

Consumer Directed Health

Plans:

Some Preliminary Results from Health Plan Survey Data

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Project Design

■ Study Goals

- Prevalence and structure of consumer-directed health plans (CDHPs) and related strategies
- Early reports of experiences and effects

■ Study Design

- Survey via Mercer Consulting
 - Annual inventory of health plans
 - 973 health plans (region/product level)
- Case studies of plan/employers dyads

Goals of Consumer Directed Health Plans

- Reduce employer/purchaser/consumer health care spending
- Reduce consumer moral hazard (make consumers internalize the "benefit commons")
- Spur competition and innovation based on value, cost-effectiveness

Mapping Consumer Directed Health Plans

- Health Reimbursement Accounts (HRAs)
- Tiered/Flexible Benefit Design Products (including tiered networks)
- Decision support alone
- Cost sharing alone

HRA Enrollment

- As of 1/1/2003 enrollment in HRAs approximately 300,000
- Projected enrollment for 2004 roughly double that number
- Multi-product health plans increasingly offer an HRA, both self-insured and fully insured

HRAs: Disease Management Strategies

- Disease management for COPD, HIV/AIDS, Depression, Hypertension, Low back pain more likely to be offered by CDHP-only plans
- Outsourcing of disease management more common among CDHP-only plans

HRAs: Safeguards Against Under Use

- More than half of HRA plans screen all claims against evidence-based practice algorithms to detect under-use
- About one third of HRA plans notify providers and members of deviations from evidence-based practice

Information for Consumers

- One third of plans offering HRAs make information on provider quality and customer satisfaction available to enrollees
- Approximately one half of HRA plans make hospital and doctor/medical group cost information available

Tiered Network Products*

Number of Plans	20
Number of Beneficiaries	1,560,912
Number of Employers	1,373

*86% report tiering based on cost & quality; 14% cost

Geographic Distribution of Tiered Network Products

Region	% of All Enrollees in Tiered Network Plans	% of All Enrollees in HMO/POS
West	54	30
Midwest	12	17
Northeast	2	46
South	32	7

Decision Support for HMO/POS Plans with Tiered Networks

- Individual physician/medical group:
 - 29% of tiered plans offered info on comparative cost
 - 5% offered info on comparative quality
- Hospitals:
 - 10% tiered plans offered info on comparative cost
 - 10% offered info on comparative quality

Cost Sharing in HMO, POS, PPO Plans

- Most plans report increases in cost sharing with consumers:
 - 83% of HMOs increased out-of-pocket share
 - 91% of POS plans increased out-of-pocket share
 - 92% of PPO plans increased out-of-pocket share
- Increases average 5% over 2002

Ongoing Survey Analyses and Case Studies

- Flexible benefit design products
- Describe structure of HRAs
- Examine decision support in traditional managed care plans
- Detailed case studies of these and other species (e.g., high-deductible plans)
- Evidence of early effects