Modern Healthcare

VitalSigns

Blog: UnitedHealth's test of plan with no-charge primary care will be closely watched

By Harris Meyer | November 16, 2015

Chicago hasn't had a popular staff-model health plan since Prudential's PruCare left the scene many years ago. Now UnitedHealth Group's new Harken Health subsidiary is trying to grab that niche, in a modified way, with a clinic-based plan that offers unlimited primary care and behavioral visits at no charge.

The health plan, which offers services with no coinsurance charge and copays only for prescription drugs, will be available at four neighborhood office locations in Chicago and its suburbs and will open six centers in the Atlanta area. It's a fascinating test of what Harken co-founder and CEO Thomas Vanderheyden calls relationship-based primary care. This responds to what many experts say is a need for value-based benefit designs that encourage people to receive recommended primary and preventive care.

For 2016, Harken, an independently operated subsidiary of UnitedHealth, is projecting 30,000 enrollees in Chicago and Atlanta, with plans for additional markets in 2017. “We think giving people unfettered access to relationship-based primary care will provide better counsel and advice and get members to use the broader healthcare system more judiciously,” Vanderheyden said. “We have reasonable confidence in our model … I wouldn't call it an experiment.”

Beyond primary care, members have access to UnitedHealth's wide national network of hospitals and specialists, including Northwestern Memorial HealthCare, University of Chicago Medicine and Advocate Health Care in Chicago. That runs counter to the strong trend for plans to offer narrower hospital networks. Indeed, Blue Cross and Blue Shield of Illinois ditched its broad-network PPO plan on the Illinois exchange for 2016 and shifted to a narrower-network plan it calls BlueCare Direct, in collaboration with Advocate.

There is mounting national concern that due to high out-of-pocket costs, it's becoming increasingly unaffordable for consumers to actually use their health plan to receive healthcare services.

The Harken model allows members to get many services with no out-of-pocket cost and eliminates the concern about high coinsurance.

The clinics, which opened this month, are staffed by Harken-employed primary-care physicians, nurse practitioners, behavioral-care specialists and health coaches. The facilities, designed in muted earth tones, also offer complimentary yoga, dietary and other classes based on member demand.

There is same-day scheduling for appointments and 24/7 telehealth access to staff providers. Exam rooms feature patient data screens allowing the member, doctor and health coach to go over all medical information with full transparency. The clinics do not have individual physician offices. Instead, there is an open “bullpen” for the providers and a “huddle room” where staff will gather each morning to plan out the day. Vanderheyden said every aspect of the operation was developed through “human-centered design thinking.”

In Oregon, there's a somewhat similar startup health plan called Zoom, which has more than 20 staff-run clinics in Portland and Salem. Zoom, a for-profit company founded by two physicians, offers team-based care from physicians, nurse practitioners and physician assistants. Like Harken, it offers same-day appointments, telemedicine, health coaching, food and exercising counseling, and behavioral healthcare.

Harken appears to be price-competitive on Illinois' Get Covered Illinois insurance exchange. A 40-year-old nonsmoking male pays a premium of $279 a month for a silver plan with a $3,750 deductible, or $287 for a silver plan with a $3,000 deductible. By comparison, Blue Cross and Blue Shield of Illinois' silver plan with a comparable multistate provider network costs $297 with a $3,750 deductible, while its BlueCare Direct silver plan with Advocate costs $249 with a $2,000 deductible. Unlike Harken, however, those Blues plans charge the standard 20% coinsurance.

One question is how Harken, with its competitive premiums and lack of coinsurance, will be able to make money while offering unlimited primary care and behavioral visits at no charge. “We'll see how it works claims-wise in 2016,” Vanderheyden said. “It's reasonably proven that if you overinvest in primary care, you have lower downstream cost in the system. We'll have to tweak this or that, but we have high confidence.”

Removing coinsurance and copays except for drugs will provide better and more appropriate care and save money, he continued. “These are huge points of friction in the system that cause people to make decisions that aren't necessarily best for them,” he said. “They delay or get one type of care when they would be best served by another type of care. By reducing friction, we think people are far better served and healthier."

Other insurers, including UnitedHealth Group, undoubtedly will be watching Harken's results closely. And consumers who seek relief from high out-of-pocket costs when they use healthcare services also should pay attention.

United is "quite interested in how we're doing," said Vanderheyden, who's been with the big insurer since 2003 and before that worked in the technology industry. "They like to learn."

Harris Meyer

Harris Meyer oversees news and feature coverage for the magazine. Meyer has covered healthcare and law since 1983, most recently as a freelance writer for Health Affairs, Kaiser Health News, the Oregonian, Medscape and other publications. He previously served as law editor at the Daily Business Review in Miami; a staff writer at the New Times alternative weekly in Fort Lauderdale, Fla.; senior writer at Hospitals & Health Networks; national correspondent at American Medical News; and health unit researcher at WMAQ-TV News in Chicago. Meyer has a bachelor's degree in communications from Northwestern University. In 2000 he was a winner of the Gerald Loeb Award for Distinguished Business and Financial Journalism. He joined Modern Healthcare in 2013.