

ALTERNATIVE PUBLIC-SECTOR INSURANCE INCLUDES HEALTH CENTERS JUST FOR EMPLOYEES

Firm's president sees Toms River school district's cost savings and high rate of employee participation as basis for statewide success.

ANDREW KITCHENMAN | AUGUST 14, 2013

Four years after Integrity Health launched its first health center in Toms River, company President Douglas Forrester believes its approach is ready for success across New Jersey.

Integrity, which has been pitching its benefits plan to school districts and municipal governments, offers some traditional features, including providing a network of healthcare providers to self-insured employers.

But it also offers employees covered by the plan the exclusive use of a Partnership Health Center (PHC), a primary-care medical office staffed by doctors and nurses who are employees of Integrity Health.

It's a model that could become more attractive to counties, towns and school districts – as well as state government – as cost pressures mount.

While Integrity offers a more traditional provider network similar to the public-sector employer's previous health plan, it offers the PHC as a voluntary option.

It says 90 percent of Toms River school employees choose to use the center, which is located in downtown Toms River.

One reason may be that the PHC is free for the employees to use, while the other doctors require copayments.

Forrester, the 2005 Republican nominee for governor, believes the company has reached a turning point, predicting that its track record of saving money for the Toms River School District will begin to attract additional public-sector employers. He has been actively making this pitch to local government and school officials, including at a meeting at the Highlawn Pavilion in West Orange yesterday.

It's a model that could become more attractive to counties, towns and school districts - as well as state government - as cost pressures mount, but it may have to overcome resistance from workers who are used to traditional health plans.

"If we tell people they have to do something, they probably won't," Forrester said of the importance of keeping PHC use voluntary.

The Toms River PHC, in addition to having primary-care doctors and nurses on the premises, provides lab tests, pain management and chiropractic services

Integrity maintains a list of recommended specialists within a broader group of "in-network" providers. The PHC's primary-care providers coordinate care with those specialists, who are selected based on a commitment to using "best practices," Forrester said.

Integrity is in the process of building its second PHC, which will serve the Coatesville Area School District in Pennsylvania.

ALTERNATIVE PUBLIC-SECTOR INSURANCE INCLUDES HEALTH CENTERS JUST FOR EMPLOYEES (continued)

Forrester said the approach works best for employers with at least 500 workers, which allows Integrity to hire enough doctors, nurses and support staff to operate a separate center. He added that public employers, which frequently have employees with longer tenures than in the private sector, provide “the perfect population for a dedicated health center.

Integrity estimates that the PHC has saved Toms River schools \$1.98 million, providing the equivalent of \$4.98 million in primary-care service through a \$3 million annual contract. This breaks down to an average cost for a PHC primary care visit of \$161, compared with \$267.50 per visit outside of the center, according to the company.

Forrester said another major source of savings is the company’s aggressive auditing staff, which looks for provider bills that are excessive.

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Barbara E. De Spirito, the Passaic County government’s human resources director, said local governments are facing a rapidly shifting health-insurance landscape, including the 2011 state law that requires public employees to pay part of the cost of their health plans.

De Spirito said the Integrity approach has potential, but she questioned whether longtime employees would choose to use the PHC.

“Potentially, it’s innovative, it’s thinking out of the box,” De Spirito said. “But again, I ask the question: ‘How do you get

people who are so used to the traditional (approach) to buy into it?’ That’s the difficulty.”

Dudley Burdge, a staff representative for the Communications Workers of America Local 1032, also is interested in Integrity’s approach. Burdge, who serves on the State Health Benefits Commission, noted that Montana’s state government has had success with health clinics similar to the PHC.

He said the level of care coordination made possible by “medical homes” like the PHC will become increasingly attractive as cost pressures continue.

“It’s something all the plans have to move to,” Burdge predicted.



Integrity Health, LLC is an employee benefits management company specializing in the design and operation of customized, self-funded employer health plans. The Integrity Health program was designed specifically for employers and employees who desire to control healthcare costs without sacrificing benefits coverage. Its purpose is to enable plan sponsors and their members – from schools, towns, counties, public authorities, hospital systems and Taft-Hartley funds – to realize the financial and program benefits that come with control over their own health plans. Integrity Health’s motto is “Lower Costs Through Better Health” and its focus is to ensure that all the various components of a health benefits program operate together to realize this philosophy.

For more information about Integrity Health, please visit www.integrityhealth.com.