

People, Events & Products

An HMO benefit that cannot be overlooked: cost efficiency

THE PROCESS OF ACQUIRING the services of an HMO is similar to that when a customer acquires any other form of services -they always require a very careful study in terms of benefits in relation to cost. Cost is often the hurdle that has to be overcome in the selection of an HMO simply because it has implications in the form of budget constraints

A rise in cost of health care benefits is inevitable, much like every other service.

Health beneficiaries and companies are entitled to object of course for obvious reasons but there are a handful of factors that bring about this result. Factors that affect cost push and which are beyond control are - cost of medication, a unilateral increase in hospital fees, compounded by the demand of physicians for higher fees.

Accept this reality - cost escalation - but not necessarily. You can face that with options and alternatives.

Companies should always keep in mind that the employees' welfare is the primary consideration.

For in achieving the ideal selection, the alternative that we can explore is a cost-effective HMO.

This huge market, when properly tapped, should enable HMOs to optimize volume discounts for the benefit of members. The process of bringing down cost, in this manner will still allow the HMO to provide equal, if not, better benefits to its members.

But IntelliCare wishes to give a word of caution about this: a cost-effective HMO is different from a low cost HMO.

An HMO that offers the lowest costs will undermine the beneficiaries' benefits.

The corresponding services of low cost HMOs usually fall short of - new modalities, access to first-rate hospitals and clinics, use of doctors with specialized training.

The risks posed by this move will naturally mean limited services and benefits to members.

After all, health care is a serious business that requires very serious deliberation. Proper cost management therefore, is the most important function of an HMO.