

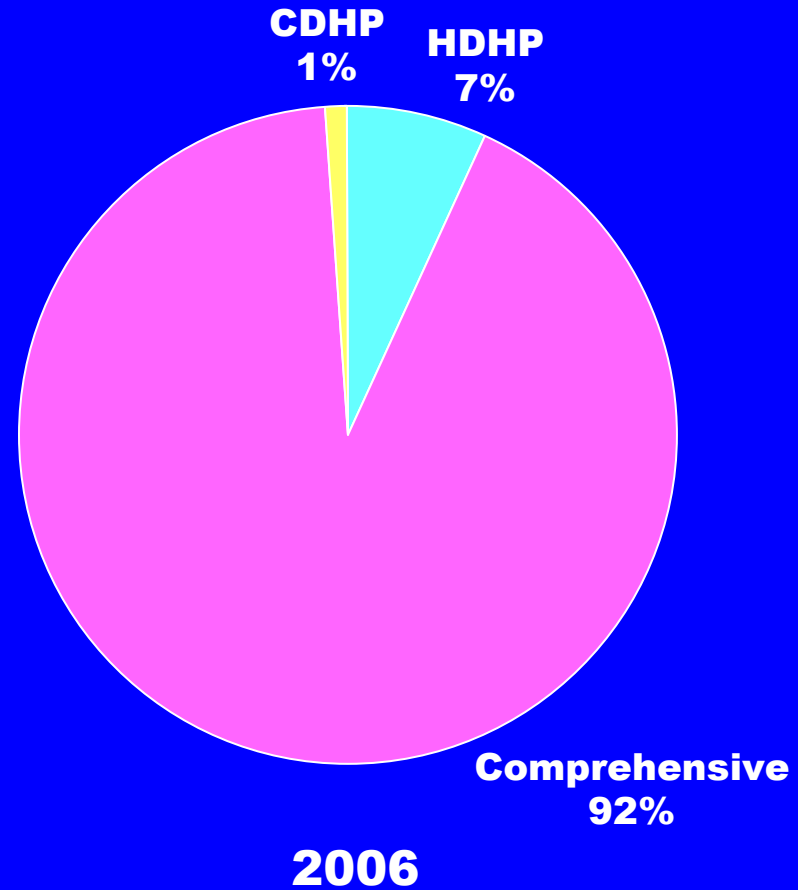
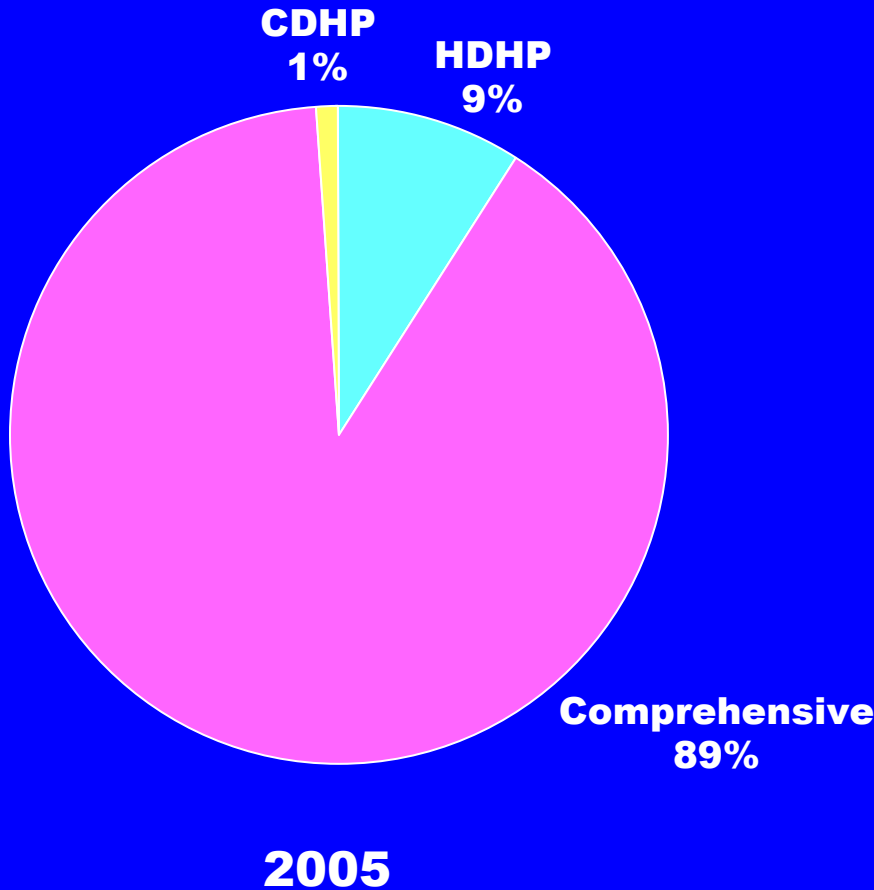


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# **Consumers' Experience With High-Deductible and Consumer- Driven Health Plans**

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Assistant Vice President  
The Commonwealth Fund  
The Second National Consumer Driven  
Healthcare Summit  
Washington, D.C.  
September 27, 2007**

# Distribution of Individuals Covered by Private Health Insurance, by Type of Health Plan



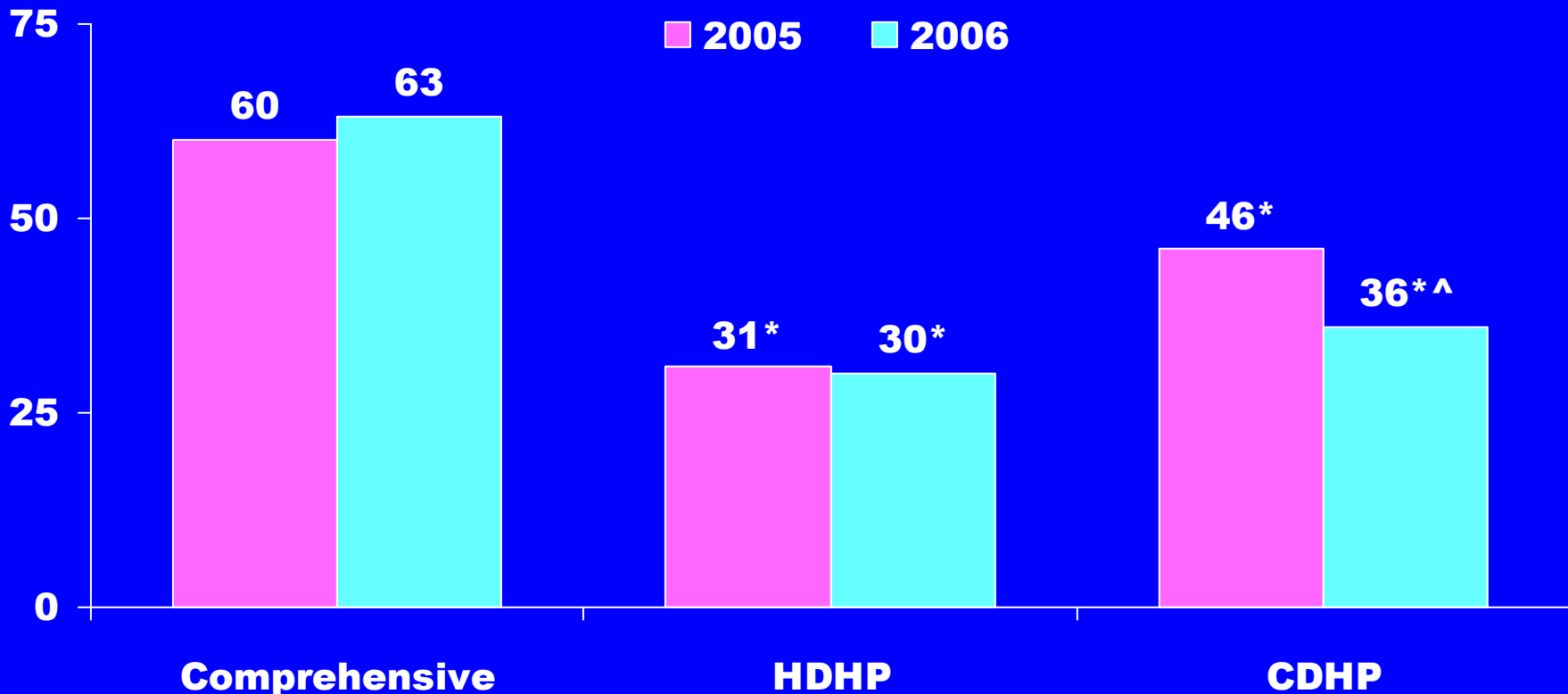
Comprehensive = health plan with no deductible or <\$1,000 (individual), <\$2,000 (family).  
HDHP = high-deductible health plan with deductible \$1,000+ (individual), \$2,000+ (family), no account.  
CDHP = consumer-driven health plan with deductible \$1,000+ (individual), \$2,000+ (family), with account.  
Note: Percentages may not sum to 100% due to rounding.

Source: P. Fronstin and S. R. Collins, The 2nd Annual EBRI/Commonwealth Fund Consumerism in Health Care Survey, 2006: Early Experience With High-Deductible and Consumer-Driven Health Plans, EBRI and The Commonwealth Fund, December 2006.



# Percent of Individuals Extremely or Very Likely to Stay with Current Health Plan If Had the Opportunity to Change, by Type of Health Plan, 2005–2006

Percent of privately insured adults 21–64 extremely/very likely to stay



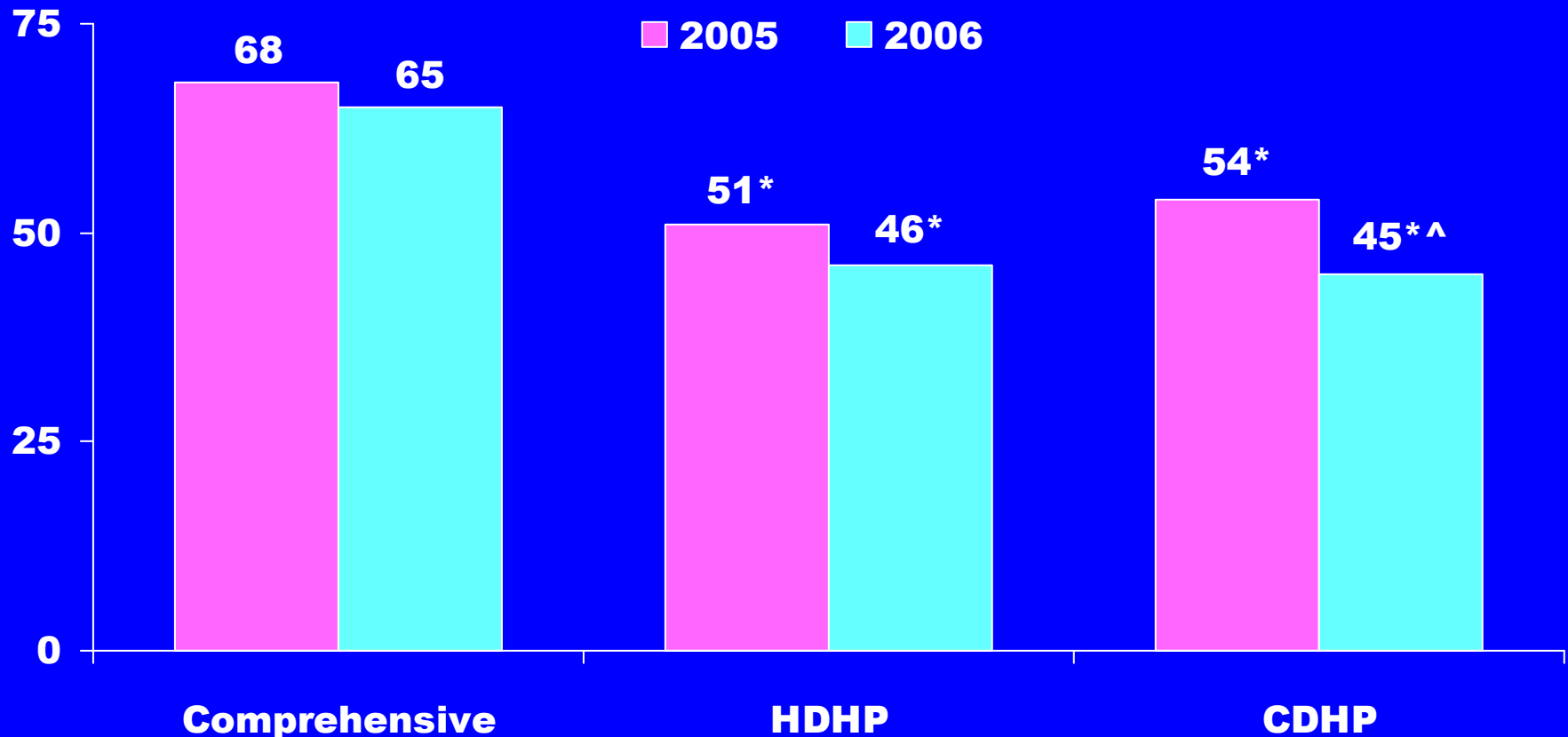
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 \*Difference between HDHP/CDHP and Comprehensive is statistically significant at  $p \leq 0.05$  or better.  
 ^Difference between 2005 and 2006 is statistically significant at  $p \leq 0.05$  or better.

Source: P. Fronstin and S. R. Collins, The 2nd Annual EBRI/Commonwealth Fund Consumerism in Health Care Survey, 2006: Early Experience With High-Deductible and Consumer-Driven Health Plans, EBRI and The Commonwealth Fund, December 2006.



# Percent of Individuals Reporting That They Strongly or Somewhat Agree That Health Plan is Easy to Understand, by Type of Health Plan, 2005–2006

Percent of privately insured adults 21–64 who strongly/somewhat agree



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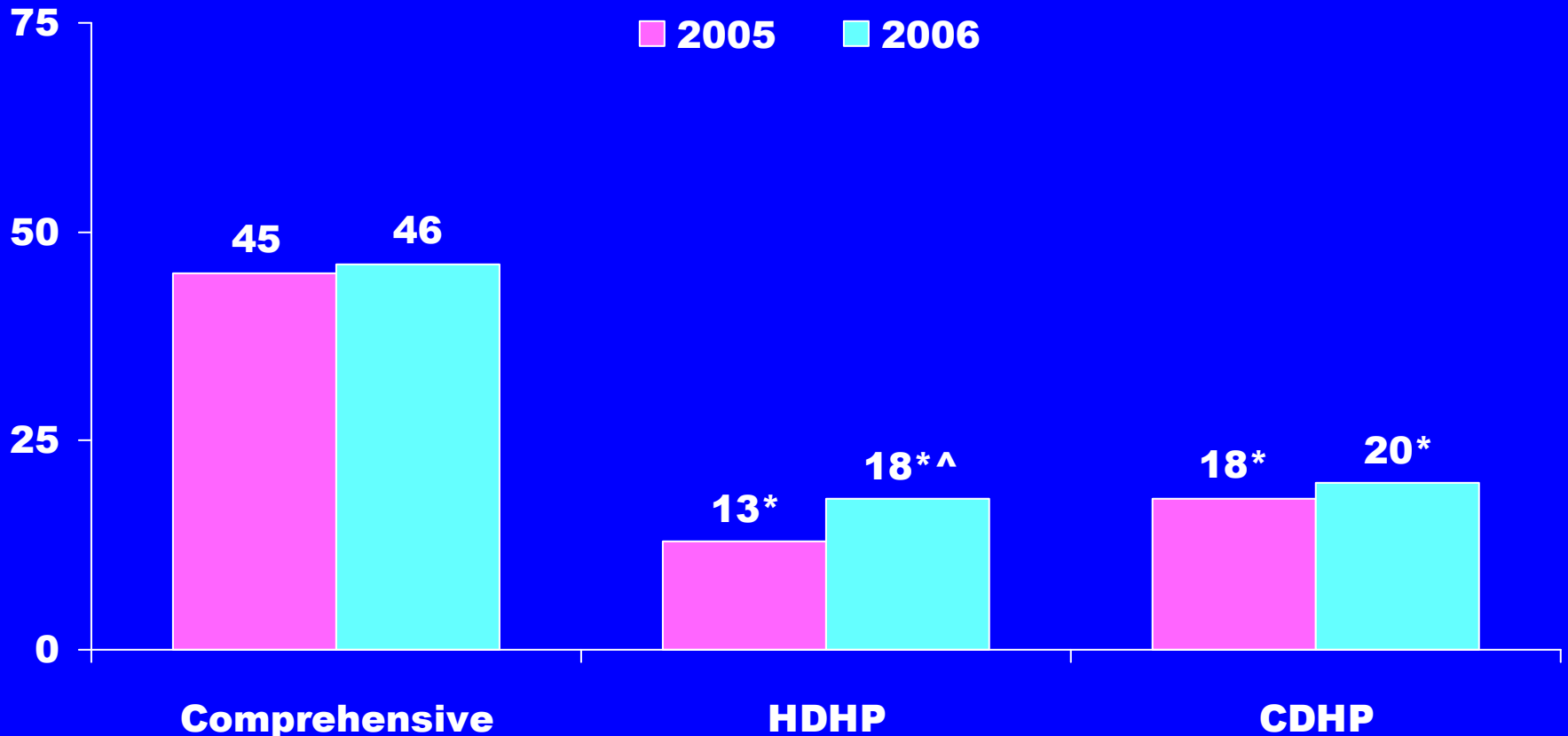
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Source: P. Fronstin and S. R. Collins, The 2nd Annual EBRI/Commonwealth Fund Consumerism in Health Care Survey, 2006: Early Experience With High-Deductible and Consumer-Driven Health Plans, EBRI and The Commonwealth Fund, December 2006.

# Percent of Individuals Extremely or Very Satisfied with Out-of-Pocket Costs for Health Care, by Type of Health Plan, 2005–2006

Percent of privately insured adults 21–64 extremely/very satisfied



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# Employers' Contributions Slightly Lower for Workers in HSA-qualified HDHPs; Employee Contributions Higher

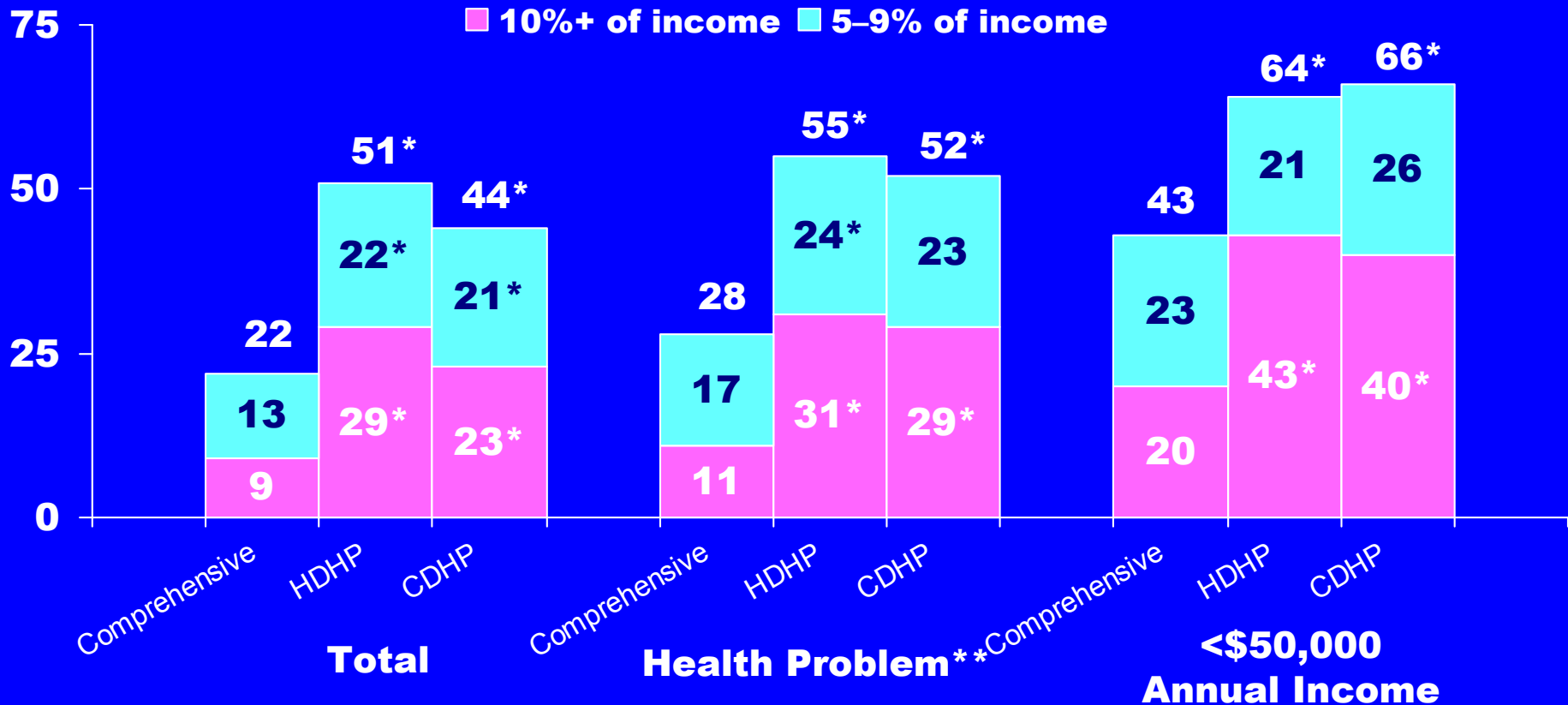
Dollars



Source: Calculated based on G. Claxton et al., "Health Benefits in 2007: Premium Increases Fall To An Eight-Year Low, While Offer Rates and Enrollment Remain Stable," *Health Affairs*, September/October 2007; 26(5): 1407-1416.

# Percent of Household Income Spent Annually on Out-of-Pocket Medical Expenses Plus Premiums, by Health Status and Income

Percent of privately insured adults 21–64 spending ≥ 5% of income



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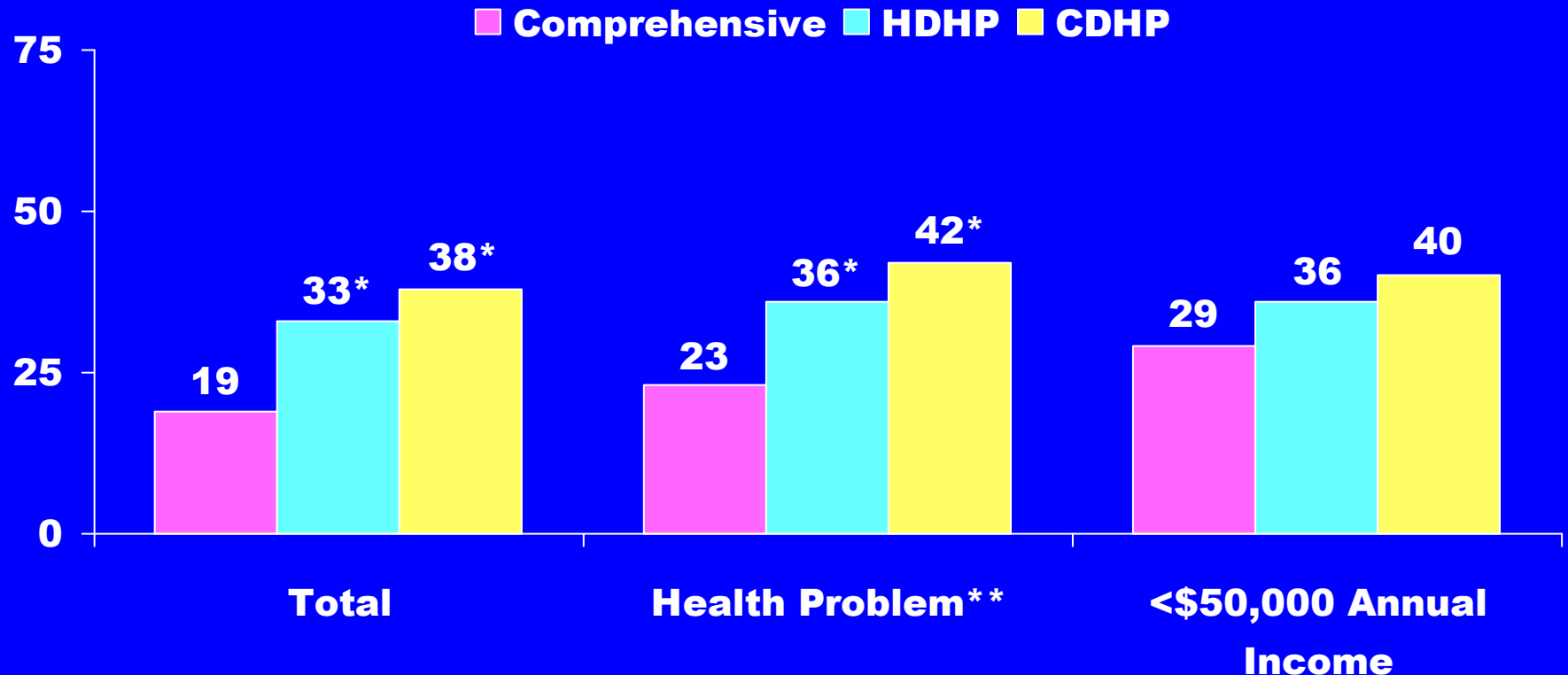
\*\*Health problem defined as fair or poor health or one of eight chronic health conditions.

Source: P. Fronstin and S. R. Collins, The 2nd Annual EBRI/Commonwealth Fund Consumerism in Health Care Survey, 2006: Early Experience With High-Deductible and Consumer-Driven Health Plans, EBRI and The Commonwealth Fund, December 2006.



# Percent of Adults Who Have Delayed or Avoided Getting Needed Health Care Due to Cost, by Health Status and Income

## Percent of privately insured adults 21–64



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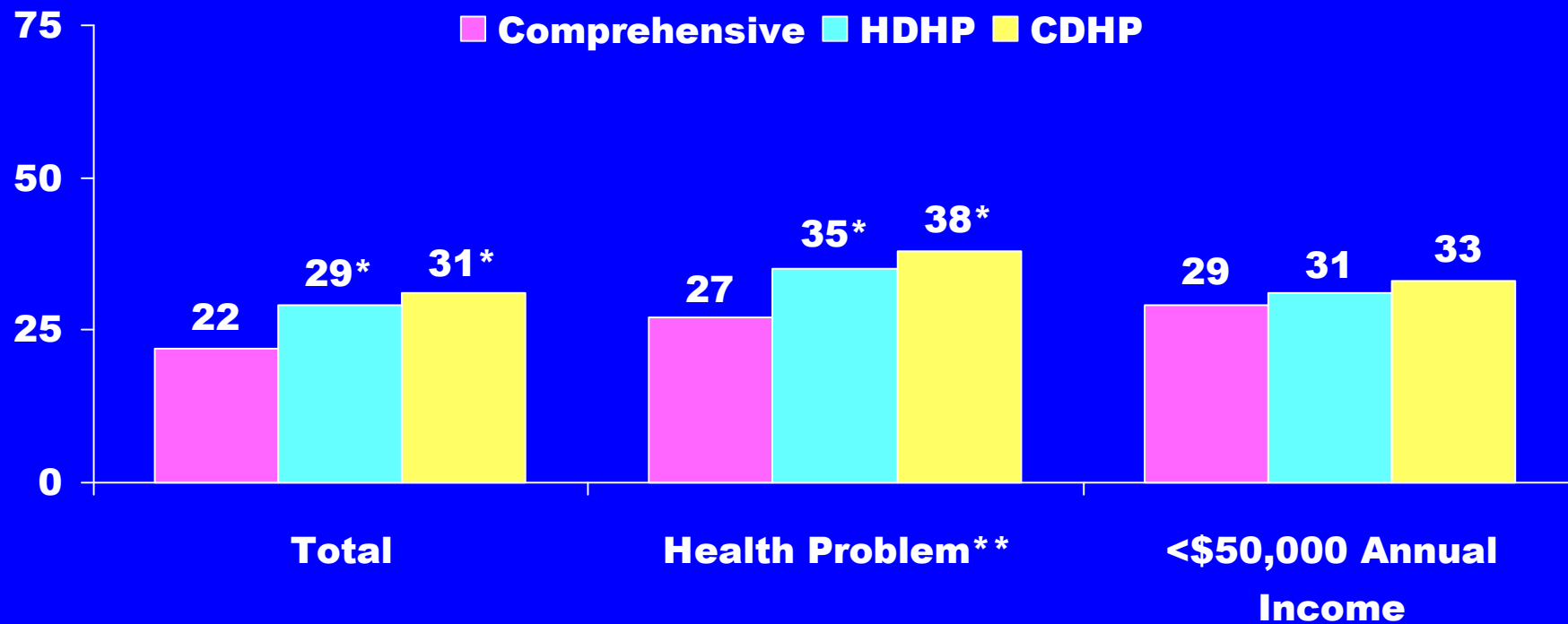
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# Percent of Adults Who Have Not Filled a Prescription Due to Cost or Who Have Skipped Doses to Make a Medication Last Longer, by Health Status and Income

## Percent of privately insured adults 21-64



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## Availability and Use of Quality and Cost Information Provided by Health Plan

	<b>Comprehensive</b>	<b>HDHP</b>	<b>CDHP</b>
<b>Health plan provides information on quality of care provided by:</b>			
<b>Doctors</b>	<b>47%</b>	<b>32%*</b>	<b>28%*</b>
<b>Hospitals</b>	<b>46</b>	<b>32*</b>	<b>27*</b>
<b>Health plan provides information on cost of care provided by:</b>			
<b>Doctors</b>	<b>40</b>	<b>27*</b>	<b>22*</b>
<b>Hospitals</b>	<b>40</b>	<b>26*</b>	<b>22*</b>
<b>Of those whose plans provide info on quality, how many tried to use it for:</b>			
<b>Doctors</b>	<b>54</b>	<b>52</b>	<b>47</b>
<b>Hospitals</b>	<b>44</b>	<b>38</b>	<b>36</b>
<b>Of those whose plans provide info on cost, how many tried to use it for:</b>			
<b>Doctors</b>	<b>49</b>	<b>40*</b>	<b>36*</b>
<b>Hospitals</b>	<b>45</b>	<b>34*</b>	<b>37</b>

Comprehensive = health plan with no deductible or <\$1,000 (individual), <\$2,000 (family).

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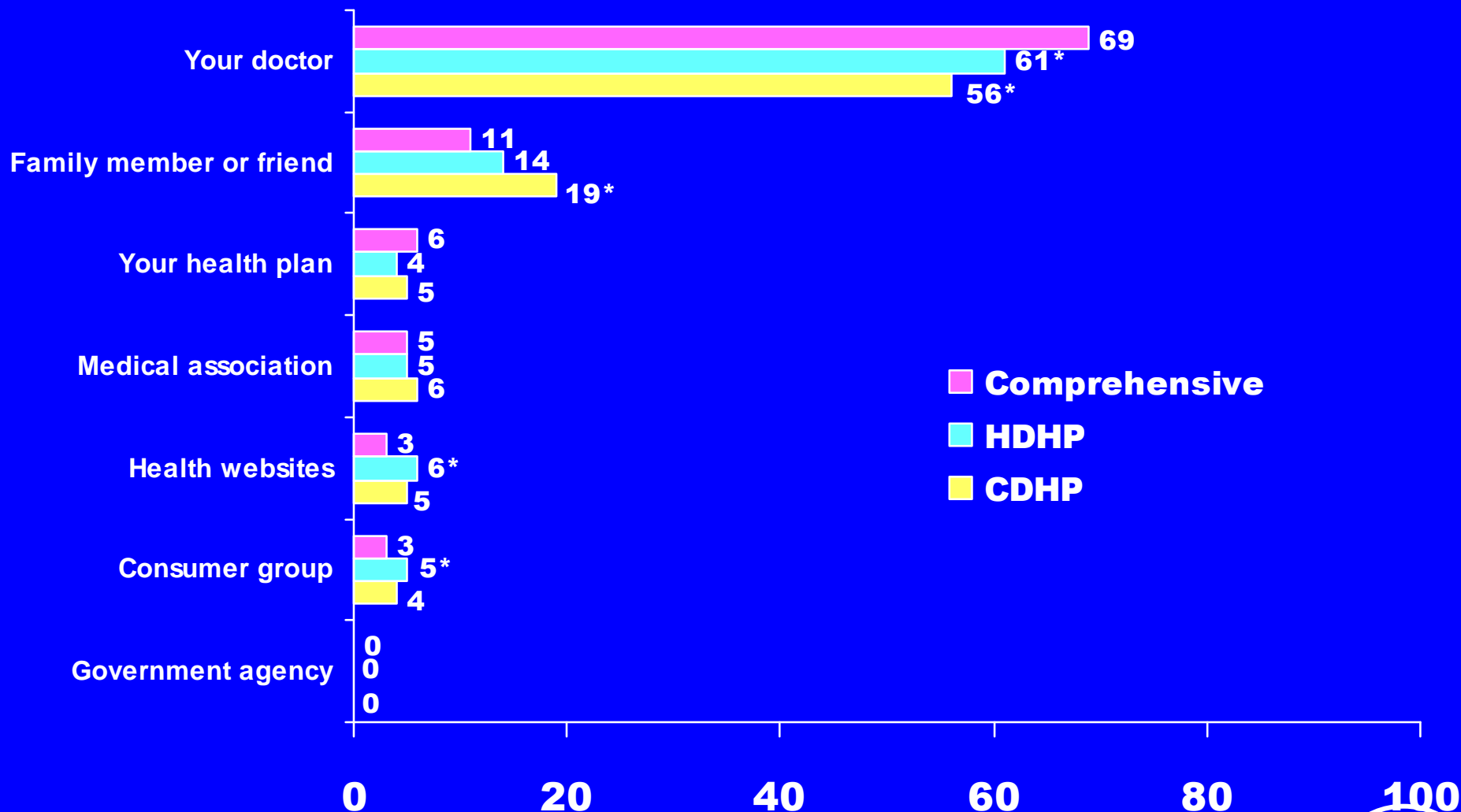
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# Most Trusted Sources for Information on Health Care Providers, by Type of Health Plan

Percent of privately insured adults 21–64



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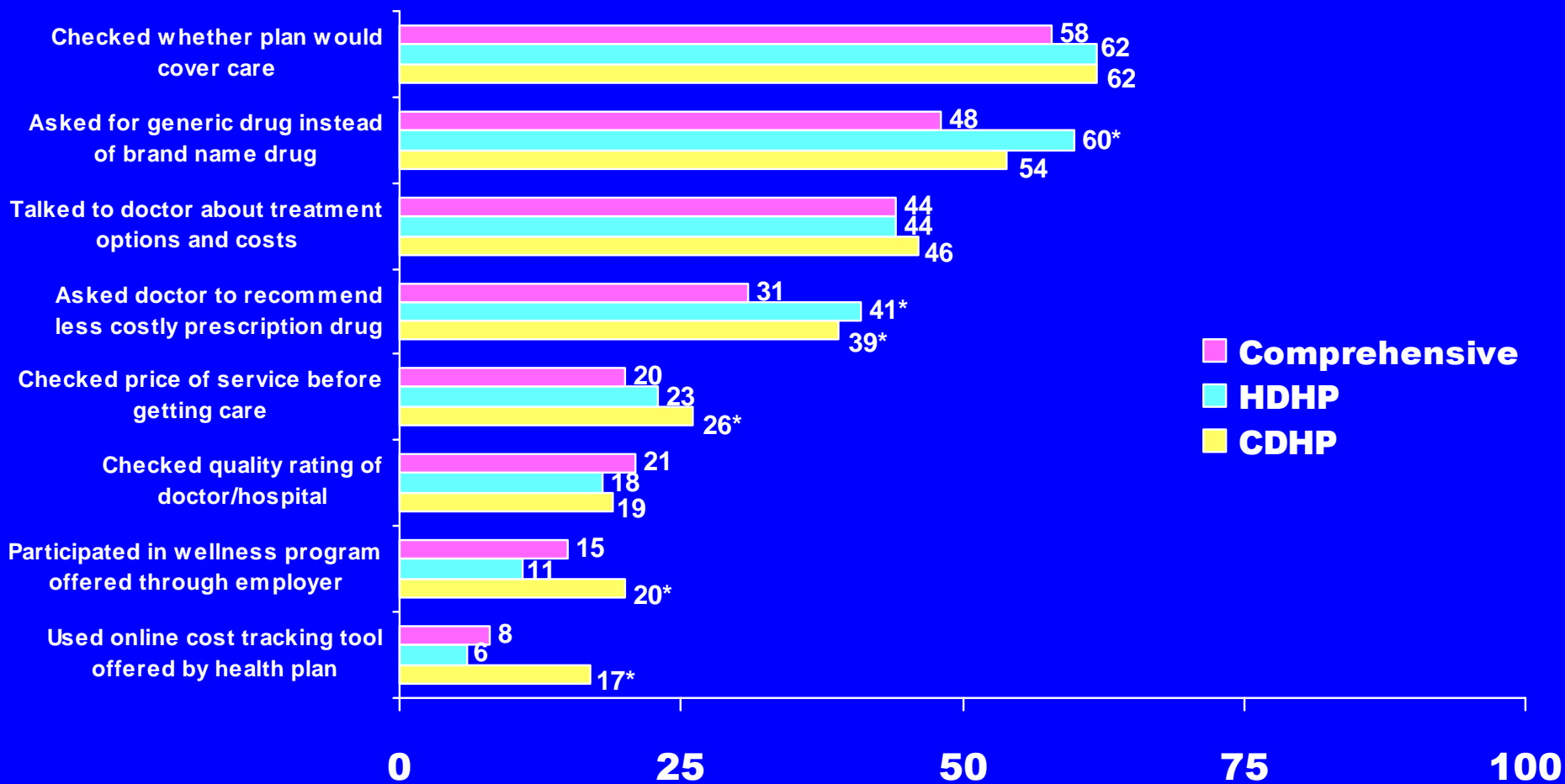
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# Cost-Conscious Decision Making, by Type of Health Plan

Percent of privately insured adults 21–64 who received health care in last twelve months



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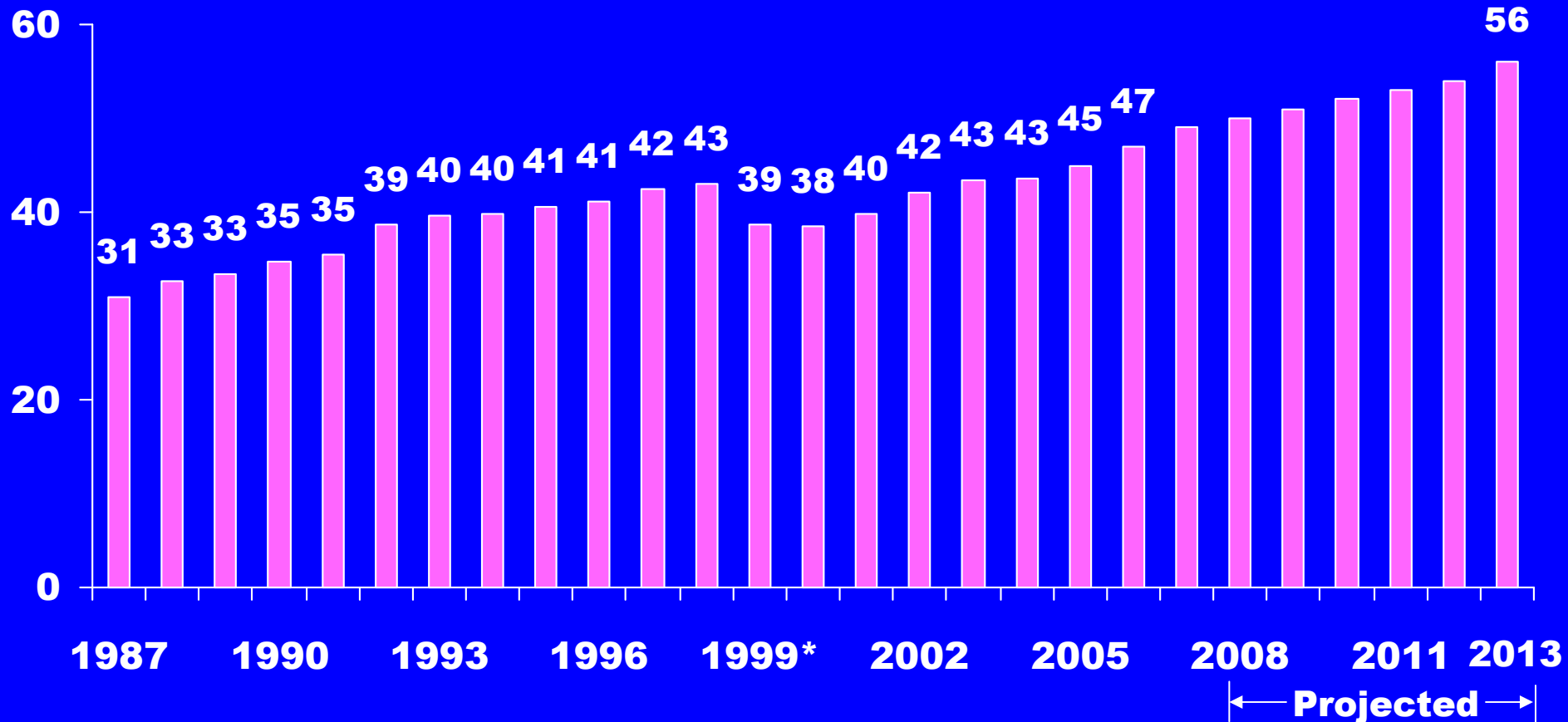
CDHP = consumer-driven health plan with deductible \$1,000+ (individual), \$2,000+ (family), with account.

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Source: P. Fronstin and S. R. Collins, The 2nd Annual EBRI/Commonwealth Fund Consumerism in Health Care Survey, 2006: Early Experience With High-Deductible and Consumer-Driven Health Plans, EBRI and The Commonwealth Fund, December 2006.

# 47 Million Uninsured in 2006; Increase of 8.6 Million Since 2000

Number of uninsured, in millions



\*1999–2006 estimates reflect the results of follow-up verification questions and implementation of Census 2000-based population controls.

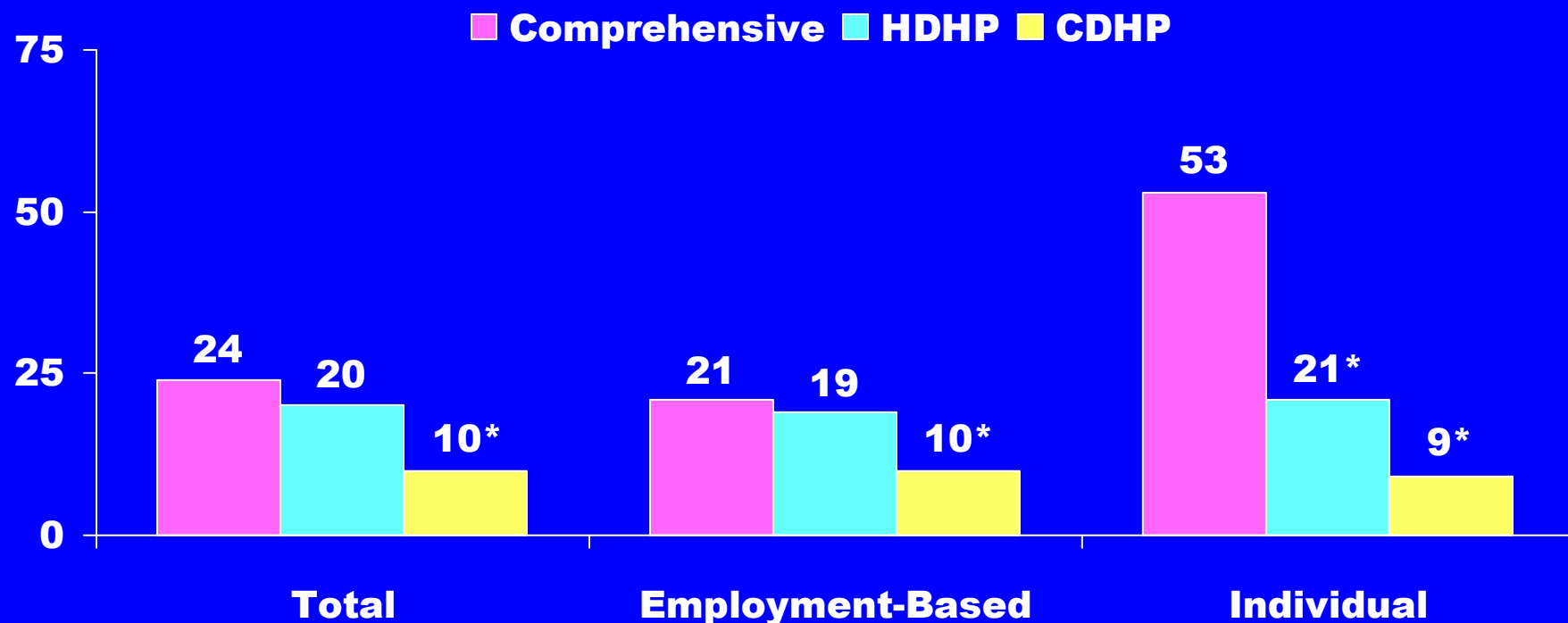
Note: Projected estimates for 2007–2013 are for nonelderly uninsured based on T. Gilmer and R. Kronick, "It's the Premiums, Stupid: Projections of the Uninsured Through 2013," *Health Affairs* Web Exclusive, April 5, 2005.

Source: U.S. Census Bureau, March CPS Surveys 1988 to 2007.



# Percent of Privately Insured Adults Who Did Not Have Health Insurance Before Enrolling in Their Current Plan, by Coverage Source

## Percent of privately insured adults 21–64



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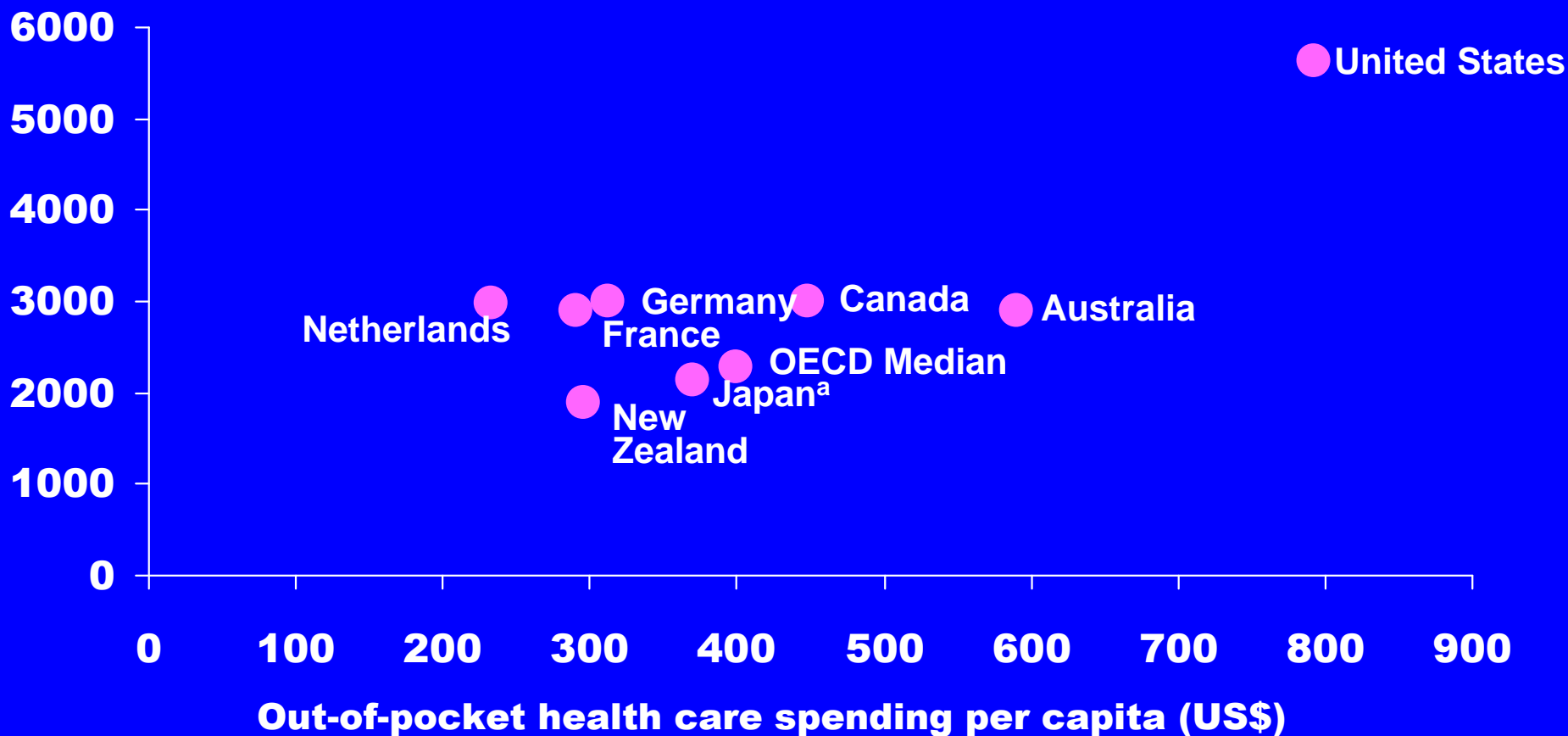
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# Americans Spend More Out-of-Pocket on Health Care Expenses Than Citizens in Other Industrialized Countries

National health expenditures per capita (US\$)



<sup>a</sup>2002

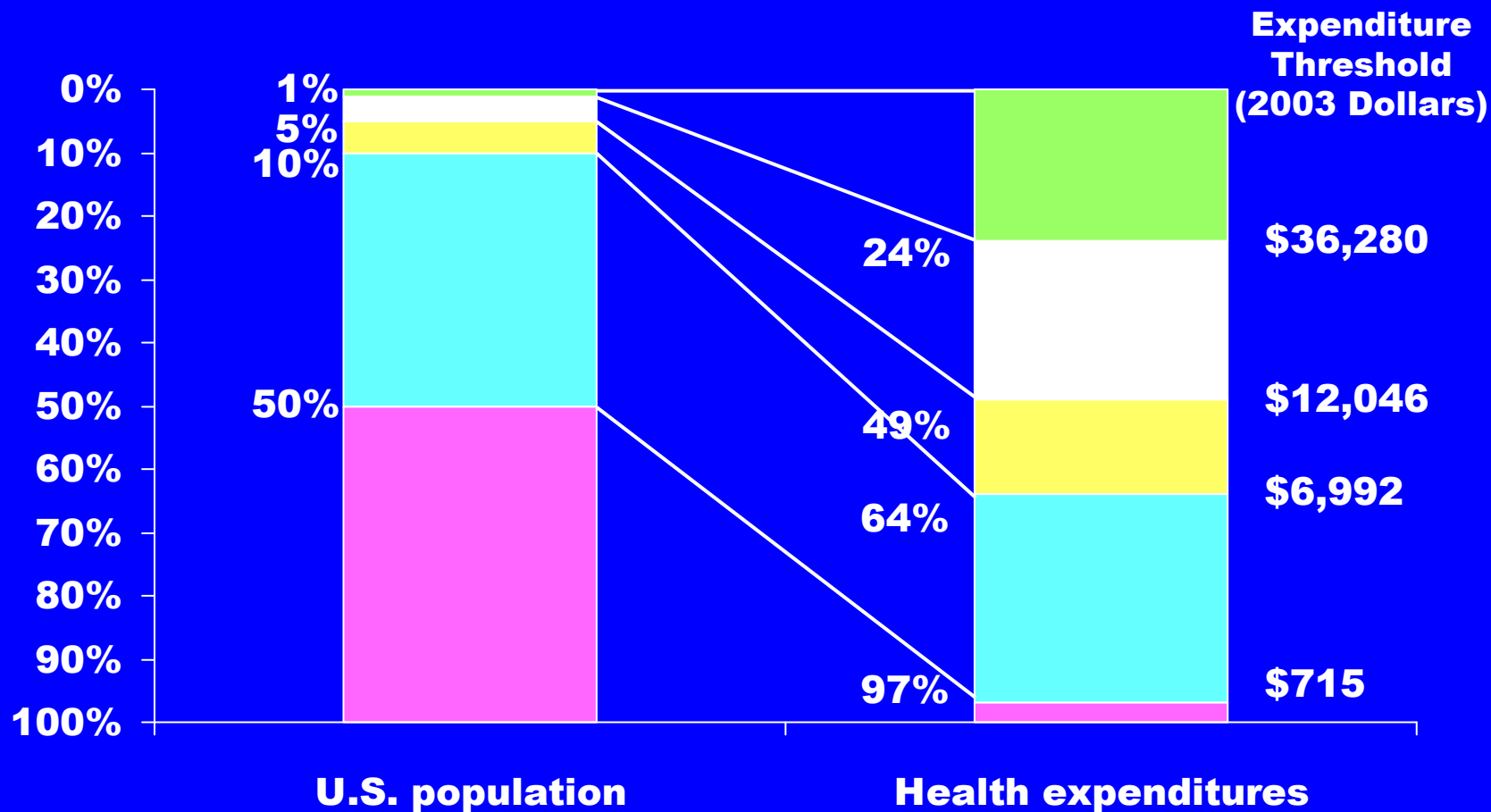
Note: Adjusted for differences in the cost of living, 2003.

Source: B. K. Frogner and G. F. Anderson, Multinational Comparisons of Health Systems Data, 2005, The Commonwealth Fund, April 2006.



# Health Care Costs Concentrated in Sick Few Sickest 10% Account for 64% of Expenses

Distribution of health expenditures for the U.S. population,  
by magnitude of expenditure, 2003



# Potential Modifications to HDHP/HSAs

- **Permit employers to lower deductibles for lower-wage workers and qualify for HSAs**
- **Exempt primary care as well as preventive services from the deductible; exempt prescription drugs essential for management of chronic conditions**
- **Guarantee choice of a comprehensive health plan to workers covered under employer plans**
- **Permit greater flexibility in benefit design (e.g. actuarially equivalent benefits)**
- **Set an income ceiling on eligibility for HSAs to reduce the tax subsidy for high income individuals**

# **Strategies for Improving Affordability and Lowering Costs**

- **Expanded group insurance coverage with costs shared among individuals, employers, government**
- **Ensuring affordable coverage for families by placing limits on family premium and out-of-pocket costs as percent of income (e.g., 5% of income for low-income)**
- **Greater transparency regarding provider quality and total costs of care**
- **Pay-for-performance provider payment rewarding high quality and high efficiency**
- **Development of value networks of “high performing providers” under Medicare, Medicaid, and private insurance**
- **High cost care management and disease management**
- **Improved access to primary care and preventive services**
- **Investment in health information technology**
- **National Institute of Clinical Excellence – evidence-based medicine**



# Data Sources

- **EBRI/Commonwealth Fund Consumerism in Health Care Survey, 2006**
  - **3,158 adults ages 21–64, September 1–19, 2006; Synovate’s online sample**
  - **Comprehensive – plan with no deductible or <\$1,000 (individual), <\$2,000 (family) – n=1,506 (all from national sample)**
  - **HDHP – plan with deductible \$1,000+ (individual), \$2,000+ (family), no account – n=930 (104 from national sample, 826 from oversample)**
  - **CDHP – plan with deductible \$1,000+ (individual), \$2,000+ (family), with account – n=722 (21 from national sample, 701 from oversample)**
- **P. Fronstin, S.R. Collins, *The 2<sup>nd</sup> Annual EBRI/Commonwealth Fund Consumerism in Health Care Survey, 2006: Early Experience with High-Deductible and Consumer-Driven Health Plans*, EBRI and The Commonwealth Fund, December 2006.**
  - **New survey to be released in December 2007**



# Acknowledgements



**Paul Fronstin,  
Director, Health Research  
and Education Program  
Employee Benefit Research  
Institute**



**Jennifer L. Kriss,  
Program Associate  
The Commonwealth Fund**

***<http://commonwealthfund.org>***

