



HIGH DEDUCTIBLES AT WORK

Reduce Out-of-Pocket Costs to Increase Employee Satisfaction

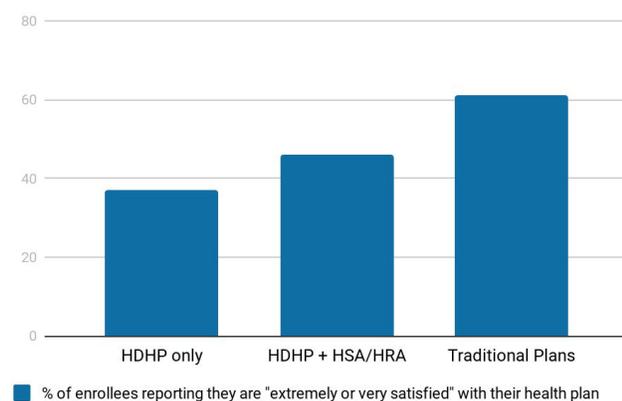
Benefits managers, let's be real: half of your employees probably hate their high-deductible health plans. Less than half of employees report being satisfied with their health coverage when enrolled in high-deductible health plans (HDHPs) or consumer-driven health plans - HDHPs supplemented with a health savings account (HSA) or health reimbursement account (HRA)¹.

Your employees most likely chose their HDHP because it was the cheapest option (see Figure 2), without fully understanding the financial responsibility they would assume under that plan. When employees accustomed to a \$20 copay are surprised by appointments or services with price tags in the hundreds or thousands, you're likely to find yourself faced with a disgruntled employee wondering what they're paying for every month. It puts you between a rock and a hard place: you have to control your health benefits costs, but you still have to keep your benefits competitive enough to retain your top talent.

There is hope: for you, and your employees. The satisfaction gap between traditional plans and high-deductible or consumer-driven plans is closing, thanks in large part to supplemental benefits that help blunt the impact of healthcare spending on your employees' pockets. If you offer HSAs or HRAs to your high-deductible plan employees, you're already offering benefits that help your employees *pay* for care. Now, offer them a benefit that helps them *shop* for care, find discounted prices, and make their HSA, HRA, or out-of-pocket dollars go further.

Figure 1. Enrollee Health Plan Satisfaction

Source: Society for Human Resource Management (1), Kaiser Health News (3)



¹ Miller, Stephen. "More Employees Satisfied with Consumer-Driven Health Plans." Society for Human Resource Management. <https://www.shrm.org/ResourcesAndTools/hr-topics/benefits/Pages/CDHP-satisfaction-rises.aspx>

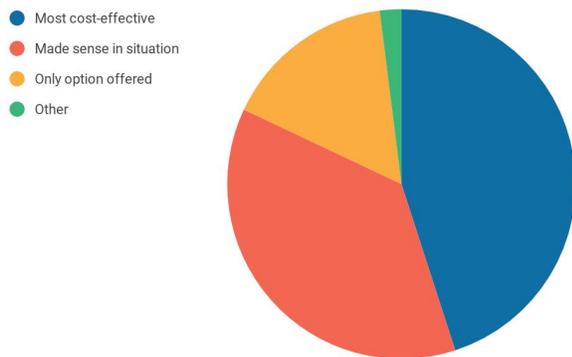
Out-of-Pocket Costs are Key to Satisfaction

Research confirms that out-of-pocket costs are the most common cause of dissatisfaction with high-deductible plans and consumer-driven plans with HSAs or HRAs, compared to traditional health plans (see Figure 3). The Employee Benefit Research Institute's Consumer Engagement in Health Care Survey found a satisfaction gap of 29% between traditional plans and HDHPs when it comes to cost. The study found only a 10% satisfaction gap between plan designs in regards to quality of care, and access to doctors had only a 12% satisfaction gap between plan designs.²

This shows that for most enrollees, there isn't much difference between quality or access to care, no matter what plan design they choose. Out-of-pocket costs are the biggest differentiator and the largest cause of dissatisfaction with the high-deductible plans.

Figure 2. Reasons for Choosing an HDHP

Source: Insurance.com High-Deductible Health Plan Survey (2)

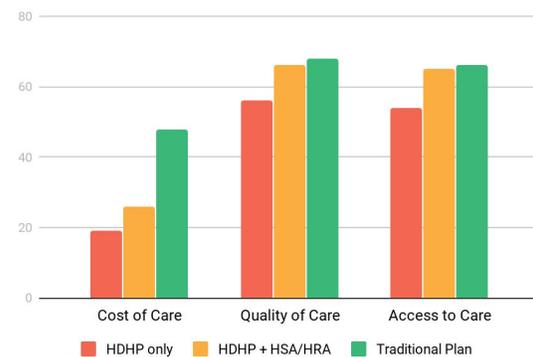


² Employee Benefit Research Institute. "Satisfaction with Health Coverage and Care: Findings from the 2014 EBRI/Greenwald & Associates Consumer Engagement in Healthcare Survey." Notes. Vol. 36, No. 7, July 2015. https://www.ebri.org/pdf/notespdf/EBRI_Notes_07_July15_IRAs-CEHCS.pdf

While employees clearly dislike out-of-pocket health expenses, consumer-directed and account-based high-deductible health plans are growing in popularity compared to standard high-deductible plans. This increase in satisfaction is the result of offering HSA or HRA benefits to offset the financial impact of the deductible (as in Figure 1).

Figure 3. Satisfaction Gap in Health Plan Designs

Source: Kaiser Health News (3), Employee Benefit Research Institute (4)



Both HDHPs and CDHPs are intended to curb excess healthcare spending by making employees more conscious of their health costs. However, healthcare has traditionally had opaque and complicated costs that are hard to predict, even for the most cost-savvy shopper.

Enter ecommerce and the power of choice. When people shop online at sites like Amazon.com, they have more control over their spending because of the ability to compare prices, track order history, and make informed purchase decisions based on a budget. Putting healthcare into a similar ecommerce environment brings that same dynamic of predictability and transparency to purchasing medical services.

Traditional healthcare cost estimating tools can be useful, but they often only show prices for one part of a healthcare service, leaving

the patient to be blindsided by ancillary services like labs or facility fees. In addition, using an outside tool for cost comparison adds extra steps to the healthcare purchase process, which is already confusing and inconvenient.

An ecommerce model is a simple solution to both problems: let your employees shop for healthcare the way they shop online. In an ecommerce marketplace, the price you see for a medical service is the price you pay, fees included. Compare prices and complete the transaction all in one place, without worrying about surprise bills showing up later.

The ecommerce model benefits doctors, too. When a patient prepays for their out-of-pocket service online, that provider is guaranteed payment in a timely fashion, and they can offer discounted prices in exchange for relief from collection billing. Doctors and their staff can focus on caring for their patients, not chasing down payments.

A Free Benefit that Saves on Out-of-Pocket Costs

MDSave is an ecommerce marketplace for pre-negotiated, discounted rates on medical services, offering everything from x-rays to bariatric surgery. Your organization can offer your high-deductible employees a better way to buy procedures out-of-pocket with a free, company-branded portal and access to the entire nationwide network of providers.

The MDSave portal is available as an added benefit at no cost to your company, as a resource for price comparison and discounted healthcare purchases to help HSA, FSA or out-of-pocket dollars go further. Your

branded company portal includes a personalized message from you to your employees, one-on-one assistance from MDSave's Patient Concierge Team, and upfront, discounted prices on hundreds of medical services. Your employees can shop and compare before making their purchase right on the site.

The Power of Choice

56% of U.S. healthcare consumers seek out price information before making a purchase.

47% cite out-of-pocket cost as their most significant factor in deciding between providers.³

Employee Benefits

- Employees can use HSA, FSA, or HRA funds to buy procedures.
- Employees can submit purchases to be applied to their deductible.
- Available on desktop or mobile.

Employer Benefits

- Help employees save money on out-of-pocket care and increase plan satisfaction.
- Offer a customized, branded portal just for your employees.

Setup is Simple and Fast

- No new software is required.
- Just upload a few key pieces of information, your company logo, and a photo for your Benefits Manager's profile, and your customized portal is ready to go.

³ Schrieber, Leslie. "How Are Your Patients Looking for Price?" p.3. Advisory Board, 2016

Employee Savings

"It's been incredibly helpful for us. On average, I'm saving between \$300–\$600 per scan, and I've probably bought 50 scans in the last year."

From the Project Manager of a medical management group & MDsave partner.

Offer Your Employees More Benefit for their Buck

The more competitive benefits you can offer your employees, the more you will keep your top talent. Nearly 40% of employees are now on high-deductible health plans, and that number is expected to continue growing, especially as the new Cadillac Tax looms large in 2020. Make it easy for your employees to become the savvy shoppers that high-deductible and consumer-driven plans were intended to create.

How MDsave Brought Ecommerce to Healthcare

To make shopping online for healthcare user-friendly, MDsave created a simplified layer of terminology on top of complex medical coding and technical procedure definitions. In addition to simplifying the names of procedures, we also include all of the most common services involved in a procedure (e.g., facility fees, physician fees, and more), which means no more multiple bills. Behind the scenes, we found that the best way to help patients is to help doctors, so we negotiate discounted prices directly with providers and hospitals in exchange for

timely reimbursement and reduced collections administration.

The familiar add-to-cart shopping in the MDsave marketplace means that patients have easily accessible price information for procedures they can purchase with a click of a button. When the purchase is complete, patients receive a voucher to present at their appointment.

Ecommerce healthcare shopping gives patients the ability to make informed purchase decisions about healthcare the same way they make decisions for other big expenditures: by comparing prices based on a budget, without having to worry about unpredictable surprise bills. Empowering patients to be informed healthcare consumers helps them make their out-of-pocket dollars go further, and holding onto hard-earned money improves satisfaction, regardless of health plan.

The screenshot shows the MDsave website interface. At the top, there is a navigation bar with the MDsave logo, links to 'Go to MDsave.com', 'Download PDF', 'Call 855-296-6185', 'SIGN IN', and 'GET STARTED'. Below the navigation bar is a blue banner with a user profile picture and a message: 'Hello, [Name]! We've partnered with MDsave to help you save money on your healthcare. As long as you're under your deductible this is a great way to go.' The main content area features a large heading: 'FOR (YOUR COMPANY) EMPLOYEES PAY UPFRONT AND SAVE'. Below this, there is a sub-heading: 'Get the most value from your health plan. Call (855) 978-3713 for assistance. Buy screenings, checkups, and other medical procedures online from local providers.' There is a search bar with 'Find Procedures' and 'Find Providers' tabs, and a search input field containing 'New York, Colonoscopy X-Ray' and 'New York, State, or Zip'. Below the search bar is a section titled 'FEATURED PROCEDURES' with four cards: 'Blood Test' (\$19, Average National Price \$44), 'Mammogram Screening' (\$99, Average Price \$102), 'MRI with Contrast' (\$692, Average National Price \$1,285), and 'Colonoscopy' (\$2,021, Average National Price \$4,027). Each card has a 'SHOP NOW' button.

Create your branded company portal in minutes at mdsave.com/employers. All you need is a high resolution file of your company logo and your company's basic profile information.

