Helping Consumers Make Informed Health Care Decisions

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A growing problem

• Rising health care costs
• Fewer believe costs vary* from provider to provider
• 66% say their insurer should be responsible for keeping costs down

*Compared to 2009
Everyone has a role to play

We can all come together and do our share to better manage health care cost and quality... this includes payers, providers, members and employers.
How do members make informed decisions?

Four types of information required:

**Coverage**
- Does my insurance cover this at all?
- How does my health insurance cover this?

**Cost**
- How much does health care actually cost?
- What will be my real out-of-pocket cost?

**Quality**
- How do you compare facilities or providers?
- What quality measures should I consider?

**Patient Satisfaction**
- How do other patients feel about their own similar experiences?
- What do the ratings mean?
Consumers have spoken...

They said they want to:

• Shop for value

• Receive guidance on their four most important needs –
  – Coverage
  – Cost
  – Quality
  – Patient Satisfaction

• See the bottom line and understand how to make informed health care decisions
We can help members make informed decisions by:

- Providing transparency of coverage, cost, quality and patient satisfaction

- Educating members on how to use this information to make more informed health care decisions
Usability research* highlights three key areas of a successful Find a Doctor tool:

**Navigation**
- Familiar features
- Ease of search
- Reduce upfront entry
- Enhanced filtering

**Understanding**
- Provide consumer-friendly terminology
- Simplify data presentation
- Plain language

**Value**
- Provide consistent and accurate information
- Focus on data that helps consumers make a decision
- Choose better care

Source: BCBSA Provider Finder Usability Study, July 2010
...to create a better member experience

An integrated approach to helping consumers become better educated about their health care choices and the role they play in driving quality and controlling costs

### Your Guide to health care Value
- Select a doctor, facility or specialist
- Review patient experience
- Understand cost and quality measures
- Determine out-of-pocket cost estimates

### Maximize Your health care Benefits
- Register to access member resources
- Understand plan benefits
- Check claim status
- Review your EOB’s
- Print a temp ID card
- Use MyHealth Record

### Know Your Health & Improve Your Lifestyle
- Access your Health Assessment
- Search for health information
- Use Health Trackers
- Learn about health and wellness programs
- Use Lifestyle programs
Guiding members to health care value

A personalized member experience that provides health care information where it’s most convenient

Your Guide to health care Value

• Select a doctor, facility or specialist
• Review patient experience
• Understand cost and quality measures
• Determine out-of-pocket cost estimates
WellPoint’s position

Integrating capabilities to respond to market dynamics

Reach
- 34M members
- National data through BCBSA
- 3M+ decision support transactions

Data Density
- 28M commercial members
- 100K+ primary care physicians
- 150K+ specialist physicians
- 338 million medical claims

Integration
- Consumer experience
- Providers
- Decision support tools
- Health & wellness and clinical

Innovation
- Bloom
- Watson
- Real-world Evidence
- Payment Innovation
- Availity
- Investment commitment

Source: Internal Data as of 01/2012
Outcome examples

There are a numerous payment models being developed and tested to see what works and what doesn’t in engaging members and eliminating wasteful spending.

Two cases, with two very different customers, show how consumer behavior can be positively influenced to improve health outcomes and quality while lowering costs.

Key mechanisms include:

• Reference-based pricing
• Value-based benefit design
Imaging cost and quality program: Outbound calls

Diagnostic Imaging Authorization

Live call alerting member of better imaging site location

Member returns call to AIM

“Hello, May I speak to “Kroger Member”? My name is “Anne” calling from Blue Cross Blue Shield, and I’m calling to let you know about ways you may be able to save money.

Our records show your doctor, Dr. Smith, has ordered a spine MRI at ABC facility with an average cost of $1,000. Are you aware of the target price on this procedure? (explain maximum benefit) I have two or three other facilities that scored equally in quality and service levels and are just as close or closer with an average cost of $X.XX. If you choose to have your procedure performed at one of the other facilities, you will see a reduction in your out of pocket costs. May I place you on hold to conference in XYZ facility to set up your new appointment? (Schedules appt). Thank you for your time; it was a pleasure assisting you today.

If the member decides to change the location of the exam, member engagement specialist will assist the member to make a new appointment and cancel the existing one.
Radiology management program – high-tech imaging target price

Case study of a large client’s 2012 high-tech imaging target price initiative includes clinical review, member engagement and target pricing

Clinical Review

**Right Test**
RQI Educational / Pre-Certification Program
CT, MRI, PETs orders are reviewed against clinical guidelines prior to being delivered in all 50 states.

Member Engagement

**Right Price**
“Imaging Cost and Quality Program”*
Information on the highest value providers is delivered to customers’ members, enabling them to make more informed decisions about where they get CT and MRI exams.

“Target Pricing”*
Information on target pricing is shared with customers’ members for CT (head / brain, thorax, abdomen and pelvis) and MRI (cervical, thoracic and lumbar)

* Available in CA, CO, CT, GA, IN, KY, MO, NV, NY, and OH in 2012
Clinical review

Program performing as expected with a 6.3% case impact and ~$887,000 in YTD estimated savings

Clinical Review Operational Activity

Program Impact Summary

Overall impact rate: 6.3%
(560 exams)
% Redirected: 4%
% Not Approved: 10%
% Other Impact: 33%
% Withdrawn: 53%

Impact Rate by Exam

CT Abdomen/Pelvis Combo: 1.2%
Low Extremity Joint/Non-joint MRI: 5.7%
Lumbar Spine MRI: 5.9%

Compliance

Projected clinical review compliance: 94%
(Derived via covered membership, Jan-Apr 12 case volume vs. prelim 2012 claims utilization/1000)

YTD Savings Estimate: $887,000

1 Total Savings Calculation: ((Other Impact) + (Direct Impact * 2)) * Unit Cost
• Other Impact = Exams that did not meet clinical guidelines
• Direct Impact = Exams that were redirected, withdrawn or not approved due to conversations with the Ordering Physician
• Direct impact is multiplied by 2 to represent the sentinel impact
• Sentinel Impact = Exams that did not get ordered due to program education about appropriateness criteria through AIM program
• Unit Cost = $950

Source: AIM analysis of Kroger authorization data, January – August 2012
Value-based purchasing design – program overview

Studies indicate that:

- High cost doesn’t necessarily correlate directly to high quality of care.
- There are wide variations in cost for equivalent care.
- Cost disparities are seldom tied to providers’ actual service, but rather to what the marketplace will accept.

*Value-based purchasing design (VBPD) is a unique approach to benefits that is designed to address these inequities.*

VBPD:

1. Establishes a payment threshold for certain elective/non-urgent surgeries.
2. The threshold limits the obligation of the health plan to an appropriate level of reimbursement.
3. Members participate in medical decisions by ensuring the services sought are compensated within this level of reimbursement.
Value-based purchasing design: pilot program

• The pilot program targeted routine single hip and knee joint replacement procedures.

• A payment threshold of $30,000 was established to cover inpatient services for hospital stays for routine single hip joint replacement and for single knee joint replacement.

• 45 hospital systems in the region were identified as being able to provide these services for a cost at or below the threshold.

This information was made available to members in one of our large state health benefit plans.
Value-based purchasing design
pilot overview

• The analysis was designed to confirm to what degree the program could shift surgeries to appropriately priced facilities.

• The analysis compared knee and hip surgeries conducted in the first 12 months of the program to the prior 12 months.

• The analysis compared the average cost of each surgery and the number of surgeries conducted at low cost facilities both before and after the program launch.
Value-based purchasing design
pilot results

The number of surgeries performed at facilities that charge below the benefit threshold was 8% higher once the program was in place.

The average paid amount per surgery was 30% lower during the pilot than it was the prior year. This is a combination of the members going to lower cost facilities more often, as well as the cap being applied to members who chose to use facilities that charged in excess of the threshold.
Transforming the consumer experience

• As an industry we can work together to transform our health care delivery system.

• We’ve made significant progress, and are focused on understanding and delivering on consumers’ needs and wants.

Our collective goal is to improve the accessibility and affordability of quality health care for all Americans.
Where do we go from here?

Questions