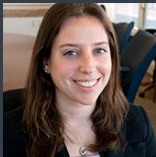


# Understanding the Health Insurance Business: An Overview of Health Plans

Thursday, September 6, 2018  
3:00 PM ET - 3:30 PM ET

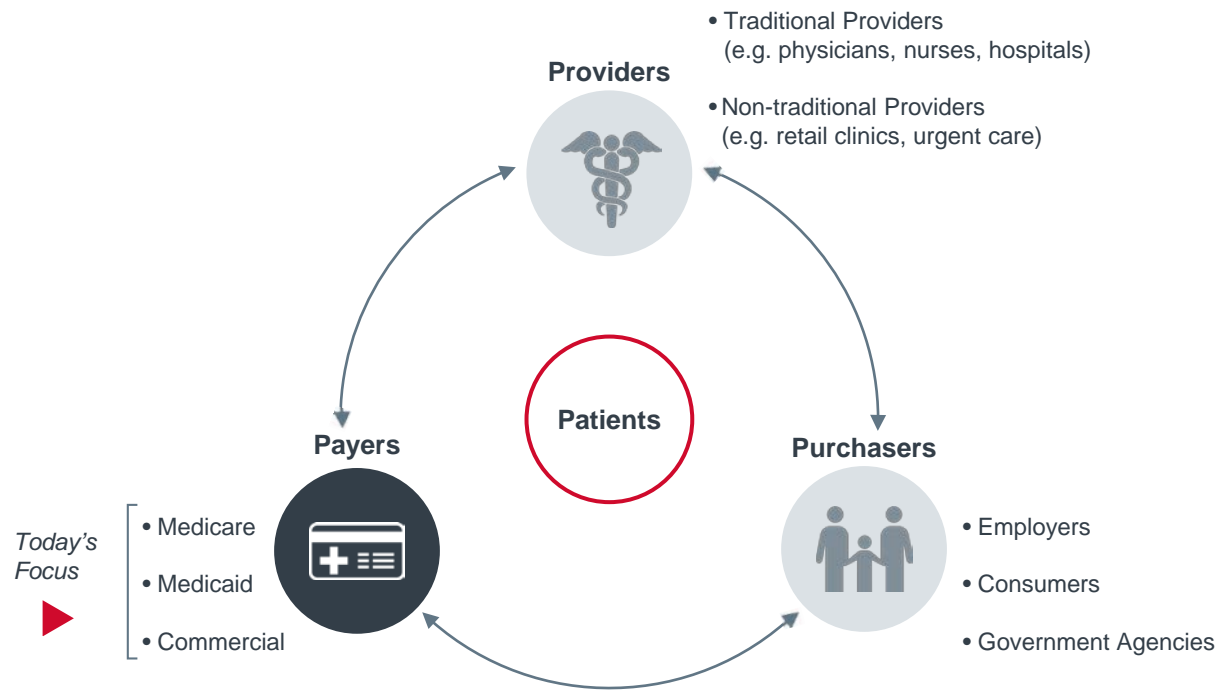


**Rachel Sokol**  
Practice Manager  
The Advisory Board Company  
[sokolr@advisory.com](mailto:sokolr@advisory.com)

- 1 Health Plan Fundamentals
  - 2 Key Trends in Health Plan Strategy and Operations
  - 3 Recent Health Plan Policy Updates
  - 4 Questions
  - 5 Appendix: Health Plans 101 Resources
-

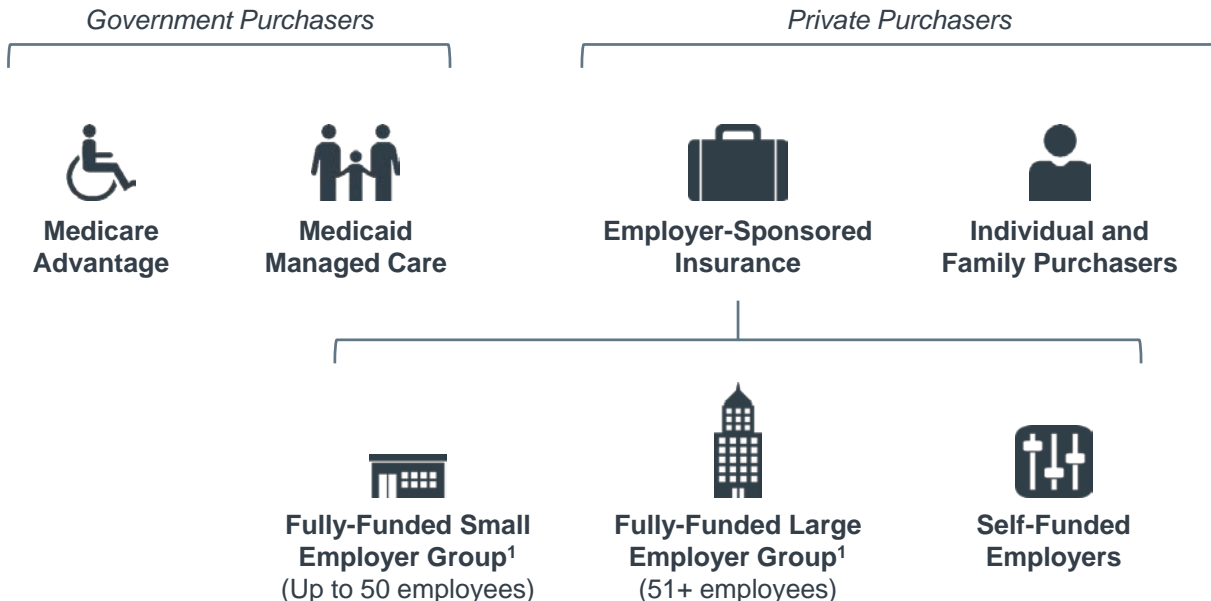
# Health Care's Major Players

## Key Stakeholders in the U.S. Health Care Delivery System



# Who Purchases Health Coverage?

## Major Health Plan Business Lines



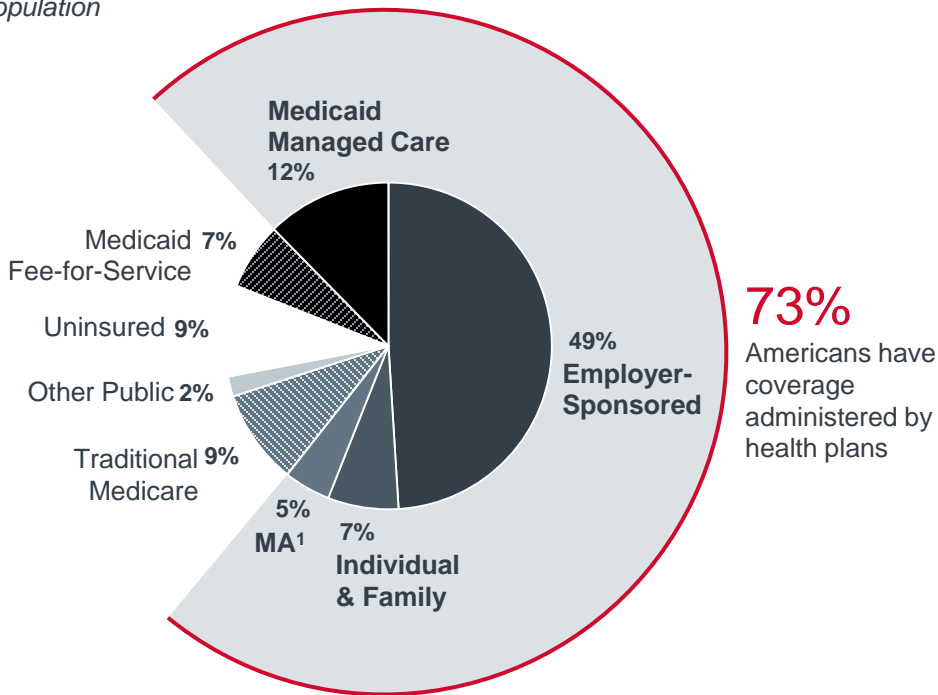
<sup>1</sup>) The small group definition was originally legislated to change to up to 100 employees for coverage in 2016, but the Protecting Affordable Coverage for Employees (PACE) Act of 2015 amended this change and leaves definition determination to the discretion of state regulators. For 2016, only California, Colorado, New York, and Vermont have expanded the definition of small group to up to 100 employees.

# Private Payers Offering Majority of Coverage

## Breakdown of U.S. Insurance Coverage Types

Percent of Total Population

2016-2017 Estimates






Source: Kaiser Family Foundation, "Medicare Advantage," 2017, <https://www.kff.org/medicare/fact-sheet/medicare-advantage/>; Kaiser Family Foundation, Total Monthly Medicaid and CHIP Enrollment, 2017, <https://www.kff.org/health-reform/state-indicator/total-monthly-medicare-and-chip-enrollment/>; Kaiser Family Foundation, Total Medicaid MCO Enrollment, 2017, <https://www.kff.org/other/state-indicator/total-medicare-mco-enrollment/>; Kaiser Family Foundation, "Health Insurance Coverage of the Total Population," 2016, <https://www.kff.org/other/state-indicator/total-population/>; Health Plan Advisory Council research and analysis.

1) Medicare Advantage.

# What Keeps Health Plans Up at Night?




## Key Strategic Objectives for Health Plans

<i>Objective</i>	<i>Major Drivers</i>	<i>Business Impacts</i>	<i>Strategic Considerations</i>
 <b>Grow and retain membership</b>	Premiums, out-of-pocket costs, network composition, benefits, quality rating, member satisfaction	<ul style="list-style-type: none"> <li>• Total revenue</li> <li>• Actuarial soundness</li> </ul>	Purchasers prioritizing member convenience, usability in coverage and care
 <b>Drive appropriate utilization</b>	Consumer behavior, preventive care, care management, access, site of care differences	<ul style="list-style-type: none"> <li>• Total cost of care</li> <li>• Product price</li> <li>• Quality-adjusted revenue</li> </ul>	Greater expectation for members to use products effectively
 <b>Contract efficient, high-quality providers</b>	Provider contracting, market consolidation, quality incentives, regional supply and labor costs	<ul style="list-style-type: none"> <li>• Total cost of care</li> <li>• Product price</li> <li>• Quality-adjusted revenue</li> <li>• Network appeal</li> </ul>	Growing prevalence of value-based payment and provider focus on population health

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# Purchaser Demands Evolving and Pressure Plans

## Purchasers Seek Lower Costs Through Diverging Techniques

### Emerging Plan Roles in Response to Prescriptive Purchasers



**Individuals**



**Employers**



**Medicare  
Advantage**



**Medicaid**

*Purchase  
Objective*

Lower  
premiums

More cost-effective  
decisions

Fewer expensive  
care needs

Predictable  
trend

*New Purchaser  
Demand for Plan*

Piecemeal  
coverage

Consumer  
guidance

Supplemental  
services

Eligibility  
monitoring



*New Plan Role*



**Utility**



**Concierge**



**Social Support**



**Gatekeeper**

# Heavily Investing in Experience

## Plans Executing on Their Promises to Improve Member Experience

### Media Coverage of Plan Investments in Member Experience



August 16, 2018

#### **Anthem Launches mHealth Program in Ohio for COPD Care Management**

“Anthem is launching an mHealth program in Ohio that will use a remote patient monitoring platform to improve care management for members living with COPD”



August 24, 2018

#### **Humana Inks Deal to Offer Value-Based Care to MA Members**

KANSAS CITY  
BUSINESS JOURNAL

November 8, 2017

#### **Blue KC plan cuts co-pays for doctor visits**



#### **National Scorecard on Payment Reform**

“97% of Plans Offer or Support a Cost Calculator”

Source: Reuter E, “Blue KC plan cuts co-pays for doctor visits”, *Kansas City Business Journal*, November 8, 2017, <https://www.bizjournals.com/kansascity/news/2017/11/08/blue-kc-plan-cuts-co-pays-for-doctor-visits.html>; Wicklund E, “Anthem Launches mHealth Program in Ohio for COPD Care Management”, *mHealth Intelligence*, August 16 2018, <https://mhealthintelligence.com/news/anthem-launches-mhealth-program-in-ohio-for-copd-care-management>; “2014 National Scorecard”, Catalyst for Payment Reform, <https://www.catalyze.org/product/2014-national-scorecard/>; “Cigna Launches One Guide— Simplified, Personalized Service to Help Choose a Health Plan, Improve Health and Reduce Costs”, *BusinessWire*, November 30, 2016, <http://www.businesswire.com/news/home/20161130005175/en/Cigna-Launches-Guide-%E2%80%93Simplified-Personalized-Service>; Zacks Equity Research, “Humana Inks Deal to Offer Value-Based Care to MA Members”, *Nasdaq*, August 24, 2018, <https://www.nasdaq.com/article/humana-inks-deal-to-offer-value-based-care-to-ma-members-cm1012791>; Health Plan Advisory Council research and analysis.

# A Growing Market for a Growing Problem

## Navigation Vendors Supplementing Plan Services



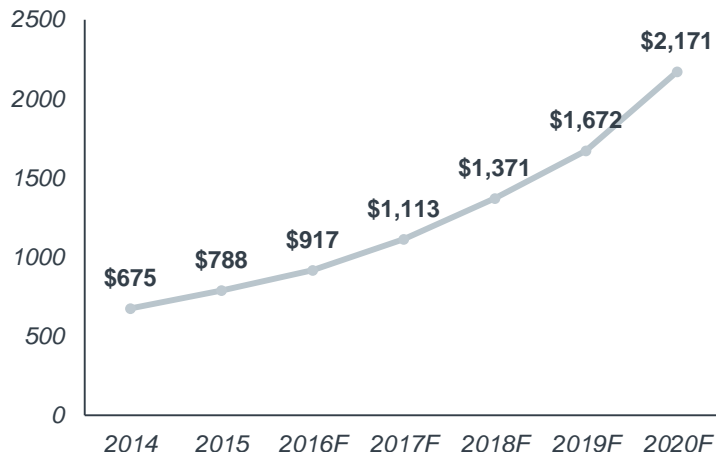
**Members Lack  
Navigation from Plans**

**25%**

Of members receive care coordination support from their health plan

### Care Coordination Software Market for Payers




Revenue in millions of dollars, 2015



Source: "Care Coordination Software US Overview and Outlook", Frost & Sullivan, May 2015; "US Member Health Plan Study", J.D. Power, 2017, <http://www.jdpower.com/resource/us-member-health-plan-study>; Health Plan Advisory Council interviews and analysis.

# What Keeps Health Plans Up at Night?

## Key Strategic Objectives for Health Plans

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# How Are Health Insurance Products Structured?



## Major Categories of Insurance Products



### Health Maintenance Organization (HMO)

- Provides coverage for in-network providers with a referral
- Generally only covers out-of-network medical expenses in the case of emergency
- Focuses on integrated care, prevention, and wellness

**More Restrictive**  
**Lower Cost**



### Preferred Provider Organization (PPO)

- Offers in-network services at a reduced cost in comparison to out-of-network services
- Allows members to go out-of-network without a referral for an additional cost

**Less Restrictive**  
**Higher Cost**



### Consumer Directed Health Plan (CDHP)

- Combines a high deductible with a health savings account (HSA) to motivate consumer accountability for healthcare spending
- Generally offers care coordination and cost-sharing tools

**Variable Restriction**  
**Variable Costs**

Source: "Health insurance plan & network types: HMOs, PPOs, and more," Healthcare.gov, <https://www.healthcare.gov/choose-a-plan/plan-types/>; Beaton T, "What are the Pros and Cons of Consumer Directed Health Plans?" HealthPayer Intelligence, <https://healthpayerintelligence.com/news/what-are-the-pros-and-cons-of-consumer-directed-health-plans/>; Health Plan Advisory Council interviews and analysis.

# It All Comes Down to Price

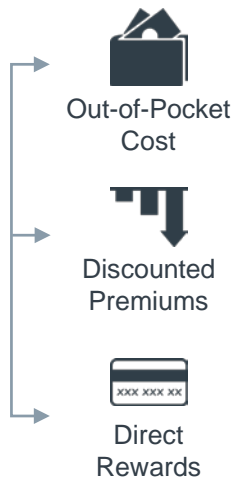
## Distilling Complex Care Decisions into Dollars

### Plan Methods for Signaling 'Correct' Choices to Members

#### CARE DECISION ATTRIBUTE



#### PLAN FOCUS



#### SAMPLE PLAN ACTIVITIES

*Transparency tools assist members in quantifying out-of-pocket costs among options*

*15% reductions in premiums for narrower-network products*

*\$50 Visa® gift card available for selecting a plan-preferred PCP*

# You're Hired!—As Your Own Care Navigator

## Navigating Care a Full Time Job for Members

### Plan Member Job Description

#### HIRING: Health Plan Member

The purpose is to navigate the health system for care that is both high quality and low cost

Responsibilities:

- **Identify appropriate treatment and provider**
  - Review quality information about providers
  - Inform treating providers about benefit considerations
  - Seek second opinions on treatment plan
- **Contact providers to schedule appointments**
  - Utilize provider finder tools and directories
  - Alter schedule to fit into provider's availability
  - Travel to and from appointment and be prompt
- **Calculate out-of-pocket costs from benefit design**
  - Understand health plan contract
  - Read mail from plan on any updates
  - Understand multiple EOBs<sup>1</sup> and billing statements

Apply Now

### Navigation Skill Only Comes with the Practice No Member Should Need to Have

“

“People who are good at navigating health care are spending their whole days doing that”

Charu Juneja, Design Director

Design Institute for Health  
Dell Medical School at the University of Texas

”

1) Explanation of benefits.

# If At First You Don't Succeed, Keep Texting

## Recurring Reminders Keep Care Options Top-of-Mind

### Lily Health Plan's<sup>1</sup> Savings Reminder Messaging Strategy

#### TYPICAL PLAN OUTREACH

Provider Selection



#### ADDITIONAL OUTREACH POINTS

Appointment 1



Appointment 2




Appointment 3

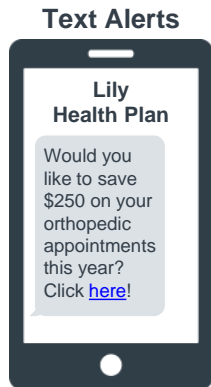


Appointment 4



 **Ongoing Reasons to Change Provider**

- Clinician relationship
- Location, hours
- Services and amenities
- Affordability
- Appointment delays
- Treatment outcomes



**Email Alerts**

Ready to save?  
Here's how you do it.

Switch to a different quality provider for an **Orthopedic Surgery Office Visit** and **save up to \$45 per year.**

[SHOW ME HOW](#)

1) Pseudonym.



# Comparative Savings

## Guided Steps Trigger Switching to More Affordable Providers

### Features of Lily Health Plan's<sup>1</sup> Savings Messages

#### Clear Comparison of Options

### Choose where to save

**Switch and save at a quality provider below**

NO THANKS, I DON'T WANT TO SAVE.

SHOWING 3 RESULTS NEAR YOU. SORT BY **LOWEST COST**

<p><b>Orthopedics Center A</b></p> <p style="text-align: center;">● ● ○ RATING</p> <p>(555) 555-5555 1234 LANE AVE <b>27 MI</b> TOWN, ST</p> <p style="text-align: right;">Total \$109 Plan Pays \$72</p> <p style="text-align: center;"><b>You Pay \$35</b></p> <p style="text-align: center; background-color: #0070C0; color: white; padding: 5px; border-radius: 5px;">SELECT</p>	<p><b>Doctor B, DO</b></p> <p style="text-align: center;">● ● ○ RATING</p> <p>(444) 444-4444 4321 STREET AVE <b>21 MI</b> CITY, ST</p> <p style="text-align: right;">Total \$109 Plan Pays \$74</p> <p style="text-align: center;"><b>You Pay \$35</b></p> <p style="text-align: center; background-color: #0070C0; color: white; padding: 5px; border-radius: 5px;">SELECT</p>	<p><b>Doctor C, MD</b></p> <p style="text-align: center;">● ● ○ RATING</p> <p>(333) 333-3333 5678 TURNING AVE <b>42 MI</b> METRO, ST</p> <p style="text-align: right;">Total \$110 Plan Pays \$75</p> <p style="text-align: center;"><b>You Pay \$35</b></p> <p style="text-align: center; background-color: #0070C0; color: white; padding: 5px; border-radius: 5px;">SELECT</p>
---	---	---

#### Easy Next Steps

We're happy to help you choose a more affordable orthopedic provider! To switch, please contact:

**(333) 333-3333**  
**(Doctor C, MD)**

You can tell them the following:

Hi, I am in the middle of therapy for my lower back and my insurer, Lily Health Plan, has provided me with cost estimates to let me know I may have savings with your office. Can I set up an appointment?






Alerts opened,  
February to April 2016

1) Pseudonym.

# What Keeps Health Plans Up at Night?

## Key Strategic Objectives for Health Plans

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# Network Spend at the Core of Our Cost Conundrum

## Health Plan Leaders Echo Same Cost Concerns

### Network Management Leaders Bemoan Their Network Performance

“**Utilization is too high.** We’re not getting integrated care at the level we want.

“Our hospital owners are still about trying to **fill beds.**”

“If we aren’t able to solve our network cost problem, we’ll go **out of business.**”

“We struggle with getting enough providers who are **high quality and low-cost.**”

“

“Unless you can bring Avocado Health System<sup>1</sup> in, you can’t meet network adequacy standards where we want to expand. But their rate demands don’t meet what we can finance. So we’ll have to be **satisfied without growing** until Avocado is willing to manage under a budget.”

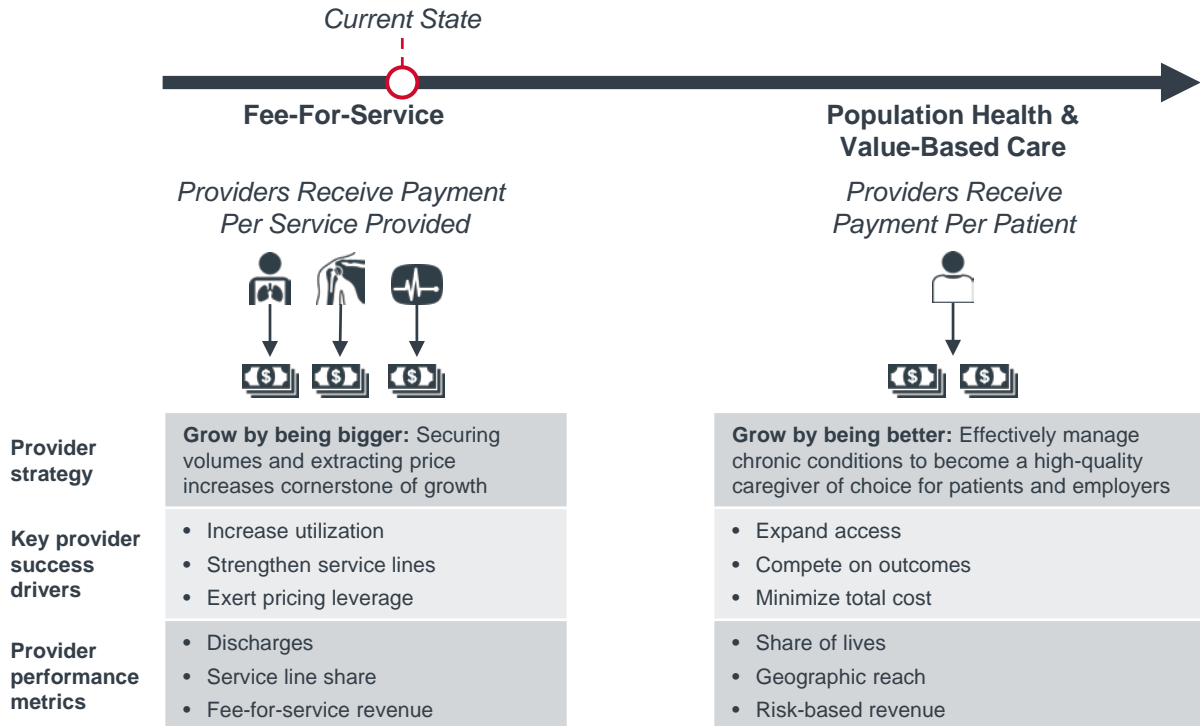
Senior Vice President, Medicare Advantage Plan

”

1) Pseudonym.

# Health Care Payment Models in a State of Flux

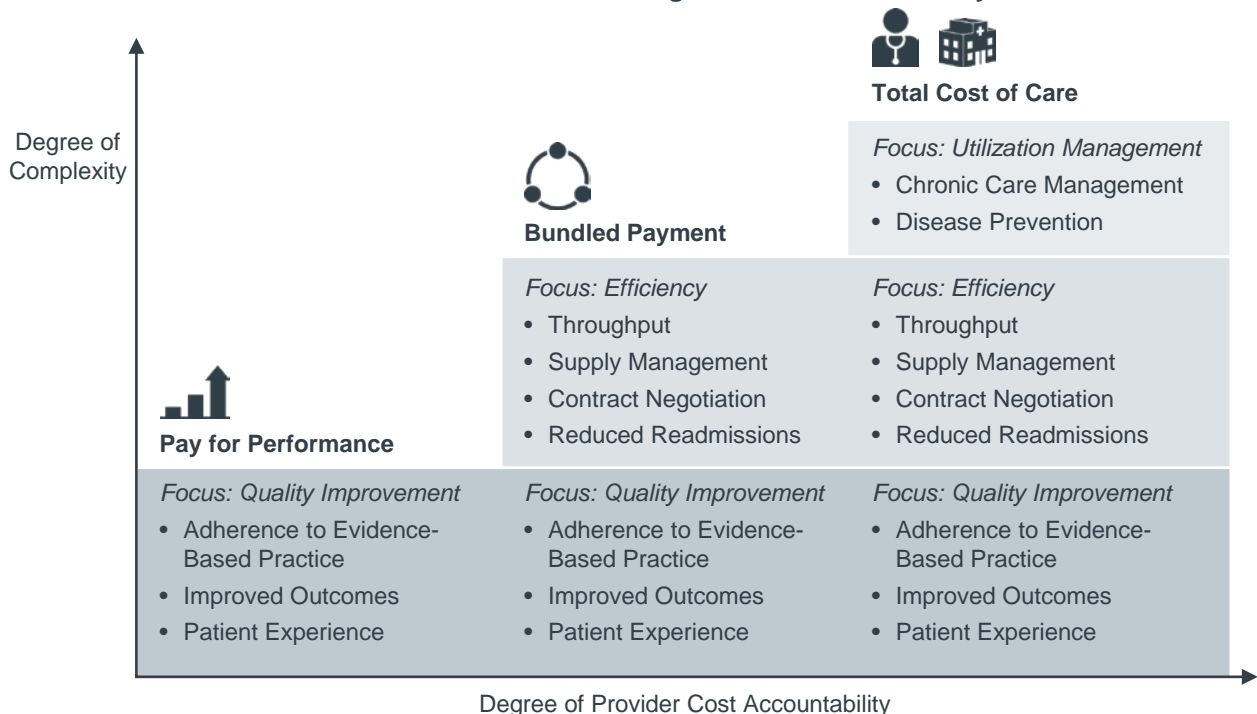
## Spectrum of Payment Methodologies to Shift Provider Business Strategy



# New Payment Models Strive to Change Incentives

## An Overview of Accountable Payment Models

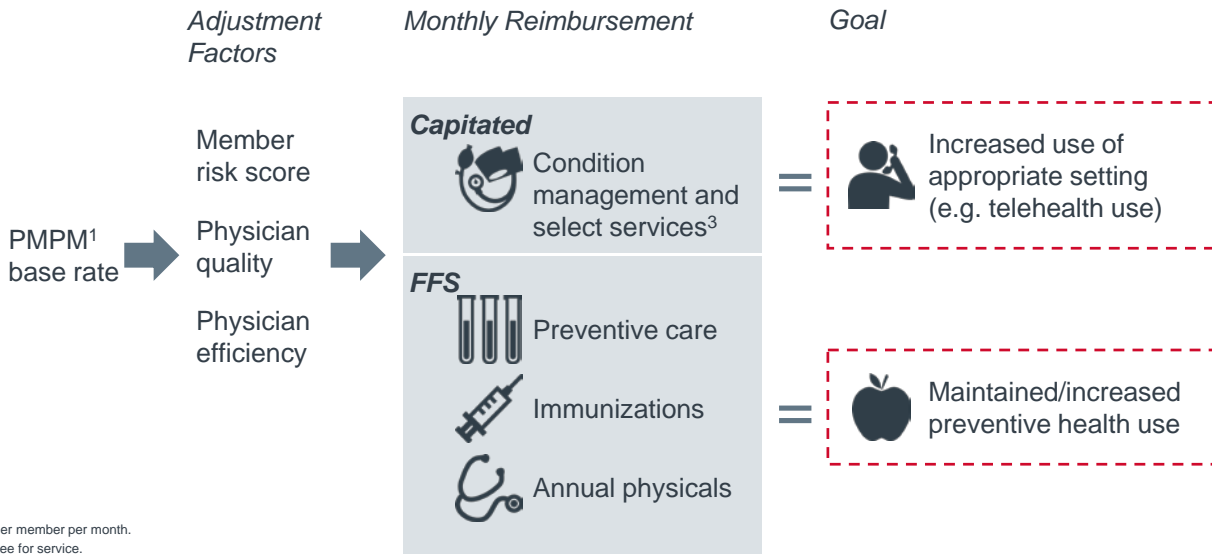
### Three Levers for Increasing Provider Accountability



# FFS is Fee-for-Value for the Care You Want

## Hybrid FFS-Capitated Reimbursement Reinforces Appropriate Care

### HealthNow Primary Care FFS<sup>2</sup>-Capitated Reimbursement Model



1) Per member per month.

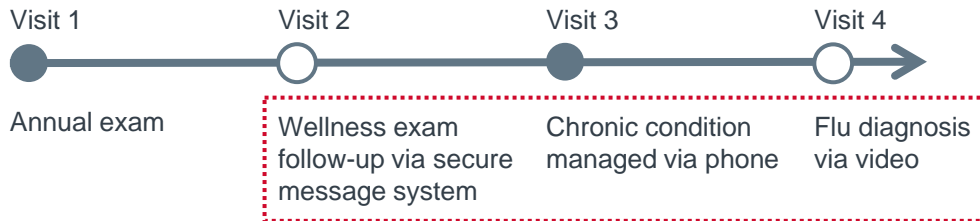
2) Fee for service.

3) Capitated codes include the following code types: allergy testing/immunotherapy, evaluation and management, EKG, hearing and speech exams, lab, non-classified, ophthalmology, pulmonology and radiology-non MRI.

# Save Time and Money for Members and Physicians

## Capitation Encourages Physicians to Manage Members In Right Setting

### Member Visits Converted to Clinically Appropriate Setting



  
**1400**  
Number of physicians participating in model

# More from the Health Plan Advisory Council

## Key Strategic Objectives for Health Plans

*Objective*

*Key Health Plan Advisory Council Resources*



**Grow and retain membership**

### **Services Preference Portal**

Understand what services consumers want most from their plan

### **Health Plan Precision Investment Timing**

A strategic discussion guide for adapting to future market disruption



**Drive appropriate utilization**

### **How to Influence Where Members Seek Care**

Five ways health plans can change the decision-making environment

### **The 10-minute HRA Makeover**

A guide to better data from more members



**Contract efficient, high-quality providers**

### **Population Health Delegation for Value-Based Performance**

How to transfer historically plan-held responsibilities to providers

### **Care Management Readiness Audit**

Tool for measuring providers' care management capabilities

Contact us at [hpac@advisory.com](mailto:hpac@advisory.com) for access to these and more resources to address these health plan priorities





- 1 Health Plan Fundamentals
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# How Does the ACA Affect Health Plans?

## Key Impacts of the Revised Affordable Care Act (ACA) on Health Plans

### PROVISIONS



#### Individual Mandate Repeal<sup>1</sup>

Requirements for larger employers to offer coverage  
*(but individual requirements to obtain qualifying health insurance repealed)*



#### Health Insurance Marketplaces<sup>2</sup>

Government-supported venues where individuals and small businesses can buy insurance; subsidies available



#### Medicaid Expansion

Extension of Medicaid eligibility to include individuals and families with incomes up to 133% of FPL<sup>3</sup> in states opting to do so

### IMPACTS ON PLANS

- ▶ Confusion over coverage regulations
- ▶ Enrollment Drop

- ▶ Competition for members
- ▶ Expensive, risky member pool

- ▶ Increased market size
- ▶ Less risky member pool

1) Takes effect beginning in 2019

2) Also referred to as "exchanges".

3) Federal poverty level.

# How Does the ACA Affect Health Plans? (Cont.)

## Key Impacts of the Affordable Care Act (ACA) on Health Plans

### PROVISIONS



#### Premium Stabilization Programs

Initiatives to enable market stability and promote appropriate competition (risk corridors and reinsurance ended; risk adjustment remains permanently)



#### Health Insurance Tax (HIT)

Tax on all health insurers based on net premiums written, graduating up over time; implementation delayed until 2020



#### Provider Payment Transformation

New population health- and risk-based payment structures imposed in Medicare, Medicaid, and CHIP, to reduce costs and increase quality

### IMPACTS ON PLANS

▶ Alleviate initial excess costs

▶ Uncertain profitability

▶ Increased premium rates

▶ Adverse selection

▶ Providers under reform pressure

▶ Broad provider interest in risk

Source: Mangan D, "ACA health insurance tax would be delayed 2 years under bipartisan bill," CNBC, January 23, 2018, <https://www.cnbc.com/2018/01/23/obamacare-taxes-were-suspended-in-deal-to-end-government-shutdown.html>; Morse S, "CMS to Continue Risk Adjustment Payments to Insurers," Healthcare Finance, July 25, 2018, <https://www.healthcarefinancenews.com/news/cms-continue-risk-adjustment-payments-insurers>; Health Plan Advisory Council interviews and analysis.

# How to Buy Less for Less

## Consumers Likely to Reduce Coverage to Save in the Present

### Regulatory Actions Give Flexibility to Individuals



- **Individual Mandate:** Tax Cuts and Jobs Act of 2017 repealed the Affordable Care Act's (ACA) individual mandate penalty, effective for 2019
- **Short-Term Health Plans (STHPs):** HHS final rule in 2018 extended maximum duration to 3 years for STHP policies, which are not required to meet ACA coverage and eligibility requirements
- **Association Health Plans (AHPs):** HHS final rule in 2018 broadened access and eased restrictions on coverage and premium rating

# 15%

Compound annual growth in individual marketplace benchmark premium rates, 2014-2018

## Changing Enrollment Outlooks with Emerging Coverage Options



# 3-6M

Expected **reduction in enrollment** by 2021 due to repeal of individual mandate



# 3-10%

Healthy consumers that could **defect from ACA to AHPs**



# 1.6M

Projected **STHP enrollment**, 2021

### Expert Predictions for AHPs, STHPs

**ADVOCATES**

Enable more **consumer choice and lower costs**

**CRITICS**

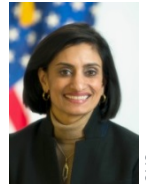
Cause **adverse risk pools and consumer surprises**

Source: Healthcare Finance, "[Up to 10% of healthy consumers could defect from ACA to association health plans, study shows](#)"; Congressional Budget Office, "[Federal Subsidies for Health Insurance Coverage for People Under Age 65: 2018 to 2028](#)"; The Washington Post, "[Trump administration widens availability of skinny, short-term health plans](#)"; Collins SR, "[First Look at Health Insurance Coverage in 2018 Finds ACA Gains Beginning to Reverse](#)." To the Point Blog, May 17, 2018; Congressional Budget Office, Washington, D.C.; King R, "[The Obamacare individual mandate is repealed. Here's what's next](#)," The Washington Examiner, January 14, 2018.; Andrews M, "[Read The Fine Print Before Picking An Association Plan For Your Small Business](#)," NPR, June 27, 2018; Health Plan Advisory Council interviews and analysis; <https://www.healthleadersmedia.com/finance/short-term-health-plans-allowed-3-years>; <https://www.kff.org/health-reform/state-indicator/marketplace-average-benchmark-premiums/?currentTimeframe=0&sortModel=%7B%22collid%22:%22Location%22,%22sort%22:%22asc%22%7D>

# A New Era for Medicare and Medicaid

Current Administration Setting a Higher Performance Bar

Alex Azar and Seema Verma Lay Out Four-Pronged Regulatory Agenda



Reduce burdensome regulations



Promote patient control of health data



Encourage greater transparency



Advance value-based models

## Key Observations



**Coverage expansion and coverage reform** no longer a top federal priority, increasingly delegated to state governments



The administration is taking an unsentimental, performance-focused approach to **delivery system reform via payment reform**

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# Join Us for More in this Webconference Series

SEP

13

2018

## [Understanding the Health Insurance Business: Commercial Insurance](#)

Thursday, September 13, 2018

3:00 PM ET - 3:30 PM ET

In this session, the presenter will explore the commercial side of health insurance and review current policy and market trends that shape health plan strategic decisions.

SEP

19

2018

## [Understanding the Health Insurance Business: Medicare Advantage](#)

Wednesday, September 19, 2018

3:00 PM ET - 3:30 PM ET

In the final session of the series, the presenter will provide an in-depth review of Medicare's privately-administered Medicare Advantage (MA) program, highlighting some of the current policy shifts within the MA industry.

SEP

25

2018

## [Understanding the Health Insurance Business: Medicaid Managed Care](#)

Tuesday, September 25, 2018

3:00 PM ET - 3:30 PM ET

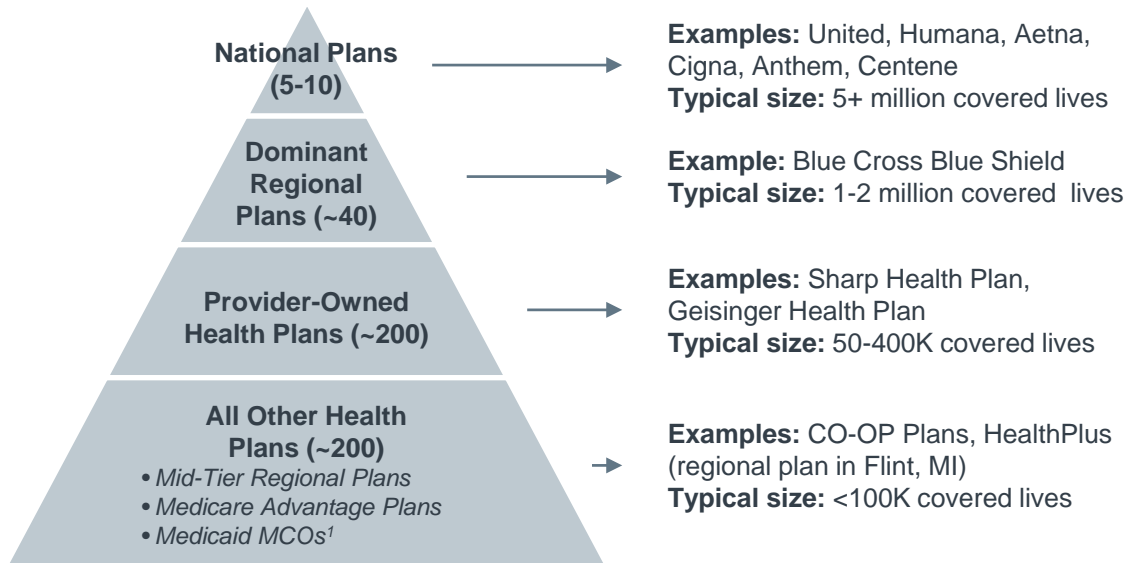
In this session of the series, the presenter will discuss key features of Medicaid managed care and address current opportunities and challenges for health plans operating Medicaid managed care business lines.

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# What Kinds of Health Plans Are There?

## Breakdown of the U.S. Health Plan Sector



1) Managed care organizations.

# What Do Health Plans Do?

## Major Health Plan Operational Activities



### Reimbursement Administration

- Estimate expected care costs of the membership to set premium and reimbursement rates
- Enable members to use their insurance product and pay bills efficiently
- Process claims to reimburse providers for services



### Medical and Care Management

- Manage the care utilization of the membership by:
  - Preventing avoidable conditions or services
  - Ensuring that cost-effective services are delivered



### Network Management

- Establish a contracted network of providers
- Ensure that providers meet cost and quality performance goals



### Business Development

- Design health insurance products that are financially viable and meet purchaser needs
- Attract desired customers and clients, and maintain business relationships

# What's the “MLR”?

## A Mandatory Metric for Plan Performance

### Example MLR<sup>1</sup> Calculation Summary

#### Health Expenses

- Incurred claims
- Quality improvement activities<sup>2</sup>
- Certain program integrity activities<sup>3</sup>
- Less deductions<sup>4</sup>

**MLR =**

#### Premium Revenue

- Total premium revenue<sup>5</sup>
- Special life-event payments
- Fines, penalties
- Less deductions<sup>6</sup>
- Credibility adjustment applied<sup>7</sup>



### Mandatory Minimum MLRs

**85%**

- Medicaid managed care
- Medicare Advantage
- Individual
- Small employer group

**80%**

- Large employer group

1) Medical loss ratio.

2) Includes meaningful use and external quality review.

3) Expenditures related to fraud prevention activities as adopted for the private market at 45 CFR part 158.

4) Deductions include overpayment recoveries received from network providers and prescription drug rebates received.

5) Includes state capitation payments, unpaid cost-sharing amounts, and net payments or receipts to risk sharing mechanisms.

6) Deductions include Community Benefit Expenditures (up to the greater of 3% of premium revenue or the highest premium tax rate), licensing or regulatory fees, and certain taxes.

7) Adjustment is calculated so that a managed care entity would be expected to experience an MLR under the threshold only 25% of the time.

8) Managed care organization.

# The Many Meanings of Risk

## Two Often-Mistaken Definitions



### Risk = Likelihood of Utilization

*“Is this member going to use care?”*

#### **Applies to:**

Members, market populations,  
patient panels

#### **Used for:**

Actuarial analysis, rate setting (risk  
adjustment), care management,  
provider evaluation



### Risk = Responsibility for Outcomes

*“Who will be financially responsible  
if this member uses care?”*

#### **Applies to:**

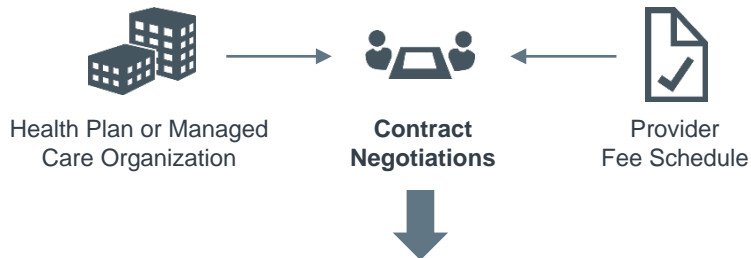
Providers, health plans,  
purchasers, consumers

#### **Used for:**

Value-based payment models,  
joint ventures, cost sharing

# Commercial Payments Can Vary Wildly

## Itemized Negotiations Foster a “Wild West” for Commercial Payment



### One Insurance Company's Payment to Six New Jersey Hospitals

	Normal Delivery	CABG	Appendectomy	Hip Replacement
Hospital A	\$2,178	\$26,342	\$2,708	\$3,330
Hospital B	\$2,787	\$32,127	\$2,852	\$3,444
Hospital C	\$2,906	\$34,277	\$3,320	\$4,200
Hospital D	\$3,187	\$36,792	\$3,412	\$4,230
Hospital E	\$3,276	\$37,019	\$3,524	\$5,028
Hospital F	\$3,629	\$45,343	\$4,230	\$5,787
<b>Range</b>	<b>\$1,451</b>	<b>\$19,001</b>	<b>\$1,522</b>	<b>\$2,457</b>

Source: "Final Report," New Jersey Commission on Rationalizing Health Care. 2008, available at: [http://www.nj.gov/health/hc/finalreport/documents/entire\\_finalreport.pdf](http://www.nj.gov/health/hc/finalreport/documents/entire_finalreport.pdf). Advisory Board interviews and analysis.

# Reining in Costs with “Patient Skin in the Game”

## High-Deductible Health Plans Encourage Patient Price Sensitivity

### Elements of Patient Cost-Sharing



#### Premium

Monthly amount paid for insurance coverage



#### Copay

Fixed fee paid per visit to provider



#### Deductible

Annual amount owed for care before insurance begins to pay

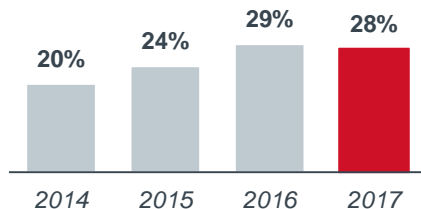


#### Coinsurance

Percentage share of remaining costs

### OUT-OF-POCKET COSTS

### High-Deductible Health Plan Enrollment<sup>1</sup> Among Covered Workers, 2014-2017



### Changing Consumer Behavior

## 23%

Consumers report they are **postponing** care after enrolling in a CDHP<sup>2</sup>

## 17%

Consumers report they are **sacrificing** care after enrolling in a CDHP<sup>2</sup>

<sup>1</sup> Health plans with a deductible of at least \$1,000 for single coverage and \$2,000 for family coverage offered with a Health Reimbursement Arrangement (HRA); or high-deductible health plans that meet the federal legal requirements to permit an enrollee to establish and contribute to an health savings account (HSA).

<sup>2</sup> Consumer directed health plan.