

Vital Documents in Need of Better Care

Long treated as a necessary evil, Explanation of Benefits statements (EOBs) are in reality the primary communication between health insurers and their members. Great opportunities to increase loyalty and satisfaction with members are lost when the communication with the greatest interest is relegated to simply meeting regulatory requirements. EOBs that leave members with unanswered questions due to a lack of clarity not only increase internal costs in the form of inquiries, but also foster a negative response among members.

It is evident in the extensive health care debate that there is immense waste, fraud and abuse in the current system but even more importantly, no plan has emerged to materially control the resulting escalation in cost. EOB communications can be enhanced to enable cost control awareness and provide the information needed to engage members to focus on reducing costs.

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There are, however, a few insurers who have recognized the potential of the EOB to shape public opinion. These firms seek a return on investment from upgrading EOBs, beyond the bare minimums required. Through an effective EOB, insurers can engage members to participate in controlling health care costs and detecting potential fraud and abuse.

In its first-ever national evaluation and ranking of EOBs, DALBAR, Inc. gave 68% of the documents analyzed failing scores.

Even the federal government – with all its rhetoric about providing quality health care – does not take a leadership role in terms of providing clear health insurance communications to the American public: Medicare’s “Summary Notice” ranked 24th out of the 34 EOBs evaluated.

Medicare’s “Summary Notice” was among the 68% of organizations receiving failing grades from DALBAR, Inc. in its first-ever national evaluation and ranking of EOBs.

To learn more please contact Brooke Halloran or order the complete report at www.dalbar.com



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