



AMERICAN BENEFITS

COUNCIL

**CONSIDERATION OF
EMERGING MEDICAL TECHNOLOGIES
IN EMPLOYER HEALTH CARE
PURCHASING DECISIONS**

Prepared by C L Littell & Associates, Inc.

for the

American Benefits Council

and

AdvaMed

Advanced Medical Technology Association

March 2001

EXECUTIVE SUMMARY

Through earlier detection and less-invasive treatment of disease, advances in medical technology provide direct benefits that accrue to the health care system, such as reduced costs of care and better patient outcomes. Many technologies also provide indirect benefits that accrue to the economy in general, such as improved employee health and productivity, and reduced absenteeism.

In July 2000, the American Benefits Council (Council), in partnership with the Advanced Medical Technology Association (AdvaMed), initiated a study of the extent to which employers consider medical technology advances in their health care purchasing decisions. In a related effort, AdvaMed had previously engaged RAND Health to conduct a study on the adoption of new medical technology in managed care settings. The study was released in Spring 2000, and AdvaMed has subsequently initiated a program to reach out to managed care plans to address the many issues raised in the report.

Sharing a common interest in better understand factors driving employer purchasing decisions, the Council engaged the health care consulting firm, C L Littell & Associates, Inc. (Littell) to conduct a study of emerging trends among leading employer purchasers. The study was designed to address the following questions:

- ?? What key factors affect employer health purchasing decisions and how have these factors changed in recent years?
- ?? To what extent do employers consider the direct and indirect benefits of technology in health plan selection and management?
- ?? What are the barriers to including medical technology considerations in employer health care purchasing decisions?

Littell obtained information for the study from a series of structured telephone interviews with corporate staff responsible for health benefit management in selected U.S. companies. Littell also facilitated a meeting of respondents and representatives of the Council and AdvaMed to discuss findings from the interviews. During this meeting, Littell sought additional information and insight regarding interview responses, as well as conclusions that could be drawn from the information obtained. This report synthesizes the interview findings and additional information obtained during the subsequent meeting.

Study Findings

All interview respondents reported that the quality of health care services provided to their employees was the most important determinant in health plan selection and management. Although measures of health care quality varied among interview respondents, the overwhelming majority pointed to employee satisfaction and patient outcomes as among the most important factors in their purchasing decisions.

Despite the nation's attention to health benefit cost increases in past years, this factor was not among the most important in employer selection of health plans, according to respondents. Accelerating health benefits cost in more recent years may shift employer priorities in the future however. According to the Mercer/Foster Higgins National Survey of Employer-sponsored Health Plans, employer-sponsored health benefit cost rose 8.1 percent in 2000, and is expected to increase by 11 percent in 2001. According to William M. Mercer, Inc.:

“While a source of concern, the increases of the past three years (6.2 % in 1998 and 7.3% in 1999) did not prompt much cost management activity on the part of employers. Focused on attracting and retaining staff in a tight labor market, most employers simply absorbed the higher cost in 2000 ... But next year will be another story. The average increase expected for 2001 is 11%, and some employers (13%) face increases of 20% or more. With cost escalation of this magnitude, many employers – though not all – are taking action.”¹

Several respondents echoed this finding, stating that they are likely to shift attention to costs in the near-term. Due to the limited sample size for this study, further survey work would be necessary to validate the relative importance of health benefit cost increases in employer purchasing decisions. Clearly, while employee satisfaction and quality were the two most important factors among respondents, employers and technology firms cannot ignore the separate body of evidence that points to the increasing importance of costs in decision making.

With respect to consideration of the availability of medical technology advances, the majority of respondents did not identify this as an important factor in purchasing decisions. To be clear, however, all respondents stressed the importance of medical technology availability in ensuring that their employees receive high quality care. However, most respondents indicated that they were not directly involved in identifying, assessing, mandating, or otherwise focusing on individual medical technologies in health plan purchasing decisions. Instead, the majority voiced confidence in health plans, as well as the providers of health care services, to make such determinations. It was a widely held belief that health plans and providers generally are better qualified than employers to make these complex, wide-ranging decisions for employees.

Several respondents indicated that, although they do not maintain a mechanism to systematically evaluate access to medical technology, they do rely on employee feedback as an important proxy for such access. Others addressed technology access through the selection of “providers of excellence,” with the view that such providers deliver preferred services using the most appropriate technology advances available.

All respondents indicated growing interest in considering the indirect benefits of technology in their health care purchasing decisions. However, many noted that data

¹ Press release by William M. Mercer, Inc. dated 12 December 2000. For more information, refer to www.wmmercer.com/usa/english/resource/index.htm

limitations create a significant barrier in quantifying the impact of indirect benefits, and in offsetting these benefits against related health care costs. Although integrating medical and disability data is problematic, some respondents indicated that they have had limited success – particularly concerning diseases prevalent among their work force.

Policies That May Affect Consideration of Emerging Medical Technologies

Respondents identified several public policy developments that they believe pose a potential barrier to the consideration of emerging technologies by employers. They pointed to policies that require employers to focus their health care resources on particular services, sometimes at the exclusion of others. For example, several noted that policies that mandate the provision of certain health care benefits significantly constrain the flexibility of employers to divert their limited financial resources to the unique health care needs of their work force. Others discussed the potential impact of changes in Employee Retirement Income Security Act (ERISA) policies and expansion of patient's ability to sue employers and health plans that could lead to greater emphasis on defensive medicine, and reduced ability to focus health care services on their employees' specific needs. Finally, some respondents also noted that recent changes in policies related to protection of patient privacy could significantly constrain sharing of data necessary to adequately monitor and manage health care coverage for their employees.

Comparison with RAND Study Findings

Findings from the interviews with employer purchasers confirm that managed care organizations and other health plans play a central role in determining access to new technology advances. As noted previously, interview respondents often refer complex consideration of emerging medical technologies to experts within these plans. This, then, places greater emphasis on initiatives currently underway by AdvaMed, managed care organizations, and others to collaborate on an improved process by which new technology is made available to patients. To the extent that managed care organizations and manufacturers can achieve success, this too will benefit employers in their pursuit of quality care for their work force.

Employers are uniquely positioned to participate in this dialogue. Employers' knowledge, experience, and insights could be critical to promoting among all parties – health plans, providers, and technology manufacturers – the consideration of the full range of benefits possible with emerging technologies. Specifically, employers have an important perspective on the appropriate measures of indirect benefits, as well as data, information and reporting requirements necessary to integrate such considerations in medical decision making and purchasing.

INTRODUCTION

Medical technology represents a broad range of products -- ranging from laboratory tests and diagnostic imaging equipment, to implantable products like pacemakers and artificial joints, to surgical instruments and health care information systems. Through earlier detection and less-invasive treatment of disease, these technologies provide direct benefits that accrue to the health care system, such as reduced costs of care and better patient outcomes. Many medical technologies also provide indirect benefits that accrue to the economy in general, such as improved employee health and productivity, and reduced absenteeism.

In the case of purchasers, information may be lacking about the extent to which employers consider the availability of medical technology in their health care purchasing decisions. In response to the rising costs of health care coverage and other factors, many U.S. companies are revising their health benefits by implementing what is often referred to as “value purchasing” or “responsible purchasing.”² These approaches include features such as greater financial incentives for employees in plan selection, expanded practices to improve negotiation (e.g., competitive bidding), and the use of non-financial information in selecting and managing employee health plans.³

In July 2000, the American Benefits Council (Council), in partnership with the Advanced Medical Technology Association (AdvaMed), initiated a study of employer consideration of medical advances in health care purchasing decisions.⁴ Earlier, AdvaMed had engaged RAND Health to conduct a study on the adoption of new medical technology in managed care settings. The study was released in Spring 2000 and AdvaMed has subsequently initiated a program to reach out to managed care plans to address the many issues raised in the report.

The Council and AdvaMed share a common interest in obtaining a better understanding about medical technology in employer health care purchasing decisions, and the implications of public policies that foster or impede these decisions. To address these issues, the Council engaged the health care consulting firm, C L Littell & Associates, Inc. (Littell) to conduct a study of emerging trends in health care purchasing among leading employer purchasers. The study was designed to address the following questions:

?? What key factors affect employer health purchasing decisions and how have these factors changed in recent years?

² A. Lo Sasso et al., “Beyond Cost: ‘Responsible Purchasing’ of Managed Care by Employers,” *Health Affairs* (November/December 1999): 212-223.

³ J. Maxwell et al., “Managed Competition in Practice: ‘Value Purchasing’ By Fourteen Employers,” *Health Affairs* (May/June 1998): 216-226.

⁴ The American Benefits Council is a Washington, DC-based public policy organization representing companies that sponsor or administer employee benefit plans. The Advanced Medical Technology Association is a Washington, DC-based trade association representing developers and manufacturers of medical technology and health care information systems.

- ?? To what extent do employers consider the direct and indirect benefits of technology in health plan selection and management?
- ?? What are the barriers to including medical technology considerations in employer health care purchasing decisions?

PROJECT APPROACH

Littell obtained information for the study from a series of structured telephone interviews with corporate staff responsible for health benefit management in selected U.S. companies. Interviews were conducted with a total of eight firms, including six leading employer purchasers and two consultants that provide services to corporate benefit plan sponsors. Although clearly not a representative sample of employers, the firms interviewed covered a broad range of major industry sectors including automobile, business-to-business and information services, financial services, insurance, manufacturing, and telecommunications. These firms were large employers, typically employing between 30 and 70 thousand individuals, and each offered a variety of plans to their employees. The firms interviewed also varied in terms of whether they administered their own health care plans, as well as the degree to which they required employee cost sharing.

Interviews were conducted using a structured interview guide, which can be found in Appendix A. Littell conducted the interviews during the period September 21 through October 16, 2000.

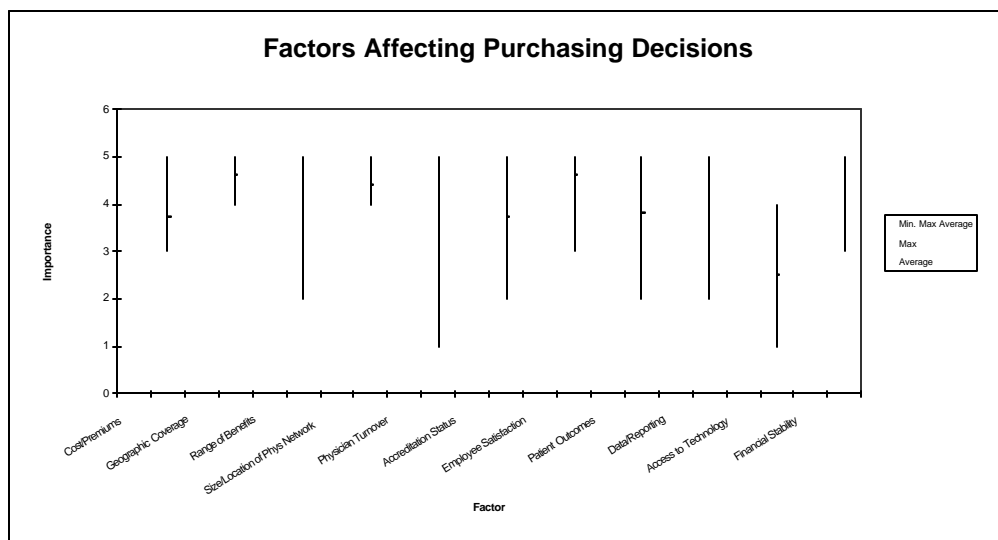
In December 2000, Littell facilitated a meeting of interviewees and representatives of the Council and AdvaMed to discuss findings from the interviews. During this meeting, Littell sought additional information and insight regarding interview responses, as well as conclusions that could be drawn from the information obtained. This report synthesizes the interview findings and additional information obtained during the subsequent meeting.

SUMMARY OF FINDINGS FROM THE INTERVIEWS

The interview began with respondents being asked to provide general information about their employee health care coverage. This was followed by more in-depth questions about key factors affecting their health purchasing decisions, as well as questions focusing on the extent to which individual medical technologies are considered in health care purchasing. The interview concluded with a discussion of the role of public policy in employer purchasing strategies.

Factors Affecting Employer Purchasing Decisions

During the interview, respondents were asked to identify the importance of a variety of factors in their health care purchasing decisions. These included cost and premium inflation, geographic health care coverage for their employees, the range of health benefits offered, size and location of physician networks, health plan physician turnover, health plan accreditation status, employee satisfaction with the health plan, health plan performance in improving patient outcomes (“outcomes” as defined by the respondent), data and reporting provided by the plan, employee access to medical technology, and financial stability of the plan. Respondents were also asked to identify any other factors that are an important determinant in health care purchasing decisions. The chart below summarizes the interview findings that are discussed in greater detail below.



Source: C L Littell & Associates, Inc. based on interviews with selected firms, September – October, 2000.

It is important to note that, while the questions relating to “medical” technology were intended to focus on products used in direct patient care (as outlined previously), respondents typically considered a broader definition of technology. This included information technology associated with the delivery and administration of health benefits for employees. Examples include initiatives such as the automated patient medical record that allows seamless sharing of critical patient information, and information networks to improve administration and coordination of billing, reporting, and monitoring of health care services. This report reflects the broader definition of technology as provided by most interview respondents.

Quality and Other Key Determinants

All interview respondents reported that the quality of health care services provided to their employees was the most important determinant in health plan selection and management. Although measures of health care quality varied among interview

respondents, the overwhelming majority pointed to employee satisfaction and patient outcomes as among the most important factors in their purchasing decisions.

Access to a broad range of health care services for employees was also a top consideration. Here, geographic coverage, the size and location of physician networks, and the range of services provided by the health plan benefit package were also among the top factors identified by employers in purchasing decisions.

Consideration of Costs and Other Factors

Despite the nation's attention to health benefit cost increases in past years, this factor was not among the most important in employer selection of health plans, according to respondents. Accelerating health benefits cost in more recent years may shift employer priorities in the future however. According to the Mercer/Foster Higgins National Survey of Employer-sponsored Health Plans, employer-sponsored health benefit cost rose 8.1 percent in 2000, and is expected to increase by 11 percent in 2001. According to William M. Mercer, Inc.:

“While a source of concern, the increases of the past three years (6.2 % in 1998 and 7.3% in 1999) did not prompt much cost management activity on the part of employers. Focused on attracting and retaining staff in a tight labor market, most employers simply absorbed the higher cost in 2000 ... But next year will be another story. The average increase expected for 2001 is 11%, and some employers (13%) face increases of 20% or more. With cost escalation of this magnitude, many employers – though not all – are taking action.”⁵

Several respondents echoed this finding, stating that they are likely to shift attention to costs in the near-term. Due to the limited sample size for this study, further survey work would be necessary to validate the relative importance of health benefit cost increases in employer purchasing decisions. Clearly, while employee satisfaction and quality were the two most important factors among respondents, employers and technology firms cannot ignore the separate body of evidence that points to the increasing importance of costs in decision making.

The overwhelming majority of respondents did not identify access to technology advances as an important factor in purchasing decisions. To be clear, however, all respondents stressed the importance of medical technology availability in ensuring that their employees receive high quality care. But, as explained later in this report, most respondents indicated that they defer such determinations of technology availability to the health plan itself, while others defer to hospitals, physicians, and other health care providers.

⁵ Press release by William M. Mercer, Inc. dated 12 December 2000. For more information, refer to www.wmmerc.com/usa/english/resource/index.htm

Respondents also identified additional factors that they consider important, including web-enabled processes to improve the sharing of health care information for employer and employees; data compatibility among plans, health care providers and the employer; and administrative simplicity and productivity improvements in plan administration.

Employer Approaches to Ensuring Medical Technology Access

There was general consensus among interview respondents that while medical technology may add costs in the short-term, it offers long-term cost savings. All believed that technology enhances quality of life and that technology's costs and benefits need to be considered in a broader context – in terms of total costs, enhanced productivity, indirect benefits, and a healthy workforce.

The Role of Employers in Evaluating Technology

While all respondents acknowledged the important role of medical technology in the delivery of quality health care, most indicated that they are not directly involved in identifying, assessing, mandating, or otherwise focusing on individual medical technologies in health plan purchasing decisions. Instead, the majority voiced confidence in health plans, as well as the providers of health care services, to make such determinations.

Of the few respondents that indicated more direct involvement in decisions regarding employees' access to specific medical technologies and related services, most administered their own health care plans, rather than relying on a third party to do so. They typically used in-house resources, physician and provider consultants, and third parties to assess emerging medical technologies and to determine medical necessity.

Respondents that use a third party to administer their employee health coverage indicated that they are heavily reliant upon the plan(s) to assess medical technologies and to determine the medical necessity of health care services. As one respondent indicated, “employers want plans with maturity to balance decisions in a consistent way,” and “employers want to be assured of up-to-date benefits, but don't want to get ahead of the science.” Clearly, most respondents believe that health plans and providers generally are better qualified than employers to make these complex, wide-ranging determinations for employees.

Emphasis on Disease Management

Several respondents indicated that the focus of their consideration of emerging medical technologies is at the disease management level. More specifically, these respondents indicate that the prevalence of a particular disease or condition among their employees drives their receptivity to certain technologies. For example, one interviewee indicated that foot and back problems were prevalent among their work force due to long periods of standing in manufacturing lines. This respondent indicated that they would be

interested in technology advances that focused on addressing this condition. Similarly, another respondent indicated an interest in medical technologies that address asthma and diabetes – diseases prevalent among their work force.

Other Indicators of Technology Access

Several respondents indicated that, although they do not maintain a mechanism to systematically evaluate access to medical technology, they do rely on employee feedback as an important proxy for such access. In their opinion, employees are very knowledgeable about their own health care needs, based on their unique circumstances, and their feedback on new technologies to address those needs is important.

Another way in which technology access is addressed in employer health care purchasing decisions is in the selection of “providers of excellence.” These are preferred providers that, because of superior quality and efficiency, offer specific services to patients. It was a widely held belief among respondents that such providers deliver preferred services using the most appropriate technology advances available. Finally, some respondents indicated an awareness and interest in employee access to “big ticket” technology items, such as major movable equipment or specialized surgical services like transplants.

Recognition of Technology’s Indirect Benefits

All respondents indicated growing interest in considering the indirect benefits of technology in their health care purchasing decisions. However, many noted that data limitations create a significant barrier in quantifying the impact of indirect benefits, and in offsetting these benefits against related health care costs. At issue is not only accurately measuring total health care costs, but also measuring total cost savings associated with reduced disability and absenteeism for individual employees.

Although integrating medical and disability data is problematic, some respondents indicated that they have had limited success – particularly at a disease management level. Finally, several respondents indicated that attention to the indirect benefits of medical technology could be diluted in the short-term due to recent escalation in health care premiums.

Technology Information Used by Employers

Of those respondents directly involved in evaluating individual technologies, all stressed the importance of making such decisions based on data-driven, factual and compelling information from “fairly” independent sources demonstrating a technology’s direct and indirect benefits. Again, they were most interested in information regarding the clinical and economic outcomes of a technology for diseases that are prevalent among their work force.

Some respondents indicated that they rely on physician specialties or local plan leaders for information on medical technology advances that should be made available to their employees. Others seek out technology assessments conducted by third parties. Still other respondents indicated that they would pursue information on technology if it were available in professional and trade journals, or other common medium, as well as information from the benefits consulting community – often a point of entry for many employers.

Policies That Affect Employer Decisions on Medical Technology Access

Respondents identified a wide range of potential barriers to including medical technology considerations in health care purchasing decisions.

Policies That Mandate or Redirect Health Care Resources

All respondents pointed to public policies that require employers to focus their health care resources on particular services, sometimes at the exclusion of others. For example, several noted that laws that mandate the provision of certain health care benefits significantly constrain the flexibility of employers to divert their limited financial resources to the unique health care needs of their work force.

Others discussed the potential impact of changes in Employee Retirement Income Security Act (ERISA) policies and expansion of patients' ability to sue employers and health plans that could lead to greater emphasis on defensive medicine, and reduced ability to focus health care services for their employees' specific needs. Some respondents also indicated that these and other developments are prompting them to reconsider whether they should administer their own employee health coverage program or, instead, transfer responsibility to a third party. In doing so, they asserted that this, too, could result in reduced flexibility in terms of the health care services (and technologies) made available to their employees.

One respondent also noted that recent federal legislative efforts to ease physician antitrust policies could result in additional constraints on employers in defining, financing and managing health benefits (including technology-related benefits) for their employees.

Policies That Address Information Sharing

Some respondents noted that recent changes in federal regulations related to protection of patient privacy could significantly constrain sharing of data necessary to adequately monitor and manage health care coverage for their employees. Moreover, some indicated that these policies would further hinder consideration of the indirect benefits of medical technology.

INTERVIEW FINDINGS IN THE CONTEXT OF THE RAND STUDY

In March 2000, RAND released a study examining managed care organizations' adoption of new medical technologies.⁶ The findings of the study were based on confidential interviews with the medical directors of nine California managed care organizations and decision makers at eight medical device manufacturers.

The study identifies how managed care firms currently review and determine access to emerging medical technologies, as well as how device manufacturers participate and prepare for this process. Study results indicate that the two industries approach issues of technology adoption from significantly different perspectives. The study's authors suggest that managed care organizations and manufacturers work together to develop innovative approaches to information collection at early stages of product introduction. The results of the study have led AdvaMed to reach out to the managed care industry to identify optimal approaches for making innovative medical technologies available to patients – an effort which is ongoing as of the publication of this report.

Findings from the interviews with employer purchasers suggest that managed care organizations and other health plans and arrangements play a central role in determining access to new technology advances. As noted previously, interview respondents often defer complex consideration of emerging medical technologies to experts within these plans. To the extent that managed care organizations and manufacturers can achieve improvements in the process by which new technology is made available to patients, this too will benefit employers in their pursuit of quality care for their work force.

In addition, employers may be uniquely positioned to participate in this dialogue. As acknowledged in the interviews, employers have a growing interest in reflecting the indirect (as well as the direct) benefits of medical technology in health care purchasing decisions. Some respondents have initiated systems to address this need. Employers' knowledge, experience, and insights may be particularly valuable in promoting among all parties – health plans, providers, and technology manufacturers – the consideration of the full range of benefits possible with emerging technologies. Specifically, employers have an important perspective on the appropriate measures of indirect benefits, as well as data, information and reporting requirements necessary to integrate such considerations in medical decision making and purchasing.

⁶ Garber, Steven, M. Susan Ridgely, Roger S. Taylor, Robin Meili, "Managed Care and the Evaluation and Adoption of Emerging Medical Technologies," RAND Health publication, 2000.

KEY CONSIDERATIONS FOR MEDICAL TECHNOLOGY DEVELOPERS

While the interviews did not reveal a strong interest among the majority of employers in directly considering emerging medical technologies, several respondents suggested approaches for developers to use in gaining their attention. Some urged developers to understand the employer's environment, process and purchasing incentives. This includes how their plans are funded and administered, as well as the level of direct involvement by the employer in medical technology access determinations.

Most importantly, respondents urged technology developers to target their information based on the unique disease profile of their workforce. Moreover, there needs to be an "order of magnitude" in terms of disease prevalence and health care utilization to warrant the attention of most employers. Finally, several respondents urged developers to focus on the decision drivers – to partner with specialists and health plan leaders whom employers often rely upon to support decision making, as noted previously.

CHANGES ON THE HORIZON

Several respondents noted the growing importance of web-based technology in empowering employees to be more involved in their health and health care. In addition, respondents pointed out that work force recruiting and retention challenges will place additional emphasis on the breadth of employee health care benefits in the future. One respondent also noted that the aging population requires new approaches to providing seamless retiree health care coverage.

Several respondents anticipate that there will be increased emphasis on quality in the long term. While this has become a dominant factor in health care purchasing decisions, as pointed out previously, several respondents noted that additional advances in data and quality measures will facilitate even greater emphasis on this factor in employer purchasing decisions in the future. Finally, one respondent noted that increases in employee discretionary income could affect health care purchasing by employers, potentially translating into a broader range of benefits, with more employee cost sharing.

STUDY CONCLUSIONS

Quality of care is of the utmost importance among employers in purchasing health coverage for their work force. This includes ensuring access to a broad range of medical technology advances. All employers acknowledge that the process of evaluating medical technology advances that are most appropriate for their employees is extremely complex and requires significant resources to be successful. As a result, most defer such determinations to experts of the health plans and providers with which they contract.

To the extent that some employers become directly involved in decisions regarding access to individual technologies, they have amassed significant internal and external resources to support appropriate decision making. Others rely on employee feedback as an important determinant of medical technology access. Generally, employers express the greatest interest in medical technologies that address the diseases and conditions that are most prevalent among their workforce.

Considering many employers have a limited involvement in medical technology access determinations, developers and manufacturers of these products should focus their attention on key decision makers of health plans and providers. This, then, places greater emphasis on initiatives currently underway by medical technology firms, managed care organizations, and others to collaborate on an improved process by which new technology is made available to patients. In only limited circumstances would developers find it fruitful to engage employers directly in medical technology determinations at this time.

Some progress has been made in employer consideration of the indirect benefits of medical technology in health care purchasing. However, limitations in data and systems, renewed concerns about health care cost escalation, and recent policy developments may hinder advances in the near term. Employers are uniquely qualified to promote the development of systems, standards and measures of indirect benefit that would further enhance health care purchasing. Employers can contribute valuable knowledge, experience, and insight in promoting the consideration of medical technologies' full range of clinical and economic outcomes among all key decision makers.

#####

APPENDIX

Interview Guide

We are conducting this interview to learn more about the extent to which employers consider the availability of medical technology in their health care purchasing decisions. Medical technology refers to a broad range of products – including laboratory tests, diagnostic imaging equipment, implantable devices such as pacemakers and artificial hips and joints, surgical instruments, medical supplies, home medical equipment, patient monitoring devices, and health care information systems.

Through earlier detection and less-invasive treatment of disease, medical technology can provide many benefits for our health care system, such as reduced costs of patient care and better outcomes. Technology can also provide indirect benefits in terms of improved employee health and productivity, and reduced absenteeism.

LITTELL will protect the confidentiality of any sensitive information provided by interviewees. Here are the issues we would like to discuss.

General Employer Demographics

- ?? Describe your responsibilities related to employer purchasing of health care.
- ?? How many individuals do you employ in the US?
- ?? What percentage of your employees are currently covered under your company's health plan?
- ?? What type of health plan(s) does your company offer to its employees?

Plan Funding Methods/Employee Cost Sharing

- ?? Are you fully insured or self funded?
- ?? Do you participate in any financial risk sharing with plans (explain)?
- ?? Explain any employee cost sharing requirements.

Evaluating and Selecting, Monitoring and Managing Health Plans

- ?? What importance do you place on the following factors in selecting a health plan?
(on a scale of 1-5, with 5 being of highest importance)
 - Cost/premiums
 - Geographic coverage
 - Range of benefits (chronic disease management, prevention, wellness)
 - Size and location of physician network
 - Physician turnover
 - Accreditation status of the plan
 - Employee satisfaction
 - Patient outcomes
 - Availability of outcomes data and reporting
 - Access to new technology advances
 - Financial stability of the plan

Other (specify)

?? How satisfied are your employees with the current health plan(s)?

Consideration of Medical Technology in Health Care Purchasing Decisions

?? Do you consider the availability of technology and related services in your purchasing decisions? If so, how?

?? If not, why not? Are there barriers to doing so? (Prompt: reluctance to change plans, legislative or regulatory barriers...) How could these barriers be reduced?

?? I am going to describe five different medical technologies. I would like for you to discuss **the extent to which employee access to these technologies would be a determinant in your health care purchasing decisions.**

Examples:

(1) A new less invasive surgical technique that increases hospitalization costs, but shortens patient recovery time and enables employees to return to work sooner.

(2) A new routine blood test that can be performed by the patient at home at their convenience, rather than requiring a trip to the lab or physician's office (often during working hours). But the new home test is more expensive than the lab test.

(3) A new artificial organ that will replace the need for transplant.

(4) A new type of diagnostic imaging procedure that eliminates the need for exploratory surgery.

(5) A new implantable cardiac device that enables patients to regain functioning and mobility.

?? What are your general perceptions about the effect of medical technology on costs, quality and access?

?? What type of information would be most useful in learning about the benefits of medical technology?

?? Are there activities on the part of medical technology developers or any public policies that lawmakers or agencies could pursue that would be helpful to you in purchasing health care?

Anticipated Changes

?? What major changes in health purchasing strategies do you anticipate in the next two years?

Closing

?? Is there any other information that you would like to share with me at this time?