

Impact of the November Elections on Consumer Driven Health Care

National Consumer Driven Healthcare Summit

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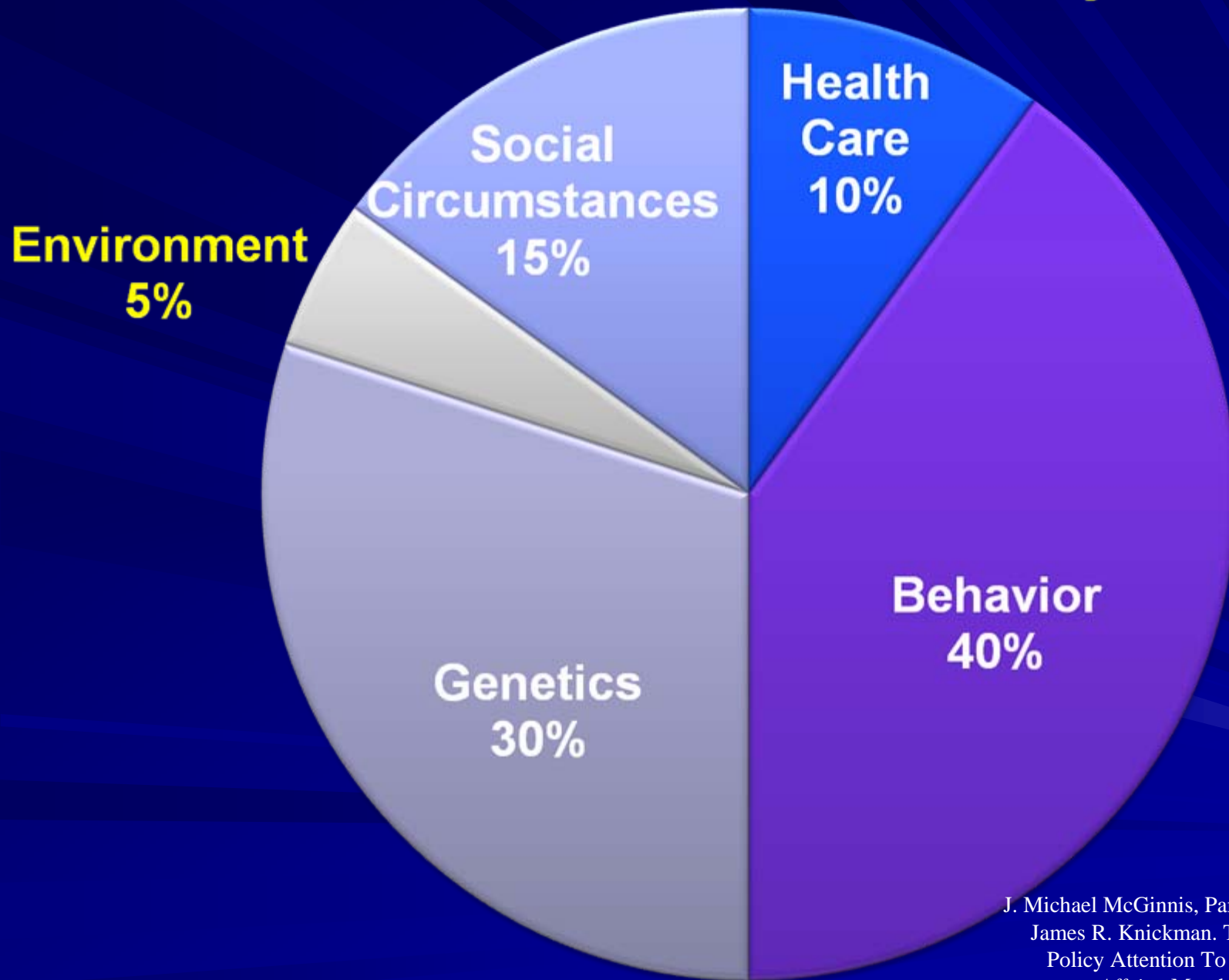
CDHC is many things...

- **A constellation of offerings that give consumers more power and control over health care decisions**
- **New tools include:**
 - HSAs, HRAs
 - New chronic care management programs
 - Consumer-focused centers such as MinuteClinics and RediClinics
 - Information support tools

The Vision:

- ❖ Engaging consumers as partners in managing health costs and getting the best value for health care dollars

Determinants of Early Death



New Incentives

McKinsey & Co. says CDHC plans increase consumer awareness of cost and value. Consumers are:

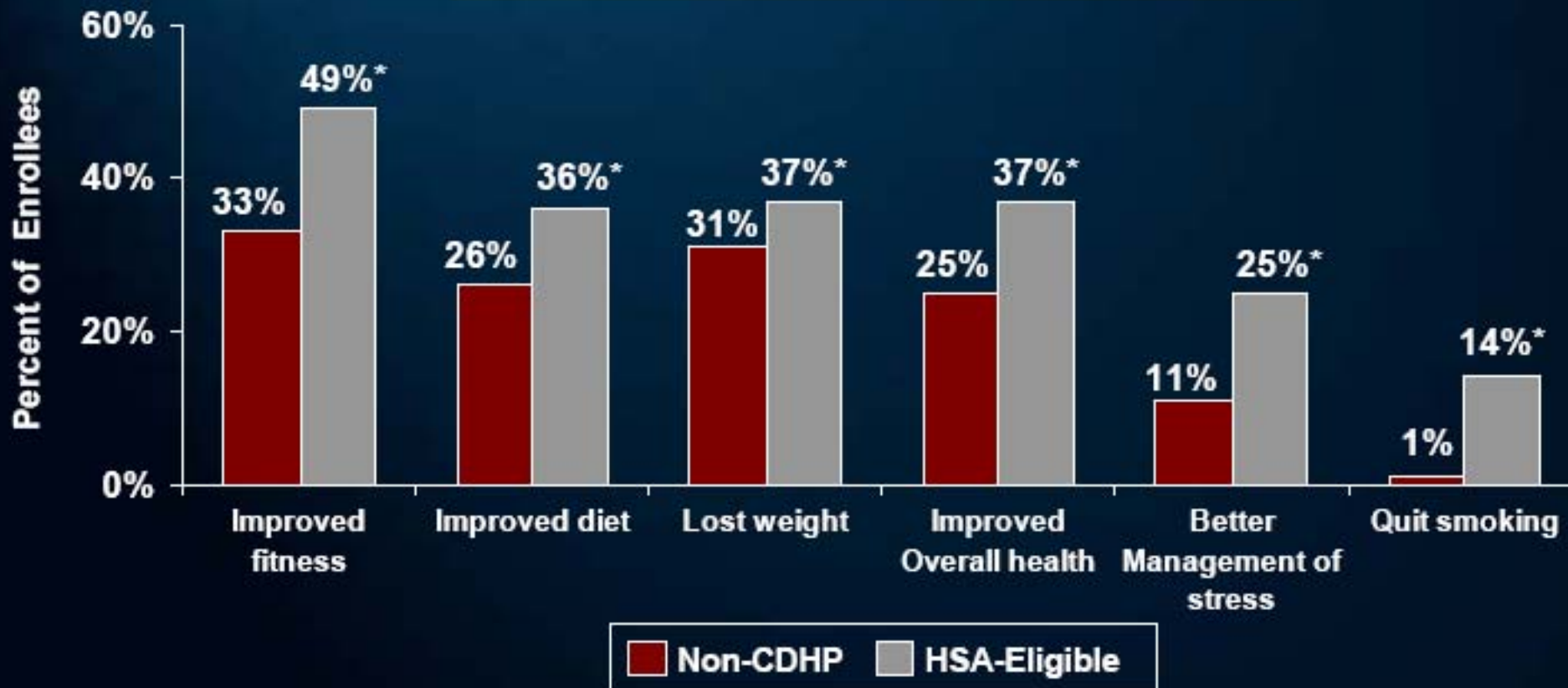
- 20% more likely to comply with treatments for chronic conditions
- 25% more likely to engage in healthy behaviors
- 30% more likely to get annual physicals
- 50% more likely to seek less expensive care

“If I catch an issue early, I’ll save money in the long run.”

Consumer Engagement: Health Management Results

CDHP enrollees who participate in health management programs are more likely to see results

Reported Results Due to Participation in Available Health/Wellness Activities by Plan Type



Consumer Engagement: Information

CDHP enrollees are more likely than non-CDHP members to research health information

Utilization of Health Information in 2007 by Type of Coverage



Three goals:

- **Patient control**: Consumers will have more choices in health care and health insurance arrangements
- **Cost visibility**: They will be more price conscious in shopping for insurance and medical services
- **Savings incentives**: Consumers have more incentives to get the best product, service, and value for their money

HSA for AFSCM in Manitowoc County, WI

- Employees pay no premiums
- County deposits \$3,000/yr into each HSA, which fully covers the deductible
- Insurance covers all expenses above that
- County will save \$1.1 million in 2008
- Employees save \$685,000

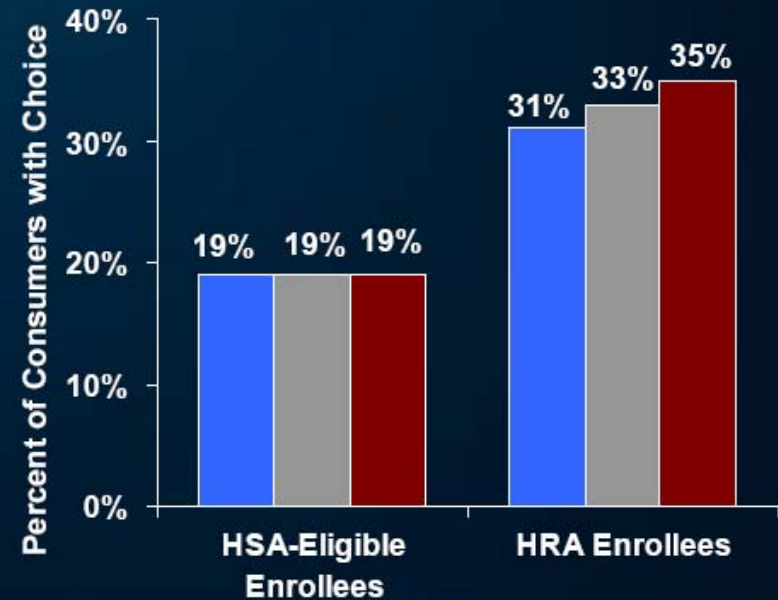
CDHP Market Profile

Employers continue to expand CDHP offerings; between 19-35% of national account enrollees are adopting CDHPs

Percent of National Accounts Offering CDHPs



CDHP Uptake Rate by National Account-Based Enrollees

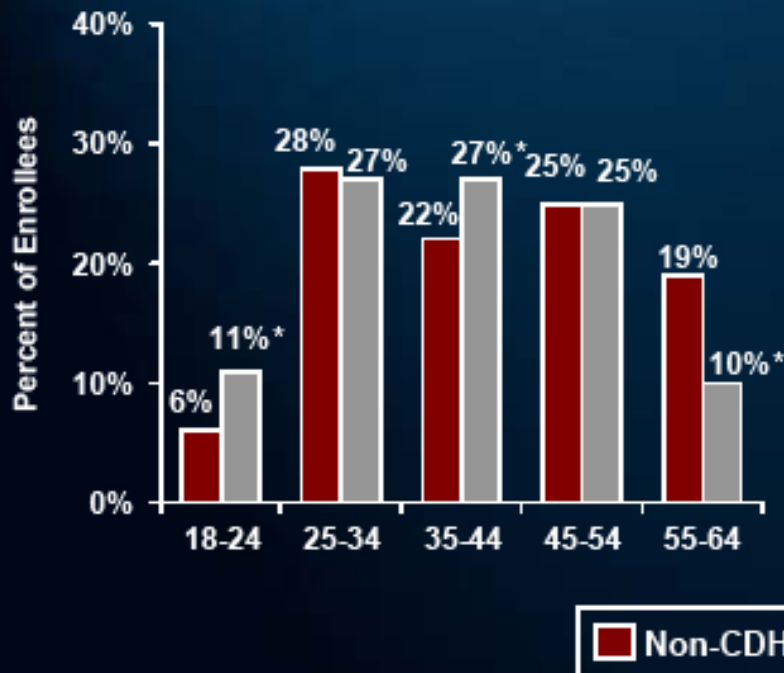


2005 2006 2007

Consumer Characteristics: Age & Health Status

CDHP enrollees represent all age and self-reported health status segments

**Age Distribution
by Type of Coverage**



**Self-Reported Health Status
by Type of Coverage**



*Significantly different from Non-CDHP result at a 95% confidence level
Source: 2007 BCBSA CDHP Member Experience Survey

The future of CDHC?



- There is a global move toward consumerism, driven by greater patient demand for information and more control over decisions
- There also is strong pressure in the U.S. to get health costs under control

What will the future hold?



Elections will determine the direction of change.

- The new president will definitely determine the direction of reform -- either toward a greater role for government in our health sector or incentives to continue to engage consumers as partners in managing health care and costs.

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