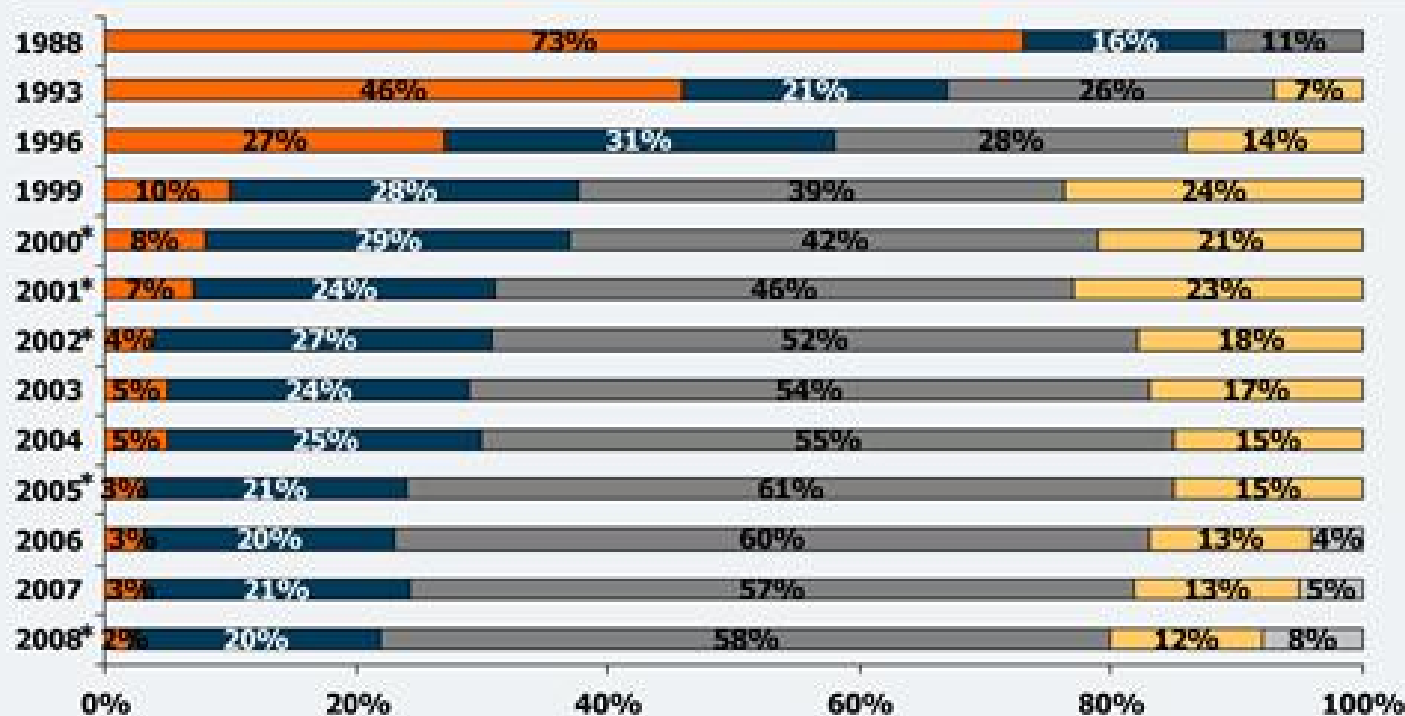


Employers' Promoting Competition: Seeking Answers -- Facing Uncertainty

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Pacific Business Group on Health

FTC Panel on Competition
October 30, 2008

Distribution of Health Plan Enrollment for Covered Workers, by Plan Type, 1988-2008



* Distribution is statistically different from the previous year shown ($p < .05$). No statistical tests were conducted for years prior to 1999. No statistical tests are conducted between 2005 and 2006 due to the addition of HDHP/SO as a new plan type in 2006.

Note: Information was not obtained for POS plans in 1988. A portion of the change in plan type enrollment for 2005 is likely attributable to incorporating more recent Census Bureau estimates of the number of state and local government workers and removing federal workers from the weights. See the Survey Design and Methods section from the 2005 Kaiser/HRET Survey of Employer-Sponsored Health Benefits for additional information.

Source: Kaiser/HRET Survey of Employer-Sponsored Health Benefits, 1999-2008; KPMG Survey of Employer-Sponsored Health Benefits, 1993, 1996; The Health Insurance Association of America (HIAA), 1988.



Among Both Firms Offering and Not Offering Health Benefits, Distribution of Firms' Opinions on the Effectiveness of the Following Strategies to Contain Health Insurance Costs, 2008


	Very Effective	Somewhat Effective	Not Too Effective	Not At All Effective	Don't Know
Tighter Managed Care Networks*					
All Small Firms (3-199 Workers)	7%	42%	17%	22%	12%
All Large Firms (200 or More Workers)	4%	33%	37%	24%	2%
ALL FIRMS	7%	42%	18%	22%	12%
Consumer-Driven Health Plans (Ex: High-Deductible Plan Combined with a Health Savings Account)*					
All Small Firms (3-199 Workers)	15%	40%	19%	17%	9%
All Large Firms (200 or More Workers)	13%	52%	19%	11%	5%
ALL FIRMS	15%	40%	19%	17%	9%
Higher Employee Cost Sharing*					
All Small Firms (3-199 Workers)	13%	31%	24%	26%	6%
All Large Firms (200 or More Workers)	12%	48%	24%	14%	2%
ALL FIRMS	13%	32%	24%	25%	6%
Disease Management Programs*					
All Small Firms (3-199 Workers)	17%	45%	11%	16%	10%
All Large Firms (200 or More Workers)	28%	56%	9%	4%	3%
ALL FIRMS	18%	46%	11%	15%	10%

* Distributions are statistically different between All Small Firms and All Large Firms within category ($p < .05$).

Source: Kaiser/HRET Survey of Employer-Sponsored Health Benefits, 2008.

Health Plan Choosers: One Indicator of the Potential for Engaging Consumers

wizard.asp?page=quality_ratings

WELLS FARGO


Wells Fargo Medical Plan Chooser

[About Plans](#)

About You
Costs
Doctors
Quality Ratings
Features
Services
Results

[Help](#)
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Quality Ratings

Learn what makes one health plan stand out from another and how to get quality care and service. Look for performance ratings in the following areas to decide which health plan can best meet your needs. [Read more about Quality Ratings.](#)

Rate each health plan based on its quality and service results. **Good fit** means the plan rates higher in the areas you care most about. Choose **so-so fit** if the plan has mixed results in these areas. **Poor fit** means the ratings aren't good enough in areas that matter to you.

✓ **Tips:** Most health plan quality ratings are for HMO plans. To see detailed quality ratings, visit [NCQA.org](#).

Health Plan	Rate or Remove Plan	Hewitt Indicators	NCQA	Team Member
		Customer Service and Business Performance Rating	Systems for Quality Care and Service Rating	Satisfaction Rating
		★★★★★ Highest Rating ★ Lowest Rating		
PacifiCare SVA Value Network	Not Rated	★★★★	★★★★★	★★★★
Kaiser - Northern California	Not Rated	★★★★	★★★★★	★★★★
PacifiCare SV HMO - California	Not Rated	★★★★	★★★★★	★★★★
WF Definity Health Plan Gold	Not Rated	Too few members to report	No quality rating for most non-HMO plans	★★★★

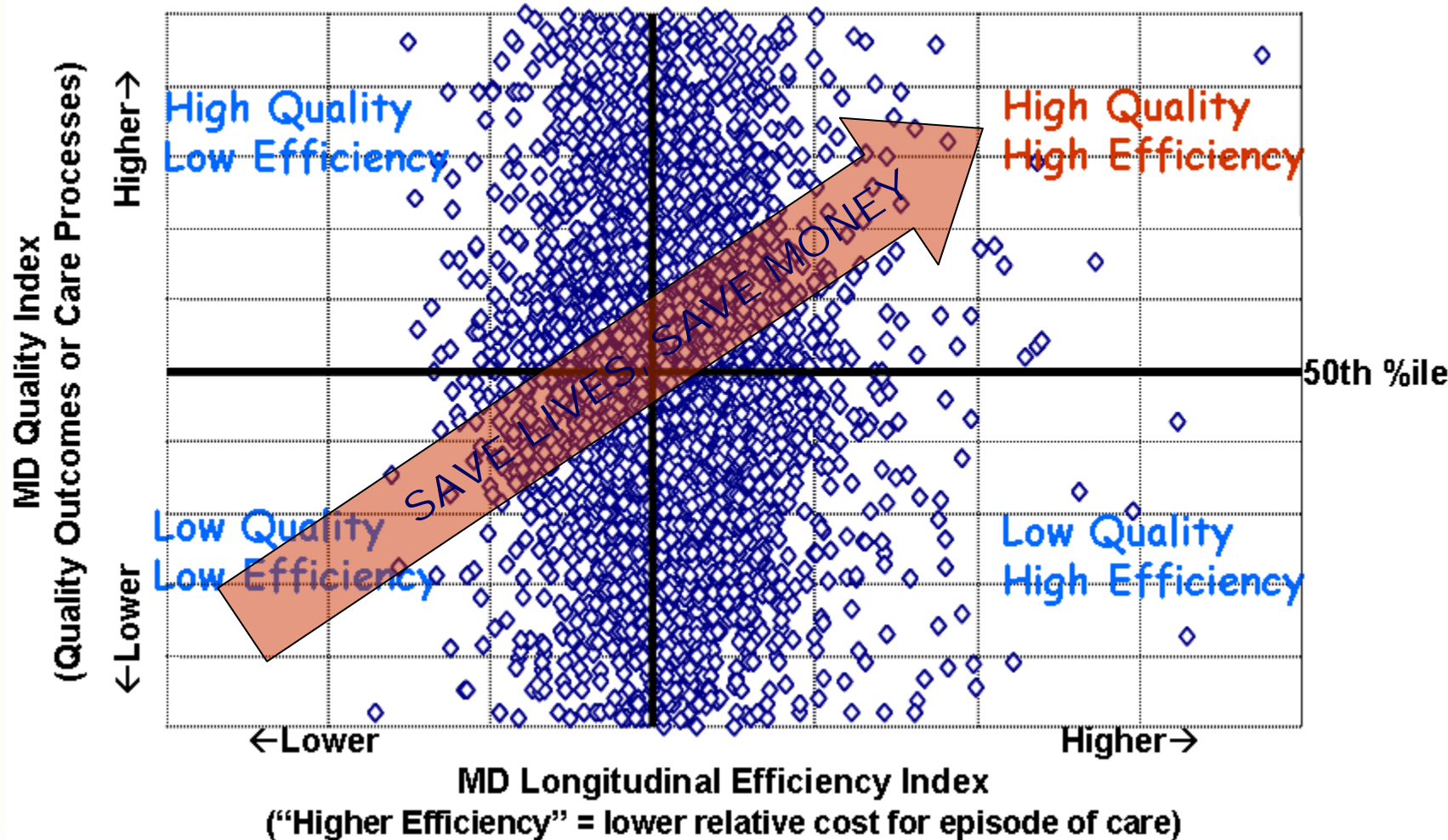
[Format for Printing](#)

or

- Member Ranking based on**
- Premiums
 - Out of Pocket Costs
 - Physician Selection
 - Plan level quality indicators
 - Plan Features and Services

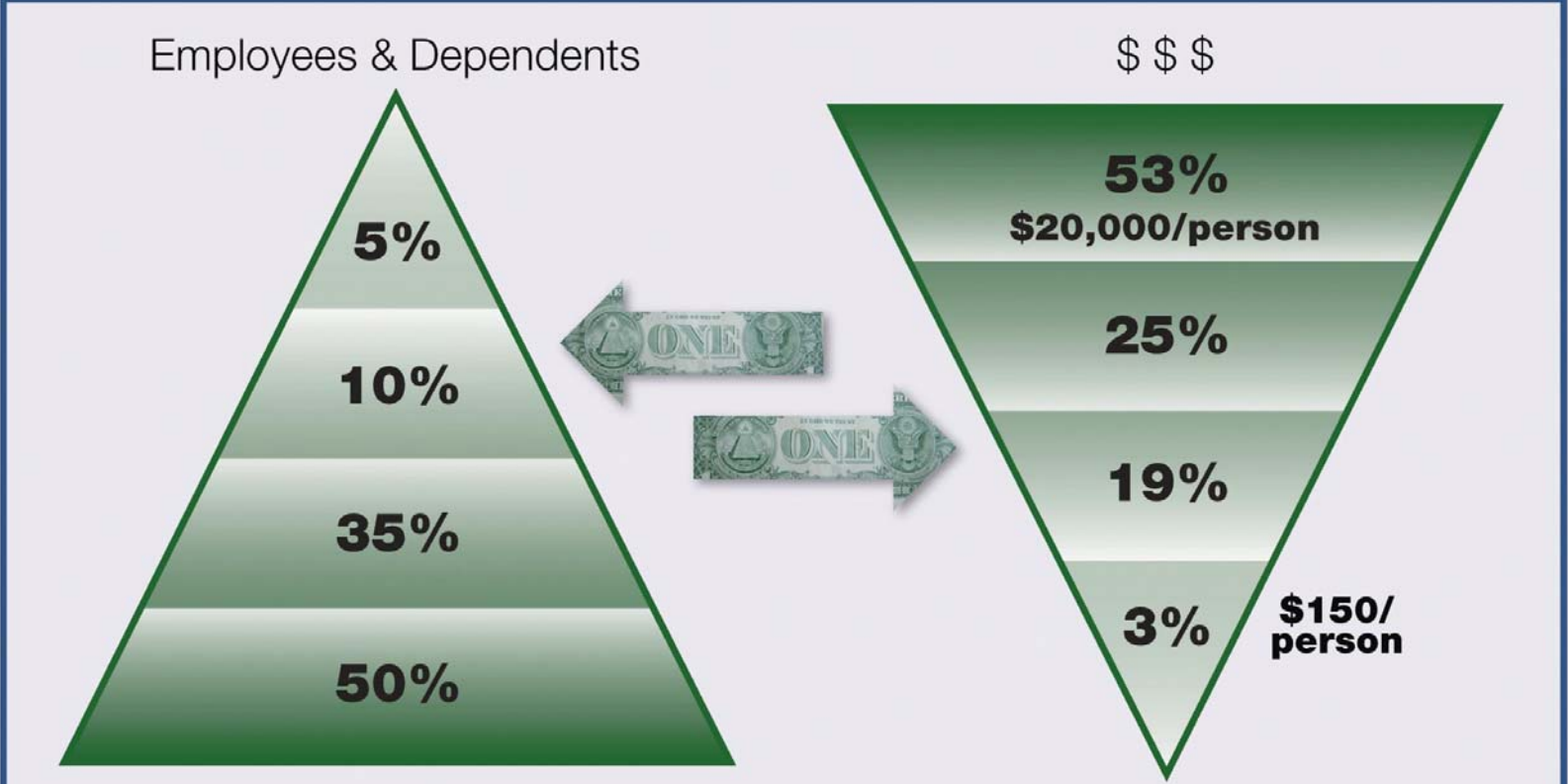
Measuring Provider Quality and Cost-Efficiency to Improve Value

Actual Distribution of Physicians by Quality and Efficiency



Purchasers' Expectations for Health Management and Care Coordination

15% of People Account for Nearly 78% of Cost

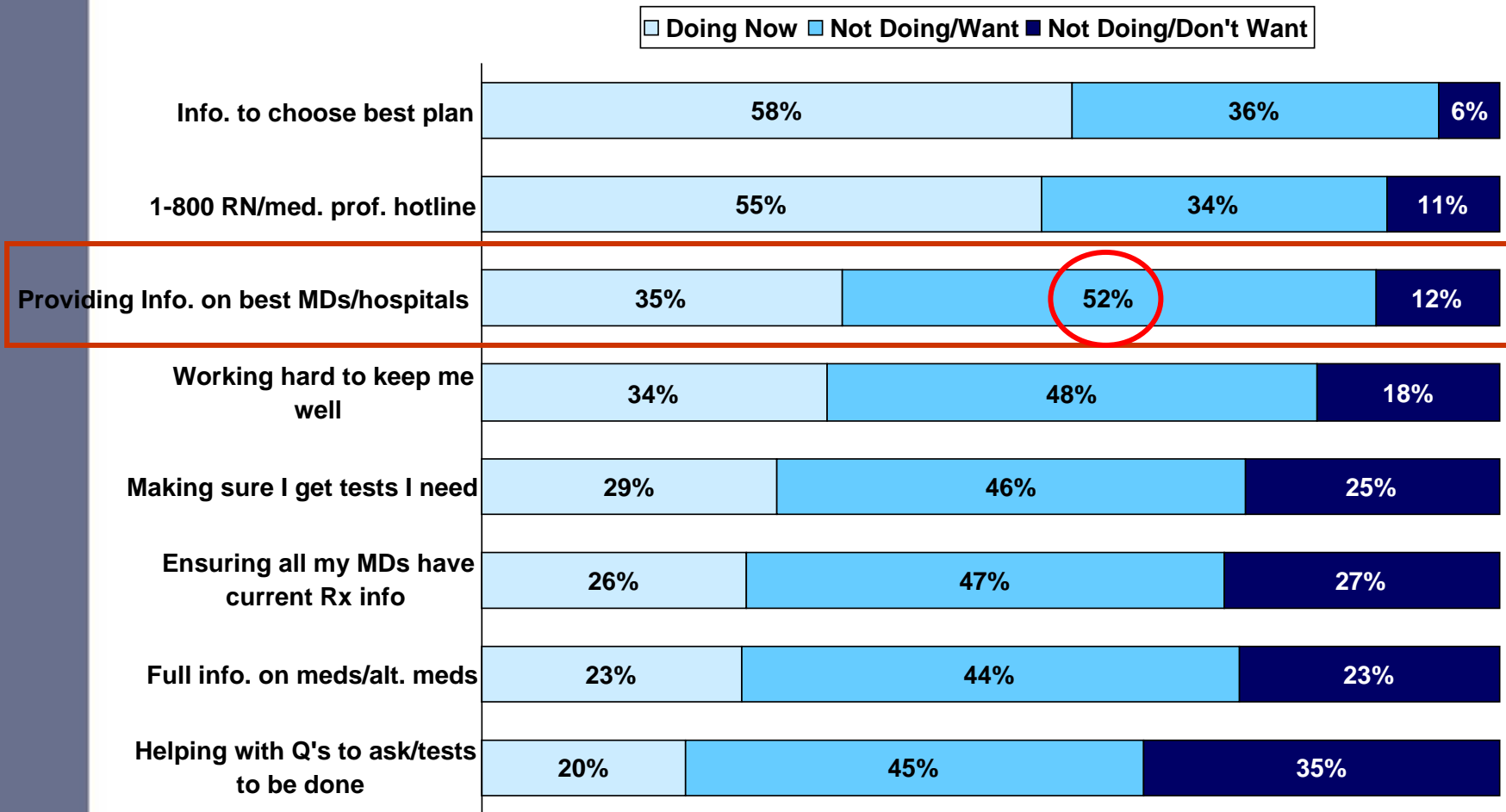


Adapted from Mercer HR Consulting

% of Employees	5%	10%	35%	50%
% of Claims	53%	25%	19%	3%
Average Claims/Employee	\$20,000	\$5,000	\$1,000	\$150

Over half the consumers want information on best MDs/hospitals, but believe plans are not providing it to them.

Types of Information Health Plans (Provide):

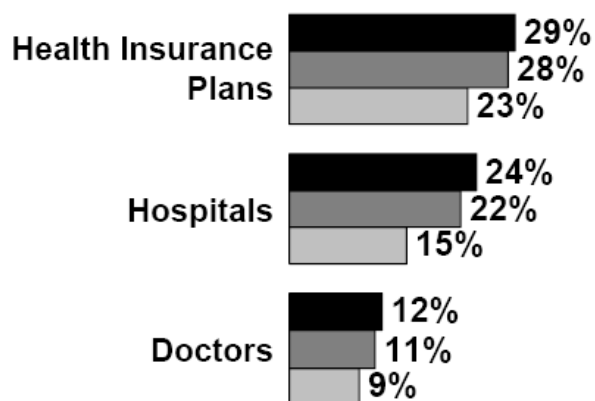


Source: Consumer Habits and Practices Study, 2005

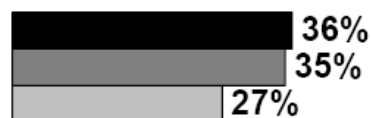
Exposure To And Use Of Quality Information

■ 2006 ■ 2004 ■ 2000

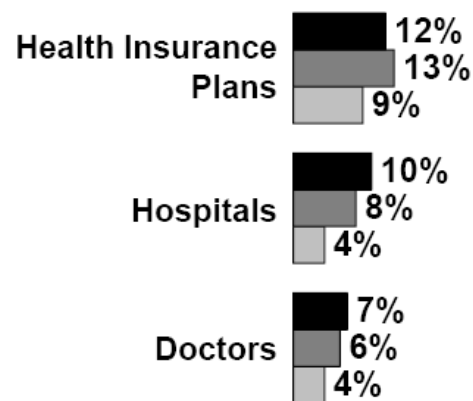
Percent who say they saw information in the past year comparing quality among...



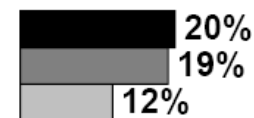
Percent who say they saw information on ANY of the above...



Percent who say they saw quality information in the past year and used it to make health care decisions...



Percent who say they saw and used information on ANY of the above...



Sources: Kaiser Family Foundation/Agency for Healthcare Research and Quality *2006 Update on Consumers' Views of Patient Safety and Quality Information* (conducted August 3-8, 2006); KFF/AHRQ/Harvard School of Public Health *National Survey on Consumers' Experiences with Patient Safety and Quality Information* (conducted July 7-September 5, 2004); KFF/AHRQ: *National Survey on Americans as Health Care Consumers: An Update on The Role of Quality Information* (conducted July 31-Oct. 13, 2000)

16 million using health care quality information for physician choice: “Very Low” or “Very High”?

Saw information on quality among...

Health Plans 29%

Hospitals 24%

Physicians 12%

Used the information in making a decision...

% and Number
of all Americans

12% **26 Million**

10% **22 Million**

7 % **16 Million**

Source: Kaiser Family Foundation et al., *National Survey on Consumers' Experiences*, 2006

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To Learn More and Additional Resources

- www.pbgh.org — an overview of PBGH programs and initiatives
- www.healthcaredisclosure.org — Consumer Purchaser Disclosure Project, good source for background and resources on the value agenda
- www.kff.org — Kaiser Family Foundation, good source of data on national policy; health care cost and trends

To subscribe to the PBGH E-Letter, go to www.pbgh.org/news/eletters