
Measures to Support Health Plan Decision- Making

Lynn Quincy
March 3, 2012



To review:

- Shopping for coverage is an important gateway to quality information:
 - Provider quality
 - Plan quality
 - Value determinations

- If gathering information about consumers highest priority (coverage) is too difficult, even well designed quality measures may be ignored

What would help consumers shop for coverage?

- Aggregate measures of patient cost-sharing:
 - Coverage Examples
 - Actuarial Value
 - “corrected” OOPM
- Reliable, centralized provider directories
- Where to go for unbiased, expert help
- After 2014:
 - Clearer indications of inside limits
 - Better measures of network adequacy

About these Coverage Examples:

These examples show how this plan might cover medical care in three situations. Use these examples to see, in general, how much insurance protection you might get from different plans.



This is not a cost estimator.

Don't use these examples to estimate your actual costs under this plan. The actual care you receive will be different from these examples, and the cost of that care also will be different.

See the next page for important information about these examples.

Having a baby (normal delivery)

- **Amount owed to providers: \$10,000**
- **Plan pays \$0**
- **You pay \$10,000** (maternity is not covered, so you pay 100%)

Sample care costs:

First office visit	\$100
Radiology	\$300
Laboratory tests	\$200
Routine obstetric care	\$2,000
Hospital charges (mother)	\$4,100
Hospital charges (baby)	\$1,900
Anesthesia	\$1,000
Circumcision	\$200
Vaccines, other preventive	\$200
Total	\$10,000

You pay:

Deductibles	\$0
Co-pays	\$0
Co-insurance	\$0
Limits or exclusions	\$10,000
Total	\$10,000

Treating breast cancer (lumpectomy, chemotherapy, radiation)

- **Amount owed to providers: \$98,000**
- **Plan pays \$94,800**
- **You pay \$3,200**

Sample care costs:

Office visits & procedures	\$4,000
Radiology	\$4,000
Laboratory tests	\$2,400
Hospital charges	\$3,300
Inpatient medical care	\$200
Outpatient surgery	\$3,400
Chemotherapy	\$64,000
Radiation therapy	\$13,000
Prostheses (wig)	\$500
Pharmacy	\$2,000
Mental health	\$1,200
Total	\$98,000

You pay:

Deductibles	\$2,500
Co-pays	\$200
Co-insurance	\$0
Limits or exclusions	\$500
Total	\$3,200

Managing diabetes (routine maintenance of existing condition)

- **Amount owed to providers: \$7,800**
- **Plan pays \$6,800**
- **You pay \$1,000**

Sample care costs:

Office visits & procedures	\$960
Laboratory tests	\$300
Medical equipment & supplies	\$40
Pharmacy	\$6,500
Total	\$7,800

You pay:

Deductibles	\$300
Co-pays	\$260
Co-insurance	\$400
Limits or exclusions	\$40
Total	\$1,000

Some measures work indirectly

- Health plan financial condition
 - Rates of claims denials/denials overturned on appeal
 - Revealing provider contract terms
 - Customer service
-
- Health plan quality may fall into this category

Key Data Deficits And Gaps

CONSUMER TESTING TO FIGURE OUT
WHAT MEASURES CONSUMERS
WILL USE IN A
REAL WORLD SETTING

At the end of the day, it is a bargain

Some final thoughts

- Ask not what we can measure but what we should measure

- Past is not prologue - consumers CAN learn to use information they didn't know they needed (Transfats)

Consumers do use numeric benchmarks representing sophisticated concepts

Based on standard U.S. Government tests

ENERGY

Refrigerator-Freezer
With Automatic Defrost
With Side-Mounted Freezer
With Through-the-Door-Ice Service

Compare the Energy Use of this Model with Others Before You Buy

This Model Uses 644 kWh/year

Energy use (kWh/year) range of all models in this category

Uses Least Energy 617

kWh/year (kilowatt-hours per year) is a measure of energy. Your utility company uses it to compute your bill. Only cubic feet and the above features are used in this scale.

Refrigerators using more energy cost more. This model's estimated yearly operating cost is

\$53

Based on a 2001 U.S. Government national average cost of 8.2¢ per kWh. Actual operating cost will vary depending on your local utility rates.

Important: Removal of this label before consumer purchase violates the Federal Trade Commission's Energy Guide Act.

EPA Fuel Economy Estimates

These estimates reflect new EPA methods beginning with 2008 models.

CITY MPG

18

Expected range for most drivers 15 to 21 MPG

Estimated Annual Fuel Cost **\$2,039**
based on 15,000 miles at \$2.80 per gallon

Combined Fuel Economy

This Vehicle **21**

10 All SUVs

See the FREE Fuel Economy Guide at dealers

	% Daily Value*
Total Fat 12g	18%
Saturated Fat 3g	15%
Trans Fat 3g	
Cholesterol 30mg	10%
Sodium 470mg	20%
Total Carbohydrate 31g	10%
Dietary Fiber 0g	0%
Sugars 5g	
Protein 5g	
Vitamin A	4%
Vitamin C	2%
Calcium	20%
Iron	4%

Thank you!

Please email
Lynn Quincy with
any questions:

quinly "at" consumer.org

