

HEALTH STRATEGY ASSOCIATES *Smart Moves. Winning Strategies.*

Part 2 in the 2000 Series on Issues in the Health Care Industry

Integrated Disability Management Considered

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You can't open an industry publication or go to a conference without getting hit with the newest product on the market; integrated disability management. With companies such as Cigna, Kemper, Liberty Mutual, AIG, ITT Hartford and United Healthcare either in this business or exploring it seriously, it is time to take a careful look beyond the hype to the challenges of integrated disability management. Here are a few questions to consider when reviewing this new product and the companies providing it.

If you don't control the group health dollar, how are you going to influence the treating physician? Why would a group health doc listen to a carrier that isn't paying him? Especially if the physician is capitulated by the group health carrier?

If you buy the theory that treating disability aggressively leads to more treatment earlier in the case, then aggressively managing non-occ disability strongly implies increased group health costs. What does this do to the cost-benefit equation? To the group health carrier's bottom line?

The managed care industry has successfully conditioned health care providers to utilize conservative treatment practices. What tools and methods will "disability managers" use to convince providers to treat more aggressively?

If the "disability managers" are now doing work (managing non-occ disability) that they did not do before, what will the impact be on administrative expense?

While there is tremendous promise in the concept, this is not going to be easy. There are fundamental business and operational issues here that few "disability managers" have adequately addressed. Ideally, this drive towards integrated disability management will force group health carriers, disability writers, comp insurers and administrators to re-think what they do, why they do it, and what value they are delivering. If that happens, then the promise of integrated disability management may well be met.

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