

Battling the BUCAs?

5 Tips to Uncovering Your Strategic Advantages

When you compete against the big guys every day, it can be easy to think they have all the advantages. That's not always the case. In some ways, you have the advantages. You just need to know what they are and how to capitalize on them. **Start here:**



Strategic advantage 1: **A trusted brand**

Over the years, consumer research has shown there isn't a lot of trust between consumers and their insurance companies. But there is (or at least should be) trust between employers and employees.

Use it to your advantage:

- **Customize the portal or mobile app** to carry the employer's branding, navigation, terminology, etc. so it appears to be just another page on the employer's website. This makes employees feel like their employer is taking an active role in providing their benefits – not simply relying on a big, anonymous insurance company to provide services.



Strategic advantage 2: **A tailored approach**

Working with a TPA gives employers many more choices so they can customize the plan to their employees. If you're a small to mid-size employer working with a BUCA, you don't get a lot of choice in which vendors are available for various services.

Use it to your advantage:

- If a certain pharmacy benefit manager (PBM) has clear advantages in your area – such as better locations or a superior formulary – **make it easy to include them in the plan.**
- **Design the member portal to route certain benefits questions to HR** rather than the insurance carrier's call center. This is another way to strengthen the bond between employer and employee while ensuring top-notch customer service and greater efficiency.



Strategic advantage 3: **Lessons from consumerism**

While paperless statements are common for credit cards, telecom providers and retailers, this concept has been slow to make its way into health insurance. Reliance on paper drives up administrative costs – and it is one of many reasons members find communications like explanation of benefits (EOB) statements confusing.

Use it to your advantage:

- **Offer all communications electronically** (paperless) in your portal technology – website and/or mobile apps – and format them in a way that makes sense to employees. For example, group EOBs into a monthly statement rather than sending each one individually. This method enables employees to easily see the total cost as well as their individual responsibility, because all the information is in one place.



Strategic advantage 4: **Visibility**

With a BUCA plan, the employer doesn't have much visibility into costs and claims because they're simply paying the premiums for a static plan. In a self-funded plan, employers can take a much more active role, aided by their broker and TPA.

Use it to your advantage:

- **Use reports from multiple sources** – claims, health risk assessments (HRAs), PBMs, etc. – to guide conversations about new programs and offerings that help lower the employer's costs. For example, if the HRAs show a high percentage of employees are smokers, the employer can offer a financial incentive to employees who complete a smoking cessation program and lower their health risks in the process.



Strategic advantage 5: **Meaningful data**

Because of flexibility, TPAs and brokers can consolidate data (including pharmaceutical and lab data) across multiple groups and give employers a better understanding of how their organization's health compares to that of similar entities. While any employer can choose to do this, the data that is accumulated will likely be ignored by the BUCAs.

Use it to your advantage:

- **Incorporate data from additional sources.** This, again, helps them make better decisions to improve the health of their employees. Self-funded employers working with TPAs will opt to use information in a meaningful way to help improve employee health.



Want more ideas?

Attend our upcoming webinar to learn how Professional Benefit Administrators found their strategic advantages. Join us February 26, 2015 at 3 p.m. Eastern. For more details, contact Bob Carlson at bcarlson@healthx.com.

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