

Psychological Barriers prevent lowering of health care cost

(The Bannister Effect: Why 99% of Companies Fail to Control their own Health Care Costs)

By Michael Puck, SPHR, published in Employee Benefits News, March 2010

On the 6th of May, 1954 Roger Bannister ran a mile in under four minutes for the first time in recorded history. Not a professional athlete, Bannister was a medical student at Oxford University and ran the mile in 3:59:4.

This accomplishment may not sound as remarkable now -- in the age of high-tech, computer monitored training, professional sponsorships, and cutting edge nutritional science – as it did then but in the early 1950s many flat-out disbelieved that any man could run a mile in such a short amount of time. In fact, some even thought that rather than having a lifetime of glory, honor and fortune waiting at the finish line to greet the first person to accomplish this feat, there would be a hearse instead.

It wasn't human Physiology that kept athletes from breaking that 4 minute barrier prior to Bannister's success, it was psychology. Evidence had to be produced before other runners, trainers, and scientists where able to believe that such a thing was even possible. Amazingly, within 3 years of Bannister's record run more than 30 other individuals broke the 4 minute mile. Was this coincidence or had Bannister shattered the preconceived notions that were holding others back?



A modern challenge comparable to the race for the sub-four minute mile is the struggle to effectively managing (flat line) healthcare cost. Most companies still hold on to the unshakable belief that they can do nothing to combat never-ending increases. Because of this self-imposed limitation, their best efforts are constrained to desperate tinkering and actions that result in only short-term effectiveness. These near-sighted attempts have very little or no impact on the long-term trend of their medical cost.

Just imagine what might be possible if companies and their senior leadership could shake their preconceived notions and adopt a new belief system that empowered them with the knowledge that they could significantly control their healthcare cost trends. Such a paradigm shift would represent a wide sweeping change -- or to be more accurate a tidal wave -- concerning how we manage the health and well-being of our employees and even ourselves. But this new paradigm isn't a candy-coated daydream, it can be a reality.

The growing number of success stories coming out of corporations large and small across the nation make it very difficult to believe that companies have no control over their own health care cost. The revelation that is shocking more and more CEOs and CFOs is that these individual

companies have more influence over their own health care spending than any other party involved in the process.

Unfortunately, managing healthcare cost is not as black and white as running a mile in under four minutes. It is influenced by countless variables from the age of the insured population, to the company's geographic location, to the effectiveness of the health providers in the network, to the efficiency of the third-party payer systems, to the speed of medical advancement . . . the list goes on and on. Roger Bannister on the other hand had very few variables with which to deal: the time on the stopwatch and his belief that he could break the barrier. Without his personal conviction, the record may never have been broken.

The Roger Bannister's of the corporate benefits world have long achieved the equivalent of a sub four minute mile. Companies both large and small have literally invented new approaches to managing health care cost that have saved the lives of thousands, added years to the life expectancy of millions, and have flat lined health care cost increases for years at a time.

So why aren't companies standing in line to take advantage of lower healthcare cost and increased productivity? Change is difficult, especially on a personal level, so companies often ignore the success stories they hear from benchmark corporations and hold tight to their "comfortable" paradigms that prevent them from seeing what is truly possible. It's simpler. It's safer. It's effortless. Others have decided to wait for governmental health care reform to deliver the silver bullet which will miraculously solve the entire problem. Still others still rely on the questionable argument that their businesses are "different" and that such programs would not work for them to justify their lack of motivation and action.

Companies, regardless of size, should take matters in their own hands and break the harmful cycle of stagnation by shamelessly copying what the pioneers of healthcare cost management have already accomplished. Each and every employer has the opportunity, if not even the responsibility, to take control of their own healthcare cost -- and can do so to an even larger degree than any health care reform will ever be able to.

For the next few months, I intend to focus my column on providing profiles and insider information from companies that have achieved truly remarkable results in managing healthcare cost; companies that have re-invented the delivery of medical care for their insured population and improved the productivity of their workforce in order to become a beacon for other corporations currently "sitting on the fence." If you either work for a company that has been able to flat line their health care cost, or if you know of a company, large or small, that has been very successful at managing health care cost I would love to hear from you. Please e-mail me at Michael@cut-healthcare-cost.com.

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