

# ADDRESSING VENDOR FATIGUE, MANAGING MULTIPLE POINT SOLUTIONS



Written By Laura Carabello

**A** phenomenon known as “vendor fatigue” is a very real challenge for self-insured employers, brokers, and benefits consultants. The term refers to the overwhelming feeling that arises from sifting through numerous vendors, their claims and potential partnerships -- a frustrating process for the Company and one that often creates confusion.

The multitude of point solutions can be exhausting, although plans are always searching for innovative, specialized services that employers can utilize as part of their benefits programs to address specific health issues. These point solutions can be standalone platforms ranging from virtual physical therapy, fitness and primary care to nutrition support, fertility assistance,

alternative Rx funding solutions, expanded employee assistance programs, diabetes, weight loss, GLP-1 management and more.

Sometimes, these programs offer broader condition inclusion with wellness, provider networks or hybrid approaches. According to a Wellframe survey, 50% of organizations offer access to between four and nine healthcare and well-being point solutions, with some employers presenting up to 12 offerings.

For Richard J. Fleder, president, ELMCRx Solutions, addressing vendor fatigue is the goal of his current model to support TPAs and their clients. It is basically a continuum of offerings, enabling the employer to choose the solutions that best suit their needs, obviating some of those issues such as multiple integrations and multiple contracts which cause fatigue.

“In all candor and full disclosure, this topic fulfills everything we’re trying to accomplish as a company,” says Fleder. “I would like to compare what we are accomplishing with Rx to what Zelis and others may be doing with TPAs to create multiple-point solutions for medical space. We are essentially doing all the homework for TPAs: when



*Caryn Rasnick, CEBS, CSFS*

they get in the door with one product, our platform of point solutions gives them multiple products to present to customers.”

As a board member of HCAA, Caryn Rasnick, CEBS, CSFS, understands the challenges their members face with vendor fatigue and the complexities of managing multiple-point solutions.

“To overcome these issues, I recommend partnering with preferred

vendors that can offer comprehensive solutions using the same file interfaces already in place,” she suggests. “This approach reduces the operational burden on TPAs, who often struggle with tight margins and the high costs associated with managing multiple vendor relationships.”

Rasnick advises that reducing point solution fatigue not only simplifies operations but also has the potential to better control healthcare spending.

“By consolidating vendors, we can minimize data file charges and reduce the need for manual interventions by administrators,” she continues. “And from the plan member’s perspective, having a single point of contact simplifies their experience, helping them understand

their benefits more clearly and make informed decisions about their care. This not only leads them to become wiser healthcare consumers, but it also helps employers control their healthcare spending.”

## THE REALITIES OF VENDOR FATIGUE

Some companies experience vendor fatigue, while others do not. For those that do, there are some innovative approaches to resolving the issues.

For example, third-party administrators (TPAs) are increasingly grappling with vendor fatigue. This occurs when TPAs are required to work with numerous point solution vendors, often at the behest of benefit consultants who promise excellent outcomes with these specialized services.

Rasnick, who also serves as chief client relations officer, MedWatch, explains, “TPAs are being forced into a position where to secure a piece of business, they must engage with multiple vendors brought by the referring benefit consultant. This not only increases operational complexity but also adds costs, such as implementation and ongoing file feed fees, that TPAs are unable to recoup.”

She believes a smarter approach is to partner with a preferred vendor that offers multiple-point solutions via existing interfaces with the TPA.



Markus Waite

“This strategy reduces the number of vendors involved, simplifies operations, and helps TPAs protect their margins by minimizing costly data processor fees,” says Resnick. “Reducing the number of point solution vendors is key to simplifying healthcare operations and controlling costs.”

From an operational standpoint, she points out that fewer vendors mean reduced costs, including data file charges and manual interventions by administrators. From the member’s perspective, a single 800 number for comprehensive plan benefits and care navigation simplifies the experience, making them more informed consumers, which in turn helps control healthcare spending.

Markus Waite, President, Empara, provides this perspective, advising, “Overcoming vendor fatigue requires a strategic shift – more deeply integrating solutions and simplifying the user journey. Fatigue is created because there are too many points – hence, point solution fatigue.”

He recommends one effective approach is to enable all solutions into a single cohesive platform, adding, “This reduces the complexity of managing multiple portals, user action points and disjointed benefit information, fostering a streamlined experience for members. By selecting a tech solution that brings all benefits under one roof, organizations can enhance engagement and efficiency. Ensuring that members are aware of and can easily access all available benefits encourages utilization, improves user satisfaction and drives better health and cost outcomes.”



Waite believes that point solutions themselves are not a negative thing.

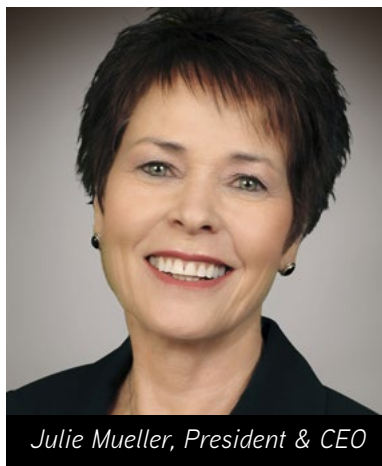
“Many are designed to simplify aspects of healthcare and control spending in a specific area,” he shares. “The breakdown comes when members have no access or understanding of how the solution helps or that they even exist.”

He projects that cutting-edge technology will play a huge role in reducing fatigue and predicts that virtual AI assistants have a big role to play.

“These customized agents have access to member-specific plan information and accumulator data,” says Waite. “Collectively, this data can instantly deliver personalized answers to member questions and steer them towards critical benefits and cost-saving solutions that are available to them. This can all be achieved with no back and forth with HR teams or member service call centers – further increasing efficiency and the ability to scale.”

## AVOIDING VENDOR FATIGUE

Many employers are discovering ways to evade this weariness. Julie Mueller, president & CEO, Custom Design Benefits, says, “We do work with several solution providers which have a major impact on our ability to service our clients, brokers and members. A few years ago, several of our strategic vendor partners were experiencing service issues, many related to M&A activities, which was impacting our ability to provide excellent service to our clients.”



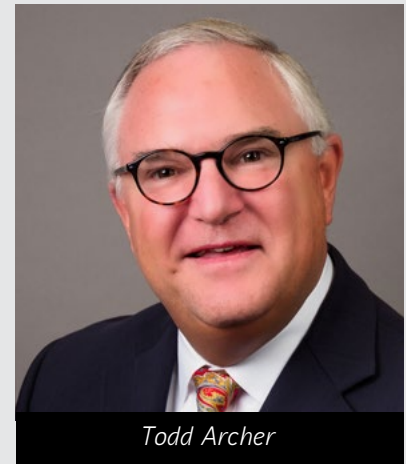
*Julie Mueller, President & CEO*

At that time, she and her team developed and implemented a quarterly ScoreCard for their key strategic partners.

“It is sent directly from me to the CEO, regardless of the size of the partner,” continues Mueller. “The quarterly feedback has been welcomed and appreciated by all of our vendor partners. Service has improved greatly, and our relationship is much stronger.”

When looking for a solution, Mueller first goes to current strategic partners to understand where their business is headed and how they can or plan to fill our identified need.

“Only then do we begin the process of evaluating bringing on a new solution provider,” she states.



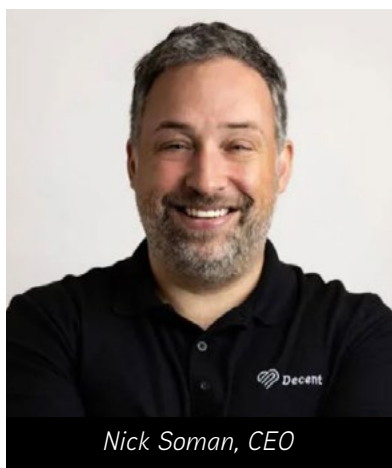
*Todd Archer*

Todd Archer, president of Concierge Third Party Administrator, offers this advice: “As with most TPAs, we work with multiple point solution vendors. The decision on point solutions should be driven by claims data that shows a need in that employee population for specific intervention(s).”

He says the dilemma of vendor fatigue is fueled by requests from a client or broker to use a specific vendor to either retain an existing group or write a new group, noting, “If unchecked, the constant set up and maintenance of the data feeds and other workflows necessary to operationalize these programs can negatively impact the quality of the service you are able to provide the client and their members.”

Archer advises that the easiest solution is to offer a robust “vendor stack” to the clients and their brokers that effectively addresses the needs of the populations you serve and be disciplined about not chasing the “newest shiny ball.”

“The stop-loss market can help you assess the value of the given solution, and then educating the client and broker on that value enables you to control the number of point solutions you are asked to support,” says Archer. “To the extent you can reduce the number of vendors involved will reduce some of the complexities in the market, which should have a positive impact on costs. While this certainly won’t solve all of the issues inherent in the current market environment, it is certainly a way to improve things without compromising the needed cost controls.”



Nick Soman, CEO

Nick Soman, CEO of Decent shares that his organization is building out a suite of point-solution vendors for their level funded health plans built around

Direct Primary Care (DPC). These vendors provide convenient and affordable care delivery and care management to their members in the form of virtual visits, asynchronous recommendations, and remote patient monitoring to support preventive care and chronic care management. The top priorities include musculoskeletal health, diabetes and behavioral health.

“We are not experiencing vendor fatigue because of our unique approach and the support of our partners, including Health Rosetta and Architect Health,” says Soman. “The vendor experiences of the incumbents before us have taught us about the dos and don’ts of vendor identification, evaluation, procurement, contracting, and management. As a result, we are taking a very specialized approach to working with vendors.”

Soman defines his requirements as three-fold:

1. Is this affordable for our members?
2. Will the member experience be exceptional?
3. Do we like you - do we see the world in a similar way and have that trust?

“This includes ensuring the solutions we work with exceed the expectations of our members and will we want to and be able to stand behind it, in full confidence,” he expands. “Health Rosetta guides us on learnings from other plan architects historically, and Architect Health helps us navigate the complex world of virtual care.”

He points out the benefits of working with Architect Health, a virtual care point-solution aggregator, evaluator, and vendor manager, in providing vendor fatigue defense infrastructure and protection.

“As a trusted vertical platform that identifies, evaluates, curates, contracts with, manages, and reports on virtual care point solutions, Architect enables us to introduce the right solutions to the right members at the right time for the right price,” he attests. “This ensures we are relieved of any admin burden and are bringing on the most efficacious and high ROI solution for our members with transparency information and data - saving us time and money.”

Soman characterizes point-solution fatigue as a nightmare, adding, “Not only does it slow down the path of innovation, but it also contributes to the snowball effect of uncontrolled costs and spending. With an excess of vendor point-solutions, plan architects experience a bottleneck effect with any new high need solution that needs to be adopted.”

He describes the challenge of working with existing solutions that continue to bleed the organization dry of capital and lead to an administrative catastrophe of solution performance and ROI that remain unchecked and unaudited. He also says the weight of the solutions leads to a collapse of the organization as active vendor contracts become lost within the organization with no management and utilization or engagement and, worse, duplicative purchasing.

“The work we’re doing with Health Rosetta and Architect Health to reduce point solution fatigue by making select curated and well-evaluated vendor decisions at the right time helps us manage vendors easily and ensure they are extracting value from the solution with a clear and transparent ROI,” says Soman.

## PBM POINT SOLUTION CHALLENGES

Pharmacy Benefits Managers are under attack. The Federal Trade Commission recently issued a much-anticipated report slamming the PBM industry for manipulating the drug supply chain to profit at the expense of patients and independent pharmacists. Top executives at the “big three” have even been threatened with criminal charges and now face FTC lawsuits. Employers are now getting sued for bloated drug costs because they’re not performing as a responsible fiduciary.

Many self-insured companies are hoping that point solutions will get to the truth of their PBM program, with payment integrity vendors looking to make sure that the PBM is adhering to the contract.

Mary Ann Carlisle, Chief Revenue Officer and Chief Operating Officer, ELMCRx Solutions, observes, “Maybe 10% of employers that have self-funded Rx programs actually hire an auditor at the end of the year to review these programs and ensure that PBMs live up to their promises. But the fact is that PBMs don’t live up to any of their promises, and 90% of the plans aren’t even checking to see whether they’ve delivered. So, you have a number of point solutions out there dealing with transparency and fiduciary responsibilities, and that’s a big deal.”

She describes a perfect example: the craze about weight loss drugs.

“Until this year, the PBMs just approved all the Ozempic-GLP-1 claims that came in, which is only approved by the FDA for type two diabetes,” explains Carlisle. “As a result, a tremendous number of claims were paid on the non-specialty side of the house, which had been flat for a long time and all of a sudden were going through the roof – largely from these drugs.”

She says that while the PBMs have put in some type of screening for these claims, it’s still very weak.

“That’s where our program and others carve out that particular area with the addition of an improved service,” she continues. “In terms of a point solution, the objective is to put in something that improves the PBM services, with results that demonstrate far better outcomes for the member and for the plan, replacing what the PBM is offering.”

Carlisle and others are trying to combat escalating cost and promote adherence to treatment. But they are also trying to deal with the fiduciary responsibilities of the plan to make sure there’s optimal compliance.

“We also want to address prior authorizations,” she says. “If the PBM performs the prior authorizations, then often it’s too late to implement the point solution because they’re already putting people on these drugs without any intervention. And keep in mind that the PBMs are not only doing the prior authorizations, but they’re also actually fulfilling the prescriptions. A point solution intervenes before the care is approved, and employers can ultimately control the costs that are going to be paid. This is where prior authorization becomes an extremely big part of business.”

For the most part, she contends that most brokers and TPAs aren’t thinking about these issues and just assume the PBM does the prior authorizations and now the payment follows.



With rising medical costs, self-funded employers are looking more closely at the payment integrity measures implemented by their benefit administrators.

## Are you prepared to address inappropriate medical spend?

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- Lower administrative costs
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“That approach misses out on a whole lot of wonderful prior point solutions, not all of which we own, by the way,” says Carlisle. “There are a lot of really good ones out there that have nothing to do with our organization, but the best way of implementing those point solutions is by having an intervening, external prior authorization process.

A good part of vendor fatigue is maintaining multiple contracts. She believes employers should be looking for a consolidated approach with all these different vendors under one hood to tackle these issues, adding,

### SIMPLIFYING HEALTHCARE

As plan sponsors tackle an increasingly complex healthcare landscape, they encounter a myriad of challenges in managing multiple-point solution vendors. The resulting vendor fatigue poses barriers to consolidating data, choosing the best possible solutions to minimize overall healthcare spending and optimizing member engagement to improve care and health outcomes.

Today, there is growing consensus that a single, integrated platform of solutions is far more convenient, effective and efficient, enabling self-insured employers to communicate and collaborate with one touchpoint and simplify all healthcare processes.

Chris McLellan, Director of Operations, MedWatch, highlights the benefits of working with a consolidated platform: “This approach reflects the dedication of considerable resources to sourcing, reviewing, and operationalizing high-quality vendors, ensuring clients receive solutions tailored to their health plans. This ensures seamless implementation, ongoing support and enhanced reporting.”



Chris McLellan

McLellan also emphasizes the importance of proper vendor vetting, adding, “While vendors are essential in the healthcare continuum and can offer significant savings to health plans, alignment with the health plan’s goals is crucial. Effective vendor management ensures seamless operations and optimal outcomes.

Since healthcare coverage is often an employer’s largest expense, McLellan observes that pursuing savings across multiple vendors can “...fragment care, undermine outcomes, and diminish the member experience.

Employers need a trusted partner in cost containment, one that continually evolves to provide solutions that maximize client value. Meticulous vetting is a key process that saves companies time and effort, ensuring that only the highest-quality vendors meet quality standards.”

The need for healthcare simplification is captured in the perspective Rob Gelb, Chief Executive Officer of Välenz® Health, “We continuously hear about the challenge of point solution fatigue and desire to simplify healthcare. Everyone agrees the self-insured community needs a smarter, better, faster path to consolidating solutions rather than managing multiple vendors and data streams.”



Rob Gelb

To accomplish this goal, Gelb has expanded its configurable solutions to optimize the cost, quality and utilization of high-value care.

“With the recent acquisition of Healthcare Bluebook™ – and America’s largest cost and quality data set – we are addressing the unmet needs of the market and solving point solution fatigue by simplifying healthcare with one platform, one source of transparent data and one partner,” concludes Gelb. ■

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