Utah's Approach – Driving Consumerism in Healthcare

Daniel Hemmert

Utah State Senate

Vice-chair: Senate Rules Committee

Chair: Business, Economic Development, and Labor Appropriations Subcommittee

Chair: Senate Economic Development and Workforce Service Confirmation Committee

Member: Social Services Appropriations Subcommittee

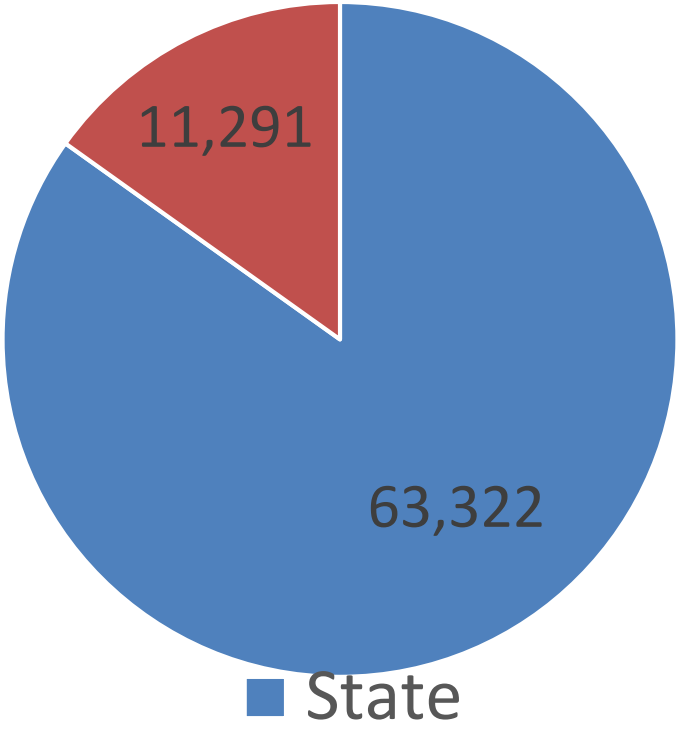
Member (and former Chair): Retirement and Independent Entities Appropriations Subcommittee

Member (and former Chair): Senate Retirement and Independent Entities Committee

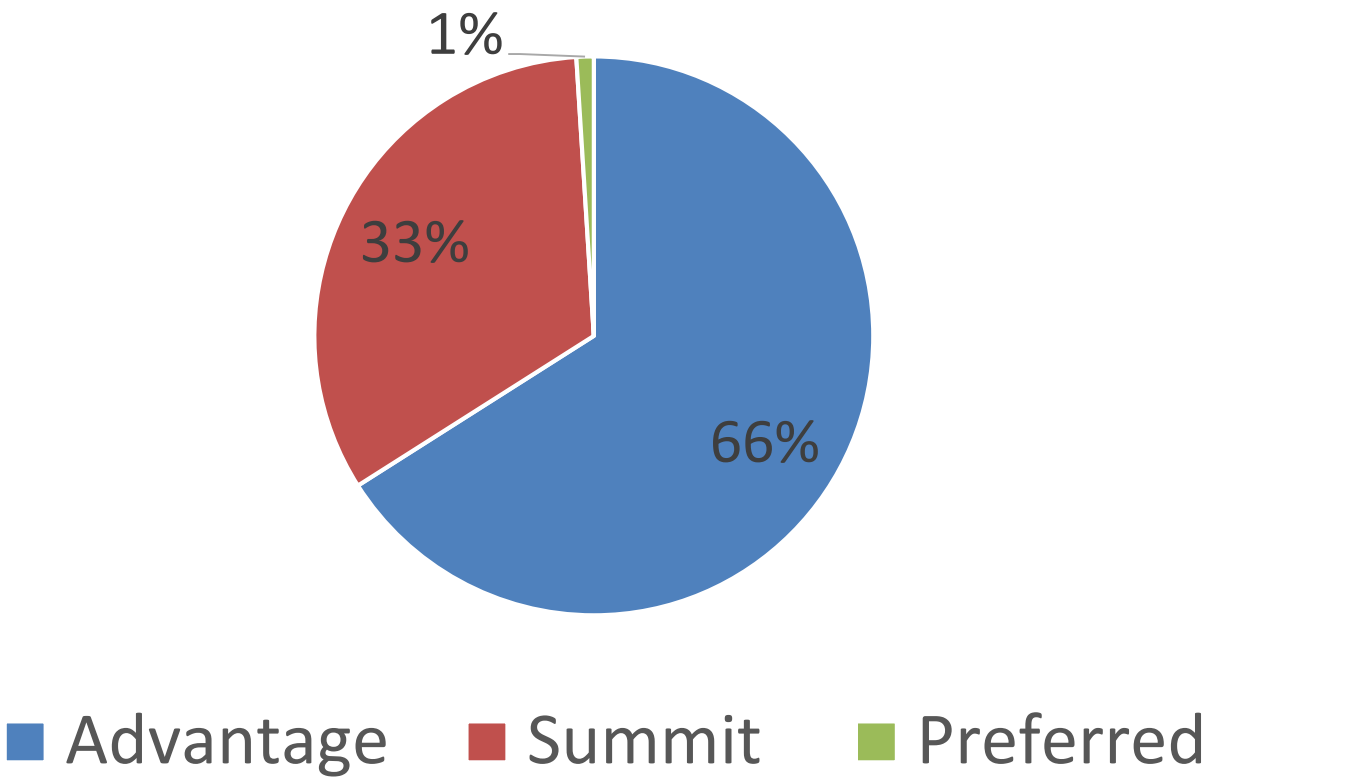
Member: Senate Business and Labor Committee

Member: Senate Revenue and Taxation Committee

Utah Employee Pool of 74,500 Members



Offer Three Provider Networks



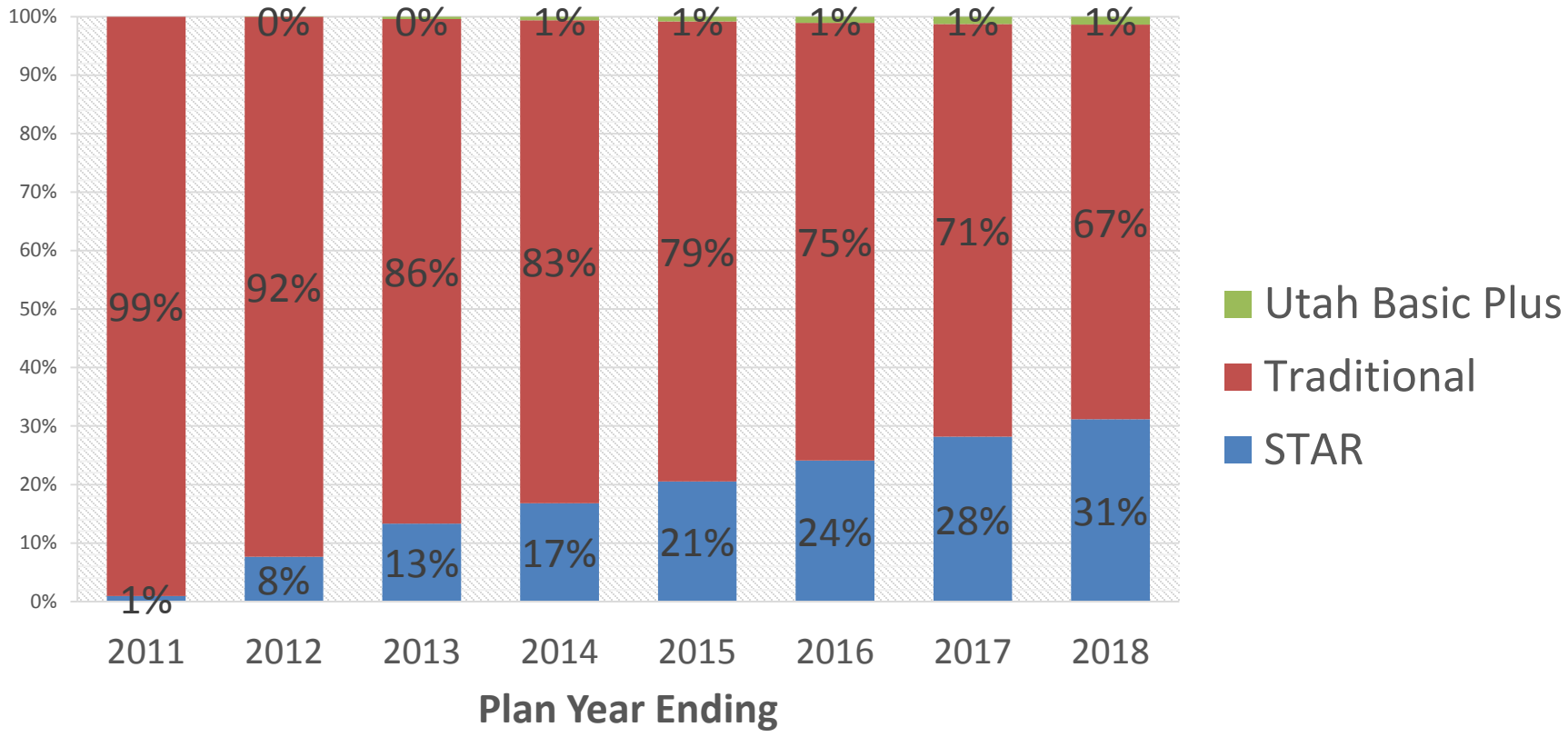
PEHP

Offer Three Plan Options

- **Traditional Plan**
  - $375/$750 Deductible I $25/$35/$45 Copays I 80/20 Coinsurance I $3000/$6000/$9000 Max
  - **8% Employee Premium Contribution**
- **HSA-Qualified STAR Plan**
  - $1500/$3000 Deductible I 80/20 Coinsurance I $2500/$5000/$7500 Max Out-of-Pocket
  - **$792/$1584 Employer HSA Contribution**
  - **No Employee Premium Contribution & 8% Higher Insurance Value**
- **HSA-Qualified Basic Plus**
  - $3000/$6000 Deductible I 70/30 Coinsurance I $6050/$12,500 Max Out-of-Pocket
  - **$1825/$3650 Employer HSA Contribution**
  - **No Employee Premium Contribution & 8% Higher Insurance Value**

PEHP

Migration to HSA-Qualified STAR



HSA Takeaways

- HSAs result in less costs on a risk adjusted basis
- High employer HSA contribution and no premium cost reduces chances of employees foregoing necessary care
- Chronic drug adherence is about the same
- Possible to cover chronic drugs before deductible under ACA
- Average State HSA balance is about $2400
- State favors HSA-qualified Plans by providing 8% higher value

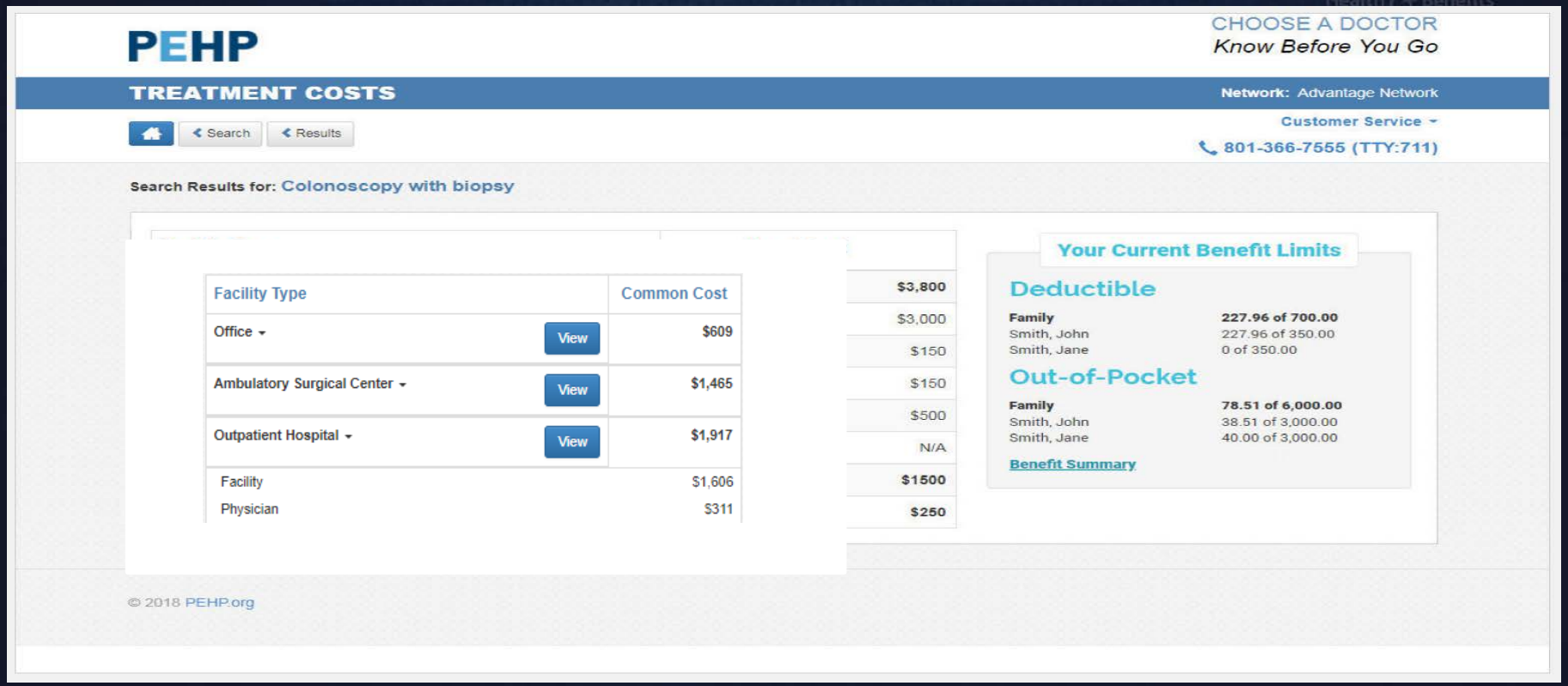
PEHP

Other Consumer-Driven Efforts

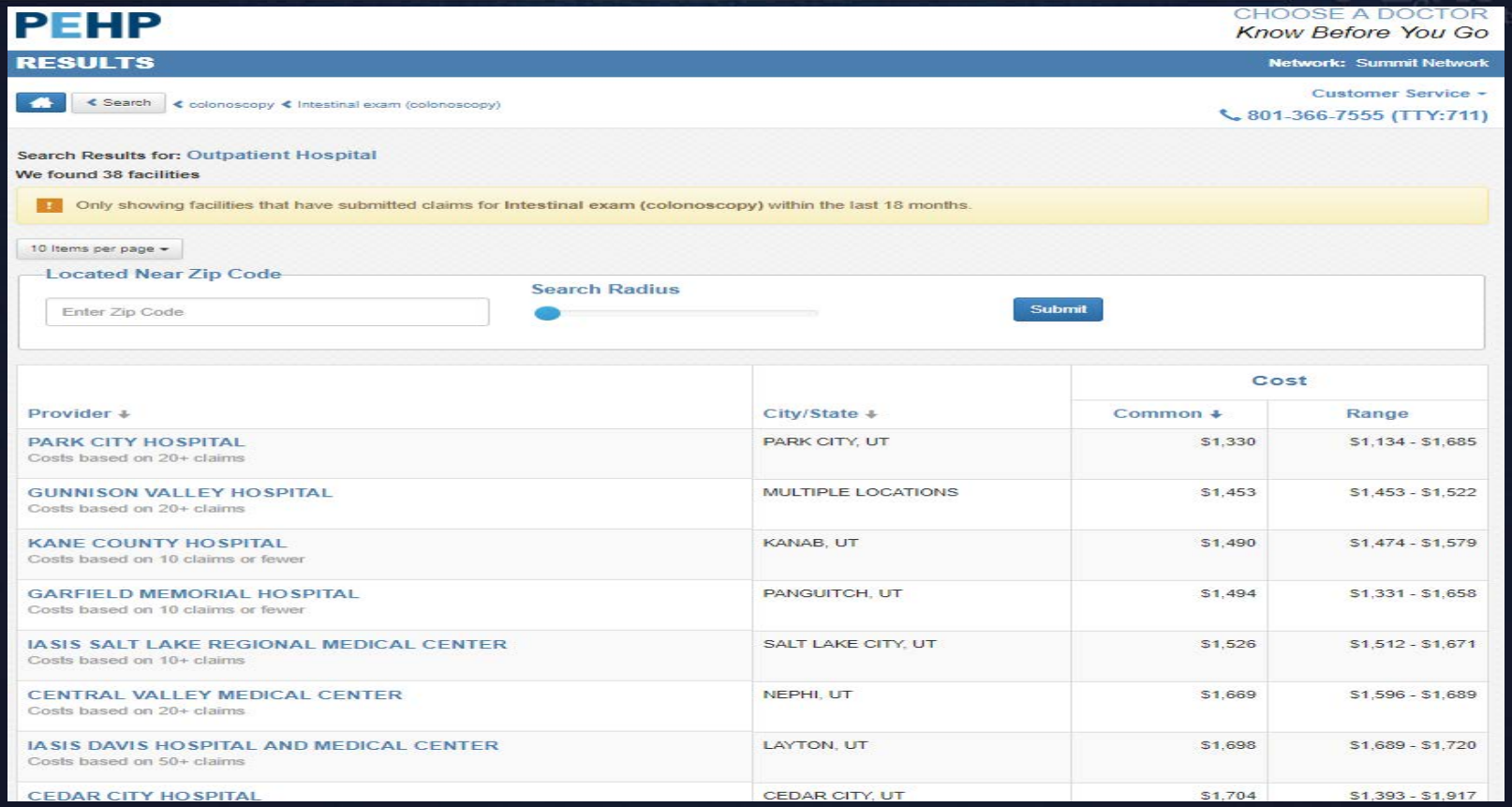
- Make All Plans Cost-Conscious by Limiting Copays
- Create Value Providers: Lowest Cost or 25% Discount
- Make Coverage and Reimbursement Policies “Cash Friendly”
- Offer Out-of-Network Benefit with 100% Credit before Deductible
- Share Excess Insurance Reserves with Employees
- Create an “HSA-like HRA” for Early Retirees and HSA Ineligibles
- Provide Online Member Reviews and Provider Warnings
- Turn Customer Service into Health Benefit Advisors and Advocates
- Develop Online Tools & Educational Materials
- Distribute Quarterly Agency-level Action Reports

PEHP

Comparison of Costs by Location



Comparison By Same Provider Type



PEHP

CHOOSE A DOCTOR
Know Before You Go

RESULTS

Network: Summit Network

Search < colonoscopy < Intestinal exam (colonoscopy)

Customer Service
801-366-7555 (TTY:711)

Search Results for: Outpatient Hospital
We found 38 facilities

Only showing facilities that have submitted claims for **Intestinal exam (colonoscopy)** within the last 18 months.

10 Items per page

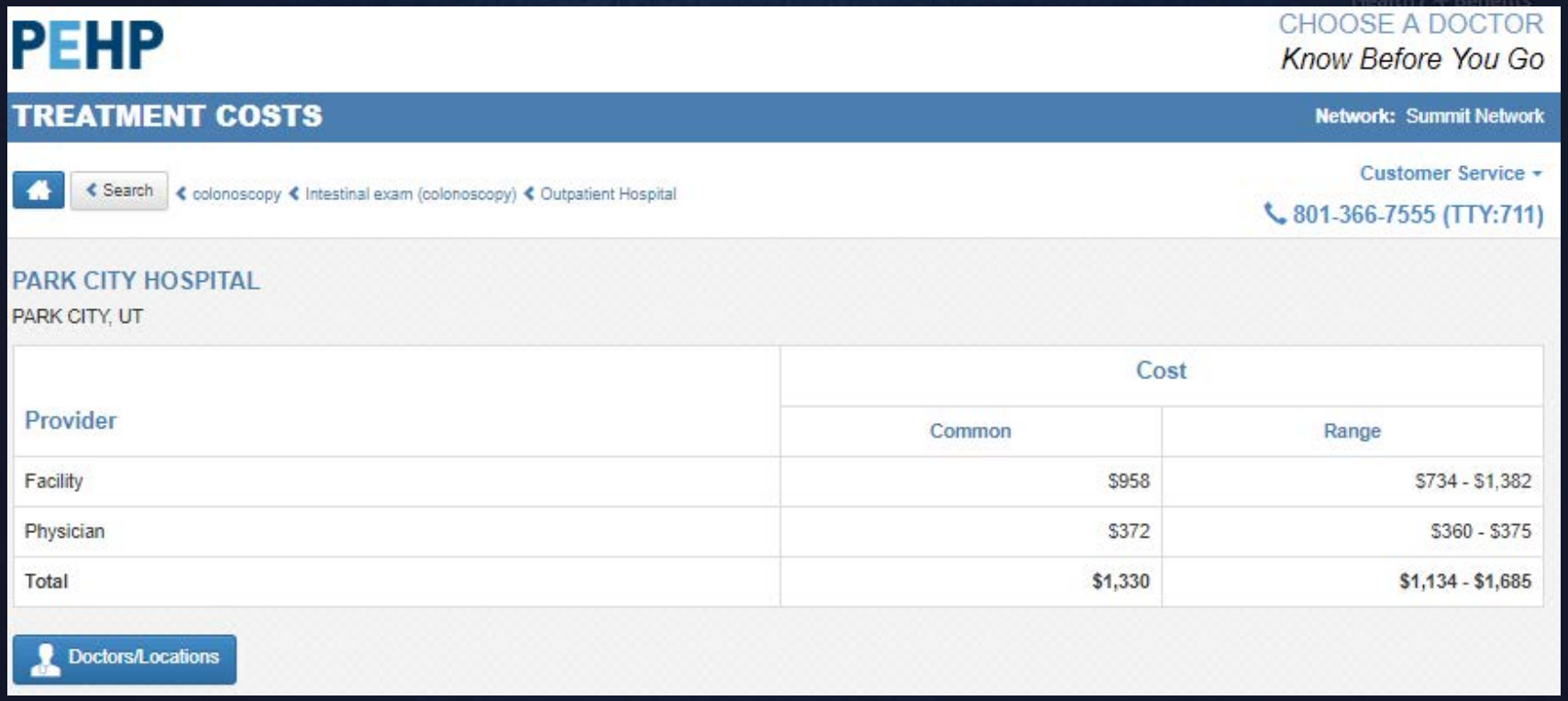
Located Near Zip Code
Enter Zip Code

Search Radius

Submit

Provider	City/State	Cost	
		Common	Range
PARK CITY HOSPITAL Costs based on 20+ claims	PARK CITY, UT	$1,330	$1,134 - $1,685
GUNNISON VALLEY HOSPITAL Costs based on 20+ claims	MULTIPLE LOCATIONS	$1,453	$1,453 - $1,522
KANE COUNTY HOSPITAL Costs based on 10 claims or fewer	KANAB, UT	$1,490	$1,474 - $1,579
GARFIELD MEMORIAL HOSPITAL Costs based on 10 claims or fewer	PANGUITCH, UT	$1,494	$1,331 - $1,658
IASIS SALT LAKE REGIONAL MEDICAL CENTER Costs based on 10+ claims	SALT LAKE CITY, UT	$1,526	$1,512 - $1,671
CENTRAL VALLEY MEDICAL CENTER Costs based on 20+ claims	NEPHI, UT	$1,669	$1,596 - $1,689
IASIS DAVIS HOSPITAL AND MEDICAL CENTER Costs based on 50+ claims	LAYTON, UT	$1,698	$1,689 - $1,720
CEDAR CITY HOSPITAL	CEDAR CITY, UT	$1,704	$1,393 - $1,917

Breakdown of All Costs



PEHP

CHOOSE A DOCTOR
Know Before You Go

TREATMENT COSTS

Network: Summit Network

Search ‹ colonoscopy ‹ Intestinal exam (colonoscopy) ‹ Outpatient Hospital

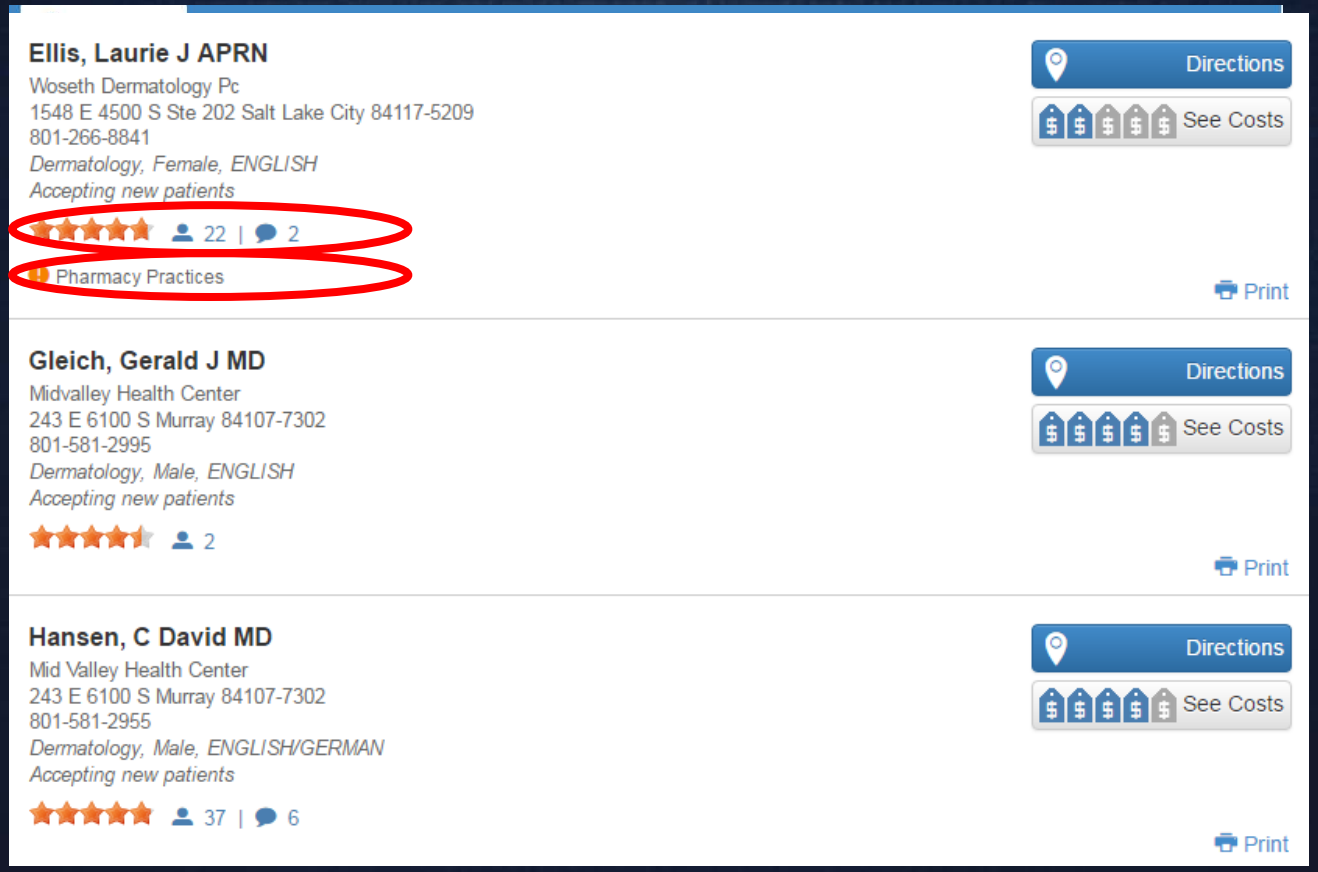
Customer Service
801-366-7555 (TTY:711)

PARK CITY HOSPITAL
PARK CITY, UT

Provider	Cost	
	Common	Range
Facility	$958	$734 - $1,382
Physician	$372	$360 - $375
Total	**$1,330**	**$1,134 - $1,685**

Doctors/Locations

Member Reviews & Warnings

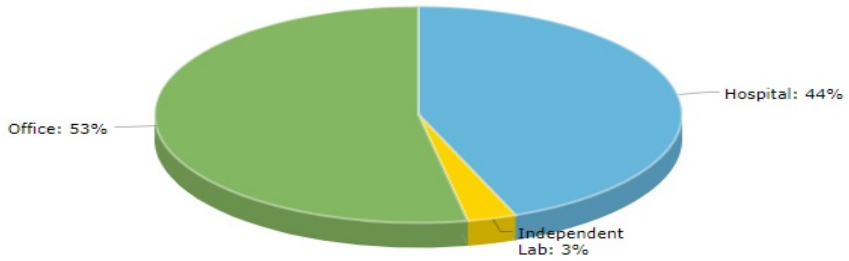


Costs for Where Doctor Sends Labs

Office Costs | Lab Referral Costs

(Costs based on most common procedures)

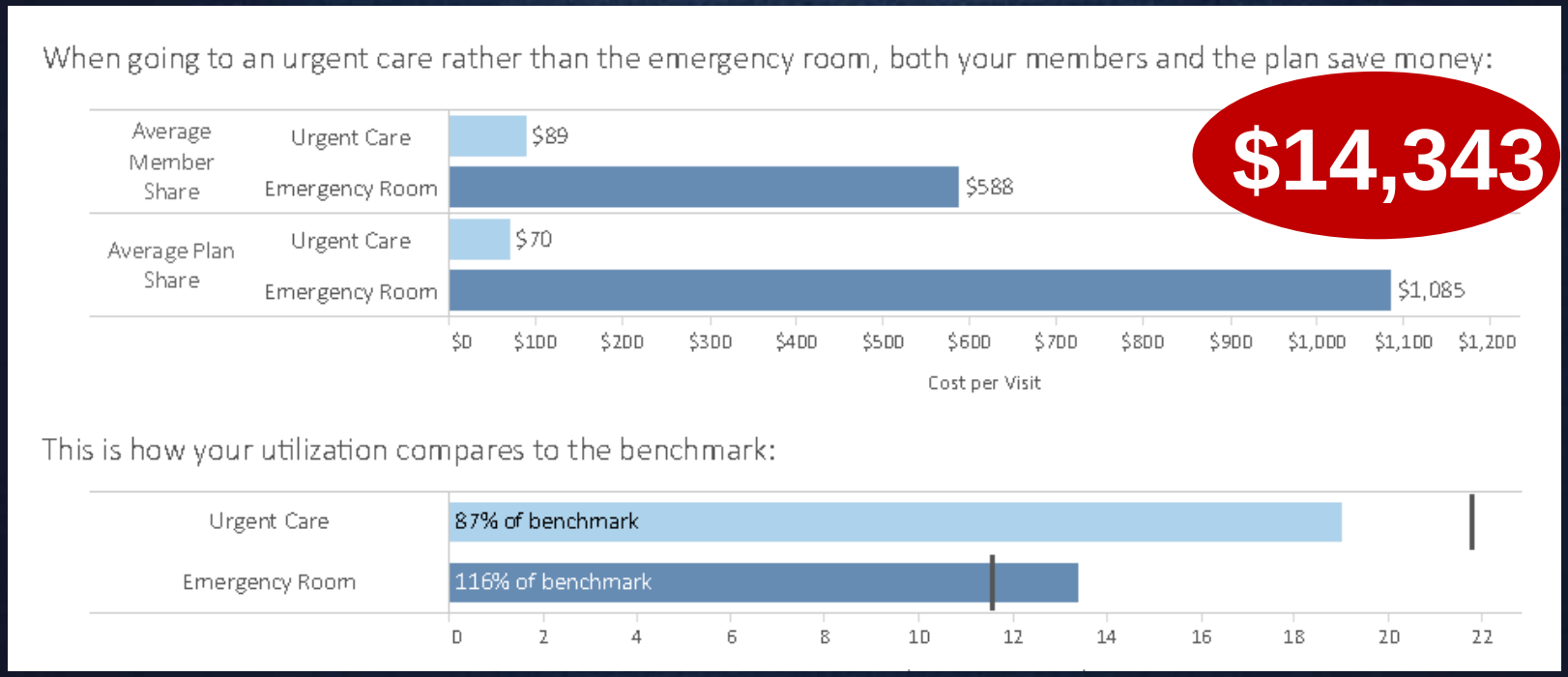
Laboratory Referral Percentage



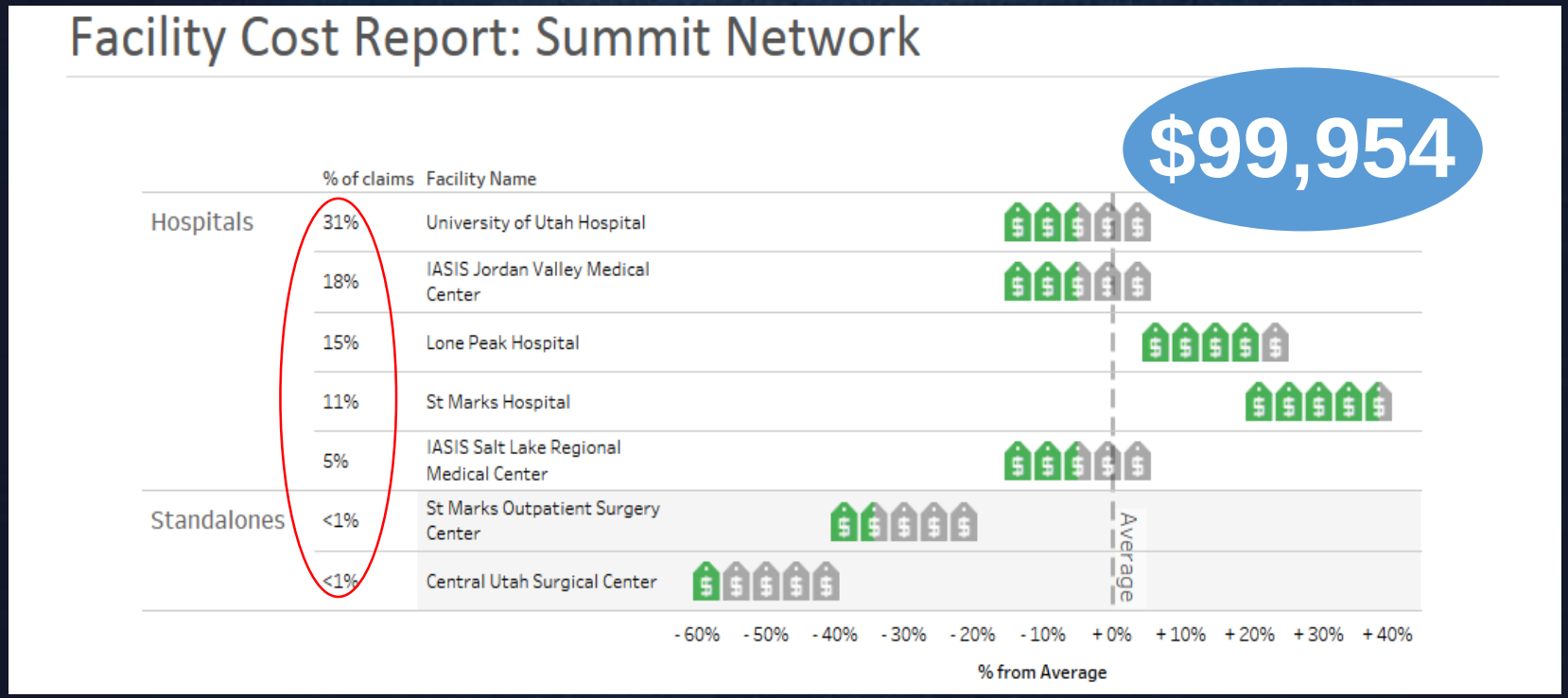
Hospital	44%
Independent Lab	3%
Office	53%

Code	Description	Hospital Costs	Independent Lab Costs	Office Costs
80053	Metabolic blood tests	$82.09	$13.42	$14.76
80061	Cholesterol testing	$83.04	$17.11	$18.04
81003	Urine analysis	$31.4	$3.12	$3.11

Agency Report on ER vs. Urgent Care



Agency Report on Lower Cost Facilities



Implementing Right to Shop

- Cash Back for Choosing Lower Cost Alternatives
  - Carrot Approach of Sharing Savings—Upside Only
  - Must Contact the Plan to Qualify
  - ACA 100% Preventative Benefits like Colonoscopies
  - Outpatient Imaging and Surgery at Free-standing Facilities
  - In-patient Services at Lowest Cost Facilities
  - Regional Differences in Rural Areas
  - Lower Cost Drug Alternatives
  - Pharmacy Tourism

PEHP

Under Legislative Consideration

- Expanding Reference Pricing
  - Stick and Carrot Approach of Sharing Savings—Upside & Downside
  - Employee Opt-in
  - Use Reference Pricing for Fixed Fee Services—Including Inpatient
  - Give Members Opportunity for Shared Savings & Encourages Consumerism
  - Best in Urban Areas
  - Directs Members to Lower Costing Providers While Maintaining Choice
  - Rewards Lower Cost Providers with Volume
  - Potential for Provider-specific Reference Pricing

PEHP

Questions?