

# **Group Health Brokers' Future: Disintermediation or Re-intermediation**

Presented by:

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***Pioneering Specialists in Group Health Care  
Post-Payment Administration For Over 25 Years***

### **Customer Relations Philosophy**

**Respect** for Existing Procedures

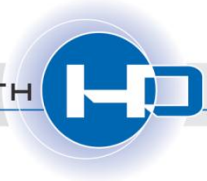
**Emphasis** on Customization

**FOCUS** on Solutions

# Introduction

## How I've Spent the Last 25 Years

- Working with self-funded employers and trusts, their agents and payers.
- Tapping into existing data streams.
- Extracting value from the data.



# Introduction

## **There's something happening here...**

- Two “new” issues have emerged.
  - What is the role of the group health agent?
  - What is the role of the self-funded fiduciary?
- These are being raised mostly by the “National Brands” (for-profit and not-for-profit).
- These are smart business people.
- When they start doing the same things, you have to ask – why?

## Introduction

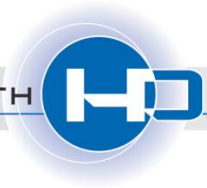
### **What it is, ain't exactly clear...**

- Health reform is not involved.
  - The small group market agents are impacted by reform.
  - But the effects of reform on self-funding are not large and are largely over.
- Something else is at work here.

# Introduction

Others outside the group health market saw what was going on immediately.

Disintermediation: “Cutting out the middleman.”



# Disintermediation

- The removal of intermediaries in a supply chain.
- Originally referred to financial transactions (e.g. stock buys) done directly by consumers.
- Commonly associated with web capabilities.

# Disintermediation

## Supply Chain: Before

- Supplier
- Manufacturer
- Wholesaler
- Retailer
- Buyer

## Supply Chain: After

- Supplier
- Manufacturer
- Buyer



# Disintermediation

## **Traditional Supply Chain**

- Supplier
- Manufacturer
- Wholesaler
- Retailer
- Buyer

## **Group Health Supply Chain**

- Provider
- Payer
- Agent
- Plan (self-funded/insured)
- Enrollee

# Disintermediation

## Health Supply Chain: Before

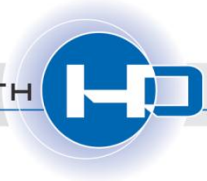
- Provider
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## Health Supply Chain: After

- Provider
- Payer
- Enrollee

# Disintermediation

- Disintermediation is achieved if:
  - Agents' role is minimized
  - Employer/Trust role is marginalized
- Suddenly our “new” issues look familiar.



# Disintermediation

## Can this happen?

- In the insured market – yes.
- In the self-funded market – maybe. Maybe not.
  - Employer/Trust fiduciary role can't be eliminated.
  - Employer/Trust needed for enrollment and funding.
  - Only happens if Employer/Trust fiduciary surrenders oversight and data control.

# Disintermediation

## Minimize Agents

- Alter or eliminate commissions, fees, and agent-of-record recognition.
- Too common to be noticed now.

# Disintermediation

## Marginalize Employer/Trust Fiduciary

### **Data Barriers**

HIPAA “issues”

Deny access

Limit

content/use

Nuisance fees

### **Adversarial Oversight**

Challenge need for  
oversight

Challenge scope

Challenge methods

Challenge findings

### **Employer/Trust Interests Placed Third**

Provider interests come first

Administrative contract limits seen as Client  
limits.

## Disintermediation

- Agent reactions:
  - Clingers: It won't effect me.
  - Exiters: On to other areas
  - Businessmen: Change = business
- Fiduciary reactions
  - Check-signers: Keep signing
  - Managers: Push back
  - Delegators: Depends on who they trust

## Re-intermediation

Intermediaries survive (disintermediation) by adding value. If changes in the marketplace renders an intermediary's role less valuable, then the intermediary must adapt. If not, the old intermediary will often be replaced by a new, more valuable intermediary.

[www.marketterms.com](http://www.marketterms.com)



## Re-Intermediation

- For agents looking for a business opportunity.
  - Find fiduciaries who want oversight.
  - Help them get control of plan data.
  - Use data to perform oversight and other tasks.
- Control of data defined.
  - Who determines which parties can access claim and enrollment records.

## Re-intermediation

- National Brand Payers seem to be assuming that Employer/Trust fiduciaries don't mind being marginalized.
- Regional TPAs (Third-Party Administrators)
  - Open to plan fiduciary data control
  - Willing to follow plan priorities
- Agent's role will impact choice
  - Able to offer options
  - National Payers may adopt TPA practices

## Re-intermediation

# Adding Value

**Establish Client Control of Data**

**Support Client Use of Data**

Plan  
Oversight

Other???

Two-Way  
Enrollee  
Communication

# Past Webinars Available

Recordings of past webinars are available upon request, including:

- May 2012 – Five Levers of Management Control
- April 2012 – How the AMA Can Help You with Plan Oversight
- March 2012 – Health Data Control
- February 2012 – Health Reform: A Contrarian's Perspective
- January 2012 – The Road to 100% Transparency
- December 2011 – 2012: What Does it Hold for Self-funded Health Plans?
- November 2011 – Overpayment Collection
- October 2011 – Finding Provider Fraud
- August 2011 – New HIPAA Accounting Requirements
- July 2011 – Dos and Don'ts of Competitive Bidding
- June 2012 – You've Done a Dependent Audit; Now What?
- May 2011 – Two Dozen Reasons for Claim Payment Error
- April 2011 – How Does Your Plan Compare?
- March 2011 – How Medicare Can Help Employer Health Plans

For More Information  
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