High Deductible Health Plans and the Changing Landscape

Agenda

• High Deductible Health Plans: Pros and Cons
  – Neeraj Sood, Ph.D., Professor and Vice Dean, Sol Price School of Public Policy & USC Schaeffer Center, University of Southern California

• Experience with Consumer-Based Health Plans
  – Samanntha DuBridge, Vice President Global Benefits, Hewlett Packard Enterprise

• McKesson’s Health Benefits Journey
  – Gerri Burruel, Vice President of Benefits, McKesson

• High-Deductible Health Plans Raise Concerns
  – Dena B. Mendelsohn, Senior Attorney, Consumers Union
Kathy Donneson, Chief
Health Plan Administration Division
CalPERS

Moderator
High Deductible Health Plans and the Changing Landscape

Focus on Value and Alternatives

- HMO’s (9)
- PPO’s Self-Funded (3)
- Association Plans (3)
High Deductible Health Plans and the Changing Landscape

Intersecting Viewpoints and Evidence

- CalPERS
- California Human Resources (CalHR)
- Public Agency/School Employers
- CalPERS Membership
- Health Plans
- Stakeholders
High Deductible Health Plans: Pros and Cons

Neeraj Sood, Ph.D.
University of Southern California

July 17, 2018
What are HDHPs?

• Health insurance plans with a deductible of at least $1,250 for individual coverage and $2,500 for family coverage

• Often associated tax free health savings account
  – These are called “Consumer Directed Health Plans”

• Implications for out of pocket costs
  – Consumers have to pay more out of pocket for health care before insurance begins covering costs
  – Lower premiums

• Attractive for healthy consumers who have low expected health care use
High Deductible Health Plans and the Changing Landscape

HDHPs are becoming increasingly popular

2006
4% of employees had HDHPs

2016
29% of employees have HDHPs

Source: Kaiser/HRET Survey of Employer Sponsored Health Benefits
High Deductible Health Plans and the Changing Landscape

HDHPs reduce health care costs

Impact of Enrolling in High Deductible Health Plan on Costs

- Year 1: -22%
- Year 2: -13.50%
- Year 3: -8.50%

Savings driven by reductions in outpatient and drug spending

Little or no effect on ER or inpatient spending

Source: Haviland et. al., 2015. “Do CDHPs Bend the Cost Curve Over Time?”
HDHPs encourage favorable selection

• HDHPs experience favorable selection:
  – Using data from 16 large employers we found that HDHP enrollees expected health care costs were about 25% lower than traditional plan enrollees (McDevitt et al. 2013)
  – 20% HDHP enrollment will increase premiums of traditional plan by 5%

• Favorable selection can be reduced by:
  – Employer contributions to HSAs
  – Higher employee premium savings from HDHP enrollment
High Deductible Health Plans and the Changing Landscape

HDHPs increase financial burden, especially for low-income families

A. Entire Population

B. Lower-Income Population

Percentage of Enrollees Having Excessive Financial Burden

0% 20% 40% 60%

CDHP Group
Traditional Plan Group

Pre 2 years Pre 1 year Post 1 year Post 2 years

Percentage of Enrollees Having Excessive Financial Burden

0% 20% 40% 60%

CDHP Group
Traditional Plan Group

Pre 2 Years Pre 1 Year Post 1 Year Post 2 Years
High Deductible Health Plans and the Changing Landscape

HDHPs increase financial burden, especially for chronically ill

A. Entire Population

Percentage of Enrollees Having Excessive Financial Burden

CDHP Group  Traditional Plan Group

Pre 2 years  Pre 1 year  Post 1 year  Post 2 years

0%  20%  40%  60%

C. Population With Chronic Conditions

Percentage of Enrollees Having Excessive Financial Burden

CDHP Group  Traditional Plan Group

Pre 2 Years  Pre 1 Year  Post 1 Year  Post 2 Years

0%  20%  40%  60%
Are cost savings achieved by smarter or value based decision?

• Costs = Price x Quantity

• Smarter quantity choices:
  – Reduce use of low value care
  – Increase use of high value care

• Smarter price choices:
  – Price shop for care
    • User lower priced providers
    • User lower priced services
How are cost savings achieved?

• Preventive care is:
  – perceived as “high value” care
  – carved out of the deductible (HDHPs have little or no cost-sharing for preventive care)

• We answer: What is the impact of HDHPs on use of preventive care?
  – Focus on cancer screening for 3 types of cancer: breast, colon and cervical
  – Screening rate increased in anticipation of HDHP offer and enrollment
  – HDHP offer and enrollment had no effect on cancer screening rates
How are cost savings achieved?

• Drugs for chronic illness is a good case study:
  – Perceived as “high value” care
  – Repeat purchase and non-trivial cost
  – Lower cost alternatives available
HDHPs and Drug Utilization

• Enrollment in HDHPs can influence utilization along three dimensions
  – Stocking drugs when out-of-pocket prices are low
  – Switching to generics or lower priced drugs
  – Reducing utilization (not a good idea for drugs that are cost-effective)

• We analyze response along these three margins for 3 drug classes:
  – Diabetes
  – Statins
  – Antihypertensives
Findings

- Purchases spike for CDHP firm in late 2004
- Purchases dip for CDHP firm in early 2005
- Pattern suggests stocking or timing response
- *Days used* suggests reduced utilization
- Use of lower cost drugs increases
How are cost savings achieved?

• Do HDHPs reduce use of “low-value” services?
• Used data from a large commercial insurer
• Difference-in-Difference analysis with exact matching
• Analyzed use of 26 outpatient low-value services based on Choosing Wisely and literature:
  – triiodothyronine measurement in hypothyroidism
  – imaging for nonspecific low back pain
  – imaging for uncomplicated headache
  – spinal injection for lower-back pain
High Deductible Health Plans and the Changing Landscape

HDHP enrollment has little or no effect on low-value care

- Enrollment in HDHPs reduced outpatient spending by $231 (CI: 342 – 122)
- Enrollment in HDHPs had no statistically significant effect on low-value spending
- Enrollment in HDHPs had no statistically significant effect on low-value spending per $10,000 in outpatient spending
  - Point estimate was reduction in spending of $7.86 per $10,000 of spending (CI: -18.4 – 2.72)

Do HDHPs Lead to Smarter Price Choices?
High deductible health plans don’t encourage price shopping

Price-shopping behavior and perceptions from a national survey

- Compared prices
  - Traditional Plan: 2.7
  - High Deductible Plan: 3.8

- Consider another health provider
  - Traditional Plan: 10
  - High Deductible Plan: 10.9

Source: Sinaiko et al., 2016, “Cost-sharing obligations, high-deductible health plan growth, and shopping for health care: enrollees with skin in the game.”
Conclusions…

• Pros
  – Several large employers offer HDHPs
  – Evidence that HDHPs lower health care costs
  – Little or no evidence of increase in ER or inpatient costs
  – Little or no evidence of decline in use of preventive care

• Cons
  – Modest increase in premiums for traditional plans due to favorable selection
  – Financial burden for low-income and chronically ill
  – Reduction in use of medications for chronic illness
  – Little or no evidence of decline in use of low-value care
  – Little or no evidence of increase in price-shopping
Acknowledgements

• Co-authors
  – Matthew Eisenberg (Johns Hopkins)
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  – Rachel Reid (RAND)
  – Anna Sinaiko (Harvard)
  – Erin Trish (University of Southern California)
  – Zach Wagner (Stanford)
  – Xinke Zhang (University of Southern California)

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  – NIHCM Foundation grant
  – California Health Care Foundation grant
Papers

• This presentation is based on the following papers:


High Deductible Health Plans and the Changing Landscape

Papers


Experience with Consumer-Based Health Plans

Samanntha DuBridge
Hewlett Packard Enterprise (HPE)

July 17, 2018
High Deductible Health Plans and the Changing Landscape

HPE Health Care Focus

- Offer a range of health benefit options to meet varying employee needs
- Provide tools, incentives and/or seed amount in HRA and HSA accounts to encourage efficient enrollment decisions
- Educate and promote health care consumerism throughout the year
- Incorporate strong focus on prevention and wellness
- Leverage scale to access leading networks and care management services
## High Deductible Health Plans and the Changing Landscape

### Comparison of HPE’s Consumer-Based Plans

<table>
<thead>
<tr>
<th>CDHP with Health Reimbursement Account (HRA)</th>
<th>HDHP with Health Savings Account (HSA)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>100% coverage after out-of-pocket limit</strong></td>
<td><strong>100% coverage after out-of-pocket limit</strong></td>
</tr>
<tr>
<td>($2,600 Single/$5,200 Family)</td>
<td>($3,600 Single/$7,200 Family)</td>
</tr>
<tr>
<td><strong>Plan pays 80%</strong></td>
<td><strong>Plan pays 80%</strong></td>
</tr>
<tr>
<td><strong>Member pays 20%</strong></td>
<td><strong>Member pays 20%</strong></td>
</tr>
<tr>
<td><strong>Member pays deductible using account first</strong></td>
<td><strong>Member pays deductible; account funds can be used as available</strong></td>
</tr>
<tr>
<td><strong>Deductible reduces cost and utilization by encouraging good behaviors</strong></td>
<td><strong>HPE-Funded HRA</strong></td>
</tr>
<tr>
<td><strong>HPE-Funded HRA</strong></td>
<td><strong>$500 Single / $1,000 Family</strong></td>
</tr>
<tr>
<td><strong>Tax-free account</strong></td>
<td><strong>Employee can contribute up to a total of $3,450 Single/$6,850 Family</strong></td>
</tr>
</tbody>
</table>

**Note:** Assumes in-network providers are used
## High Deductible Health Plans and the Changing Landscape

### Tax-Free Account Comparison: HRA vs HSA

<table>
<thead>
<tr>
<th></th>
<th>Health Reimbursement Account</th>
<th>Health Savings Account</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Availability of funds</strong></td>
<td>• Full amount is available right away</td>
<td>• As contributions are made</td>
</tr>
<tr>
<td><strong>Investment potential</strong></td>
<td>• No interest or investment earnings</td>
<td>• Can grow with investment earnings</td>
</tr>
<tr>
<td><strong>Tax-free advantage</strong></td>
<td>• Employer contributions • Reimbursements</td>
<td>• Employee and employer contributions • Investment earnings • Reimbursements</td>
</tr>
<tr>
<td><strong>Flexibility</strong></td>
<td>• Balance carries over from year to year but only while employee continues to participate in CDHP with HPE</td>
<td>• Spend now or in the future • Change contributions during the year • Account continues even if change plans, leave the company or retire</td>
</tr>
<tr>
<td><strong>Integration with Health Care Spending Account</strong></td>
<td>• No restrictions—can offer pre-tax FSA for all eligible health care expenses</td>
<td>• Can only offer a limited purpose FSA—for dental, vision and post-deductible medical and RX expenses</td>
</tr>
</tbody>
</table>
High Deductible Health Plans and the Changing Landscape

HPE Health Philosophy Leading to HDHP+HSA

- Use plan design to drive consumerism
- Ensure appropriate cost-sharing
- Manage employee health and well-being
- Leverage efficient delivery systems
High Deductible Health Plans and the Changing Landscape

Pathway to Success

- Planning and design
- Education
- Tools
- Regulatory

SUCCESS
High Deductible Health Plans and the Changing Landscape

Communicating the Change

Comparison Flyer

Proprietary and Confidential: Content cannot be used without permission from HPE
McKesson’s Health Benefits Journey

Gerri Burrueol
Vice President – Benefits
McKesson

July 17, 2018
High Deductible Health Plans and the Changing Landscape

CY19 Plan
Completes Strategic Shift to HSA Plans

HSA strategy is working.
When members own their HSA dollars, they make different and better choices on where and when to access care.

Guiding Principles
- Focus on a healthy and productive workforce
- Use our Total Rewards package to attract and retain top talent
- Anticipate unprecedented change and constant state of flux in healthcare landscape
- Evaluate, adjust and navigate changes to our healthcare offerings in a holistic way
- Lower our healthcare trend

A healthy and productive workforce is McKesson’s competitive advantage.
**Benefits Planning Evolves to Promote Consumerism and Mitigate Trend**

<table>
<thead>
<tr>
<th>2012</th>
<th>2013</th>
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</thead>
<tbody>
<tr>
<td>• CVS Caremark became Rx provider for Anthem</td>
<td>• <strong>Added the HDHP plan option</strong></td>
</tr>
<tr>
<td>• <strong>Added incentives and premium savings for Vitality participation</strong></td>
<td>• CDHP member responsibility, deductible and maximum OOP increased</td>
</tr>
<tr>
<td>• Specialty drugs eliminated from mail order</td>
<td>• Coinsurance changed from 85% to 80% (in-network) and 65% to 60% (out-of-network)</td>
</tr>
<tr>
<td>• Medical Associates changed from HMO plan to CDHP</td>
<td>• Increased deductibles and OOP maximums for HMO/EPO plans.</td>
</tr>
<tr>
<td>• Increase in copays and coinsurance amounts under HMO and EPO plans</td>
<td>• Step therapy implemented for prescription drug coverage</td>
</tr>
<tr>
<td>• WorkLife benefits added to EAP</td>
<td></td>
</tr>
</tbody>
</table>

**Financial Result**

- 2012: $13M Surplus (FY13)
- 2013: $20M Surplus (FY14)
### High Deductible Health Plans and the Changing Landscape

#### Benefits Planning Evolves to Promote Consumerism and Mitigate Trend

<table>
<thead>
<tr>
<th>2014</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Employees given choice of carrier</strong> — Aetna and Cigna available in all states except Hawaii, Anthem and UnitedHealthcare available in certain states</td>
<td><strong>Certain generic preventive medications available at no cost to employees under the HDHP</strong></td>
</tr>
<tr>
<td>Tobacco-free pledge no longer lowered medical premiums</td>
<td>Increased deductible and out-of-pocket amounts for the CDHP Premier Plus, HMOs and EPOs</td>
</tr>
<tr>
<td>New salary band tier added</td>
<td>For HDHP and CDHP, non-emergency out-of-network services charged on a percentage of Medicare’s fee schedule</td>
</tr>
<tr>
<td>Cover gender reassignment surgery</td>
<td>Group Health Cooperative HMO in Washington no longer a plan option</td>
</tr>
<tr>
<td>COE hip and knee program</td>
<td><strong>Increased premium savings for Vitality Gold Status</strong></td>
</tr>
<tr>
<td></td>
<td>• Added Castlight</td>
</tr>
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<td></td>
<td>• Added Best Doctors</td>
</tr>
<tr>
<td></td>
<td>• Added Accordant Rare Conditions Program</td>
</tr>
</tbody>
</table>

#### Financial Result

- **2014**: $19.8M Deficit (FY15)
- **2015**: $1M Surplus (FY16)
Long Term Health Benefits Planning — Consumerism with HSAs

<table>
<thead>
<tr>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>• HSA Plus plan option made available</td>
<td>• Eliminate Medical Associates medical plan</td>
</tr>
<tr>
<td>• HSA members given choice of carriers</td>
<td>• Enhance HSA generic Rx list and add Advanced Specialty Preferred Rx list</td>
</tr>
<tr>
<td>• CDHP Premier and Premier Plus plans discontinued</td>
<td>• Eliminate Healthcare FSA grace period</td>
</tr>
<tr>
<td>• 2016 HRA dollars don’t roll over</td>
<td>• Add telemedicine to Anthem and Cigna medical plans</td>
</tr>
<tr>
<td>• UnitedHealthcare no longer available as a carrier option</td>
<td></td>
</tr>
<tr>
<td>• HMO/EPO deductibles and out-of-pocket maximums increased</td>
<td></td>
</tr>
<tr>
<td>• Employed spousal surcharge implemented</td>
<td></td>
</tr>
<tr>
<td>• Dependent SSN required for coverage</td>
<td></td>
</tr>
<tr>
<td>• Retiree plan moved to private exchange</td>
<td></td>
</tr>
</tbody>
</table>

**Financial Result**

2016: $1.5M Surplus (FY17)

2017: $8M Surplus expected (FY18)
### High Deductible Health Plans and the Changing Landscape

**Long Term Health Benefits Planning — Consumerism with HSAs**

<table>
<thead>
<tr>
<th>2018</th>
<th>2019</th>
<th>2020 and beyond</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Replace Kaiser HMO with Kaiser HSA Plus plan</td>
<td>• Eliminate CDHP HRA Core medical plan option</td>
<td>• Enhance support of onsite health coaching and education</td>
</tr>
<tr>
<td>• <strong>Freeze HRA Core plan enrollment for new enrollees as of 10/1/17</strong></td>
<td>• Medical RFP in process</td>
<td>• Support for members to access appropriate channel of care through enhanced employee experience</td>
</tr>
<tr>
<td>• Eliminate Tufts &amp; UPMC</td>
<td>• Add autism support benefits</td>
<td>• Monitor impact of Cadillac Tax (postponed to 2022)</td>
</tr>
<tr>
<td>• Eliminate Aetna and Cigna HMOs and EPOs</td>
<td>• Targeted onsite pilot programs to encourage employee behavior change and improve biometric screening results</td>
<td></td>
</tr>
<tr>
<td>• <strong>Add incentive for Vitality Platinum Status</strong></td>
<td>• Part-time employee benefits</td>
<td></td>
</tr>
<tr>
<td>• <strong>Adjust two lower pay bands ($40k moves to under $45k, and $40-$80k moves to $45k-$80k)</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Add telemedicine to Aetna medical plan</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Add HIV as a condition to the Accordant Rare Conditions Program</td>
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</tr>
</tbody>
</table>

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*CalPERS*
HSA members aren’t avoiding medical care*, in fact…

- Office visit utilization increased approximately 2%
- Emergency room visits decreased 3%
- Days supply of prescription drugs up nearly 8% - overall members are continuing to adhere to their medications
- Generic prescription efficient rate up by over 1% — an indicator of cost-conscious behavior

When members own their HSA dollars, they make different and better choices on where and when to access care.

*Based on members that were continuously enrolled in an HRA Core plan throughout 2015, migrated into an HSA plan in 2016 and remained enrolled throughout the whole year.
Overall HSA enrollment increased by 22% (~2,300 employees):

- Gains were seen in both HSA (+17%) and HSA Plus (+25%) plans
- The number of employees contributing to an HSA increased 17%
- 7% increase in average employee HSA contribution amount

Annual Enrollment Survey Results – Good Understanding and Positive Perception

- **80%** Good understanding of healthcare plans (78% in 2017)
- **Perceived affordability** is the #1 influence on HSA contributions
- **73%** Healthcare benefits meet my needs (75% in 2017)

<table>
<thead>
<tr>
<th>Benefits-Eligible Population</th>
<th>Survey Participants</th>
<th>Survey Response Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>20,176</td>
<td>7,688</td>
<td>38% (27% in 2017- included MTI)</td>
</tr>
</tbody>
</table>
High-Deductible Health Plans Raise Concerns

Dena B. Mendelsohn
Senior Attorney
Consumers Union, the Advocacy Division of Consumer Reports

July 17, 2018
High Deductible Health Plans and the Changing Landscape

Yes, this Consumer Reports
High-Deductible Health Plans Raise Concerns

How to Survive a High-Deductible Health Plan

Knowing you’re on the hook for thousands in medical bills might make you less likely to seek care you need. Here’s how to save money and stay safe.

By Donna Rosato
November 17, 2016

118 SHARES
The theory behind HDHPs

The theory: consumers with more “skin in the game” will become conscientious shoppers, saving healthcare dollars and improving efficiency.

The reality: savings achieved through HDHPs can come at the expense of enrollees’ health and/or financial well-being.
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Premiums may be down but costs are up

Cumulative increases in health costs, amounts paid by insurance, amounts paid for cost sharing and workers wages, 2005–2015

Enrollees have more “skin in the game” but little equipment or protective gear

To price shop effectively, patients need to compare prices and health outcomes among care providers.

– Price transparency
– Information about quality

Shopping for healthcare will never be like shopping for other things. The stakes are too high and the amount of relevant and accurate information is too low. Plus, it is very difficult for the average consumer to understand insurance products and complex benefit designs.
High Deductible Health Plans and the Changing Landscape

HDHP is a blunt instrument that demands of enrollees something they cannot fulfill.

Source: Health Care Cost Institute, Spending on Shoppable Services in Health Care, (March 2016).
How much is that angioplasty in the window?

• Existing price transparency tools are of limited use.

• Only a small fraction of patients who know about price transparency tools actually use them, and even fewer use them prior to receiving care. High deductibles do not change this fact.

• Price shopping does not reduce spending.

• Patients feel helpless when it comes to healthcare costs.
# High Deductible Health Plans and the Changing Landscape

## How to Get High-Quality, Low-Cost Healthcare

### Ratings of Cost and Quality Tools

<table>
<thead>
<tr>
<th>INSURANCE COMPANY TOOLS</th>
<th>Overall Score</th>
<th>Features</th>
<th>Shows Value (Cost &amp; Quality)</th>
</tr>
</thead>
<tbody>
<tr>
<td>National Plan</td>
<td>Ease of Use</td>
<td>Functionality</td>
<td>Content</td>
</tr>
<tr>
<td>Cigna</td>
<td>84 (Green)</td>
<td>1 (Green)</td>
<td>1 (Green)</td>
</tr>
<tr>
<td>UnitedHealthcare</td>
<td>82 (Green)</td>
<td>1 (Green)</td>
<td>1 (Green)</td>
</tr>
<tr>
<td>Aetna</td>
<td>77 (Orange)</td>
<td>1 (Green)</td>
<td>1 (Green)</td>
</tr>
<tr>
<td>Anthem Blue Cross Blue Shield</td>
<td>73 (Orange)</td>
<td>1 (Green)</td>
<td>1 (Green)</td>
</tr>
<tr>
<td>Humana</td>
<td>69 (Orange)</td>
<td>1 (Green)</td>
<td>1 (Green)</td>
</tr>
<tr>
<td>Kaiser</td>
<td>55 (Red)</td>
<td>1 (Green)</td>
<td>1 (Green)</td>
</tr>
</tbody>
</table>
# High Deductible Health Plans and the Changing Landscape

## How to Get High-Quality, Low-Cost Healthcare

### Ratings of Cost and Quality Tools

**STAND-ALONE WEBSITES**

<table>
<thead>
<tr>
<th>Website Name</th>
<th>Overall Score</th>
<th>Ease of Use</th>
<th>Functionality</th>
<th>Content</th>
<th>Scope &amp; Reliability</th>
<th>Out-of-Pocket Estimates</th>
<th>Reliable Cost Estimates</th>
<th>Provider-Specific Pricing</th>
<th>Quality Information for Hospitals</th>
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<tr>
<td>Amino</td>
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<td>NH HealthCost</td>
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<td>CO Medical Price Compare</td>
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<td>Healthcare Bluebook</td>
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<td>FAIR Health²</td>
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</table>
Quality of care must also be a factor

“Prices vary a lot, but quality does, too,” warns Orly Avitzur, M.D., a neurologist and medical director of Consumer Reports. When one of her patients, Amir Goen, 42, of Tarrytown, N.Y., needed an MRI recently, he found that the prices for the test in his area varied by hundreds of dollars. He consulted with Avitzur, who advised him to ask about the strength of the magnets used in the imaging. Goen discovered that the cheapest MRI didn’t use the highest-strength magnet—but neither did the priciest one.
High Deductible Health Plans and the Changing Landscape

Healthcare costs are a barrier to access for the uninsured as well as the insured, particularly for those insured by HDHPs.

About 1 in 10 adults report that they delayed or did not get care because of its cost

Source: Kaiser Family Foundation analysis of National Health Interview Survey • Get the data • PNG
High Deductible Health Plans and the Changing Landscape

Drops in care for HDHP enrollees: reduction in both high- and low-value care

<table>
<thead>
<tr>
<th>Reduction in high-value care</th>
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</thead>
<tbody>
<tr>
<td>Mental healthcare services</td>
<td>-5%</td>
</tr>
<tr>
<td>Physical therapy services</td>
<td>-30%</td>
</tr>
<tr>
<td>Diabetes drugs</td>
<td>-48%</td>
</tr>
<tr>
<td>Statins for cholesterol management</td>
<td>-20%</td>
</tr>
<tr>
<td>Antidepressants</td>
<td>-18%</td>
</tr>
<tr>
<td>Hypertension drugs</td>
<td>-24%</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Reduction in low-value care</th>
<th></th>
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</thead>
<tbody>
<tr>
<td>CT scans for sinuses with acute sinusitis</td>
<td>-26%</td>
</tr>
<tr>
<td>Back imaging for nonspecific low back pain</td>
<td>-21.3%</td>
</tr>
<tr>
<td>Head imaging for uncomplicated headaches</td>
<td>-31%</td>
</tr>
<tr>
<td>Colorectal cancer screenings for patients under 50</td>
<td>-26%</td>
</tr>
<tr>
<td>Antibiotics for acute respiratory infections</td>
<td>-44.%</td>
</tr>
</tbody>
</table>

Even drops in *free* healthcare
Missed or delayed care can have harmful and irreversible effects on an employee’s health

Monique Dow, a 46-year-old mother of two from Watsonville, Calif., who had a $6,000 deductible with her family’s health insurance plan, the only option offered by her husband’s employer. For months she put off surgery to remove what her doctor thought were benign fibroid tumors and a polyp in her uterus. When she eventually scheduled surgery after working out a payment plan with a hospital, the polyp was found to be cancerous, requiring a hysterectomy. “I waited all that time, not knowing that I had this growing in me,” Dow says. “If we had a lower deductible, I probably would have been treated a lot sooner.” Dow is cancer-free but requires frequent monitoring. Now she’s weighing another insurance dilemma because her husband started a new job. A high-deductible plan is one choice, but it’s an option they want to avoid, she says.

Consumer Reports, How to Survive a High-Deductible Health Plan, (November, 2016).
A better way to partner with enrollees on costs

• Rethink benefit design
  – Put all or most outpatient services outside the deductible
  – Affordable and predictable cost-sharing
  – Reference pricing
  – Value-based insurance design

• Provide usable information to help distinguish between low- and high-value care.

• Optimize your network
Thank you

– Contact: Dena.Mendelsohn@consumer.org

– Visit us at ConsumersUnion.org

– Follow us at @ConsumersUnion
Panel
Questions and Answers
Question 1

Do High Deductible Health Plans Discourage Patients from Seeking the Care they Need?
Question 2

Why aren’t other tools that influence provider charging and consumer shopping used instead of high deductible designs; i.e. reference pricing?
Question 3

Are High Deductible Health Plans trading short term savings for more expensive care in the longer term?
Open

Q A