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NEWS RELEASE

Scott Wood Addresses Importance of Consumer Driven Healthcare at AZ SHRM State Conference

Explains Principles, Keys to Success and Results to Expect; Long-term Results Include 5 Years of Benefits for the Cost of 4 Years

Scottsdale, AZ, August 30, 2013 – Properly designed Consumer Driven Health Plans implemented by employers drive quality care, lower costs and increase employee satisfaction. In his presentation at this week's AZ SHRM Annual State Conference, Scott Wood, Principal at Benefit Commerce Group, an award-winning Scottsdale-based employee benefits firm, explained why this has become a key strategy for successful employers. AZ SHRM is the Arizona Society for Human Resource Management.

“With a properly designed Consumer Driven Health Plan (CDHP), employers consistently save 12 percent or more over a traditional employee health plan in the first year—with no reduction in benefits. That savings rate increases in future years, effectively equivalent to five years of benefits for the cost of four years,” said Wood. “And, just as important, with the proper design, implementation and communication, you can achieve significantly higher employee satisfaction rates.”

The Problem

Although medical inflation has slowed in recent years, healthcare costs are still increasing at twice the rate of general inflation, Wood pointed out. “Healthcare costs are projected to increase 50-60 percent in the next five years, and that affects an employer’s competitive position and profitability.”

Other factors that contribute to make consumer driven plans critical are:

- Healthcare costs are the 2nd or 3rd highest expense item for most employers.
- Healthcare Reform will add more pressure and costs (taxes, Medicare, subsidies, cost shifting, unlimited benefits, pre-existing, dependent age to 26, anti-selection mandates).
- Many employees are frustrated and unengaged.
- Aging population and higher utilization.

“Most employers believe the cost impact is due to factors that are out of their control.” Wood said. “This is simply not true. There are solutions and strategies that are effective for employers. That is why this has become an important part of corporate strategic planning.”

The Solution

A CDHP consists of a well-designed insurance plan with an integrated healthcare account, health incentives and decision support.

“A consumer driven approach shifts behaviors, and that improves health and health spending and delivers sustainable satisfaction and savings,” Wood said.

Medical cost transparency and quality measures also are important factors in a successful CDHP. Prices for the same medical procedure can vary 200, 300, 400 percent or more in the same geographic area and within the same network, Wood noted.

“One of the purposes of a CDHP is to get the employer and the employee asking, ‘How much is this costing me?’ That is critical because often there is no correlation between cost and quality of medical care,” Wood said.

Many employers have found CDHPs to be effective because they influence how medical services are utilized. They also influence how employees:

- buy healthcare
- manage their personal health
- follow chronic disease regimens
- relate to their doctors

Keys to Success

Wood advised that CDHPs need to be set up properly in order to achieve the results employers are seeking. The keys to success include:

- Run your health plan like your business
- Corporate/Executive endorsement as a part of strategic plan
- Properly designed CDHP plan
- Rates must reflect proper design
- Include rollover of unused funds feature
- Adjust employee & family contributions proportionately to overall savings
- Develop comprehensive employee communications plan to educate on strategy & advantages

Learn More...

To view a summary of Scott Wood’s presentation, click [here](#). If you would like more information, contact Benefit Commerce Group at info@benefitcommerce.com or 480-515-5010.

ABOUT Benefit Commerce Group

Benefit Commerce Group, the creator of its exclusive **Trend Neutralizer™**, is an innovative and award-winning employee benefits firm that is changing the healthcare cost paradigm, one company at a time. We provide employers with sustainable strategies to lower healthcare costs first-year and long-term and enhance productivity. Benefit Commerce is a “game-changer” for companies striving to control one of their highest expense items: employee benefits costs. We are not your typical benefits firm, and we are not offering typical cost-shifting techniques. Our strategies yield real savings for both employer and employee and also integrate meaningful consumer-focused employee health and wellness programs. Our technology enhancements also set us apart, as we offer methods to streamline HR functions from enrollment through ongoing employee communication and administration.

Among other awards, Benefit Commerce executives have received national recognition for two years in a row from The Institute for HealthCare Consumerism. Four clients of Benefit Commerce Group were awarded Healthiest Employers Awards in 2013 by the *Phoenix Business Journal*. For more information on Benefit Commerce Group, visit our website www.benefitcommerce.com.

For more information, contact:

Nancy Zalud

480-515-5010

Nancy@benefitcommerce.com