused on common, high-intensity diseases that have accepted care standards.

Quality improvement and disease management techniques are integrated through data mining and predictive modeling software. Disease management initiatives are accompanied by provider and patient education and by outreach and preventive programs. Typical disease management goals include improvement of health status and reduction of lost workdays. Examples of member-targeted disease management interventions include:

- Telephonic contact regarding disease process, symptoms, lifestyle modification, and medication adherence
- Health risk assessments
- Educational mailings, including newsletters and brochures, which focus on the targeted disease
- Remote home monitoring in selected subpopulations

HEALTH PLANS ARE OBLIGED TO PROVIDE MEMBER SUPPORT
To facilitate affordability, health care consumers are being asked to assume additional responsibilities and shoulder increased cost burdens. There are limits, however, on how much members can accomplish. It is important that MCOs fulfill their part of the bargain by providing support in areas where plan members have little or no influence or control. Practice variation and appropriate utilization are two such arenas.

Practice variations occur when two patients with the same presenting symptoms go through different diagnostic and/or treatment pathways. Although some level of practice variation is inevitable, optimum treatment pathways can and should be determined by up-to-date scientific evidence. Widespread lack of evidence-based medical practices is responsible for the continuation of significant practice variations.

The physician is the primary source of practice variation. It is important to focus on physicians who are not practicing in accordance with well-accepted clinical guidelines, whether they are overutilizing or underutilizing, and be sure that issues are addressed in an appropriate way. Common utilization-related issues include: widespread underuse of care proven beneficial, widespread overuse of services without scientific justification, and enormous practice variation.

Oxford employs a multidimensional team for selected health care categories targeted to improvements in quality, utilization, and pricing. This team includes physicians, actuaries, administrators, information systems experts, and accountants, along with the most senior managers at our company. Other team members are specifically charged with provider relations and act as liaisons between the health plan and the physician; their chief task is to ensure that physicians and hospitals understand and are aligned with the goals of various organizational initiatives.

Our local market focus also allows us to be more responsive to consumer needs. At the end of the day, health care is a local business. A health plan that has significant membership within a specified geographic territory can effectively work with health care providers to improve quality and effect more rational resource utilization. When outliers are addressed, the economics of care become more affordable to employers and consumers.

RADIOLOGY INITIATIVE CONVERTS THEORY INTO PRACTICE
One example of an important initiative is in radiology, in which the advent of different new modalities (e.g., magnetic resonance imaging, computed tomography, and positron emission tomography) has driven dramatically increased utilization. Therefore, it makes sense to analyze certain diagnostic procedures to make sure they...
are clinically logical. Questions guiding inquiry include:

- Are the tests being utilized correctly?
- Is the technology appropriate?
- Is the technologist fully qualified?
- Is the interpreter of the images well-qualified?

Leaders of the radiologic community designed sensible programs, which included reexamining the provider network to make sure that individual physicians are qualified to interpret tests. By working closely with radiologists, Oxford has been able to keep radiology cost trends affordable, whereas many competitors who have not been so engaged have experienced a sharp increase in radiologic costs.

Success in multiple health care cost categories enables MCOs to accomplish cost objectives and maintain affordability. The savings are in the details, found in the specific subsets of each category analyzed. Oxford has reason to believe that its health care costs are rising more slowly than are the costs of its competition. This value is reflected in our premium pricing and, from our members’ perspective, affordability.

PROPER MANAGEMENT Merges Quality and Affordability

The best health care can be affordable in today’s environment. However, a great deal of detailed, hands-on work is required. The bottom line is that MCOs must be engaged in health care delivery. Many health plans, along with the health care providers and hospitals they contract with, are addressing cost pressures by retreating toward indemnity models of care that merely shift costs to consumers. Whereas Oxford has also introduced cost-sharing products to address the current health care affordability needs of employers, solely passing costs on to the consumer does not solve the issue of affordability.

At Oxford, we believe that managed care is the best way of obtaining value while maintaining the delicate balance of quality, cost effectiveness, and positive hospital and physician relationships.

Address for correspondence: Norman C. Payson, MD, Chairman and CEO, Oxford Health Plans, Inc., 800 Connecticut Avenue, Norwalk, Connecticut 06854.

To obtain reprints, please contact: Lisa Mantiera, Medicom International, at (914) 337-7878, ext. 202, or visit our website at www.medicomint.com. Copyright 2002 by Medicom International. All rights reserved.

Copyright 2002 by Medicom International, Inc./Managed Care Interface.