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BENFIELD BUSINESS-HEALTH LEADERSHIP

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WHAT DO FLEAFlickERS AND INNOVATIVE HEALTH MANAGEMENT STRATEGIES HAVE IN COMMON?

Key Take-Aways

1. Health Management innovations such as VBBD and CDHPs are long-shot plays (like a fleaflicker pass) unless run in the context of solid fundamentals.
2. Faced with the launch of a new benefit year, health management professionals who are unsatisfied with their company's approach need to act now to disrupt their 2009 planning cycle and begin rebuilding their health management game plan.
3. The rebuilding process should begin by revisiting health management fundamentals, learning from great teams, evaluating personal leadership readiness and the performance of key players, and committing to a rebuilding process that could take a number of years.

It is fall, and I am in heaven. I love bright sunny days and frosty nights. I love the sound of dry leaves crunching under foot and the smell of decaying foliage. And, I love the sights, sounds and smells of football—especially high school football.

This is a rebuilding year for our high school team, but they have strong talent in some key positions and they're well coached. A couple of weeks ago, they faced a team that also had talent, but the coaching—not so much. Players were not making blocks; they were missing tackles; pass routes were sloppy and even their punter was struggling to get the ball more than 15 yards downfield in his many attempts.

As one can imagine, our team's opponent was in a hole late in the game. In a desperate attempt to find some momentum, they first tried a double reverse, and when that failed, they tried a fleaflicker*. Well, I think it was going to be a fleaflicker, but the wide receiver was tackled before he was able to "flick" the ball back to the quarterback. In any event, it did not work, and the final score was something like 59 to 7.

** Note to non-footballers: A fleaflicker is an elaborate offensive play that involves a hand-off or short forward pass meant to draw defenders to the line of scrimmage, followed by a backward pass to the quarterback who then unleashes a long forward pass to a wide-open receiver.*



Recently, I was talking with a pioneer of what is now commonly referred to as “Value-Based Benefit Design” (VBBD). When our discussion moved from VBBD to the overall state of employer health management, it was clear that he had mixed emotions. On the one hand, he was pleased that VBBD had stimulated new thinking about the need to align incentives in pursuing total health care value through benefit policies and programs. On the other, he was disappointed that VBBD had become a *celebrity*, which has led predictably to an overselling of its promised benefits, and to the under-selling of the hard work and discipline required to plan and execute an effective VBBD approach.

In other words, companies that haven’t yet mastered the blocking and tackling of sound and sustainable employee health management are out on the field running the VBBD fleaflicker. And, VBBD is only the latest in a line of “plays” that employers desperate to score a health care win have tried. Think: *Health and Productivity Management* and its cousin, *Integrated Benefits Management*; Consumer Directed Health Plans; and the newest celebrity, *Creating a Healthy Culture*.

Now, don’t get me wrong. I’m not suggesting any of these concepts are not worthy of attention. In the right hands, each has the potential to yield strong results. But, when approached as some sort of sure-fire solution that can be plugged into any organization—regardless of foundational strength, commitment and readiness—these concepts not only fail to help a company gain ground, but can set a company back in terms of its confidence and willingness to strategically manage health, productivity and costs.

We’re about two months away from the start of a new year. For a handful of organizations, January 1 will be the *snap of the ball* that begins another year of forward progress in improving health and productivity while managing costs substantially below industry competitors. For many others, 2008 will be another year of conservative play-calling that will yield only industry-level health cost inflation and no appreciable improvements in employee health, absence, performance or culture. Still others are emerging from their huddle completely unprepared to run the health management fleaflicker that’s been called—a complex solution that they’re simply not ready to execute.

The critical questions for health management professionals who are not satisfied with their game plan are: 1) How do we make the best of our current strategy?; and 2) What do we do to rebuild in preparation for a more successful 2009 season?

Make the Best of a Bad Play Call—Adjust and Improvise

My favorite NFL player of all time is Brett Favre, quarterback for the Green Bay Packers. One of the things that I love about watching Favre play is the fact that—from the moment he turns from the huddle until the ball is snapped—he sizes up his situation and then barks commands and motions to his players to help them adjust to the defensive set. After the snap, Favre readily improvises in an effort to make the best of a bad situation.

Like Favre, great health managers know how to adjust and improvise. They don't tether their strategic analysis and creative thinking to the pages of their benefits calendar. Instead, they continually seek information that tells them whether their strategy is working, and then take steps to capitalize on opportunities or mitigate threats.

Some important questions for health management professionals to consider as they approach the January 1 line of scrimmage include:

- > What, specifically, am I most concerned about as implementation of our 2008 strategy nears? What am I most hopeful about?
- > Do I have mechanisms in place to feed timely information about whether our strategy and tactics are working?
- > If the data confirms my concerns, what specific steps can we take to minimize damage or make at least some progress? What are our policy, communication and program options?
- > Who else needs to be involved in the process of assessing and responding to challenges? Is there a senior manager who needs to see first hand that our current game plan isn't what it could be, and who can learn from the process about where we need to be headed?

Focus on Rebuilding

At The Benfield Group, our observation is that many smart, well-intended and dedicated health management professionals want to rebuild, but simply fall victim to the rhythm and inertia of the annual benefits planning cycle. Granted, the typical cycle does include a period for strategy formulation, but this process is too often aimed at tweaks and incremental adjustments to a tired approach. What's more, it is often based on benchmark comparisons against organizations that are pursuing similarly flawed strategies.

Now is the time for those who are deeply unsatisfied with their organization's health management win/loss record to disrupt the planning cycle and focus on building/rebuilding something different. As a precursor to the planning process, we recommend the following five steps:

1. **Review the Fundamentals:** Be sure you and your team are well-versed in understanding the basic blocking and tackling that is at the foundation of any winning health management strategy. Those fundamentals are data integration, senior management support and supply chain management.
2. **Study the Game Film of Great Teams:** Fall conference season is upon us, and there are many opportunities to hear leading companies talk about their strategies and approaches to health management. Don't be satisfied with a set of slides and scribbled notes from a presentation. Particularly if you see an organization achieving successes with a complex strategy that your company is considering, make an effort to get a scouting report. Call, or better yet, arrange a visit to learn about what they've done, the results they've achieved and how they've overcome difficult obstacles along the way.



3. **Do a Critical Assessment of Yourself:** Great teams all execute on the fundamentals, but it isn't the fundamentals that are at the root of their success; it is their leadership. It is the Benefits Directors, Medical Directors and Human Capital Managers who acquire and leverage integrated data, invest in building trust with senior managers, and purposefully manage their health benefit supply chain to align interests and achieve clear goals.

How are you doing as a leader? Are you committed to learning? Are you willing to invest the time and effort needed to fight for resources and get senior managers to pay attention? Do you have colleagues or other people around you who complement your strengths and compensate for your weaknesses? When was the last time you focused on developing your talents as a manager and change agent? In short, are you ready to lead change?

4. **Do a Critical Assessment of Your Team:** Who do you have in critical positions—inside and outside your organization—and how are they performing? If they have a consistently under-perform, or if they are not team players, determine how to replace them, minimize their negative impact or identify strategies where they cannot be disruptive. This is a critical assessment to make early in the process, because it takes only one player who is incapable or unwilling to do their job to jeopardize an integrated health management strategy.
5. **Commit to a Re-Building Process:** The to-do list that emerges from steps 1-4 may (probably will) be overwhelming. You'll ask: How am I going to get all this done in one year? The answer is: Who said you only have one year?

Football offers a fine analogy for some key dynamics in health management, but the reality is that you don't have the ability to freely buy, sell and trade to acquire top talent, and health management strategy is a bit more complicated than football. That's why the stories you see portrayed on stage at high-profile conferences are stories that play out over many years, if not decades. But each of those stories had a beginning—a decisive moment when the old game plan was recognized as obsolete and ineffective, and a new game plan was pursued.

Looking beyond football...beyond health management strategy...the business landscape is littered with companies that risked running a fleaflicker before they mastered the fundamentals of their game. It is also littered with companies that clung to their fundamentals while innovators passed them by on the way to new opportunities. As is so often the case, the winning approach is a balanced strategy that establishes the fundamentals in order to enable innovation and a bit of risk-taking.

Now, about the Statue of Liberty play...