



# Targeting Costs

## How using a medical management firm can save you money and help your employees

You provide health coverage to your employees, but do you really understand how they use it? And are you helping them get the most out of those benefits while discouraging utilization of services that may not be medically beneficial?

If you're not, you could be paying for services that are not beneficial, or employees may be costing you more by consuming services that aren't medically necessary. And that's where a medical management firm can help you both save money and benefit your employees, says Nancy Sublette, R.N., M.H.A., business change manager, Sr., at HealthLink.

"Employers should explain the services that are available to members, make contact information about those services readily accessible and assure members that information obtained in the provision of services is not shared with the employer," says Sublette.

### What is medical management?

Medical management is the name for services within a health plan that evaluate the medical necessity of a procedure or medical service, and help members help themselves.

For example, case management is often employed in catastrophic cases. Following a discharge from the hospital, a member might need support services. The case manager can direct the member to available services and help coordinate those services, providing somebody for that member to reach out to.

However, a lot of people are adverse to someone getting into their personal business, and for that reason, may refuse case management.

### How can the medical management firm, and the employer, help the member overcome that resistance?

When nurses are able to talk to the member and the member doesn't instantly put up a brick wall, they can generally develop a relationship.

On the employer side, communicate that services are available and that the employer does not receive information gathered in the provision of those services. People have concerns, when their health insurance is through their employer, that the employer is going to have access to their medical information, and that is not the case. HIPAA regulations created the rules for keeping information confidential, and it cannot be used for employment decisions.

### **How can utilizing a medical management firm benefit an employer?**

If people know about their disease and how to take care of themselves, and they have support to find the services that they need, then they will have less down time in the workplace. If they are on top of their disease and compliant with their medical treatment plan, they are going to be more productive members of both your staff and of society.

On the medical necessity side, which is the other component of medical management, the advantage for the employer is that anything that is determined not to be medically necessary, and therefore not covered by the health plan, should be seen as a savings.

With all the direct advertising today, people see a new drug and think it will work for them. They see a new service and think it might enhance the quality of their life, and they're willing to consume the employer's health insurance dollars to pay for these services.

As a result, there has to be oversight to make sure that services covered by the health plan aren't being utilized where there's really no science (medical evidence) behind it that this is going to have a positive effect on the member's health.

### **What do employers need to know about precertification?**

The main thing about medical necessity is that groups have created lists of services to be precertified. That means the provider has to say, 'I want to do this, on this date. This is why, and these are the conditions that go into it.' That system started in the 1970s, and a lot of self-insured plans have maintained lists of procedures to precertify, with little upgrade. This creates an administrative burden, so it's important not to require it when it is not going to be advantageous to the outcome.

Medical management companies need to look at the return on investment for precertification and, if a procedure is going to be approved every time, there's not a reason for the call. It places an extra burden on the provider, and creates worry for the member and extra paperwork for the claim paid.

On the other hand, there are procedures that don't have medical evidence behind them. For a medical management company to review a procedure without medical evidence is just someone's opinion that it is or is not medically necessary. So it is important when selecting a medical management firm to know what science (medical evidence) it is using to develop and maintain its lists and review of medical necessity.

**What would you say to executives who say they don't have time to deal with this?**

They need to rely on someone who does know about it, whether that is a consultant or a credible carrier that incorporates these services. The savings can be from little — just a sentinel effect — to a significant savings because you are reviewing things that may not be medically necessary and only helping those members who really need help through case management. The employer should see a return not only on savings from discouraging medically unnecessary procedures but by helping members be more productive by managing their health conditions.

The employer can approach a decision on medical management either as a way to save money on health insurance, or as wanting to help employees and make resources available to them. When selecting a medical management company, you need to recognize, do you just want to save money, do you want to help the members, or are you looking for a combination of both?

