



Booming business helps patients navigate medicine

By MIKE STOBBE – 1 hour ago

NORCROSS, Ga. (AP) — After three surgeries, Judy Sherer still had chronic pain in her left shoulder. She'd lost faith in her doctors, and in despair tried a new health benefit offered by her employer.

The service, Health Advocate, is a call-in center that helps customers find the right doctor, haggle over insurance coverage and manage other medical system headaches.

An advocate helped Sherer find a new surgeon — one who found metal shavings left in her shoulder by a previous doctor. The advocate also negotiated the charge for her physical therapy down to \$40 per visit from the \$200 she was told initially.

"It saved me a ton of money," said Sherer, 63, of Norcross, Ga. "I'm very, very pleased."

Health Advocate is one of a growing number of U.S. companies offering some form of advocacy services to medical consumers. Revolution Health — the Web-based medical consumer services company overseen by AOL co-founder Steve Case — has been considering getting into the same business.

"It's a really interesting industry that's just taking off," said Carol Fischer, a spokeswoman for Pennsylvania-based Health Advocate, a 12 million-member organization.

Currently, the health advocacy business is an industry with about \$50 million to \$75 million in annual revenue but only about a dozen companies of any significant size, said Richard Rakowski of Intersection LLC, a Connecticut-based investment and development firm that has researched the field.

But those numbers have grown from a few years ago, and it may be on track to become a \$1 billion industry based on the demand for the service, said Rakowski, the firm's principal.

The field is blossoming in the wake of cutbacks in corporate health benefits, an overhaul of Medicare and other changes that have forced medical consumers to shop more for medical care.

More than ever, people need help negotiating the medical system, said Jessica Greene, a University of Oregon health policy analyst.

"We're asking consumers to make more complicated decisions, but the numeracy and health literacy skills of many consumers are not at the level needed to handle this new responsibility," Greene said.

Though some consumers are savvy enough to beat a billing overcharge or probe doctors' litigation histories, they don't have the time for such labors, experts said.

Indeed, the largest customers of health advocacy services are companies, not individuals. "The employers are interested because it means their employees are not on the phone taking care of doctor's visits" during work hours, Fischer said.

The companies grouped into the health advocacy business range from small regional firms operating out of home offices to companies with national call centers the size of football fields. No one seems to have an exact count, but Flagship Global Health, Care Counsel and Enhanced Care Solutions are among the more visible names.

Health Advocate claims to be the largest. Founded in 2001, it now has more than 3,500 companies, unions and other organizations as clients, including Johnson & Johnson, American Express and The Home Depot Inc.

Altogether, about 2.6 million employees, or members, are signed up with Health Advocate. But the number who can use it is actually higher: Members can share the call-in number with spouses, children, parents and parents-in-law — including elderly kin who need help picking a Medicare prescription drug plan, finding a nursing home or arranging transportation for health care. With all relatives added in, Health Advocate's membership is roughly 12 million,

Fischer said.

About 180 advocates staff Health Advocate's call center in suburban Philadelphia. It's usually registered nurses who talk to the patients, and each patient gets an advocate who stays with the case and is the recurring contact. The staff also includes behind-the-scenes workers who help with insurance claims and other administrative questions.

"I'd say 80 percent of (our) people call Health Advocate because they have trouble with billing," said Andrew May, a human resources vice president for Wells Real Estate Funds, the Georgia-based company that employs Sherer.

Initially, May said, he doubted Wells employees would use Health Advocate, thinking they would instead continue to come down to human resources for help rather than turn to a 1-800 number.

But some of Wells' 400 employees started using it and having great experiences, he said. Company executives appreciated the help, calling the \$5,700-a-year cost a good deal.

"We're not billing specialists. We're not registered nurses. To have that resource is much more powerful — it gets to the bottom of things quicker," said Susanna Johnson, a Wells human resources manager.

Health Advocate in May began to sell its services straight to individuals, as a \$365-a-year service.

Some other companies have always focused on individuals, especially rich ones.

One example is \$10,000-a-year PinnacleCare, founded in 2002 by John Hutchins, who created a concierge-like service at the Cleveland Clinic. He later used his connections to build a national network of doctors for his private health advisory start-up.

The Baltimore-based company is essentially a club for millionaires and billionaires that puts nurses and social workers in touch with members. Not only will they help members find top-level care, they will get them moved to the head of the line. PinnacleCare advisers will even meet the patient at a doctor's office or hospital.

PinnacleCare has about 1,700 member-families. One satisfied customer is Kirk Posmantur, 45, the founder and chairman of Axxcess Luxury & Lifestyle. His Atlanta-based company markets handmade watches, private jets and other luxury items to the affluent.

"It's a no-brainer for those who've got net worth of \$5 million or more," he said. "You've got people who advise you on your taxes. You've got people who advise you on how to manage your money. But what's more important than your health?"

Not every health advocacy group is a for-profit business.

The Patient Advocate Foundation provides free help to people with chronic, debilitating and life-threatening conditions. Founded in 1996, the Virginia-based organization has 113 employees and an annual budget of about \$8.5 million. It handled nearly 45,000 cases in 2007 — most of them cancer patients.

The organization's founders initially expected many clients to be uninsured. As it turns out, about 80 percent have at least some health insurance but are dealing with pre-approval authorizations, medical debt from incomplete coverage or other problems, said Nancy Davenport-Ennis, the group's chief executive and co-founder.

Companies like PinnacleCare are a blessing "for those consumers that can afford to have a boutique service," she said.

She wishes, however, that companies would provide more pro bono service. "The concern is those that need help and can't afford something like that," Davenport-Ennis said.

On the Net:

- Health Advocate: <http://www.healthadvocate.com>
- PinnacleCare: <http://www.pinnaclecare.com>
- Patient Advocate Foundation: <http://www.patientadvocate.org>