

HEALTHCARE FINANCE NEWS

New collaboration targets small businesses, uninsured

January 8, 2010

Written by Patty Enrado

WASHINGTON – In October, the Harris County Healthcare Alliance, in collaboration with UnitedHealthcare and Community Health Choice, launched a program to offer healthcare benefits to uninsured employees of small businesses in the Texas county.

The TexHealth Harris County 3-Share Plan is just one initiative in the state where payers and communities are developing strategies to cover the uninsured, expand access and help small businesses.

The plan is “a great idea,” said Devon Herrick, senior fellow for the National Center for Policy Analysis. The collaboration allows employers, employees and payers to split the premiums equally and provide coverage for people who can’t afford it, he said.

While not as lavish as the proposed benefits plan in the national healthcare exchange, the model provides basic coverage.

Texas had to craft legislation, SB10, to pave the way to expand access, but the concept is “growing across the country,” said Herrick. The federal government should foster this kind of innovation, he said, earmarking matching funds for projects like the Texas plan. The only stickler is setting aside federal dollars that would essentially subsidize employer groups and private plans, he said.

Healthcare reform may be in flux, but payers who have either developed or are participating in a collaborative model have a “leg up” on other payers, said Benjamin Isgur, director of PricewaterhouseCoopers’ Health Research Institute.

The reform bill will be a framework under which payers can operate, he said, but the cost-effective, collaborative model sets payers up well to participate in a health insurance exchange.

The Texas plan fits in with the larger trend of payers focusing on two emerging growth markets – small business and the uninsured – said Greg Scott, a principal in the health plans practice for the Deloitte Center for Health Solutions.

“It really makes sense in the context of national reform,” he said, given that reform is looking to expand access in both areas. “If reform happens, it will juice up the small business and individual markets. The subsidies will be a big part of that.”

Regional payers have an advantage with this model, although Scott sees national payers getting more connected in local markets than in the past, at the expense of economies of scale.

That said, he expects mergers and acquisitions or alliances to give larger payers access to local markets.