



Advocacy & Navigation

Cutting Through Healthcare Complexity for Today's Healthcare Consumer



Robust Advocacy and Navigation Support Vital for Success

Healthcare consumerism is here, yet people lack the essential information and expert guidance they need to make better health choices and spend healthcare dollars wisely. They're ill-equipped to efficiently navigate today's complex healthcare system on their own, and it's costing everyone — across all markets — from Medicare and Medicaid to commercial and exchange.

As consumers become more responsible for their healthcare costs, they're demanding a higher level of knowledge, guidance, advocacy, access, efficiency, transparency and value. Healthcare organizations and self-funded employer groups must put tools and resources in place to better meet this escalating demand while curbing costs.

CARENETSM
opening new paths to health

In today's post-reform, digitized world, healthcare organizations are encountering a new healthcare consumer. Let's look at Kelly as an example.

Kelly is 32-years old and married with two young children. A busy account executive raised in an culture of instant gratification, she relishes the ability to do her shopping via Amazon Prime, avoid parking headaches with Uber, order meal kits online for easy home-cooked dinners, and schedule door-to-door dry cleaning service by text.

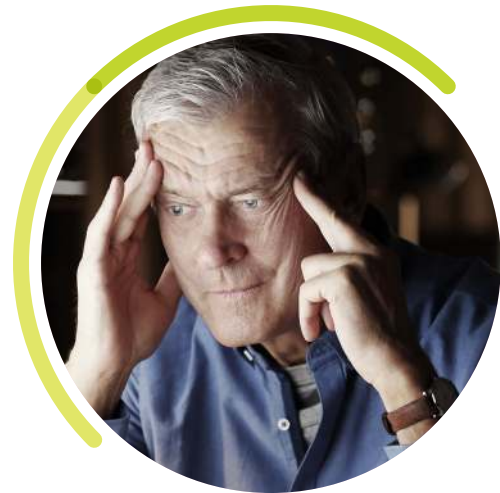
Kelly — like most of today's tech-tethered consumers — lives in an on-demand universe fueled by ease and speed, where just about everything is conveniently accessible at anytime with a simple click or swipe.

And, like the majority of Americans, Kelly has employer-sponsored health insurance for herself and her family members.¹ She's also like most Americans in that she finds the world of healthcare — with its fragmented service and complex medical jargon, insurance terms and acronyms — to be confusing and overwhelming, which often leads to disillusionment and disengagement. Kelly's a smart, savvy woman, yet when it comes to comprehending healthcare, she, like so many others, struggles to make sense of it all.

Nearly 9 out of 10 adults have difficulty using routine health information.² Confusing terminology is one of the major challenges; a recent survey of privately insured Americans revealed that only 14 percent of the participants accurately understood four basic insurance concepts: deductible, copay, coinsurance and out-of-pocket maximum.³

Regardless of how they enrolled in their health insurance, most people are in the dark when it comes to understanding the language of healthcare and navigating the healthcare system.

Everyone pays a high price when healthcare consumers don't know how to best use their benefits, are unsure which care setting to go to, are confused about their doctor's orders, or misinterpret the information provided with their prescription medications.



Crushing Cost of Uninformed Consumers

Low health literacy is an expensive epidemic. Researchers estimate it costs the nation's economy up to \$238 billion a year.⁴ Numerous studies have found that a limited ability to obtain, process and understand the basic information and services needed to make appropriate health decisions is associated with:

- Higher unwarranted utilization of emergency care services
- Increased hospitalizations, including preventable visits and readmissions
- Lower use of preventive services such as vaccines, mammograms and colonoscopies
- Higher rate of chronic disease and greater challenges managing conditions
- Lower prescription medication adherence and more medication errors
- Poorer overall health status
- Higher mortality among seniors
- Reduced patient engagement, compliance and satisfaction

Every individual has a right to the information, tools and support that help facilitate informed decision-making. When given easy access to an expert guide who can navigate them to timely, user-friendly and individualized information and resources, people are much better equipped to take the most appropriate actions needed to protect and promote their health and well-being.

Evolving Expectations

Kelly has been learning the hard way about how her health plan works. After being stung by high bills for visiting an out-of-network endocrinologist her friend recommended, and for going to the ER instead of urgent care when her son sprained his ankle skateboarding, she's eager to become a more educated, engaged and empowered healthcare consumer.

This desire is intensifying as her employer increasingly shifts healthcare costs to its employees via very high deductibles, copays and coinsurance. According to the Kaiser Family Foundation, the average family premium for employees with family coverage increased 61 percent from 2005 to 2015.⁵

With more of her own money on the line, and a lifestyle accustomed to one-click service, Kelly's expectations for her health plan and her providers are rapidly changing. She expects a more convenient, efficient, seamless and personalized way to access a trusted resource to obtain support and care 24x7 by her preferred mode of communication.

She's much less willing to tolerate subpar service, disjointed care and lack of transparency. More than ever, she wants options as well as help understanding these options so she and her husband can make informed, cost-conscious decisions that support the health and well-being of their entire family. And when she gets stuck along the way, she would like true advocacy-level support to clear the hurdles she's encountered.

Factors Reshaping the Healthcare Landscape

Numerous factors are reshaping the healthcare landscape and driving the need for a more efficient, effective mode of healthcare delivery, and a more informed, engaged healthcare consumer.

1. Spending outpacing inflation

With spending reaching \$3.2 trillion in 2015 — that's \$9,990 per person — the U.S. healthcare system is the most expensive in the world.⁶

While spending growth is expected to decelerate in 2016 compared 2015, experts predict it will still outpace overall economic inflation. PwC analysts attribute the potential

slow down to “employer cost-shifting, greater use of virtual care, and more savvy consumers being guided toward cost-effective care.”⁷



2. Soaring demand for healthcare support and clinical care

The United States is facing an unprecedented demand for healthcare support and clinical care due to:

- Population growth: The U.S. population is projected to grow by 89 million residents from 2010 to 2050.⁸
- Affordable Care Act insurance expansion: An estimated 20 million uninsured Americans have gained health insurance coverage as a result of the Affordable Care Act, and the percentage of uninsured individuals has hit 8.6 percent, the lowest level on record.^{9,10}
- Aging baby boomer population: There will be approximately 98 million people ages 65 years and older by 2060, more than twice the number in 2013.¹¹ As the baby boomer generation enters their retirement years, their need for medical care services is expected to add new demands and challenges to an already overburdened healthcare system.
- Increasing prevalence of chronic disease: About half of all adults — 117 million Americans — have one or more chronic diseases, and one in four have multiple chronic conditions.¹² This number is predicted to rise as the American population ages.

3. Shrinking physician supply

In step with an increased demand for clinical care is a shrinking supply of care providers. The Association of American Medical Colleges predicts there will be a deficit of up to 94,700 physicians by 2025 as the U.S. population grows, the number of insured Americans increases, the medical needs of the baby boomer population rise, and one-third of the nation's physicians retire within the next decade.¹³

The supply of psychiatrists is also dwindling as fewer medical school graduates gravitate toward the profession and the majority of psychiatrists approach retirement — 70 percent of practitioners are age 50 and older, according to the American Medical Association.

4. Escalating unwarranted ER utilization

Emergency rooms have become a major source of primary care, treating a wide range of non-urgent health conditions on top of the emergency services they're designed to provide. Using the ER instead of another care setting (e.g., doctor's office, urgent care, retail clinic, virtual consultation) for minor ailments leads to excessive healthcare spending and unnecessary testing and treatment, and disrupts the continuum of care between patients and physicians.

Factors such as a lack of knowledge regarding appropriate care settings, limited doctor's office hours and the increasing provider shortage are contributing to escalating ER utilization and associated costs. It's estimated that 13 to 27 percent of ER visits could be handled in physician offices, clinics and urgent care centers at a savings of \$4.4 billion annually.¹⁴

A Centers for Disease Control and Prevention (CDC) study found that 80 percent of adults visited the ER because they lacked access to other providers. For nearly half of the adults surveyed, two of the most common reasons for an ER visit were: the doctor's office was not open and there was no other place to go.¹⁵

Despite hopes that the Affordable Care Act would reduce unwarranted ER trips, three-quarters of emergency physicians report a surge in patient visits since healthcare reform took effect.¹⁶

While it's commonly believed that avoidable ER utilization is a top issue among the Medicaid, Medicare and uninsured populations, it's also a big problem with privately insured patients, like Kelly. One study found that "71 percent of emergency room visits made by patients with employer-sponsored insurance coverage are for causes that do not require immediate attention in the emergency room, or are preventable with proper outpatient care."¹⁷



5. Rising consumerism

The introduction of the public health insurance exchanges combined with increased cost sharing and rapid-fire advances in technology are transforming healthcare into a consumer-driven industry. As Americans more closely monitor their healthcare spending and their health, they're shifting from passive participants to active healthcare consumers.

Today's more cost-conscious, time-crunched and digitally enabled consumers, like Kelly, are demanding better experiences throughout the healthcare continuum, including more personalized services, more efficient processes, and deeper insights into how they can optimize their healthcare dollars.

They expect the healthcare marketplace to provide the same anywhere, anytime interactive access they've become accustomed to with other industries, whether it's by smartphone, tablet or wearable device. And, they want to be cared for — not as a consumer but as a whole person — by an efficient and effective healthcare system that respects their needs and preferences.

More empowered than ever before, consumers today will reward those organizations that simplify the healthcare experience and meet their demands for convenience, efficiency, transparency and value without sacrificing quality, security and a human touch.

6. Accelerating need to leverage big data and advanced analytics

The potential opportunity of big data and data analytics to radically transform the industry cannot be denied — from substantially slashing costs to improving patient outcomes and saving millions of lives. In fact, effective utilization of big data could cut healthcare costs by \$300 billion to \$450 billion.¹⁸ Thus, it's not surprising that 95 percent of healthcare CEOs are exploring better ways of using and managing big data.¹⁹

Many healthcare organizations have long been accumulating massive amounts of data from multiple disparate sources such as insurance claims, health risk assessments, self-reported member information, pharmacy benefit managers, customer-relationship management (CRM) systems and marketing databases. Now, health data from wireless, wearable devices like the Apple Watch and FitBit, smartphone apps and social media are joining the mix. Integrating these rich data sources to build and leverage advanced analytics is essential for managing population health, elevating care and outcomes, reducing risk, and driving efficiencies.

Big data offers a treasure trove of priceless information and unlimited possibilities that support the country's shift toward a more quality-focused, sustainable healthcare system. However, **big data without big action is wasted effort.**

By partnering with companies proficient at harnessing big data, employing sophisticated analytics techniques and designing innovative data-driven solutions, healthcare organizations can eliminate data silos and effectively integrate, enhance and act on valuable member insights to improve service delivery and outcomes.

Revamping the Member Experience

The sweeping shift toward consumer-driven, value-oriented healthcare, combined with rising costs, complexity and competition in the marketplace, is forcing everyone to rethink and reengineer care delivery. Success will require the right dose of technological intervention and human interaction.

Built on nearly 30 years of in-depth clinical and consumer influence expertise and propelled by leading-edge member and family engagement management technology, Carenet's **Advocacy and Navigation** solution significantly revamps the customer experience by cultivating a powerful human connection between healthcare consumers, providers and payers that leads to smarter health choices and better outcomes across the board.

● Embracing the New Healthcare Consumer

Creating a better healthcare experience

In addition to knowledge, healthcare consumers want transparent, cost-effective options to choose from as well as a convenient and seamless way to access their options. Carenet's Healthcare Advocacy and Navigation solution rises to the challenge by delivering timely, expert support through a variety of communication channels.

Our consumer-friendly, family-centric solution is carefully designed to proactively improve health outcomes, reduce unnecessary resource utilization, deliver cost savings and elevate the overall healthcare experience for members and their family.



● Expert Multidisciplinary Team

Driving informed decision-making

For the everyday healthcare consumer, many healthcare-related concerns take time, knowledge and experience to resolve. Most consumers don't have the tools, information and guidance they need to effectively navigate today's complex healthcare system and access care. They need help.

Caretnet's Family Health Advisors and Care Advisors (RNs) proactively ease this burden by helping members swiftly obtain and understand the information needed to make smarter health choices. Our decades of



healthcare experience enable us to quickly address barriers and simplify complex matters. By educating and guiding members and advocating on their behalf, we empower and equip them to make informed decisions and take action with confidence.

Our Family Health Advisors are a team of passionate, knowledgeable professionals who serve as the single point of contact for all healthcare advocacy and navigation needs and work closely with our clinical Care Advisor team, which consists of highly experienced registered nurses. Our Care Advisors effectively guide members in their care and have seamless access to virtual physicians and behavioral health specialists to provide a higher level of clinical expertise when needed.

● **Health Optimization Platform**

Delivering critical visibility

Carenet's Health Optimization Platform supports an informed member engagement experience with contextually relevant information and a comprehensive family view based on medical and pharmacy claims data, health risk assessment information and more.

The robust platform utilizes an interactive, rules-based engine to intelligently deploy tailored interventions for each consumer in areas such as gaps in care, pharmacy risks, needed tests and immunizations, and more. To support the entire continuum of care, and a smoother consumer experience, the platform also tracks all multi-channel activities and outcomes across our Advocacy and Navigation teams to ensure needed visibility levels and a cohesive, coordinated approach.

● **Strategic, Tailored Interventions**

Proactively targeting high-impact members

Using sophisticated data analytics, we proactively identify high-risk/high-cost individuals with the greatest opportunity for impact, intervention and influence, such as:

- preventable admissions
- readmissions
- frequent and inappropriate emergency room users
- individuals with gaps in care
- pharmacy-related risks and opportunities
- out-of-network users

By combining intelligent data, a comprehensive view of the family, multi-channel communication options, advocacy and transparency services, timely decision support, and proven member influence and clinical coaching techniques, our multidisciplinary team is able to successfully intervene in areas that positively impact members and their family.

We make the healthcare experience cost-effective, clinically strong and much more rewarding for consumers by positively influencing behavior and opening new, simpler paths to health.

● **Program Design and Seamless Integration**

Providing flexible solutions

Carenet delivers end-to-end Advocacy and Navigation services including data analytics, member services support, care advocacy, shared decision-making support, clinical coaching and a Virtual Clinic featuring a Nurse Advice Line integrated with physician and behavioral health consultations. We also seamlessly integrate with existing client systems, processes and partnerships in all of these areas.

Painting a Picture

The following encounter paints a vivid picture of how this all-encompassing care delivery model can help an entire family, like Kelly's.

Kelly calls her health plan for assistance with interpreting an explanation of benefits (EOB) for her endocrinology appointment and consequent lab tests. The Family Health Advisor walks her through the EOB explaining what medical services were covered and the amount Kelly is responsible to pay.

She advises Kelly how much money she could save if she switched to an in-network endocrinologist and offers to help Kelly locate one near her home or office. Kelly agrees and after finding a new provider, the Family Health Advisor also signs her up for text updates and enrolls her into a wellness program where she and her family members can earn monetary rewards for healthy actions, like completing a health risk assessment, getting their immunizations and going to the gym.

While on the phone, the Health Optimization Platform's comprehensive member and family view identifies that we've been trying to reach Kelly to remind her to schedule a preventive asthma screening for her son. The Family

Health Advisor helps Kelly schedule an appointment with a pediatrician via a three-way conference call.

Before hanging up, Kelly mentions her three-year-old daughter is quite fussy due to an itchy rash and she is considering taking her to urgent care. The Family Health Advisor shares some alternative, less expensive care settings and offers to connect Kelly to a telephonic registered nurse, who can assess her daughter's symptoms right away.

Kelly eagerly accepts the offer and after speaking with the RN, it's determined that her daughter's rash should be evaluated by a pediatrician. The nurse guides Kelly to an online portal where she can schedule a virtual consult with a pediatrician. The doctor contacts Kelly within 10 minutes, diagnoses the rash via videoconference and sends a prescription for a topical ointment to Kelly's preferred pharmacy.

This one encounter with our Advocacy and Navigation services not only saves Kelly and her health plan a substantial amount of money, it also saves Kelly time and stress, significantly boosts her plan satisfaction, and leaves her more educated, engaged and empowered than ever.

Navigate Toward Better Care for Less

An increasingly complex healthcare system that brings crippling costs, along with rapidly advancing technology, changing consumer expectations and a shift from volume-to value-based care, have created an unprecedented healthcare environment that demands a new delivery model.

Carenet's Advocacy and Navigation solution addresses the seismic changes taking place by using our expertise in influencing consumer behavior to reduce costs, add value, drive satisfaction and impact lives.

Let's talk about how our positive impact on consumer health choices can help you meet your goals.

800.809.7000

www.carenethealthcare.com

CARENETSM
opening new paths to health



References

1. Smith, J. & Medalia, C. (2014). Health Insurance Coverage in the United States: 2014. United States Census Bureau. Retrieved from <https://www.census.gov/content/dam/Census/library/publications/2015/demo/p60-253.pdf>
2. Kutner, M., Greenberg, E., Jinndad, Y., & Paulsen, C. (2006). The Health Literacy of America's Adults: Results from the 2003 National Assessment of Adult Literacy. National Center for Education Statistics. Retrieved from <http://nces.ed.gov/pubsearch/pubsinfo.asp?pubid=2006483>
3. Loewenstein, G., Friedman, J., McGill, B., Ahmad, S., Linck, S., Sinkula, S., ... Volpp, K. (2013). Consumers' misunderstanding of health insurance. *Journal of Health Economics*, Volume 32(5), 850-862. Retrieved from <http://www.sciencedirect.com/science/article/pii/S0167629613000532>
4. Vernon, J. A., Trujillo, A., Rosenbaum, S., & DeBuono, B. (2007). Low health literacy: Implications for national health care policy. Retrieved from http://publichealth.gwu.edu/departments/healthpolicy/CHPR/downloads/LowHealthLiteracyReport10_4_07.pdf
5. 2015 Employer Health Benefits Survey. (2015, September). Kaiser Family Foundation. Retrieved from <http://kff.org/report-section/ehbs-2015-section-one-cost-of-health-insurance/>
6. National Health Expenditure Data, Historical. (2016). Centers for Medicare and Medicaid Services. Retrieved from <https://www.cms.gov/research-statistics-data-and-systems/statistics-trends-and-reports/nationalhealthexpenddata/nhe-fact-sheet.html>
7. Behind the Numbers, 2016. (2015). PricewaterhouseCoopers. Retrieved from <http://www.pwc.com/us/en/health-industries/behind-the-numbers/factors-affecting-medical-trends.html>
8. Kochhar, R. (2014, February). Pew Research Center. 10 Projections for the Global Population in 2050. Retrieved from <http://www.pewresearch.org/fact-tank/2014/02/03/10-projections-for-the-global-population-in-2050/>
9. Uberoi, N., Finegold, K., & Gee, E. (2016). Health Insurance Coverage and the Affordable Care Act, 2010-2016. Department of Health and Human Services. Retrieved from <https://aspe.hhs.gov/sites/default/files/pdf/187551/ACA2010-2016.pdf>
10. Cohen, Ph.D., R. & Martinez, M.P.H., M.H.S.A., M, & Zammiti, M.P.H., E. (2016). Health Insurance Coverage: Early Release of Estimates From the National Health Interview Survey, January–June 2016. National Center for Health Statistics. Retrieved from <https://www.cdc.gov/nchs/data/nhis/earlyrelease/insur201611.pdf>
11. Aging Statistics. (n.d.). U.S. Department of Health and Human Services. Retrieved from http://www.aoa.gov/Aging_Statistics/
12. Ward, Ph.D., B., Schiller, M.P.H., J., & Goodman, M.D., M.P.H., R., (2012). Multiple Chronic Conditions Among US Adults: A 2012 Update. Centers for Disease Control and Prevention. doi: <http://dx.doi.org/10.5888/pcd11.130389>
13. 2016 Update - The Complexities of Physician Supply and Demand: Projections from 2014 to 2025. (2016). Association of American Medical Colleges. Retrieved from https://www.aamc.org/download/458082/data/2016_complexities_of_supply_and_demand_projections.pdf
14. Weinick, R., Burns, R. & Mehrotra, A. (2010). Many Emergency Department Visits Could Be Managed at Urgent Care Centers and Retail Clinics. *Health Affairs*, 29(9), 1630-1636. Retrieved from http://www.rand.org/pubs/external_publications/EP20100123.html
15. Gindi, Ph.D., R., Cohen, Ph.D., R., & Kirzinger, M.P.H., W. (2012). Emergency Room Use Among Adults Aged 18-64: Early Release of Estimates From the National Health Interview Survey, January-June 2011. Centers for Disease Control and Prevention. Retrieved from http://www.cdc.gov/nchs/data/nhis/earlyrelease/emergency_room_use_january-june_2011.pdf
16. 2015 ACEP Poll Affordable Care Act Research Results. (2015). American College of Emergency Physicians. Retrieved from <http://newsroom.acep.org/download/2015+ACEP+ACA+Poll+Report+FINAL.pdf>
17. Avoidable Emergency Department Usage Analysis. (2013). Truven Health Analytics. Retrieved from <http://averytelehealth.com/wp-content/uploads/2013/03/Avoidable-Emergency-Department-Usage-Analysis-Truven-Health-Analytics.pdf>
18. Kayyali, B., Knott, D., & Van Kuiken, S. (2013, April). The big-data revolution in US health care: Accelerating value and innovation. McKinsey & Company. Retrieved from <http://www.mckinsey.com/industries/healthcare-systems-and-services/our-insights/the-big-data-revolution-in-us-health-care>
19. The CEO agenda. (2015). PricewaterhouseCoopers. <http://www.pwc.com/gx/en/ceo-agenda/ceo-survey/2014/industry/healthcare.html>

