



White House Healthcare Initiative Highlights the Need for Better Decision Support Tools among Health Plans

White Horse, a leading interactive marketing agency, specializes in helping health plans improve online support tools to both prospective and current health plan members. White Horse believes that the healthcare initiative announced in President Bush's 2007 State of the Union Address would increase healthcare consumers' reliance on online support tools to choose individual health plans and/or choose among plan options within group plans. Our research shows that health plans are unprepared for this growing consumer trend toward individual plans and lower-cost, consumer-directed group plans because many lack the online toolsets and consumer-friendly user experiences that can help consumers make smart healthcare decisions.

Portland OR, January 23, 2007—The White House's new healthcare initiative, announced in the president's State of the Union Address, would deliver an across-the-board standard tax deduction for individuals and families purchasing health insurance, whether individually or through an employer. Analysts predict that the initiative, if successful, would drive a sharp increase in individual health plan subscriptions, and because of the cap on the deduction would drive many individuals who are insured through their employers toward lower-cost plans.

Bush's plan taps into and potentially accelerates a trend that's already in motion: the shift toward individual responsibility for managing healthcare costs, broadly known as consumer-directed healthcare. With healthcare costs on the rise, this trend is certain to continue irrespective of the success of Bush's plan.

However, industry analysts have already warned that most health plans are ill-prepared to handle *any* increase in individuals seeking consumer-directed coverage. In a study released in 2006, "Are Health Plans Ignoring the Individual Market?" Forrester Research noted that while 6% of the population is already enrolled in individual plans, at least 30% of the uninsured market is actively researching such plans. Yet fewer than half of health plans had planned for additional resources to support this trend online or increased IT budgets accordingly.

Even more significantly, the trend toward consumer-directed health plans (CDHP), in which employer-sponsored plans seek to relieve cost burdens by offering options with high deductibles and individual health savings accounts (HSA), is expected to reach 11% of the insurance market by 2010. CDHPs require substantial decision support tools—from



condition management resources to drug cost calculators—to help consumers weigh healthcare decisions that hit their bottom line directly. At the current pace, the market is heading toward a major disparity between consumer readiness and health plan offerings. What can health plans do to bridge this gap more rapidly and accurately? White Horse’s experience in this area, backed by our own market research on healthcare decision support tools, points us toward four key areas of emphasis:

- 1. Talk costs at all costs.** White Horse recently conducted an online survey of individual health plan prospects that had opted not to complete an information request form on a health plan Web site. The survey showed overwhelmingly that prospects were not willing to provide personal contact information without some ability to evaluate plan costs online. While the obstacles to providing detailed quotes online are overwhelming for many health plans, consumers are generally satisfied with broad cost parameters and/or guidance in understanding cost tradeoffs. Health plans **must** overcome their internal obstacles to helping consumers evaluate cost if they wish to generate leads online.
- 2. The user experience is worth more than all the tools put together.** Health plans often make huge investments in third-party tool licensing and infrastructure, and then invest few development dollars in improving consumer access to and the usability of these tools. In our experience, nearly every third-party healthcare tool on the market can be “re-skinned,” using Web agency best practices like cascading style sheets (CSS) to improve the user’s orientation and understanding of the tool, at a fraction of the cost of the total tool investment.
- 3. Start with a road map.** In our experience, the health plan clients that have proved most successful in hitting deployment and budget objectives for consumer support tool roll-outs are those that invest upfront in a strategy and planning phase. Typically such a phase consists of user research and tool evaluation that drives the prioritization of tool roll-outs on a phased basis. In these engagements, we help our clients to stagger the cost and IT support burden for these roll-outs according to the criticality to their business goals and member needs, as well as the complexity of the implementation.

Regardless of the outcome of Bush’s initiative, health plans face significant hurdles in staying ahead of shifts in consumer trends over the next several years. Following the steps outlined above may be an important factor in which health plans emerge as successful consumer advocates beyond this shake-out period.



Press release

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About White Horse

White Horse can help healthcare clients engage the reach and interactivity of the Web to change consumer perception—to build online brand and influence consumer preference for—and loyalty to—their products and services. And through Web use, improve efficiency and reduce costs. The privately held, woman-owned and WBENC certified interactive agency specializes in marketing for healthcare plans and hospital/clinic systems. Its client roster includes global, national, and regional clients such as Providence Health Plans, East Texas Medical Center, University of Pittsburgh Medical Center, Blue Cross/Blue Shield, Columbia Sportswear, Knowledge Learning Corporation, Microsoft, Cisco Systems, and Celestial Seasonings.

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