



Out-of-Pocket Cost Calculator

(VOTE)

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**Board of Directors Meeting
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Agenda

- Background
- Current-State Decision Support Tools
 - Provider Search
 - Annual Deductible
 - Co-insurance
- Future-State Decision Support Tools for HIX/IES
- Out-of-Pocket Cost Calculator Procurement
 - RFP Approach & Timeline
 - Scoring Results
 - Cost Results
 - Recommendation & Rationale
 - Next Steps
 - Vote



Background

The Health Connector launched the Plan Helper Tools last year to enhance our consumer shopping experience

- We wanted to offer more tools to provide education about plans and benefits to enable shoppers to narrow the number of products displayed to those most likely to meet their needs
- We presented a proposed design during the September 2012 Board meeting which included pre-filtering and educational content for Provider Search, Annual Deductible and Co-insurance
 - These tools, which include descriptions, tips, and educational videos, went “live” on the Health Connector website in October 2012
 - Non-Group, YAP and VP shoppers are able to learn about plan benefits, and apply filters that narrow the list of plans displayed
 - While not built into the small group shopping experience, small employers and brokers also have access to the educational videos
 - Since the tools have been live, approximately 38% of shoppers have chosen to use them

At that time, we also decided to pursue an out-of-pocket cost calculator, for later release, to further support consumer shopping



Current-State Decision Support Tools



Current-State Decision Support Tools

Provider Search

- Existing provider search functionality was made more prominent
- Shoppers learn about provider networks, including “narrower” or “limited” networks
- Shoppers can set filters to hide plans whose network does not include their provider
- ~49% of the shoppers used the tool by searching for and selecting at least one provider to add to their filter set

The screenshot shows the 'Plan Helper: Providers' interface. At the top, there are three progress indicators: 'Providers' (active), 'Annual Deductible', and 'Co-Insurance'. On the right, it says 'Health Plans Available 85 of 85'. The main content area asks, 'Do you have a provider you want to keep using?' with the subtext 'This provider might be a doctor, nurse practitioner, hospital, health center or a practice of several doctors.' There are three radio button options: 'Yes, I want to select a plan that allows me to keep my current medical provider(s).', 'No, I don't mind a new doctor.', and 'I'm not sure. Skip for now.' To the right of these options are two buttons: 'Continue' and 'Exit & View Plans'. Below the main content area, there are two sections: 'What is a Provider Network?' with a video player showing a group of people, and 'Tips about Provider Network' with a list of bullet points.

Plan Helper: Providers Providers Annual Deductible Co-Insurance Health Plans Available 85 of 85

Do you have a provider you want to keep using?
This provider might be a doctor, nurse practitioner, hospital, health center or a practice of several doctors.

Yes, I want to select a plan that allows me to keep my current medical provider(s).

No, I don't mind a new doctor.

I'm not sure. Skip for now.

[Continue](#)

[Exit & View Plans](#)

Don't worry about getting everything right. You can revisit each decision later and change your mind.

What is a Provider Network?

- Every health insurance plan has a group of doctors, nurse practitioners, hospitals and other medical professionals that have agreed to provide certain covered benefits to its members. These groups are known as the "Provider Network."

Tips about Provider Network

- Some insurance carriers offer 2 or 3 different varieties of the same health plan where plan #1 is on the "Broad" network and plan #2 is on the "Smaller" network.
- Health plans with narrower networks may have lower premiums. You should carefully consider any trade-offs on premiums and access to medical services.



Current-State Decision Support Tools (cont'd)

Annual Deductible

- Shoppers learn about annual deductibles and how high or low deductibles can affect premium
- Shoppers can set filters to hide plans that fall outside their desired range of deductibles
- ~77% of the shoppers used the tool by actively moving the sliders to their desired range of deductibles

The screenshot shows a web interface titled "Plan Helper: Annual Deductible". At the top, there are three filter tabs: "Providers", "Annual Deductible" (which is selected), and "Co-Insurance". To the right, it indicates "Health Plans Available 85 of 85".

The main content area has a heading "How do you feel about an annual deductible?" followed by explanatory text: "Plans with higher deductibles usually have lower premiums and higher out-of-pocket costs at the time you receive services or obtain medications (until you've paid your annual deductible). Move the blue sliders below to set the range of your deductible (which will narrow the number of available plans). The dollar amounts below reflect the chosen deductible."

Below the text is a horizontal slider with a scale from \$0 to \$2,000 in increments of \$250. The top of the slider is labeled "Higher Premium" on the left and "Lower Premium" on the right. The bottom is labeled "Lower Deductible" on the left and "Higher Deductible" on the right. Two blue sliders are positioned at the far left (\$0) and far right (\$2,000) ends of the scale.

At the bottom of the main content area, there are two radio button options: "I've moved the sliders to show my ideal range for my annual deductible." (which is selected) and "I'd like to skip this question."

On the right side of the interface, there are two buttons: "Continue" and "Exit & View Plans". Below these buttons is a message: "Don't worry about getting everything right. You can revisit each decision later and change your mind."

At the very bottom of the interface, there are two links: "What is an" and "Tips about Annual Deductible".



Current-State Decision Support Tools (cont'd)

Co-insurance

- Shoppers learn about co-insurance and how it can affect premium
- Shoppers can set filters to show or hide plans that include co-insurance in their cost-sharing design
- Annual-Out-of-Pocket Maximums are also explained, describing their relation to co-insurance
- ~66% of the shoppers chose to actively use the filter

The screenshot shows a web interface titled "Plan Helper: Co-Insurance". At the top, there is a progress bar with three steps: "Providers", "Annual Deductible", and "Co-Insurance", with the "Co-Insurance" step currently selected. To the right of the progress bar, it says "Health Plans Available 85 of 85".

The main content area asks the question: "Would you like to see plans that have co-insurance cost-sharing?". Below this question, there is explanatory text: "You may see lower premiums and higher out-of-pocket costs at the time you receive services or obtain medications on plans that have co-insurance." There are three radio button options:

- Yes, I would like to see plans *with* co-insurance.
- No, I would like a plan *without* co-insurance.
- I'm not sure. Skip for now.

Below the options is a "Please note" section: "Please note: By selecting 'No, I would like a plan without co-insurance' we will hide the plans that use co-insurance for the following common items: Diagnostic X-Ray or Laboratory Test, Outpatient Surgery, Hospitalization, and Tier 2 & 3 Prescription Drugs. The plans shown may require co-insurance for certain less commonly used items. Please check plan benefit details for information about any co-insurance that might be included."

On the right side of the interface, there are two buttons: "Continue" and "Exit & View Plans". Below the buttons, there is a message: "Don't worry about getting everything right. You can revisit each decision later and change your mind."



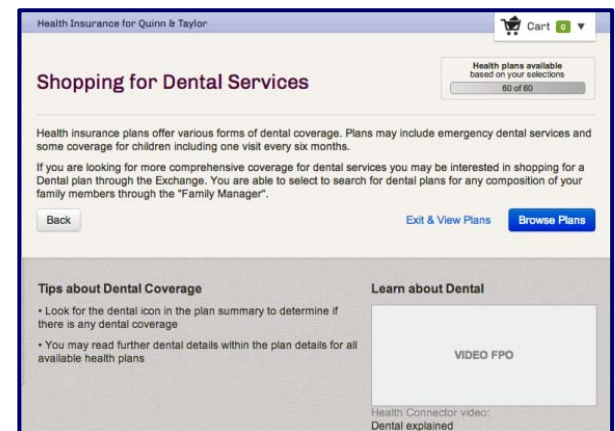
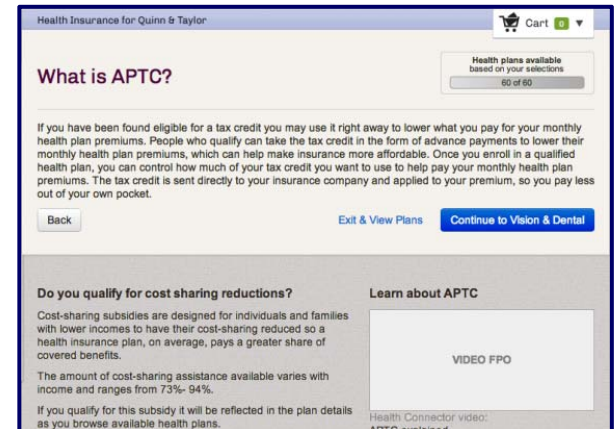
Future-State Decision Support Tools for HIX/IES



Future-State Decision Support Tools for HIX/IES

Decision Support Tools for the HIX/IES will be augmented to include additional educational materials for shoppers

- Advance Premium Tax Credits (APTC), State Wrap, Cost Sharing Reductions
 - If the shopper is eligible for any combination of APTC, State Wrap or Cost Sharing Reductions, educational content will be provided that helps them understand the subsidies and how they can be applied
 - This information is available in addition to the details that will be provided as part of their real-time eligibility determination
- Dental Insurance
 - Educational content will be provided to help shoppers understand their options for purchasing dental insurance
 - Shoppers can learn the differences between dental coverage that is embedded in or bundled with medical plans
 - Pediatric dental plans will also be explained



Wireframes are currently being designed; text, layout and colors are subject to change



Future-State Decision Support Tools for HIX/IES (cont'd)

In addition to educational materials, we are integrating an Out-of-Pocket Cost Calculator with the HIX/IES

- An Out-of-Pocket Cost Calculator can provide information to shoppers that encourages an “apples-to-apples” comparison of QHPs
- Shoppers can anonymously provide information that allows the tool to calculate the potential out-of-pocket costs for each QHP the shopper is eligible to purchase
- The results of the calculation can be displayed on the Health Connector’s website in an easy-to-understand format
- The tool will accommodate both standardized and non-standardized QHPs

A screenshot of the Health Connector website's "Plan Helper: Out of Pocket Cost Estimator" tool. The page title is "Health Insurance for Quinn & Taylor" and "Plan Helper: Out of Pocket Cost Estimator". It includes a "Cart" icon and a "Health plans available based on your selections 60 of 60" indicator. The main content area asks, "Would you like to calculate your potential healthcare costs?" with two radio button options: "Yes, I want to calculate my costs." and "No, I don't want to calculate my costs." Below the options are "Back" and "Continue to Formulary Support" buttons. The bottom section has two columns: "Healthcare Costs" with explanatory text and "Learn About Out of Pocket Costs" with a "VIDEO FPO" button. A "Health Connector video" watermark is visible at the bottom.



Out-of-Pocket Cost Calculator Overview – Demographics

- The shopper will provide basic demographic and usage information (e.g., age, zip code and anticipated healthcare usage/current health status)
- The tool will not require information to be re-entered if it is available from the screening tool or eligibility determination
- A shopper can use the tool anonymously as real names are not required

Health Profiles X

Entering more information about special condition(s) and planned procedure(s) can help us better estimate your true health costs.

| | |
|--------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Billy (5/5/1950) | Expected health usage When Billy is ill, how likely is he to utilize his health coverage benefits? Never Rarely Sometimes Often Always |
| Brenda (6/8/1953) | |
| Quinn (6/23/2012) | |

Billy has **special condition(s)** ⓘ

Billy has upcoming **planned procedure(s)** ⓘ

Save & Continue



Out-of-Pocket Cost Calculator Overview – Additional Info

- The shopper can provide additional information about expected services (e.g., pregnancy, knee surgery) to provide more precise calculations
- Information is de-identified and will never be used for any reason outside of providing out-of-pocket cost estimates to shoppers

Planned Procedures X

Search for procedures that are upcoming. Then select the individual for whom is receiving the planned procedure.

Search for planned procedure(s)

Search results for "knee" [View alphabetical list](#)

| | |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------|
| Knee Replacement Complete knee replacement Lorem ipsum dolor sit amet, consectetur adipiscing elit, sed do eiusmod tempor incididunt ut labore et dolore magna. | <input type="button" value="Select"/> |
| Knee Cartilage Scoping Examination and claning Lorem ipsum dolor sit amet, consectetur adipiscing elit, sed do eiusmod tempor incididunt ut labore et dolore magna. | <input type="button" value="Select"/> |
| Knee Spur Removal Spur removal Lorem ipsum dolor sit amet, consectetur adipiscing elit, | <input type="button" value="Select"/> |

Billy (5/5/1950)

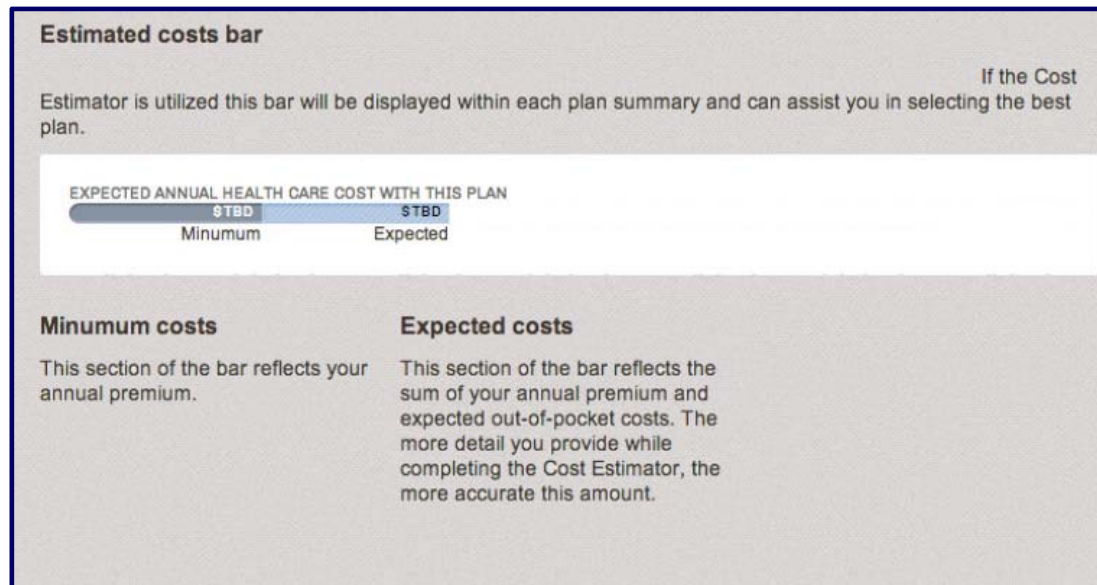
Brenda (6/8/1953)

Quinn (8/23/2012)



Out-of-Pocket Cost Calculator Overview – Results

- Information is sent to the vendor via a web-service call, and an estimate for each QHP the shopper is eligible for is returned in real time
- The results will be displayed on the website in an easy-to-understand format





Out-of-Pocket Cost Calculator Procurement



RFP Approach & Timeline

We issued an RFP to solicit proposals to provide Out-of-Pocket Cost Calculator services to the Health Connector

- The RFP was posted on March 13, 2013; proposals were due on March 27, 2013
 - Other key dates in the procurement process are outlined in the table below
- Responses were received from three bidders and evaluated against a pre-defined scoring framework
 - Each bidder is well established in the marketplace and provides similar services for other state-based Exchanges or large employer groups

| Key Activity | Deadline Date |
|-------------------------------------------|------------------|
| RFP Issued | 03/13/13 |
| Bidder's Questions Due | 03/20/13 |
| CCA Responses Due | 03/22/13 |
| Proposal Due | 03/27/13 |
| Best-and-Final Offer Due | 04/03/13 |
| Select Bidder for Recommendation to Board | Week of 04/01/13 |
| Board Vote to Award Contract | 04/11/13 |



Scoring Results

Bidder's scores ranged from 275–410 points out of 500 possible; Consumers' CHECKBOOK scored highest overall

- Proposals were scored against a framework broken out into three high-level categories: Functional, Technical and Cost
- Consumers' CHECKBOOK scored highest overall, and also scored highest in Functional and Technical Capabilities
- Bidder #2 received the highest score in the Cost category
 - Bidder #2's solution, however, will not be available for a significant portion of integration testing, posing major risks for an on-time go-live on 10/1/13
- Bidder #3 scored lowest in all three categories

| | | Consumers' CHECKBOOK | Bidder # 2 | Bidder # 3 |
|-------------------------|-------------------|---------------------------------|-------------------|-------------------|
| Functional Capabilities | 250 points | 210 | 195 | 175 |
| Technical Capabilities | 100 points | 95 | 85 | 55 |
| Cost | 150 points | 105 | 118 | 45 |
| Total Score | 500 points | 410 | 398 | 275 |



Cost Results

Consumers' CHECKBOOK's price response is in between Bidder #2 and Bidder #3

- Compared with Bidder #2, Consumers' CHECKBOOK's pricing structure is more scalable, with lower incremental cost associated with increase in service call volume and the number of QHPs
- Bidder #3's solution is priced significantly higher in all projected usage scenarios

| | Consumers' CHECKBOOK | Bidder # 2 | Bidder # 3 |
|------------------------------------------------------------------------------|---------------------------------------------|------------|------------|
| Customization & Configuration <i>(Apr 2013 – Sept 2013)</i> | \$295,260 | \$50,000 | \$430,000 |
| Ongoing Operations <i>(Oct 2013 – Jun 2014)</i> | \$75,913 | \$120,000 | \$340,000 |
| Ongoing Operations Option Years <i>(July 2014 – June 2015+, per year)</i> | \$297,189 <i>(+ ~4% annual increase)</i> | \$200,000 | \$340,000 |

Costs based on an estimate of 500,001 - 1,000,000 service calls & 150 QHPs



Recommendation & Rationale

Consumers' CHECKBOOK provides the most robust Cost Calculator solution and minimizes implementation risks

- Consumers' CHECKBOOK utilizes the Medical Expenditure Panel Survey (MEPS) as its data source for analytics, which is a comprehensive source of medical cost information collected by the U.S. Department of Health & Human Services
 - The tool is also able to accept data from the state's All Payer Claims Database (APCD), when it becomes available, to further enhance its analytical strength
- QHP benefits are analyzed in detail and stored within the tool
 - Basic plan benefits are modeled (*e.g.*, deductible, office visit, Rx)
 - Additional plan benefits (*e.g.*, specialist visits, imaging) and detailed exclusions (*e.g.*, dental care, long-term care) are also modeled as part of the calculation
- The tool returns the actuarially-estimated average annual Out-of-Pocket Cost for individuals or families with characteristics like the shopper
- The tool can also supply estimates for a low-cost or high-cost year, including the probabilities of having such a year
- Consumers' CHECKBOOK is working with several other state-based exchanges to provide Out-of-Pocket Cost Calculator services



Next Steps

- Obtain Board approval to finalize contract with Consumers' CHECKBOOK
- Complete HIX/IES shopping screen design and interfaces with the tool
- Engage stakeholders and carriers during implementation to help facilitate understanding of how the tool works and how to use the tool
- Periodically evaluate available data sources and landscape of decision support tools to assess opportunities for enhancement of this and other consumer support functionality



Vote

The PMT recommends that the Board authorize the Health Connector to enter into contract, subject to agreement on terms, with Consumers' CHECKBOOK for Out-of-Pocket Cost Calculator Services through June 30, 2014, with three optional one-year extensions.