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

- State: 63,322
- 11,291
Offer Three Provider Networks

66% Advantage
33% Summit
1% Preferred
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
Migration to HSA-Qualified STAR

Plan Year Ending

Utah Basic Plus
Traditional
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
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
### Comparison of Costs by Location

#### Treatment Costs for Colonoscopy with biopsy

<table>
<thead>
<tr>
<th>Facility Type</th>
<th>Common Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Office</td>
<td>$809</td>
</tr>
<tr>
<td>Ambulatory Surgical Center</td>
<td>$1,465</td>
</tr>
<tr>
<td>Outpatient Hospital</td>
<td>$1,017</td>
</tr>
<tr>
<td>Facility</td>
<td>$1,665</td>
</tr>
<tr>
<td>Physician</td>
<td>$311</td>
</tr>
</tbody>
</table>

#### Your Current Benefit Limits

**Deductible**
- Family: Smith, John, Smith, Jane
- Deductible: 227.96 of 700.00
- Family: Smith, John, Smith, Jane
- Deductible: 0 of 350.00

**Out-of-Pocket**
- Family: Smith, John, Smith, Jane
- Out-of-Pocket: 78.51 of 6,000.00
- Family: Smith, John, Smith, Jane
- Out-of-Pocket: 40.00 of 3,000.00
## Comparison By Same Provider Type

### Outpatient Hospital

We found 38 facilities

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

### Located Near Zip Code

<table>
<thead>
<tr>
<th>Provider</th>
<th>City/State</th>
<th>Cost Common</th>
<th>Cost Range</th>
</tr>
</thead>
<tbody>
<tr>
<td>PARK CITY HOSPITAL</td>
<td>PARK CITY, UT</td>
<td>$1,330</td>
<td>$1,134 - $1,665</td>
</tr>
<tr>
<td>GUNNISON VALLEY HOSPITAL</td>
<td>MULTIPLE LOCATIONS</td>
<td>$1,453</td>
<td>$1,453 - $1,522</td>
</tr>
<tr>
<td>KANE COUNTY HOSPITAL</td>
<td>KANAB, UT</td>
<td>$1,490</td>
<td>$1,474 - $1,579</td>
</tr>
<tr>
<td>GARFIELD MEMORIAL HOSPITAL</td>
<td>PANQUITCH, UT</td>
<td>$1,494</td>
<td>$1,331 - $1,658</td>
</tr>
<tr>
<td>IASIS SALT LAKE REGIONAL MEDICAL CENTER</td>
<td>SALT LAKE CITY, UT</td>
<td>$1,526</td>
<td>$1,512 - $1,671</td>
</tr>
<tr>
<td>CENTRAL VALLEY MEDICAL CENTER</td>
<td>NEPHI, UT</td>
<td>$1,689</td>
<td>$1,596 - $1,699</td>
</tr>
<tr>
<td>IASIS DAVIS HOSPITAL AND MEDICAL CENTER</td>
<td>LAYTON, UT</td>
<td>$1,695</td>
<td>$1,609 - $1,720</td>
</tr>
<tr>
<td>CEDAR CITY HOSPITAL</td>
<td>CEDAR CITY, UT</td>
<td>$1,794</td>
<td>$1,393 - $1,917</td>
</tr>
</tbody>
</table>
# Breakdown of All Costs

## Treatment Costs

**Network:** Summit Network

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

### Treatment Costs Table

<table>
<thead>
<tr>
<th>Provider</th>
<th>Cost</th>
<th>Range</th>
</tr>
</thead>
<tbody>
<tr>
<td>Facility</td>
<td>$958</td>
<td>$734 - $1,382</td>
</tr>
<tr>
<td>Physician</td>
<td>$372</td>
<td>$360 - $375</td>
</tr>
<tr>
<td>Total</td>
<td>$1,330</td>
<td>$1,134 - $1,685</td>
</tr>
</tbody>
</table>

*PARK CITY HOSPITAL*

PARK CITY, UT
Member Reviews & Warnings

Ellis, Laurie J APRN
Woseth Dermatology Pc
1648 E 4500 S Ste 202 Salt Lake City 84117-5209
801-268-8641
Dermatology, Female, ENGLISH
Accepting new patients

Gleich, Gerald J MD
Midvalley Health Center
243 E 6100 S Murray 84107-7302
801-581-2995
Dermatology, Male, ENGLISH
Accepting new patients

Hansen, C David MD
Mid Valley Health Center
243 E 6100 S Murray 04107-7302
801-581-2965
Dermatology, Male, ENGLISH/GERMAN
Accepting new patients

Pharmacy Practices
Costs for Where Doctor Sends Labs

(Costs based on most common procedures)

<table>
<thead>
<tr>
<th>Code</th>
<th>Description</th>
<th>Hospital Costs</th>
<th>Independent Lab Costs</th>
<th>Office Costs</th>
</tr>
</thead>
<tbody>
<tr>
<td>80053</td>
<td>Metabolic blood tests</td>
<td>$82.00</td>
<td>$13.42</td>
<td>$14.76</td>
</tr>
<tr>
<td>80061</td>
<td>Cholesterol testing</td>
<td>$63.04</td>
<td>$17.11</td>
<td>$16.04</td>
</tr>
<tr>
<td>81003</td>
<td>Urine analysis</td>
<td>$31.4</td>
<td>$3.12</td>
<td>$3.11</td>
</tr>
</tbody>
</table>
Agency Report on ER vs. Urgent Care

When going to an urgent care rather than the emergency room, both your members and the plan save money:

<table>
<thead>
<tr>
<th>Average Member Share</th>
<th>Urgent Care</th>
<th>$89</th>
<th>Emergency Room</th>
<th>$588</th>
</tr>
</thead>
<tbody>
<tr>
<td>Average Plan Share</td>
<td>Urgent Care</td>
<td>$70</td>
<td>Emergency Room</td>
<td>$1,085</td>
</tr>
</tbody>
</table>

This is how your utilization compares to the benchmark:

<table>
<thead>
<tr>
<th></th>
<th>Urgent Care</th>
<th>87% of benchmark</th>
</tr>
</thead>
<tbody>
<tr>
<td>Emergency Room</td>
<td>116% of benchmark</td>
<td></td>
</tr>
</tbody>
</table>
### Facility Cost Report: Summit Network

<table>
<thead>
<tr>
<th>% of claims</th>
<th>Facility Name</th>
<th>% from Average</th>
</tr>
</thead>
<tbody>
<tr>
<td>31%</td>
<td>University of Utah Hospital</td>
<td></td>
</tr>
<tr>
<td>18%</td>
<td>IASIS Jordan Valley Medical Center</td>
<td></td>
</tr>
<tr>
<td>15%</td>
<td>Lone Peak Hospital</td>
<td></td>
</tr>
<tr>
<td>11%</td>
<td>St Marks Hospital</td>
<td></td>
</tr>
<tr>
<td>5%</td>
<td>IASIS Salt Lake Regional Medical Center</td>
<td></td>
</tr>
<tr>
<td>&lt;1%</td>
<td>St Marks Outpatient Surgery Center</td>
<td></td>
</tr>
<tr>
<td>&lt;1%</td>
<td>Central Utah Surgical Center</td>
<td></td>
</tr>
</tbody>
</table>

Total: $99,954
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
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
Questions?