

# Spectrum of Health Plan Performance Management Opportunities

# Overview

**Health care plans have to be functional — anything else is a waste of time and money.** That is the benefit of self-funding. There are many options. But how do you know which options are right for your plan?

**Like any experiment, there's a process of trial and error.** Except, when it's your money and your people, it feels like there's less room for error. Self-funded benefits offer so many options that “going it alone” can feel more like an experiment and less like a successful formula. Working with the right guide, determining your tolerance for risk, and understanding your plan goals are key to making the right choices. A low-risk approach can mean a plan sponsor or plan participants may be uneasy with change. An Avant Garde approach may mean the plan is more open to new and different choices across the spectrum of options.

**There is a spectrum of choice in self-funding.** No matter where you are on the spectrum, from established to evolving or emerging, Nova meets our clients where they are. We want to help you better understand how having the right guide by your side can help you make wiser choices when it comes to managing risk, cost, and care outcomes.

# Shining Light on a Spectrum of Solutions



There are a variety of options when it comes to plan design and developing strategies to best manage a client's bottom line. It can be overwhelming. To help our partners gain insight, Nova has developed the *Spectrum of Health Plan Performance Management Opportunities*, a guide to determine where a client may fall based on their financial goals and the needs of their employee population.

Imagine you're back in science class learning about visible light and the electromagnetic spectrum. **Think of it this way:**

- **White Light Source** = The company's profile (demographics, goals, priorities, etc.)
- **Prism** = The TPA partner
- **Visible Light** = Creative solutions the TPA partner can offer your clients and their employees based on the company's profile.

Nova's *Spectrum of Health Plan Performance Management Opportunities* shows the range of wavelengths and gradients of choice associated with a self-funded plan. Some clients take a traditional approach. Others opt for an innovative plan design. These spectrum elements can vary across a continuum, ranging from an established point solution, to an evolving model, or venturing into emerging health care trends. Where a client lands may be based on several factors. Let's walk through each solution to gain more insight and take a closer look...

# Network



Nova works closely with our partners and clients to understand business goals and develop affordable access to care solutions to meet their needs. The options Nova provides are based on collaborative efforts to help achieve lower costs in the long term. Members deserve the right care, at the right time, in the right setting. We can help. **Options include:**

1. **Structured** – Maintain traditional network solution with in- and out-of-network and coverage
2. **Hybrid** – Mix of traditional and alternative pricing methodologies, for example RBP for out-of-network only paired with a full network
3. **Open Choice** – Full network replacement



### Success Story

By working in collaboration with the provider and patients, Nova was able to save one client money, improve employee satisfaction with the plan, and help plan participants engage in their health and follow their plan of care for improved health outcomes. The table below shows data from a Nova client that implemented a direct primary care model with reference-based pricing for service outside of the clinic.

	Nova Client: 2019	Milliman Benchmark
Days/1,000	186.2	294.7
ER Visits/1,000	101.0	136.4
Allowed PMPM	\$238.10	\$307.55

# Telehealth



Telehealth offers plan participants assistance when evaluating health care services by providing relevant information needed to support shared decision-making. This solution can be an alternative to urgent care or primary care physician sick visits. Adding second-opinion services and/or offering chronic care monitoring in addition to urgent care can provide further support to an employee population. **Options include:**

- 1. E-Visits with Existing Providers** – Promote 24-hour nurse medical help line and online chat, as well as virtual visits with current in-network existing doctors
- 2. Third-Party Vendor After Hours** – Offer third-party telehealth solution as an alternative to office visits or urgent care for general medical or dermatology needs
- 3. Supplemental to Entire Spectrum of Care** – Structure telehealth solution with favorable copays and expansive access to services such as mental health, tele-nutrition or telemonitoring for chronic conditions



### Success Story

Clinical data for one Nova client showed high ER utilization among expecting and new mothers. These new moms were taking infants to the ER for issues that could have been treated with a lower level of care. Nova's medical management team created a program in which the mothers were given access to care navigators. They helped the new moms find in-network pediatricians and urgent care centers as well as input the 24-hour nurse line into their phones.

# Wellness



Wellness goes far beyond physical well-being. Empowering members to take action and make necessary changes to improve their mental, emotional, spiritual, and financial health can have a great impact on health plan success. A targeted approach to well-being can spur plan participants to use their preventive care benefits. **Options include:**

1. **Organizational Wellness** – Discounts for services, internal wellness committee
2. **Outcome-based Wellness with Rewards** – Rewards for attaining goals, access to health-improving resources, bring in third-party vendor
3. **Comprehensive Well-Being** – Biometric screenings, health coaching, apps



### Success Story

One of Nova's clients was recognized as one of Springbuk's 2019 Healthiest 100 Workplaces in America. The Healthiest Employers® honors organizations who develop and implement holistic approaches to employee wellness initiatives. We're proud to collaborate with clients who share the same passion, enthusiasm, and drive Nova values in keeping health and wellness at the forefront of plan design.

# Medical Management



A proactive approach to care. Insightful and pragmatic advice that applies to a company's culture, employee demographics, and overall plan objectives. Nova's comprehensive trend management solution is designed to create a culture of health within our clients' population. Analyzing a variety of data, Nova identifies cost drivers and stratifies risks, ensuring the appropriate utilization to manage plan participants health, create positive health outcomes, and reduce unnecessary high-cost services for clients. Taking a holistic approach, Nova focuses on the plan participant's needs, which may be complex, and not solely on disease management. At all levels in the spectrum, our team looks at the whole person. **Options Include:**

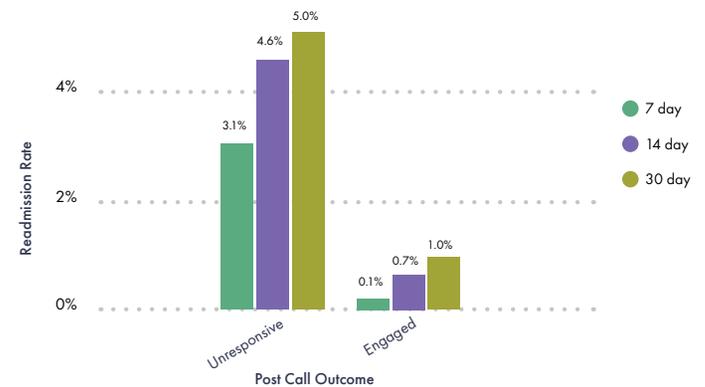
1. **Traditional** – Standard pre-certification, case management, disease management
2. **Creative Solutions** – Customized strategies to provide solutions to meet disease/utilization specific needs\*
3. **Expanded Solutions for Care** – Including options for medical tourism, shared savings for using lower-cost alternative locations



### Success Story

This chart shows readmission rates as a percentage for plan participants who did not engage with Nova's clinical team compared with those who did within a client's population. The plan participants who engaged with Nova's transitional care program after inpatient discharge experienced lower readmission rates at 7, 14 and 30 days.

**Readmission Rates**



\*Please note: Standard plan design may utilize customized vendors to provide services for a client (selecting a diabetes management program, for example), whereas the innovation tier would focus on customized strategies (identifying individual benefit changes).

# Pharmacy Management



Deductibles, copayments, and clinical data. These elements are all intertwined when discussing how the right pharmacy management solution can assist employers in reducing costs. Nova takes pride in partnering with best-in-class vendors. Integrating pharmacy resources offers clients a coordinated approach to successful plan management, delivering meaningful cost savings and improved patient outcomes. **Options include:**

- 1. Discount-based PBM** – Features tiered benefits based on generic or brand name Rx with discounts secured by the PBM for lower costs
- 2. Integrated PBM** – Highly managed prescription plan with mail order, specialty RX, medication adherence support
- 3. Consumer-Directed Model** – Offering incentives for cost-savings based on consumer choice of pharmacy and lower cost alternatives, which includes shared savings with members

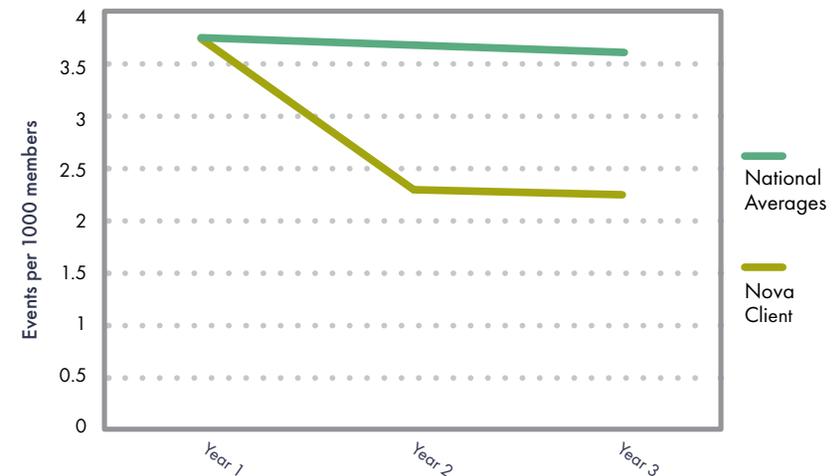
DISCOUNT-BASED  
PBM

INTEGRATED  
PBM

CONSUMER  
DIRECTED MODEL

## Success Story

When reviewing the data, Nova evaluates medication compliance for members' medication adherence for diabetes. For one Nova client, it was discovered members were not taking their maintenance asthma meds or picking up their diabetic supplies. It was determined the cost of the medications and supplies were an issue for this specific population. The recommendation was to eliminate copays for those items. The outcome was an increase in member compliance and reduced chronic-condition-related inpatient and ER events, resulting in lower costs to the plan over time.



# Benefit Design Tiers



Self-funding benefit designs are often looked at as a balance between cost and risk. Plan populations evolve every year. So does their health and lifestyle. Utilization data analysis needs to be ongoing and, as new information emerges, it is important to view plan recommendations and strategies through the lens of the plan sponsor and plan participant.

**Options include:**

- 1. Level Funded** – Opportunity for small groups to move from fully insured to self-funded arrangement with higher level of protection from variability in cost
- 2. Standard Design** – Replicating current plan design
- 3. Highly Customized** – Provide recommendations to plan design based on population's health and client goals



## Success Story

What does success mean to you? Traditional benefit design changes typically amount to cost-shifting, raising copays, deductibles, and out-of-pocket limits.

Benefit design changes can be a win-win for employees and employers. Nova clients have had success in offering multiple “metal tiers” that meet plan participants where they are. Some plan participants may want insurance to protect against catastrophic events and do not mind bearing the risk for more regular care. Others may prefer the opposite end of the spectrum, where nearly all services are covered but they pay a higher premium for this coverage. Self-funding allows the employer to customize these metal tiers more than commercial insurance.

# Reimbursement



What employees want: A strong benefits program. What employers want: To attract and retain top talent by offering a strong benefits program. Flexible Spending Accounts (FSA), Health Reimbursement Arrangements/Account (HRA), and Health Savings Accounts (HSA) are offered to save on taxes and pay for qualified medical, prescription, dental, and vision expenses. Understanding how these offerings function will ensure your benefits program is not only an attractive perk for employees but also important in finding the right benefit solution for your unique population. **Options include:**

1. **FSA** – Employees can set aside pre-tax funds for a variety of expenses, including parking, prescription eyewear, braces, dependent care and/or adoption
2. **HRA** – Owned and funded by the employer all funds used for eligible expenses are tax deductible for the employer plus an HRA can be coupled with an FSA
3. **HSA** – Employees can contribute funds pre-tax and unused funds roll over to the next year and an HSA doubles as a retirement aid



### Success Story

Guiding employers to create a customized benefit strategy includes understanding value added benefits. You may be wondering why you'd choose one over the other. We can show you how they compare and make recommendations to help you meet your goals.

Health Spending Account Comparison	HSA	HRA	FSA
Member owns the account	Y	N	N
Employer owns the account	N	Y	Y
Member must be enrolled in a high-deductible health plan	Y	N	N
Employer-only funded account	N	Y	N
Member and employer may fund the account	Y	N	Y
Member can invest the money in the account	Y	N	N
Member must report account when filing income taxes	Y	N	Y

# Conclusion

Employers understand their tolerance for change. They know their employees best. Wherever a client falls on the *Spectrum of Health Plan Performance Management Opportunities*, they need an experienced partner with demonstrated success that understands all the nuances associated with their specific plan population. With the right partner to engage in conversations, each opportunity for data review provides another opportunity for conversation around improving plan performance and health outcomes.

**Interested in learning more about Nova's spectrum of products? Let's have a conversation.**

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