

Centers of Excellence Save Money, but Have More Benefits Too

As health insurance and health care costs continue rising, more employers and health plans are turning to centers of excellence to manage patients with chronic conditions.

Centers of excellence are unique operations that focus on containing costs and delivering quality and coordinated care from diagnoses to treatment and recovery for patients with acute or chronic conditions. These centers will typically offer bundled-payment programs for high-cost procedures in orthopedics, cardiology, oncology and organ transplants.

A study by the Rand Corporation looked at three major surgical procedures and found that centers of excellence with bundled-payment programs reduce the cost of surgeries by more than \$16,000 per procedure.

Centers of excellence are available in certain health plans, and employers with workers who have chronic conditions that are costly to treat may be able to control their plan costs better if they chose a plan that has one. Additionally, many self-insured and partially self-insured employers contract directly with these centers to reduce their overall cost outlays and improve their workers' health outcomes.

The good news is that there are other benefits to centers of excellence besides controlling costs. These include:

Reducing the chances of unnecessary operations — Physicians in centers of excellence will not instinctively opt for surgery for their patients, and may instead refer them to treatment paths that don't require going under the knife.

Additionally, one study published in the medical journal *Arthritis & Rheumatology* found that one-third of knee replacement operations were later deemed unnecessary, and an additional 21% were inconclusive.

As well, medications can be just as effective as inserting stents or conducting a bypass operation in many cases, according to research published in the *U.S. National Library of Medicine*.

There are many benefits to diverting patients to less invasive procedures that are as effective as surgery:

- The employee benefits from not having to undergo surgery, not having to deal with anxiety and pain after the procedure, as well as lower out-of-pocket costs. They also don't have to deal with recovery after the fact.
- The employer and/or health plan saves money by not having to shell out thousands for surgery that could have been avoided.
- The employer benefits from not having an employee off work recovering from surgery.

Happier employees — If an employee feels like they are getting top-shelf treatment from doctors that are skilled at helping them manage a chronic condition, they'll be happier.

Additionally, workers are demanding more from their health plans, including improved tools to help them better manage their health.

Centers of excellence also allow patients to skip the processes of comparing different providers and trying to figure out how much they will be paying out of pocket. Since service costs are bundled and preset, they'll know exactly what they will pay in advance.

Also, they will usually have a single point of contact in the center, from the point of first examination through treatment and recovery. This helps the individual feel like they have an active role in their treatment.

Improved recovery time — Employees who require surgery, if they are kept in the loop about their treatment and feel informed and part of the decision-making, are more likely to recover from their operation sooner and have less complications.

One key aspect of centers of excellence is coordinated care, which is often missing in general health care settings. It starts with initial diagnoses through treatment and recovery. And often the post-operation period will be bundled into the costs of treatment.

In many centers, your employee will receive assistance in scheduling follow-up appointments and any rehab treatment they require. This close coordination involves patients more in their health care journey. That in turn ensures that they can be on a path to recovery or managing a chronic condition.

The takeaway

Due to demand and the success of centers of excellence, more health plans are including them in their networks. While these programs can reduce costs for the plan and employees, they can greatly improve your workers' health outcomes and ability to recover from surgery.

And if your employees feel like they have a say in their health care while dealing with a chronic condition, they will be more productive and, hopefully, more loyal to your organization.

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