



Healthcare's Next Holy Grail: The Individual

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Health plans have a lot to worry about, and you have a lot to do with it. Not you personally, but the collective you, as in us ... well, let me explain.

Health plans might argue this point, but for 40 years or so, they've earned a comfortable living by selling their services to large employers. Life was simple. If you control the employer, you control the employee. They have to do what you say because they've got nowhere else to go.

Health plans never put much stock in the individual member because the decisions weren't made there. But that's changing as employers leave more decisions up to the individual, or simply stop providing insurance altogether. Such seismic shifts mean that you and me--the collective us--is where the future growth in the health insurance business is going to come from.

The walls are breaking down in healthcare as technology makes it possible for those outside the industry to bring their ideas about streamlining processes and building user-friendly decision support tools to people who are making choices about their healthcare needs. Those that offer a usable, portable health record and robust decision support will be the winners.

Some people compare the coming changes to the demise of the traditional pension plan and the fast ascension of the 401(k) system of saving for retirement. That shift required more automation and customer service as employees accustomed to a passive pension plan were transitioned to a system where by they had to make choices about where to invest their nest egg.

Right now, about 140 million people get health insurance through their employer. About 20 million are in individual plans for those younger than 65. About 43 million are in Medicare and 10 million more are in Medicare Advantage plans. But most of the future growth is coming from individuals looking for good service, a user-friendly choice of benefits and multiple options for their healthcare and their health savings account, an area where traditional health insurers have a mixed--and that's putting it generously--record.

Rob Tazioli is senior vice president and chief development officer at Connexions Inc., an Orlando, FL, company that helps patients with decision-making through a group of more than 2,000 customer service representatives. Along with a staff of registered nurses, these CSRs are available 24 hours a day.

"What's important is what's important to the individual member, because that's where the growth is going to be in the future," says Tazioli. Never heard of Connexions? That might be because it cedes the spotlight to some of the nation's biggest health plans, such as United Health Group, Assurant Health and several state Blue Cross Blue Shield plans, all of which recognized they have a relationship issue with individuals.

Connexions is a name that's likely to become more familiar as the company's staff of insurance agents--licensed in all 50 states--sell, enroll and manage benefits for the rapidly growing segment of the market that includes individual insurance buyers.

Indeed, the individual marketplace is growing quickly, while the employer market is shrinking. That will only accelerate, especially if some of the tax provisions and other initiatives that are being talked about come to pass, says Tazioli.

"It didn't take long at all for the old pension plans to disappear and the 401(k) to really take hold," he says. "Once it crossed a certain threshold, the growth accelerated."

Tazioli thinks we're getting close to that crossing point, and predicts the 20 million-strong individual market will triple in size in the next five years.

"We see it in our telephonic sales. Over the last 12 months we have sold more than 350,000 individual policies for the 15 plans we work with. Individuals are getting more comfortable buying it over the phone."

Just wait until individuals get the same tax write-off that companies get for providing health benefits. Need further proof that other industries see huge opportunities for profit in helping the individual with his health needs? You need look no further than Connexions itself, which was began as an offshoot of the world's largest video and audio replication services.

So copy that.