



Getting the Most Out of Your Health Plan Vendors

By Bill Frack, Chief Product Officer

Getting the most out of your health plan vendors requires continuous, data-driven oversight. Vendor underperformance means your employees are missing out on benefits (low utilization) – and your plan is missing out on the savings from better healthcare.

In this context, it's surprising that self-reported, annual reviews are the standard in health plan oversight. Yet have you ever seen a vendor self-report with low ROI or unsatisfactory performance?

Here are three key questions to assess how your vendor management practices measure up:

Do you get timely data to track your vendors' performance? Member level utilization data and a clear definition of services performed is required to evaluate performance. This should be reviewed against performance and contract targets quarterly. If your vendors can't provide this information, you have to wonder how they can effectively serve your employees.

Do your vendors' reports empower you to take action? Look for reports that go beyond basic numbers with recommendations for improving performance AND employee health outcomes. The traditional 30-page report is not useful if it does not provide 3 improvement actions that can be measured at the next quarterly review.

Are you confident in the ROI reported by your vendors? Be sure you have a clear understanding of how these calculations are made and get a second unbiased opinion. So far, Wellnecity has not seen a vendor reported calculation that has been underestimated.

If you answered 'no' to any of these questions, you're not alone. Unfortunately, this "industry standard" is unacceptable if you want your programs to be more than window dressing. Want to improve? Here are some building blocks:

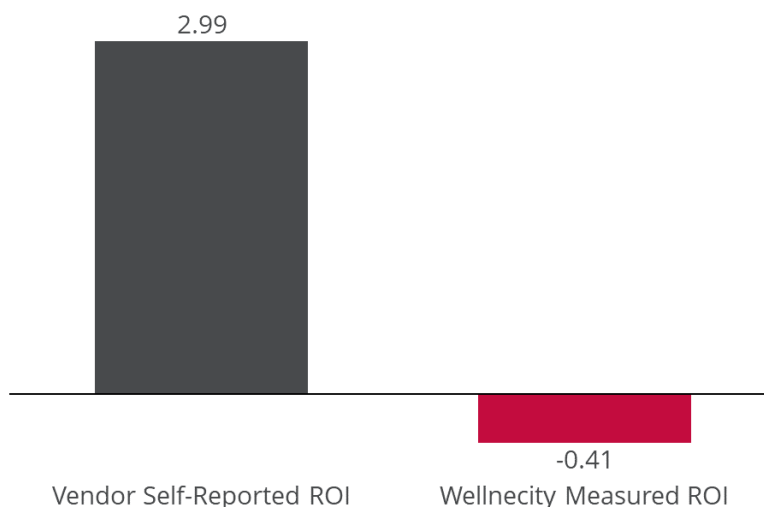
Proactive Monitoring: Streamline your process by centralizing data from all health plan vendors, eliminating the need for multiple portals, report downloads, and manual data merging. Continuously monitor performance and identify potential issues from a single source.

Timely Insights: Start by setting quarterly reviews. Expect utilization data. Expect tracking of actions. Remember, if your vendor can't meet this standard, you have to wonder how they can effectively manage your members!

ROI Verification: Transparent and objective measurement provides a clear picture of each health plan vendor's performance, rather than relying on self-reported ROI.

In this example, the vendor reported savings that were more than five times greater than the actual results, significantly inflating the solution's ROI.

Vendor Self-Reported ROI versus Wellnecity Measured



Have comments? I look forward to hearing from you at b.frack@wellnecity.com.

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