Communicating a Point of Service Plan

by Dennis R. Ackley

As employers continue the fight to control the ever-escalating cost of health care benefits, a relatively new approach — technically referred to as point of service managed care — is being introduced to thousands of employees. To avoid damaging the employee relations environment, **this managed care program requires a carefully constructed education and communication program.**

Nearly any change in health care benefits will evoke a strong emotional reaction for employees. Many employees do not understand — or prefer not to understand — health care financing. **They aren't aware the company's money is paying for all or the majority of the health care claims and HMO membership charges.** They may believe the money comes from some other source — such as a "wealthy" insurance company. Furthermore, some employees who contribute to the plan apparently believe, as with an investment, they deserve to get more back in benefit payments than they pay in.

> ***"A thoughtful, coordinated communication campaign can allow employers to educate employees effectively about the rationale for and the benefits of a managed health care program. It will also help to lessen employees' concerns, bolster their support for the program, and prevent problems for the employer."***

A Move Away From Free Access

To complicate the situation, most employees who are attracted to a health maintenance organization's managed care approach to health care already have enrolled in an HMO. Those who don't want that type of care have stayed in a traditional medical plan. To these employees, the most visible aspect of the new point of service program is what they have been avoiding.

Although each program has its distinctions, the point of service programs generally offer employees two choices each time they or their enrolled family members seek medical care. One choice is the traditional approach: employees use a doctor or hospital they choose. The other choice is to use the HMO style of health care delivery offered through the plan.

Under a point of service plan, the option of choosing any doctor or hospital often comes with a substantial financial burden — the plan usually covers only 60 percent or 70 percent of the expense after a fairly steep deductible. Although it's described as a "choice," for some employees the high cost they incur on the traditional side of the plan is viewed as tantamount to no choice. But benefit designers believe that, without this financial hurdle, many employees would not use cost-effective care offered through the program's other choice — the "managed care" approach.

A Return to the Company Doctor Concept?

The managed care side of the point of service plan looks much like an HMO. Employees are usually required to select a "primary care physician." Some plans allow each enrolled family member to have a separate primary care physician — pediatricians for children, family practice or internists for adults, plus gynecologists for adult females.

Each time participants choose to see their primary care physician, all care that is provided by or coordinated by their selected primary care physician is covered in full or at a high percentage. Usually, there are no claim forms for participants to file. To encourage participants to use their primary care physician, the plan may cover physical exams, well-baby check-ups, immunizations, and other health promotion services — but only through the primary care physician.

Some employees will react positively to the high levels of coverage and expanded benefits of the primary physician side of the point of service plan. Those who do not will find that maintaining their freedom to use the doctor they want, when they want, will come with a substantially higher cost.

Organizations communicating a new point of service managed care plan should not expect a universally positive reaction. **Employees who are determined to continue using doctors and hospitals they choose will find that the new plan is simply a cutback in benefits.** A reasonable objective in communicating the new plan would be to explain it in a clear and thorough manner that gets even the "hard case" employees to say, "Sure, I'd much rather have the old plan. But I understand why the company finds it necessary to introduce the primary care physician plan."

Overcoming the Communication Challenges

Here's a checklist of a dozen key elements that should be in every communication campaign for point of service plans:

1. **Make sure employees — and their family members — understand where the money comes from to pay medical claims and HMO membership costs.** In a recent survey by William M. Mercer, Incorporated, two-thirds of the human resource professionals responding believe employees think the money belongs to an insurance company — in other words, employees think they are spending someone else's money on their health care.

2. **Let employees know the company has limited financial resources and is looking for effective ways of spending its health care dollars** for quality and cost-effective services, just as it does with all the company's dollars. Maybe it's time to drop the age-worn rationale for health care cutbacks: "due to the skyrocketing price of health care, medical plan benefits are being reduced." This overly simplified explanation fails to address two points. First, it's the company's expenses that are skyrocketing. Unless employers make this clear, the "skyrocketing" cliché sounds too much like, "Due to skyrocketing grocery prices, we are cutting your pay." And this seems mean — spirited to employees who don't realize the company is trying to manage and control the amount of money it is spending on health care. The company's health care expenses must be brought into focus like

any other business issue. Second, employees must understand that management has decided it needs to allocate the company's financial resources to marketing, research, production, distribution, direct pay — or to holding down the price of its products — rather than using the money to pay for ever-increasing health care expenses. Let management speak to the business reality of maintaining the organization's financial health while offering a health care plan the company and its employees can afford.

3. **Inform employees the health care industry has changed dramatically in recent years.** Today, just as in other industries, volume discounts are available for health care. And the company's money — as well as the employees' — is being wasted on overly expensive care when these discounts are not used. The formation of health care "networks" is a relatively new concept, and some employees may be aware of it. These employees are the ones who will have the greatest need to be educated about the reality of health care in the 1990s. Naturally, employees initially will assume doctors and hospitals that join the discount networks are somewhat less than first rate. These employees need to understand that, in order for the networks to sell their services to employers, they compete to enroll the best doctors and hospitals. Cost control is a selling point, but a network that has highly qualified doctors and hospitals has a better chance of succeeding in today's marketplace. This is a concept that should sound familiar to employees. The need for high-quality staff and facilities to help attain success is a theme that can be found in nearly every company's mission statement.

Not long ago, many doctors openly declared they would not take part in any discount or network program. There still are a few who say this today. But a lot of doctors and hospitals have seen their patient load decline as many patients left for care through network providers. As some of the non-network doctors and hospitals increased their fees to make up for fewer patients, the charges began exceeding "reasonable and customary" limits. The need to maintain their patient load and the pressure to hold down fees — along with networks' drive to attract the best providers — has encouraged many physicians and hospitals to join at least one network.

Employees also should know that some doctors and facilities are not in networks because they do not meet the quality standards. **Any licensed physician can be listed in the telephone book — but only the ones who meet the quality standards can belong to a network.**

4. **Educate employees so they will understand that more care — and more expensive care — are not necessarily better care.** The role of the primary care physician is to manage patients' health by promoting good health and detecting problems early. Primary physicians provide care and treatment of routine illnesses and injuries and refer their patients to specialists when help is needed to diagnose or treat more complicated conditions. This "managed" approach can save time and money. That's the driving force behind this health care delivery system.

Patients who choose to manage their own care by contacting specialists directly often find they are referring themselves to expensive specialists who may not be appropriate for their care. A patient who contacts a back surgeon for treatment of back pain may, after paying that surgeon a large fee, decide to continue the effort to solve the problem by seeing a foot specialist for another large fee — and then on to yet another expensive specialist to diagnose muscle spasms. This self-directed trip can be very expensive. Had the patient started with a visit to a doctor specializing in general medicine — a primary care physician — the trip may have ended successfully with that doctor's diagnosis and treatment. More care and more expensive care do not necessarily lead to better care.

5. **Remind employees they always have a choice in how much and what kind of health care they receive** — but the company also has a choice in how it uses its health care dollars. The company has a responsibility to be sure it uses its financial resources wisely — and this includes money it spends on health care expenses. But this in no way is meant to direct what care anyone receives. It is each person's responsibility — along with the doctor’s advice — to decide what treatment to receive and where. This also applies to hospitalization review programs. Those programs are not practicing medicine or deciding how many days a person can be hospitalized. Rather, they only are advising patients of the number of days the plan will cover. It's always up to the patient and doctor to decide how long to be hospitalized and what care to receive.

6. **Consider involving employees in examining solutions to the health care cost problem and in evaluating potential health care programs.** Naturally, putting proposed benefit cutbacks to a popular vote only will lead to a "no thanks" referendum. But that's not the kind of employee involvement companies should be using. If your organization is "customer-driven" or dedicated to total quality management, employee involvement is a mandatory part of implementing any benefit change. Employees are the "customers" of employee benefits, so they should play a strong role in deciding what changes are needed. Be prepared to invest heavily in a "customer education program" to teach employees about specific aspects of the enormous health care cost problem, such as:

* How much the company spends on health care expenses.
* How the costs are determined.
* What can be done to control costs.
* What approaches to health care delivery offer possible short-term cost effective solutions.
* What other organizations are doing.

Without this educational element, the employee input will be based largely on emotions and a limited understanding of health care economics. Employees are well aware of the country's health care crisis — but they don't have a solid understanding of the underlying issues.

7. **Involve a high-status messenger in delivering the message and link it to the company's mission.** Organizations should expect the most vocal, negative reactions from people in mid- and high-level pay ranges (often managers). Typically, these are people who believe they've earned the right to have the company pay for their access to what they consider the highest quality health care they can find. Getting them to support the move to point of service managed care may be the most difficult part of introducing the new plan. And if the executives remain covered by a special medical plan rather than the point of service plan, the battle may not be worth fighting. When employees find out that top management is not in the new plan, the negative reaction will be severe.

8. **Train the human resources staff to be clear and accurate when answering common yet complicated point of service managed care questions** such as:

* Why are so few doctors listed in the directory as primary care physicians compared to the listing of PPO doctors? What if I'm currently undergoing a lengthy treatment?

* What do I do in an emergency if I'm out of town?

* What do I do about my dependents who are out-of-town college students or who live with my divorced spouse?

* How can I get my current doctor to be my primary care physician?

* What can I do if I'm not satisfied with my primary care physician?

* How will the benefits from my husband's plan be coordinated with this plan?

* How is my primary care physician rewarded for treating me — is the doctor paid for each visit or just a flat rate? (Some legal advisors believe it's important for employees to be aware of the incentives the doctors have — or don't have — to provide treatment.)

* If HMOs help save money, why did the company drop several of them when it went to the new program?

* Does this solve the health care cost problem, or can we expect to see more changes?

In addition to the nitty-gritty plan design and administration questions, Human Resources staff members will need to be trained to respond properly to the anticipated emotional reactions. They also will need to handle some very technical questions. The use of role playing as part of meeting leader training can be a very effective technique. During the training, teams can be set up to participate in the "world's toughest question contest." The teams could ask one another the most difficult, sensitive, and angry questions they can come up with. Awards could be given for the toughest questions and the best answers. After a team answers a question, the other teams can discuss what they thought of the answer — what should or should not have been said. This role playing can help prepare meeting leaders and other HR staff members to conduct the employee meetings and respond to employee questions.

9. **Avoid jargon.** Managed care is full of it — even its name is jargon. Plain English is nearly always better than the verbal shorthand the benefits industry uses to describe the workings of various products and programs. If possible, do not inflict employees with technobabble such as:

* "Primary care physician" (try, "your program doctor," "primary doctor," "doctor of choice" or any other friendly sounding term).

* "In-network/out-of-network" (rather, "when you coordinate your care with your primary doctor, and when you don't").

* "In area/out of area," (why not, "the area served by the network, an area not served by the network?").

Within a few days of the initial announcement, employees and their family members are likely to forget the meaning of the jargon. On the other hand, when they use the network, they may encounter office administrative staff who do use it. So if you are considering substituting more friendly terms, visit several network doctors' offices to find out if other terms you want to use will cause any confusion among the office staff. If it does, perhaps it's better to use the jargon.

10. **Give the employees information on how to choose a new physician if that is required under the new program.** If employees are required to select a new doctor — a primary care physician — your organization should provide them with some guidelines or questions they can use when choosing a new doctor. This will support your organization's customer-oriented or quality-oriented business mission. Some medical associations or the network may have

publications that can be provided to employees. Also, employees will need to be provided with what they believe is a reasonable amount of time to select a new doctor.

11. **Use several communication vehicles to send and reinforce the messages.** Reading apparently has become a lost art. More nonprint communication vehicles — such as video and audio — have become necessary elements of a communication campaign. Employee communication specialists long ago gave up the search for the single vehicle that will reach every employee. Start with the premise that not all employees will connect with every communication that's sent out. But to reach them, organizations need a multimedia, multilingual campaign not just to introduce the new program, but also to provide ongoing reinforcement of it. Sometimes, simple techniques are the most effective. For instance, wallet cards with the key information and telephone numbers can be instrumental in providing instructions when employees most need them.

12. **Do not overlook the most effective and popular communication channel — face-to-face communication.** In addition to all the other information that's sent regarding the new program, organizations should make employee meetings a central part of the communication effort. Of course, well-trained meeting leaders who know the new program inside and out will be needed to conduct the meetings. Meetings are important for two major reasons. First, that's the way some employees prefer to learn about the program. Second, the meetings demonstrate the company's concern about hearing employees' comments and answering their questions.

Summary

Any time organizations change health care benefits, employees react emotionally. They are very concerned about maintaining access to health care. Also, they do not want a reduction in what they perceive as the quality of health care. Some employees will believe they are being stripped of access to quality care. Only by carefully planning, developing, and delivering a thoughtful, coordinated communication campaign can employers focus on the rationale for the new program and its positive qualities.

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A version of this article first appeared in the Summer 1993 issue of ***Compensation & Benefits Management.***

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