

# High Deductible Health Plans and the Changing Landscape

July 17, 2018

# 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 Burrue, 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



# Focus on Value and Alternatives



HMO's  
(9)



PPO's Self-Funded (3)



Association  
Plans (3)



# 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.

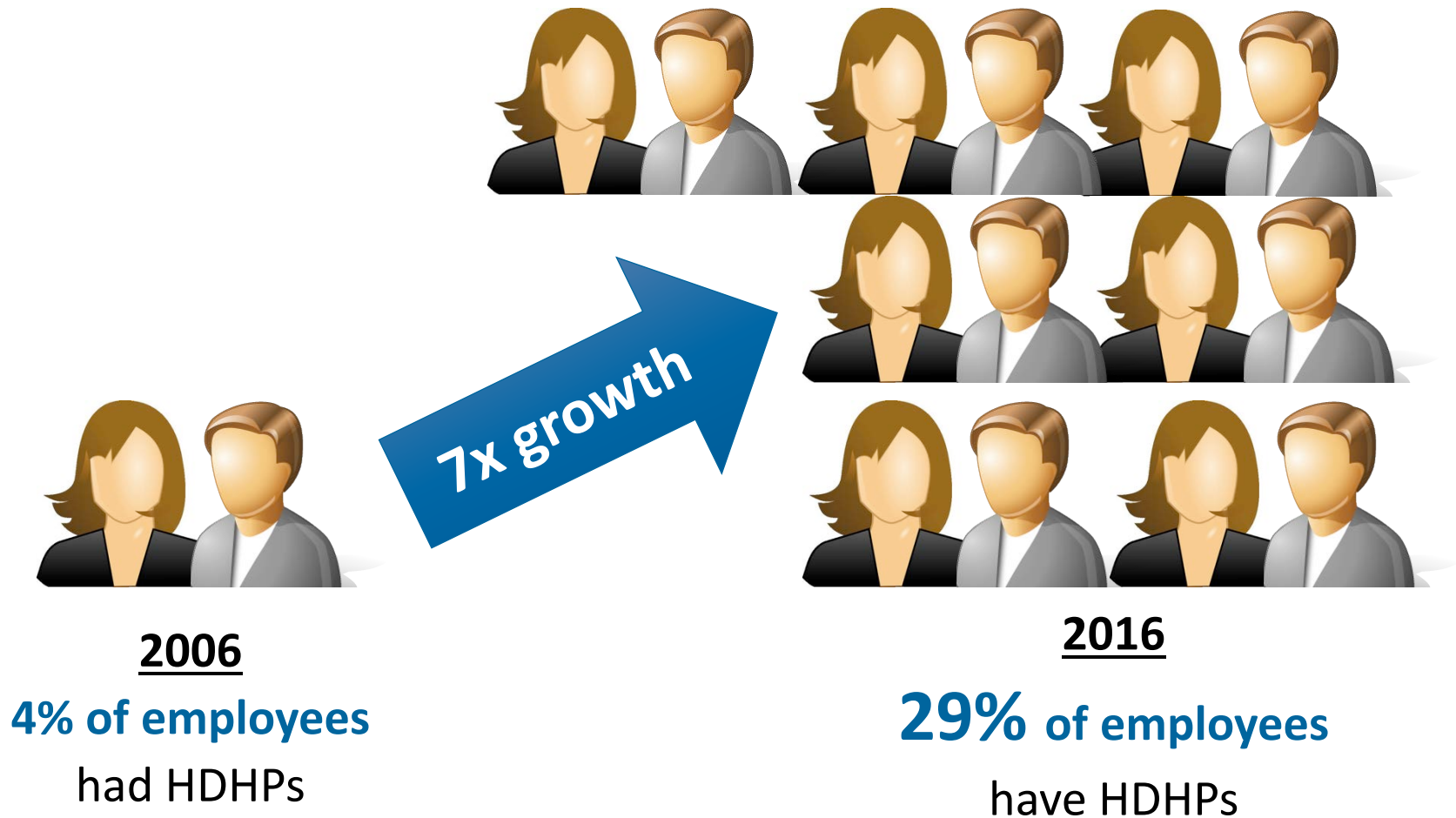
University of Southern California

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

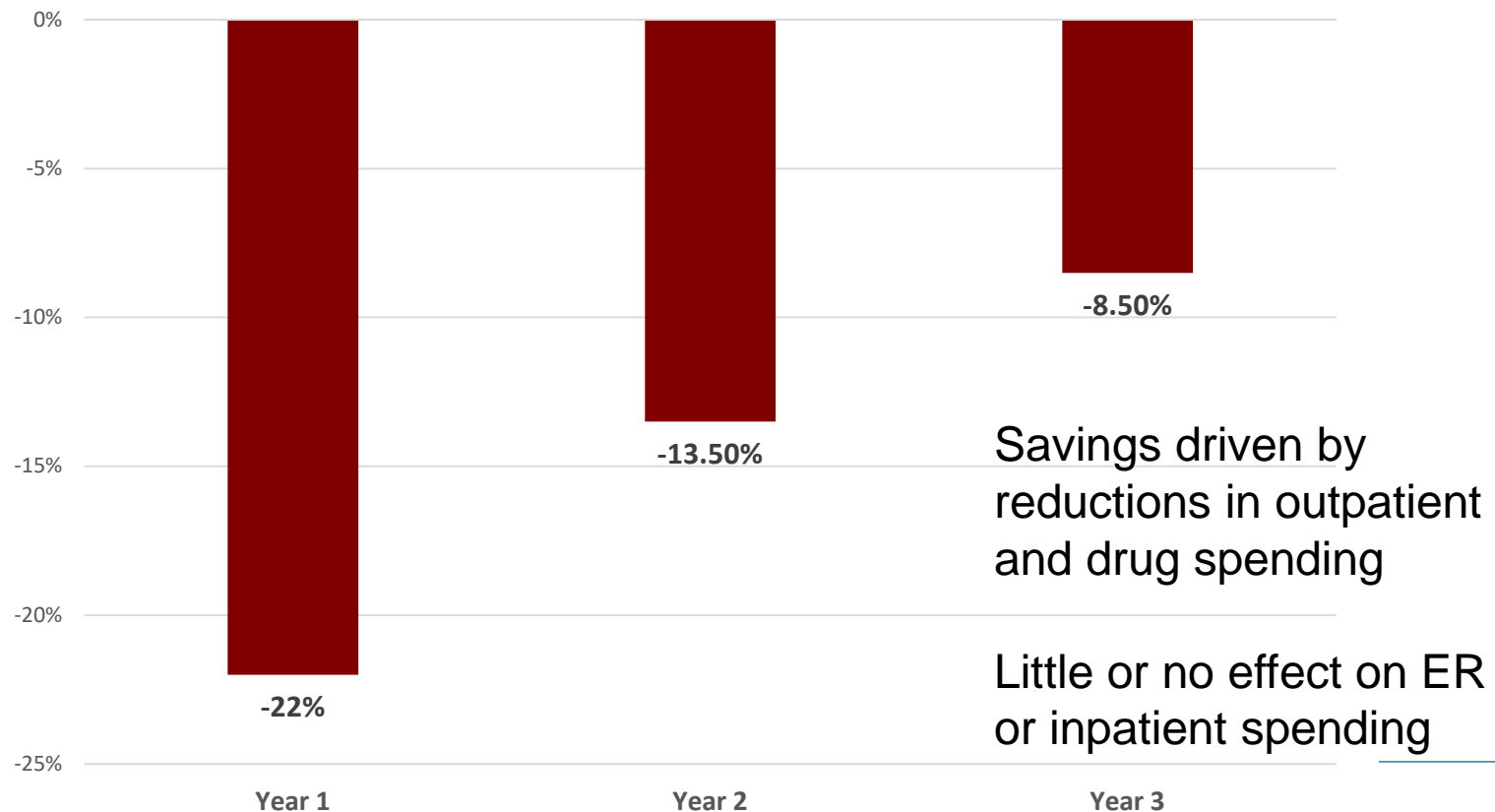
# HDHPs are becoming increasingly popular





# HDHPs reduce health care costs

Impact of Enrolling in High Deductible Health Plan on Costs

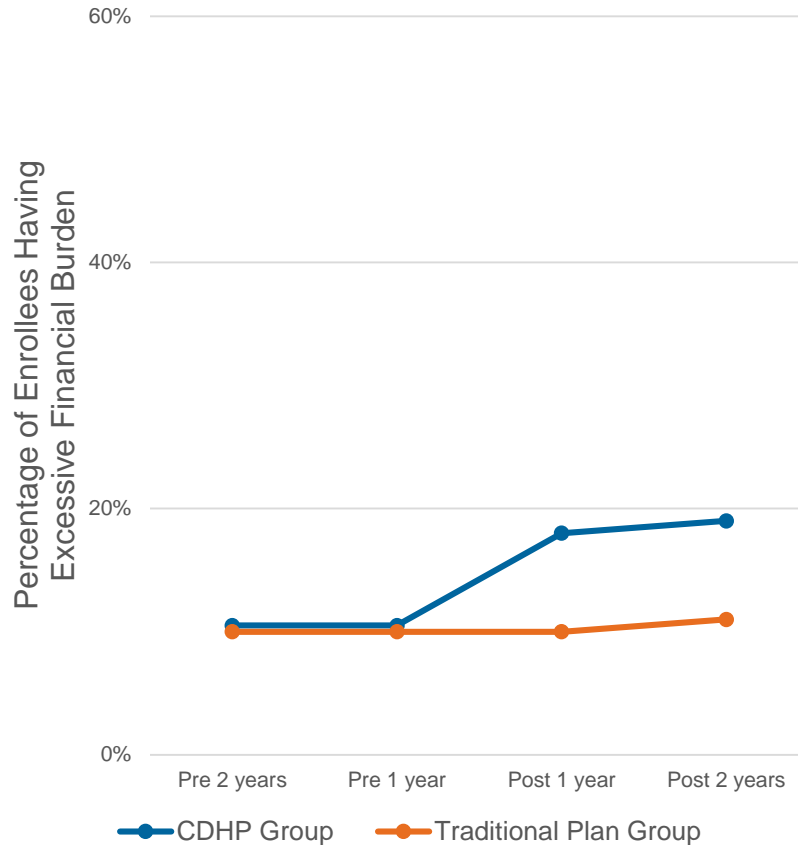


# HDHPs encourage favorable selection

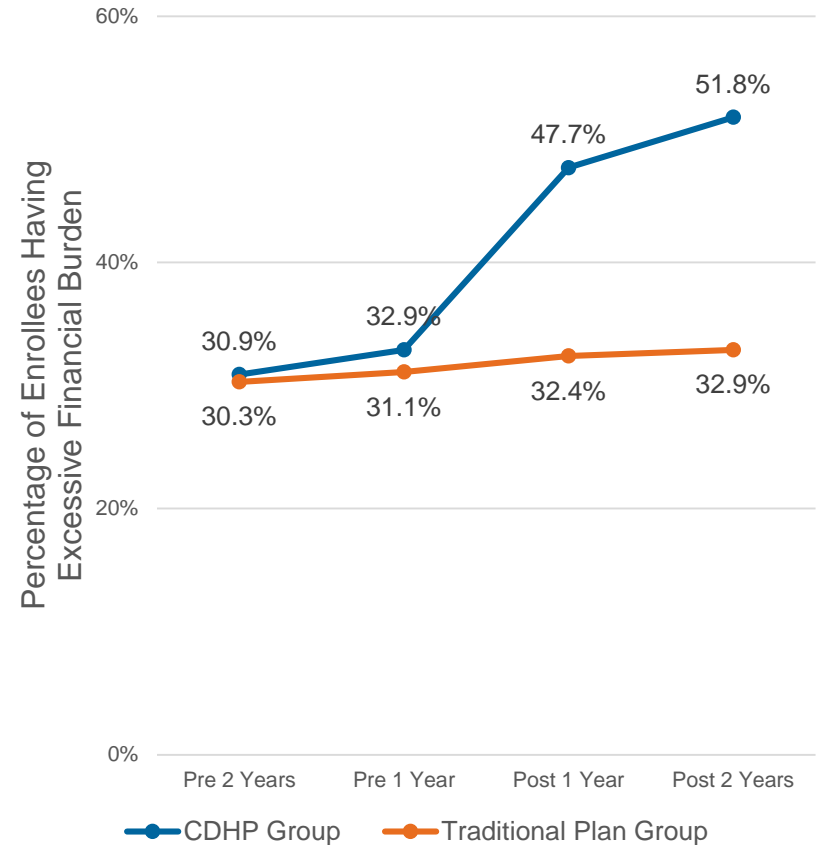
- HDHPs experience favorable selection:
  - Using data from 16 large employers we found that HDHP enrollees expected health care costs were about 25% lower than traditional plan enrollees (McDevitt et al. 2013)
  - 20% HDHP enrollment will increase premiums of traditional plan by 5%
- Favorable selection can be reduced by:
  - Employer contributions to HSAs
  - Higher employee premium savings from HDHP enrollment

# HDHPs increase financial burden, especially for low-income families

A. Entire Population

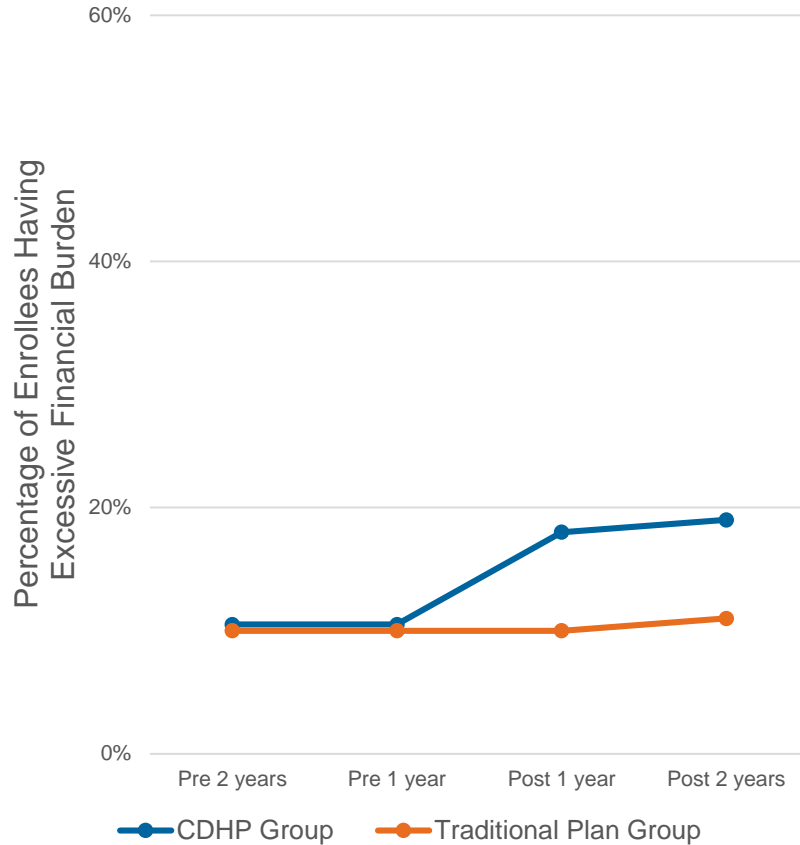


B. Lower-Income Population

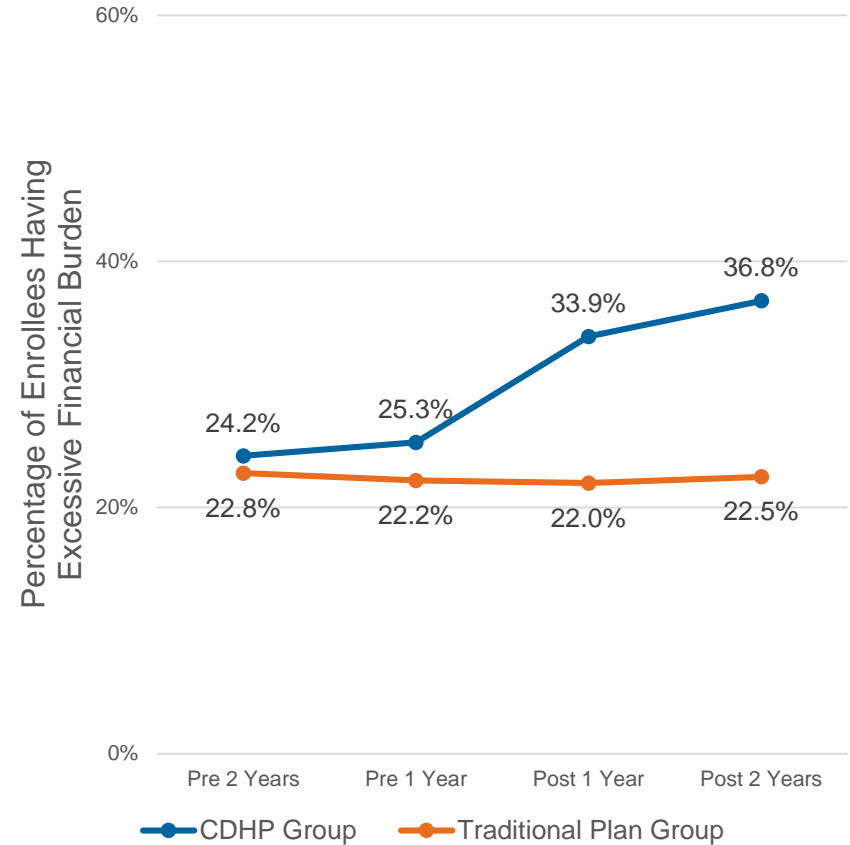


# HDHPs increase financial burden, especially for chronically ill

A. Entire Population



C. Population With Chronic Conditions



## 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

## 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



# 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

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# Papers

- This presentation is based on the following papers:
  - Xinke Zhang, Neeraj Sood, Erin Trish. 2018. “Financial Burden of Healthcare Utilization in Consumer-Directed health Plans.” *The American Journal of Managed Care*.
  - Rachel O. Reid, Brendan Rabideau, Neeraj Sood. 2017. “Impact of Consumer-Directed Health Plans on Low-Value Healthcare.” *The American Journal of Managed Care*, 23(12), 741-748.
  - Xinke Zhang, Zachary Wagner, Ateev Mehrotra, Peter Huckfeldt, Amelia Haviland, Neeraj Sood. (2017) “Does Enrollment in High Deductible Health Plans Encourage Shopping?” *Health Services Research*, doi: 10.1111/1475-6773.12784.
  - Matthew Eisenberg, Amelia Haviland, Ateev Mehrotra, Peter Huckfeldt, Neeraj Sood. (2017) “The Long Term Effects of ‘Consumer-Directed’ Health Plans on Preventive Care Use.” *Journal of Health Economics*, 55, 61-76.
  - Amelia Haviland, Matthew Eisenberg, Ateev Mehrotra, Peter Huckfeldt, Neeraj Sood. (2016) “Do ‘Consumer-Directed’ health plans bend the cost curve over time?” *Journal of Health Economics*, 46, 33-51.
  - Anna Sinaiko, Ateev Mehrotra, Neeraj Sood. (2016) “Cost-Sharing Obligations, High-Deductible Health Plan Growth, and Shopping for Health Care: Enrollees with Skin in the Game.” *JAMA Internal Medicine*, 176(3), 395.



# Papers

- Roland McDevitt, Amelia Haviland, Laura Laudenberger, Ryan Lore, Matthew Eisenberg, Neeraj Sood. (2013) “Risk Selection into Consumer-Directed Health Plans: An Analysis of Family Choices within Large Employers.” *Health Services Research*, 49(2), 609-28.
- Neeraj Sood, Zachary Wagner, Peter Huckfeldt, Amelia Haviland. (2013) “Price Shopping in Consumer Directed Health Plans.” *Forum for Health Economics and Policy*, 16(1), 1-19.
- Amelia Haviland, M. Susan Marquis, Roland McDevitt, Neeraj Sood. (2012) “Growth of Consumer-Directed Health Plans to One-Half of all Employer-Sponsored Insurance Could Save \$57 Billion Annually.” *Health Affairs*, 31(5), 1009-1015.
- Amelia Haviland, Neeraj Sood, Roland McDevitt, M. Susan Marquis. (2011) “The Effects of Consumer-Directed Health Plans on Episodes of Health Care.” *Forum for Health Economics and Policy*, 14(2), Article 9.
- Amelia Haviland, Neeraj Sood, Roland McDevitt, M. Susan Marquis. (2011) “How Do Consumer-Directed Health Plans Affect Vulnerable Populations.” *Forum for Health Economics and Policy*, 14(2), Article 3.
- Melinda Buntin, Amelia Haviland, Roland McDevitt, Neeraj Sood. (2011) “Healthcare Spending and Preventive Care in High-Deductible and Consumer-Directed Health Plans.” *American Journal of Managed Care*, 17(3), 222-230.

USC Price

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USC Schaeffer

Leonard D. Schaeffer Center  
for Health Policy & Economics

# Experience with Consumer-Based Health Plans

Samanntha DuBridge  
Hewlett Packard Enterprise (HPE)

July 17, 2018

# 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

# Comparison of HPE's Consumer-Based Plans

## CDHP with Health Reimbursement Account (HRA)

100% coverage after out-of-pocket limit (\$2,600 Single/ \$5,200 Family)	
Plan pays 80%	Member pays 20%
Member pays deductible using account first (Deductible: \$1,000 Single / \$2,000 Family)	
HPE-Funded HRA \$500 Single / \$1,000 Family	

Allows coverage for people with chronic or catastrophic claims

Deductible reduces cost and utilization by encouraging good behaviors

Tax-free account

## HDHP with Health Savings Account (HSA)

100% coverage after out-of-pocket limit (\$3,600 Single/ \$7,200 Family)	
Plan pays 80%	Member pays 20%
Member pays deductible; account funds can be used as available (Deductible: \$2,400 Single / \$4,800 Family)	
HPE-Funded HRA \$500 Single / \$1,000 Family	
Employee can contribute up to a total of \$3,450 Single/\$6,850 Family	

*Note: Assumes in-network providers are used*

# Tax-Free Account Comparison: HRA vs HSA

	Health Reimbursement Account	Health Savings Account
Availability of funds	<ul style="list-style-type: none"><li>• Full amount is available right away</li></ul>	<ul style="list-style-type: none"><li>• As contributions are made</li></ul>
Investment potential	<ul style="list-style-type: none"><li>• No interest or investment earnings</li></ul>	<ul style="list-style-type: none"><li>• Can grow with investment earnings</li></ul>
Tax-free advantage	<ul style="list-style-type: none"><li>• Employer contributions</li><li>• Reimbursements</li></ul>	<ul style="list-style-type: none"><li>• Employee and employer contributions</li><li>• Investment earnings</li><li>• Reimbursements</li></ul>
Flexibility	<ul style="list-style-type: none"><li>• Balance carries over from year to year but only while employee continues to participate in CDHP with HPE</li></ul>	<ul style="list-style-type: none"><li>• Spend now or in the future</li><li>• Change contributions during the year</li><li>• Account continues even if change plans, leave the company or retire</li></ul>
Integration with Health Care Spending Account	<ul style="list-style-type: none"><li>• No restrictions—can offer pre-tax FSA for all eligible health care expenses</li></ul>	<ul style="list-style-type: none"><li>• Can only offer a limited purpose FSA—for dental, vision and post-deductible medical and RX expenses</li></ul>

# HPE Health Philosophy Leading to HDHP+HSA



Use plan design to drive consumerism



Ensure appropriate cost-sharing

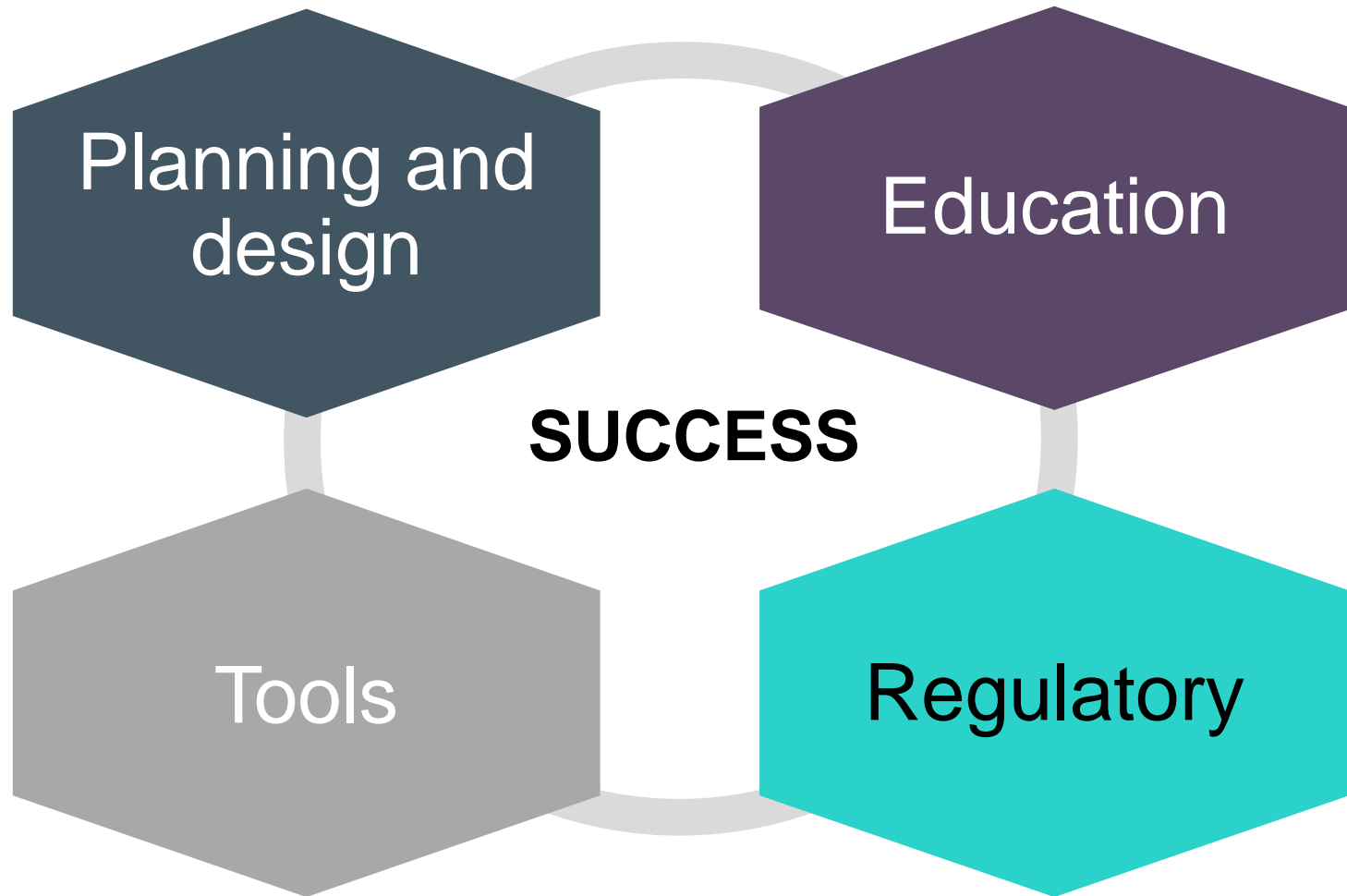


Manage employee health and well-being



Leverage efficient delivery systems

# Pathway to Success





# Communicating the Change

HowWett Packard Enterprise

CDHP/HSA Quick Compare

## Take a minute to consider these two cost-effective medical plans

Interested in lowering your medical premiums, paying less in taxes, and saving for future healthcare expenses? This quick comparison of the **High Deductible Health Plan with Health Savings Account (HSDHP + HSA)** and the **Consumer Driven Health Plan with Health Reimbursement Account (CDHP + HRA)** will help you understand and decide.

### Consider the differences between an HSA and an HRA

**HSA:** A tax advantaged account that both you and HPE contribute to when you are enrolled in the HSDHP. You can use it to pay for eligible healthcare expenses (medical, dental, and vision) now or in the future.  
**HRA:** An account that isn't yours. Funds if you're enrolled in the CDHP. It helps pay for your deductible and other out-of-pocket medical expenses while you're in the CDHP.

#### How much HPE contributes annually to the HSA or HRA:

#### How much you can contribute annually to an HSA or HRA:

\*Amount to reach 80% limit for year and HPE's contributions combined

#### What expenses the account pays for:

	Medical	Prescriptions	Dental	Vision	And more
HSA**	✓	✓	✓	✓	✓
HRA	✓	✓	✗	✗	✗

\*\*If you have HPE you can use your HSA to pay premiums for COBRA, Medicare Part B and Long Term Care insurance in addition to medical, prescriptions, dental, and vision.

Those are just highlights! Read on for more important details.

#### Your cost and coverage

A	CDHP + HRA
single (you'll pay up to 90% more than for HSDHP)	
certain preventive prescriptions the annual deductible	Covered at 100%
basic coverage coverage age subject to deductible	Lower <ul style="list-style-type: none"> <li>\$1,350 individual coverage</li> <li>\$2,420 family coverage</li> <li>Prescription drugs <b>not</b> subject to deductible</li> </ul>
ages for all family members once life is met	Covering a family? Annual coverage begins for an individual family member once he or she meets the deductible amount, and for the entire family once the family deductible is met.
no hospital and prescription drugs)	Generally 80% (90% for inpatient hospital; prescription drug benefits were decreasing on the drug)
prescription drug expenses: no	For medical expenses: \$1,500 per person, \$7,000 family For prescription drug expenses: Separate from medical: \$2,500 per person, \$4,200 family

to network. Check with your plan's center about what preventive care is covered at 100%.

HRA	
as contributions go in. Draft of HPE's on is updated in January. Half in July, other half each paycheck.)	Full annual amount is available right away
interest and investment earnings.	No interest or investment earnings.
8 0% ons,** tions,** pared current earnings.	You pay no taxes on: <ul style="list-style-type: none"> <li>HPE's contributions.</li> <li>Amounts you spend.</li> </ul>
If you're in the future, large your contributions during the year, always yours to take— even if you leave the company or retire.	Balance is available only as long as you continue to participate in the CDHP and are an HPE employee.
contributes to a limited purpose -to use for dental and vision expenses -no prescriptions other your	You can contribute pre-tax dollars to use for medical, dental, and vision expenses not covered by your plan.
employee and employer contributions to an HSA.	

See your Employment Tracker on [myHRBenefits](#) to use the **ALEX** decision support tool, watch a two-minute **CDHP + HSA** video, read your [Employment Guide](#), and more!

This document provides a summary of certain benefit programs being affected by HPE's reorganization. At the point of any uncertainty between the information in this document and the terms of the benefit plans or programs, the terms of the plans or programs will control. HPE reserves the right to make future changes to benefit programs, which may change eligibility or other aspects described in this document.

## Guides

 **Hewlett Packard Enterprise**

**HDHP + HSA Quick Start Guide**

**CDHP Quick Start Guide**

Cost savings and time-savers to make the most of your health plan

Cost savings and time-savers to make the most of your health plan

# Comparison Flyer

**Proprietary and Confidential: Content cannot be used without permission from HPE**

# McKesson's Health Benefits Journey

Gerri Burruel  
Vice President – Benefits  
McKesson

July 17, 2018



# 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

2012	2013
<ul style="list-style-type: none"> <li>• CVS Caremark became Rx provider for Anthem</li> <li>• <b>Added incentives and premium savings for Vitality participation</b></li> <li>• Specialty drugs eliminated from mail order</li> <li>• Medical Associates changed from HMO plan to CDHP</li> <li>• Increase in copays and coinsurance amounts under HMO and EPO plans</li> <li>• WorkLife benefits added to EAP</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Added the HDHP plan option</b></li> <li>• CDHP member responsibility, deductible and maximum OOP increased</li> <li>• Coinsurance changed from 85% to 80% (in-network) and 65% to 60% (out-of-network)</li> <li>• Increased deductibles and OOP maximums for HMO/EPO plans.</li> <li>• Step therapy implemented for prescription drug coverage</li> </ul>
<p><b><i>Financial Result</i></b>  <i>\$13M Surplus (FY13)</i></p>	<p><b><i>Financial Result</i></b>  <i>\$20M Surplus (FY14)</i></p>

# Benefits Planning Evolves to Promote Consumerism and Mitigate Trend

2014	2015
<ul style="list-style-type: none"> <li>• <b>Employees given choice of carrier</b> — Aetna and Cigna available in all states except Hawaii, Anthem and UnitedHealthcare available in certain states</li> <li>• Tobacco-free pledge no longer lowered medical premiums</li> <li>• New salary band tier added</li> <li>• Cover gender reassignment surgery</li> <li>• COE hip and knee program</li> </ul>	<ul style="list-style-type: none"> <li>• Certain generic preventive medications available at no cost to employees under the HDHP</li> <li>• Increased deductible and out-of-pocket amounts for the CDHP Premier Plus, HMOs and EPOs</li> <li>• For HDHP and CDHP, non-emergency out-of-network services charged on a percentage of Medicare's fee schedule</li> <li>• Group Health Cooperative HMO in Washington no longer a plan option</li> <li>• <b>Increased premium savings for Vitality Gold Status</b></li> <li>• Added Castlight</li> <li>• Added Best Doctors</li> <li>• Added Accordant Rare Conditions Program</li> </ul>
<b>Financial Result</b> \$19.8M Deficit (FY15)	<b>Financial Result</b> \$1M Surplus (FY16)



# Long Term Health Benefits Planning — Consumerism with HSAs

2016	2017
<ul style="list-style-type: none"><li>• <b>HSA Plus plan option made available</b></li><li>• <b>HSA members given choice of carriers</b></li><li>• <b>CDHP Premier and Premier Plus plans discontinued</b></li><li>• 2016 HRA dollars don't roll over</li><li>• UnitedHealthcare no longer available as a carrier option</li><li>• HMO/EPO deductibles and out-of-pocket maximums increased</li><li>• <b>Employed spousal surcharge implemented</b></li><li>• Dependent SSN required for coverage</li><li>• Retiree plan moved to private exchange</li></ul>	<ul style="list-style-type: none"><li>• Eliminate Medical Associates medical plan</li><li>• <b>Enhance HSA generic Rx list and add Advanced Specialty Preferred Rx list</b></li><li>• Eliminate Healthcare FSA grace period</li><li>• Add telemedicine to Anthem and Cigna medical plans</li></ul>
<b><i>Financial Result</i></b> <b><i>\$1.5M Surplus (FY17)</i></b>	<b><i>Financial Result</i></b> <b><i>\$8M Surplus expected (FY18)</i></b>



# Long Term Health Benefits Planning — Consumerism with HSAs

2018	2019	2020 and beyond
<ul style="list-style-type: none"><li>• Replace Kaiser HMO with Kaiser HSA Plus plan</li><li>• <b>Freeze HRA Core plan enrollment for new enrollees as of 10/1/17</b></li><li>• Eliminate Tufts &amp; UPMC</li><li>• Eliminate Aetna and Cigna HMOs and EPOs</li><li>• <b>Add incentive for Vitality Platinum Status</b></li><li>• <b>Adjust two lower pay bands (\$40k moves to under \$45k, and \$40-\$80k moves to \$45k-\$80k)</b></li><li>• Add telemedicine to Aetna medical plan</li><li>• Add HIV as a condition to the Accordant Rare Conditions Program</li></ul>	<ul style="list-style-type: none"><li>• Eliminate CDHP HRA Core medical plan option</li><li>• Medical RFP in process</li><li>• Add autism support benefits</li><li>• Targeted onsite pilot programs to encourage employee behavior change and improve biometric screening results</li><li>• Part-time employee benefits</li></ul>	<ul style="list-style-type: none"><li>• Enhance support of onsite health coaching and education</li><li>• Support for members to access appropriate channel of care through enhanced employee experience</li><li>• Monitor impact of Cadillac Tax (postponed to 2022)</li></ul>

# Strategy Is Working

HSA members aren't avoiding medical care\*, in fact...



Office visit utilization increased approximately 2%



Days supply of prescription drugs up nearly 8% - overall members are continuing to adhere to their medications



Emergency room visits decreased 3%



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.*



# Annual Enrollment Highlights (CY 18)

**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)

Benefits-Eligible Population  
20,176

Survey Participants  
7,688

Survey Response Rate  
38% (27% in 2017- included MTI)

# High-Deductible Health Plans Raise Concerns

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

July 17, 2018

# Yes, this Consumer Reports



# High-Deductible Health Plans Raise Concerns



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## 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



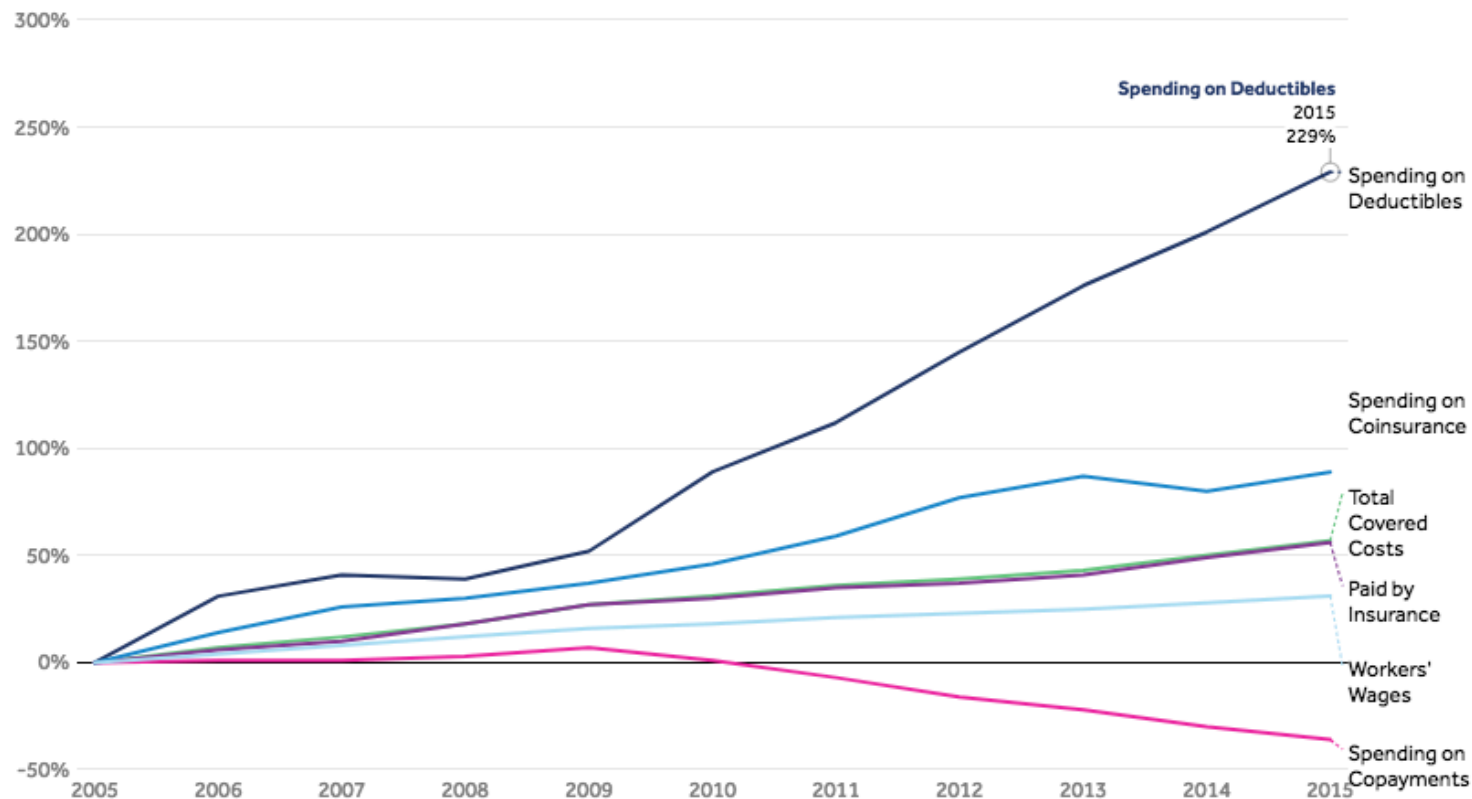
## The theory behind HDHPs

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.

# 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



Source: Kaiser Family Foundation analysis of Truven Health Analytics MarketScan Commercial Claims and Encounters Database, 2005-2015; Bureau of Labor Statistics, Seasonally Adjusted Data from the Current Employment Statistics Survey, 2005-2015 (April to April). • [Get the data](#) • [PNG](#)

Peterson-Kaiser  
**Health System Tracker**





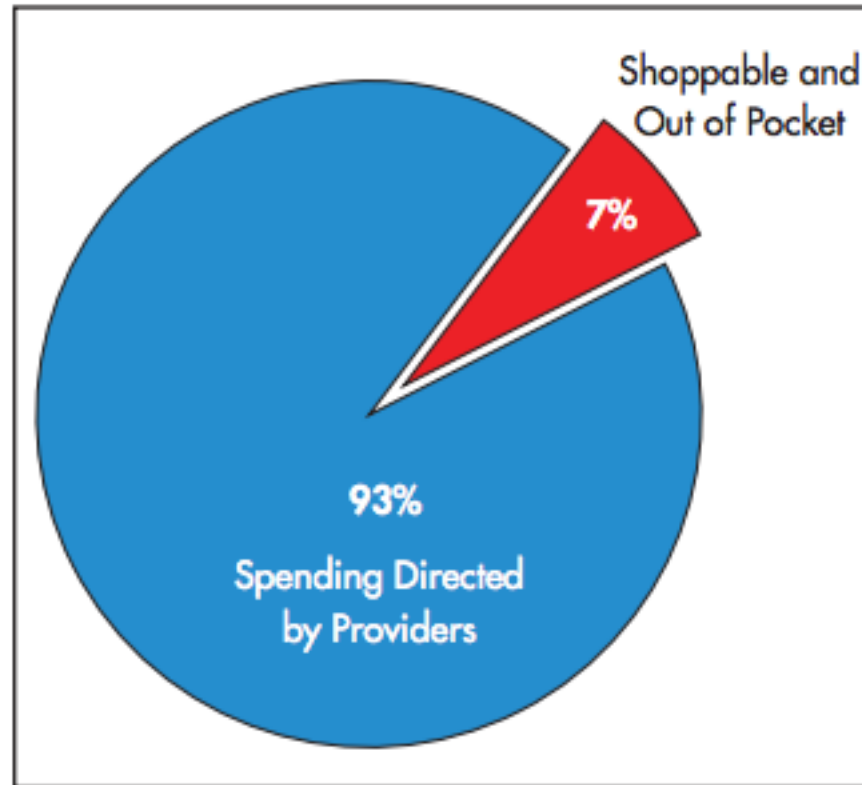
Enrollees have more “skin in the game” but little equipment or protective gear

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.

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.



How to Get High-Quality, Low-Cost Healthcare

## Ratings of Cost and Quality Tools

### INSURANCE COMPANY TOOLS

WORSE ————— BETTER

National Plan		Overall Score				Features			
		Ease of Use	Functionality	Content	Scope & Reliability	Price Estimates	Drug Cost Information	Shows Patient Outcomes	Shows Value (Cost & Quality)
Cigna	84	⬆️	⬆️	⬆️	⬆️	⬆️	⬆️	⬆️	⬆️
UnitedHealthcare	82	⬆️	⬆️	⬆️	⬆️	⬆️	⬆️	⬆️	⬆️
Aetna	77	⬆️	⬆️	⬆️	⬆️	⬆️	⬆️	⬆️	⬆️
Anthem Blue Cross Blue Shield	73	⬆️	⬆️	⬆️	⬆️	⬆️	⬆️	⬆️	⬆️
Humana	69	⬆️	⬆️	⬆️	⬆️	⬆️	⬆️	⬆️	⬆️
Kaiser	55	⬆️	⬆️	⬆️	⬆️	⬆️	⬆️	⬆️	⬆️



## Ratings of Cost and Quality Tools

### STAND-ALONE WEBSITES<sup>1</sup>



Website Name	Overall Score	Overall Score				Features			
		Ease of Use	Functionality	Content	Scope & Reliability	Out-of-Pocket Estimates	Reliable Cost Estimates	Provider-Specific Pricing	Quality Information for Hospitals
Amino	66	↑	↓	↑	↑	•	•	•	•
CompareMaine	65	↑↑	↓	↓	↑↑		•	•	•
NH HealthCost	63	↑	↓	↑	↑↑	•	•	•	•
CO Medical Price Compare	44	↓	↓	↓	↓		•	•	•
Guroo	41	↑	↓	↓	↓	•	•		
MDsave	40	↓	↓	↓	↓			•	
Healthcare Bluebook	37	↓	↓	↓	↓		•		
FAIR Health <sup>2</sup>	28	↓	↓↓	↓	↓↓	•			

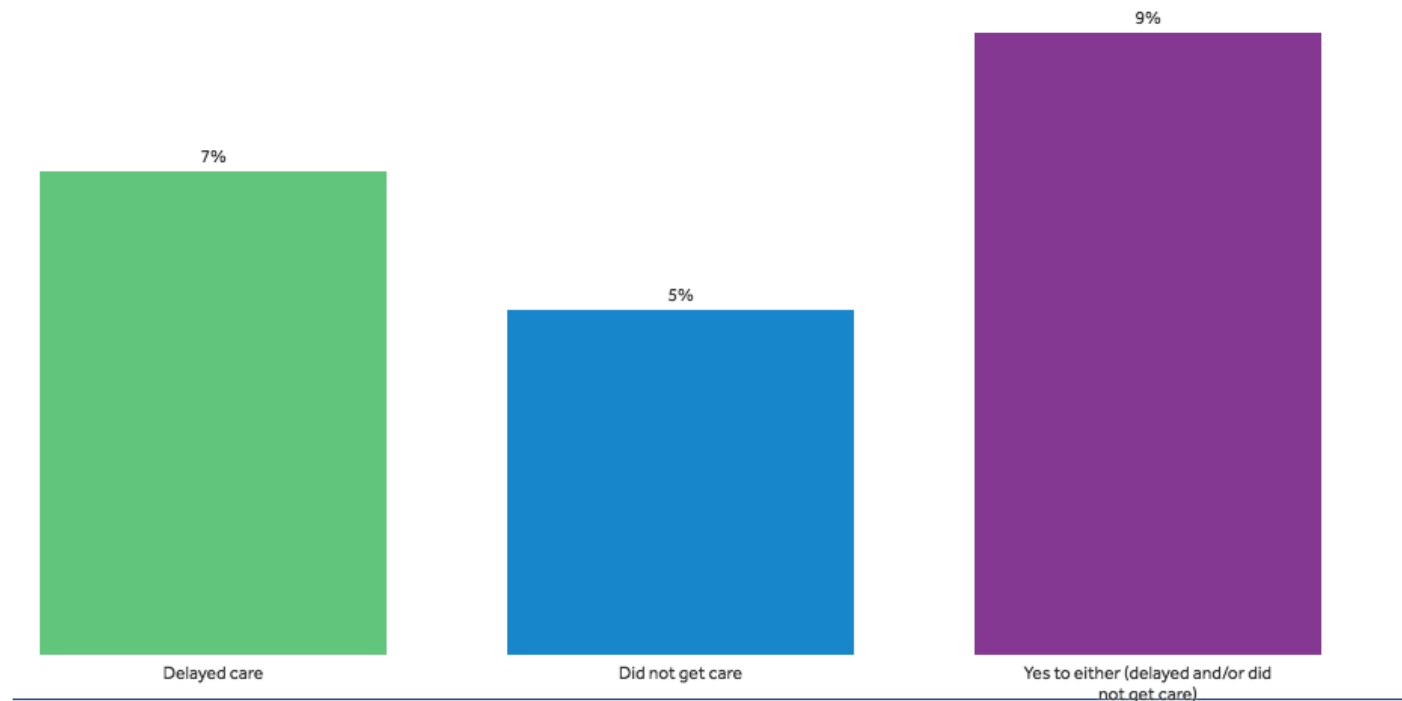
### Quality of care must also be a factor

“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.

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**

Percent of adults who reported delaying or going without care due to costs, 2016



Source: Kaiser Family Foundation analysis of National Health Interview Survey • [Get the data](#) • [PNG](#)

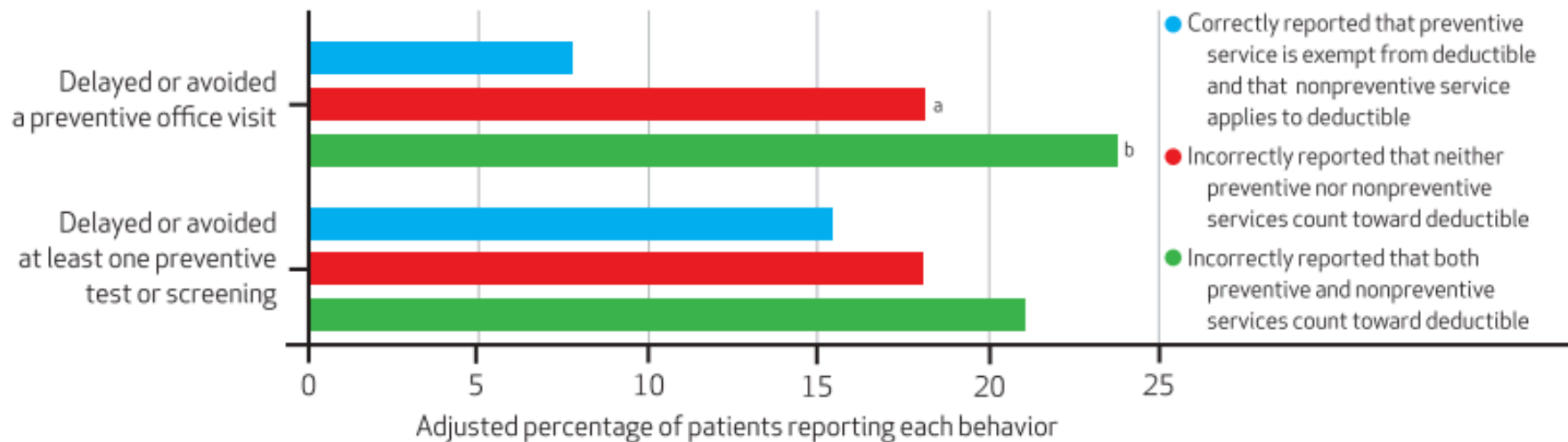
Peterson-Kaiser  
**Health System Tracker**

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

Reduction in high-value care	
Mental healthcare services	-5%
Physical therapy services	-30%
Diabetes drugs	-48%
Statins for cholesterol management	-20%
Antidepressants	-18%
Hypertension drugs	-24%
Reduction in low-value care	
CT scans for sinuses with acute sinusitis	-26%
Back imaging for nonspecific low back pain	-21.3%
Head imaging for uncomplicated headaches	-31%
Colorectal cancer screenings for patients under 50	-26%
Antibiotics for acute respiratory infections	-44. %

# Even drops in *free* healthcare

**Patients' Reports Of Delaying Or Avoiding Preventive Care Because Of Cost, By Knowledge Of Plan Design**



# 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.



# 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

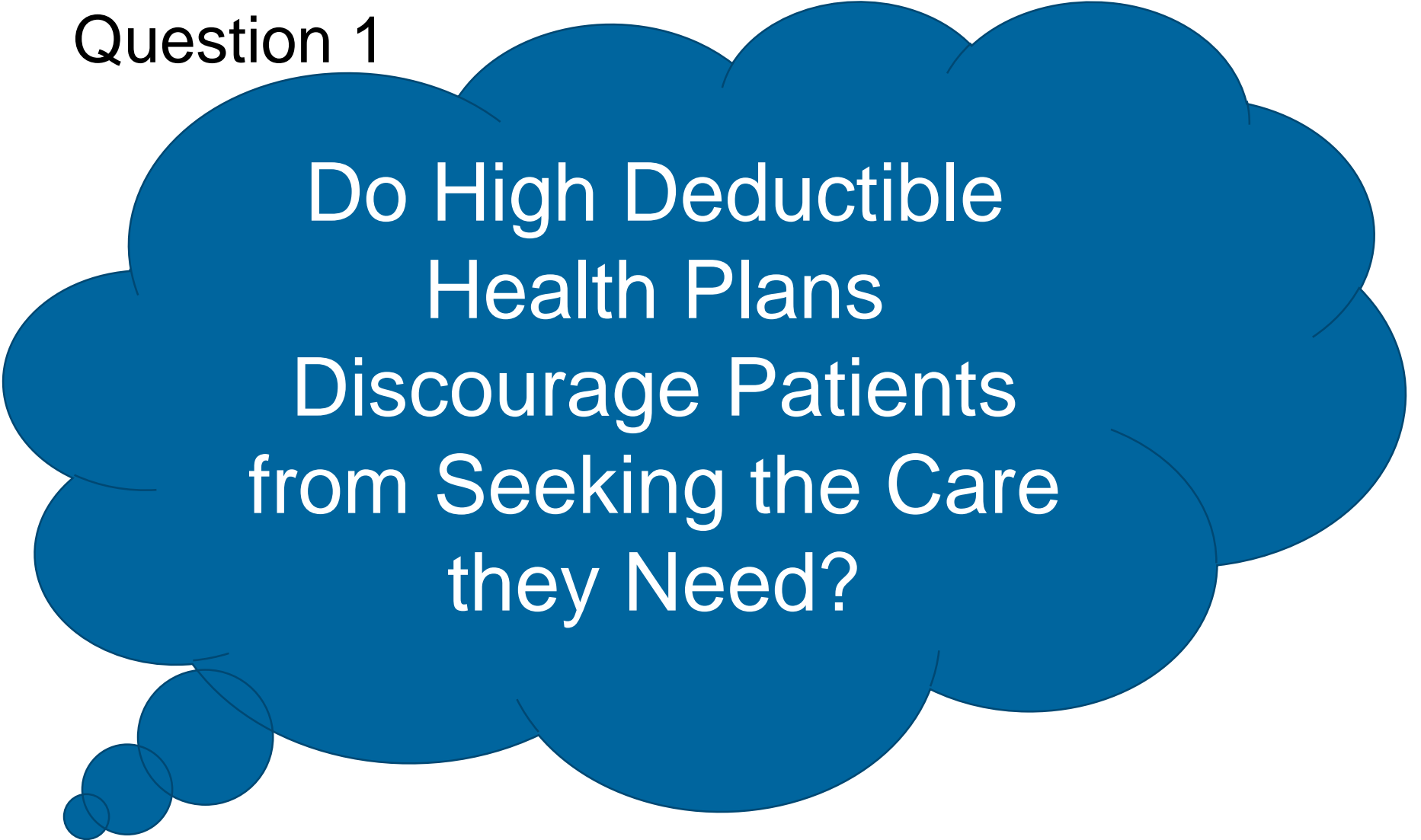
## Thank you

- Contact: [Dena.Mendelsohn@consumer.org](mailto: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

