



# From Passenger to Driver: Improving Employee Adoption in Consumer Driven Health Plans

Blue Cross Master Class Webinar Series  
July 26, 2018



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# Today's speakers

*Behavioral Health expertise from Blue Cross*



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**Jeff Baker**

Manager,  
Consumer Driven Health



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**Jason Machasic**

Director,  
Consumer Engagement



# What you'll learn from today's session

## *Topics*

- Background on Consumer Driven Health
- Current trends in Consumer Driven Health
- What we're doing to drive engagement
- Tips for you to drive better adoption and engagement

# What is Consumer Driven Health?

*The Wikipedia definition.*

**Consumer-driven healthcare (CDHC)** refers to health insurance plans that allow members to use health savings accounts (HSAs), Health Reimbursement Accounts (HRAs), or similar medical payment products to pay routine healthcare expenses directly, but a high-deductible health plan protects them from catastrophic medical expenses. High-deductible policies cost less, but the user pays medical claims using a prefunded spending account, often with a special debit card provided by a bank or insurance plan.



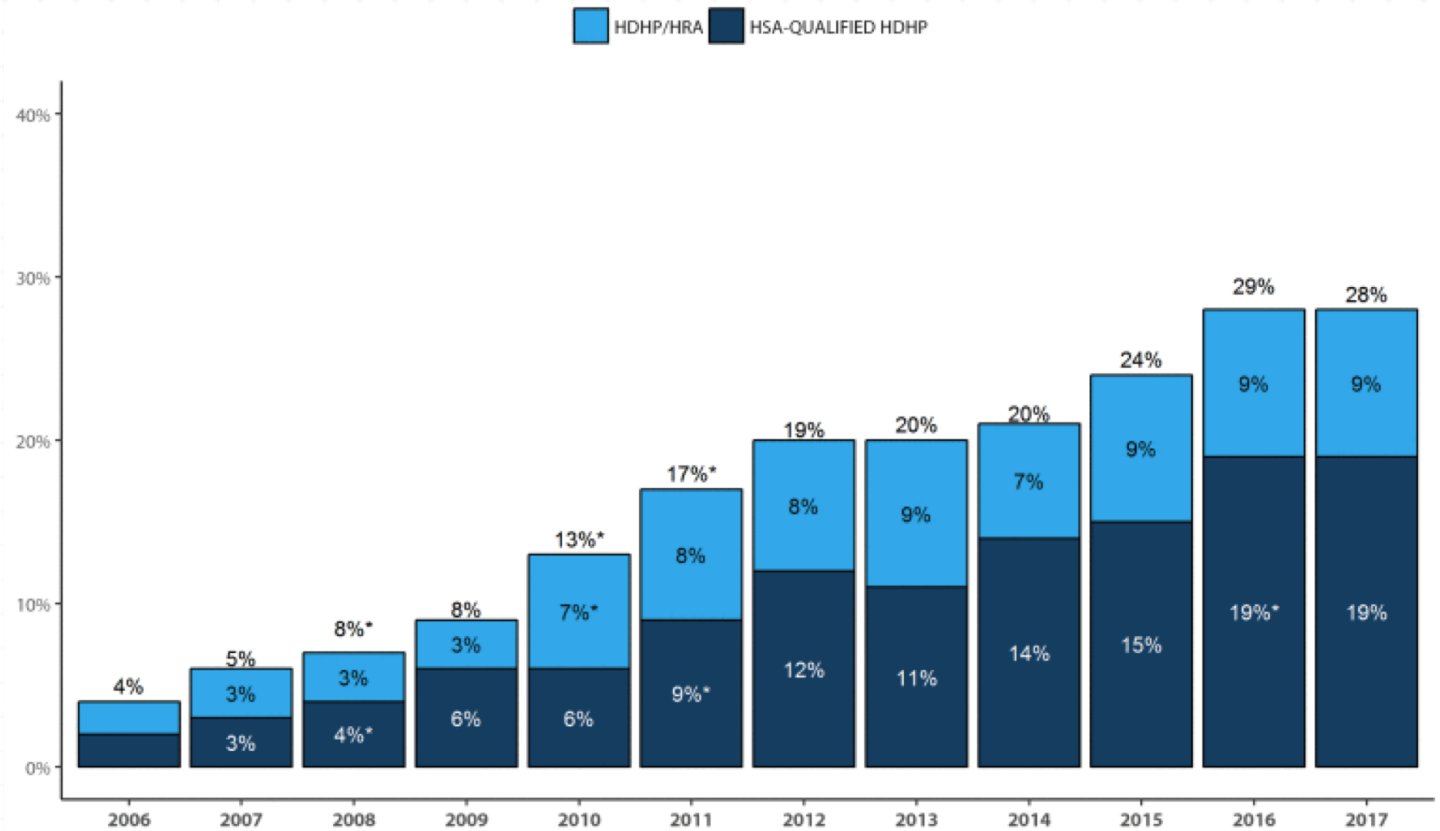
**WIKIPEDIA**  
The Free Encyclopedia

# CDH plans have grown steadily over time

*With HSA-qualified plans being most popular*

# 7X

growth in high deductible plans since 2006



\* Estimate is statistically different from estimate for the previous year shown (p < .05).

NOTE: Covered workers enrolled in an HDHP/SO are enrolled in either an HDHP/HRA or a HSA-Qualified HDHP.

SOURCE: Kaiser/HRET Survey of Employer-Sponsored Health Benefits, 2006-2017



# Why the growth?

*Much of it comes down to cost*

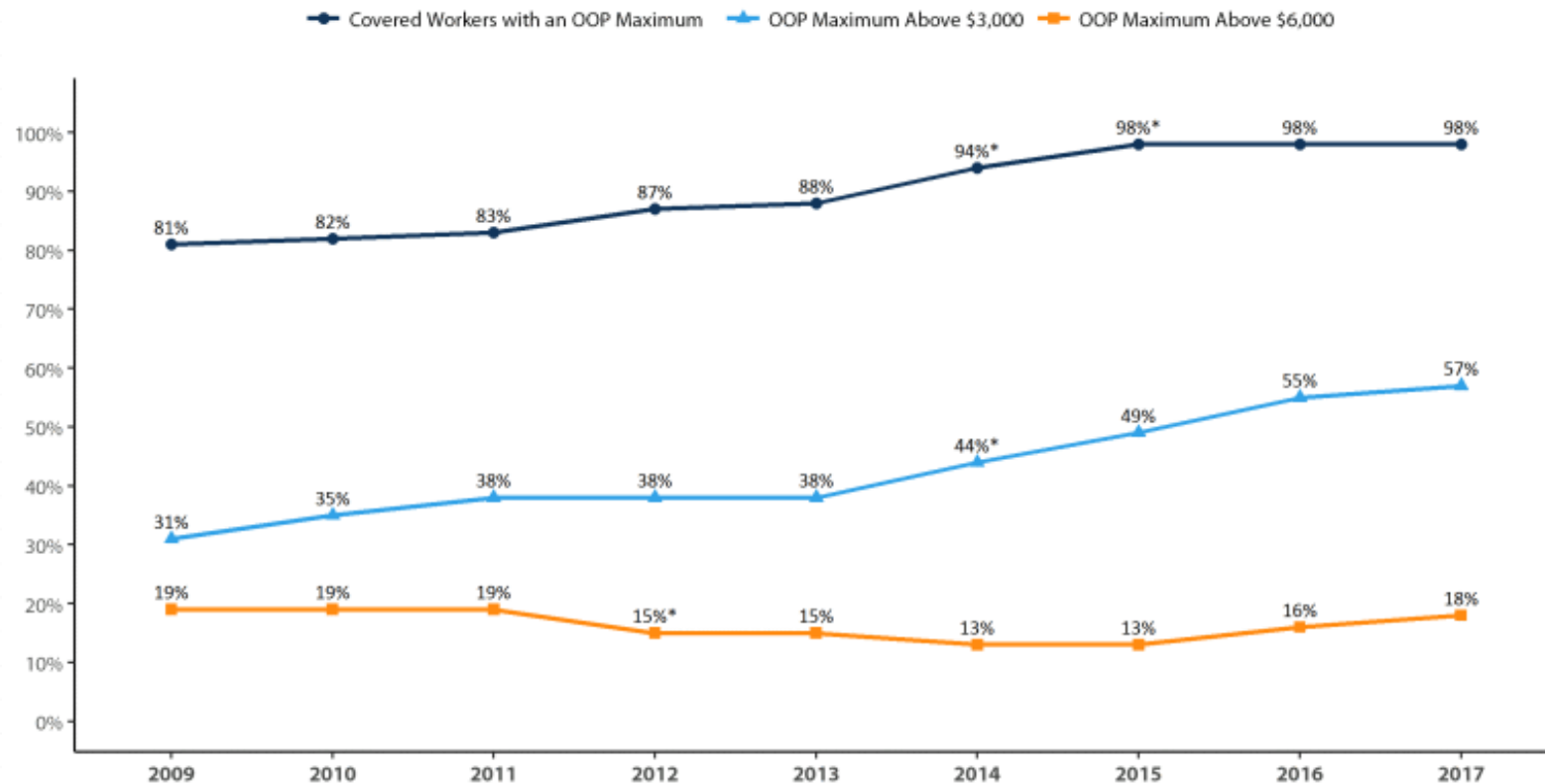
Lower premium costs for  
employees

Reduced costs for employers

Putting employees in the driver's seat, where health care decisions are made, causes better scrutiny of where health care dollars are spent.

# Employees are taking on more costs

*Out-of-pocket (OOP) costs have been on the rise*



Nearly  
**2X**

more workers  
with OOP >  
\$3k since 2009

Average OOP for  
single is \$4,240

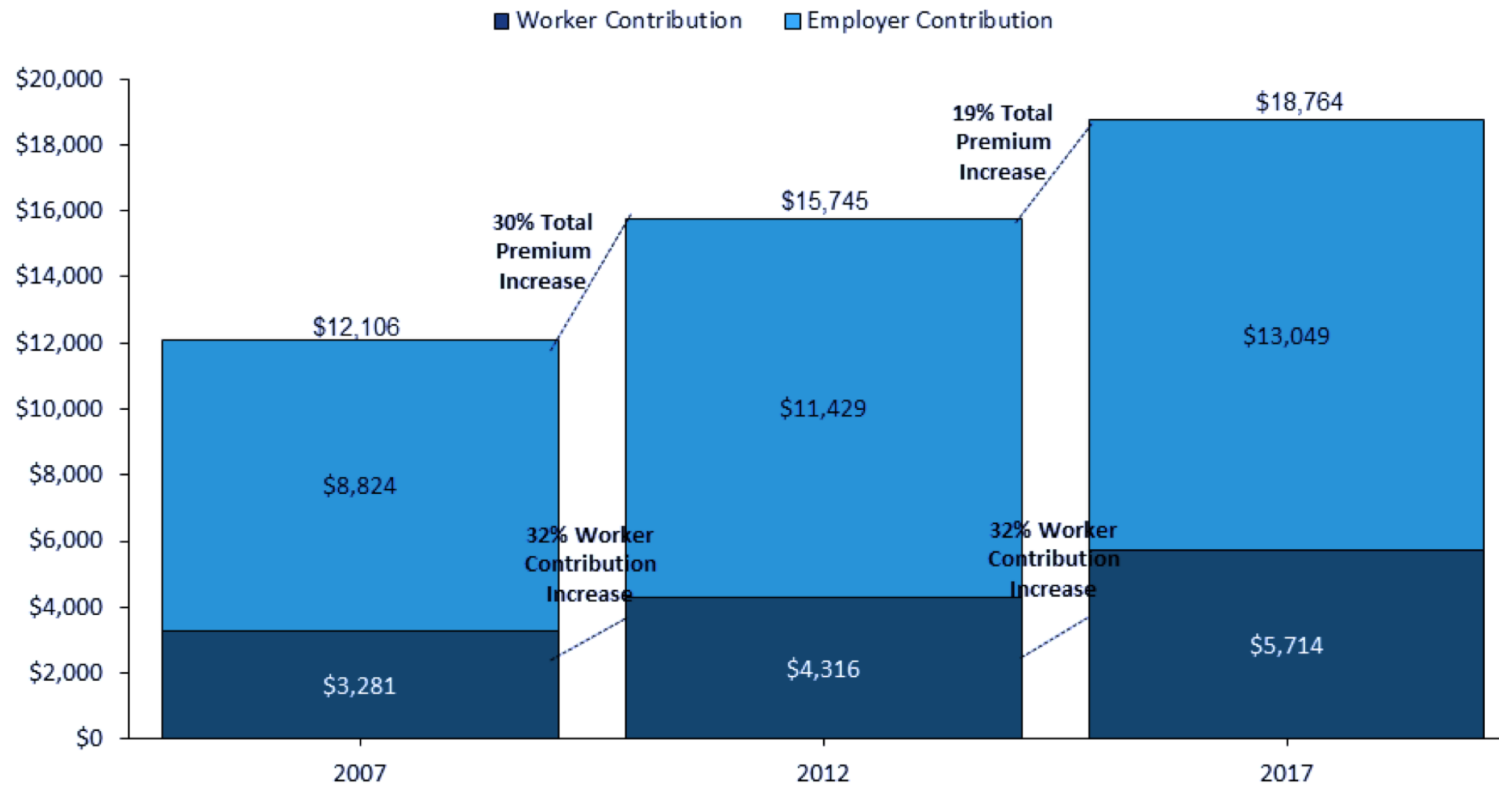
\* Estimate is statistically different from estimate for the previous year shown ( $p < .05$ ).

NOTE: OOP refers to 'out-of-pocket'. Out-of-pocket maximums reported are for in-network services. Covered workers without an OOP maximum are considered to be exposed to at least the specified threshold. Some of these workers may be enrolled in plans whose cost-sharing structure has other limits that make it impossible to reach the specified threshold.

SOURCE: Kaiser/HRET Survey of Employer-Sponsored Health Benefits, 2009-2017

# Employees are taking on more costs

Average worker contributions increased 32% in the past 5 years



NOTE: The average family premium has increased 55% since 2007 and 19% since 2012. The average worker contribution toward the premium has increased 74% and 32%, respectively.

SOURCE: Kaiser/HERT Survey of Employer-Sponsored Health Benefits, 2007-2017





# Many employers contribute to HSAs

*With employer contributions more likely in larger organizations*

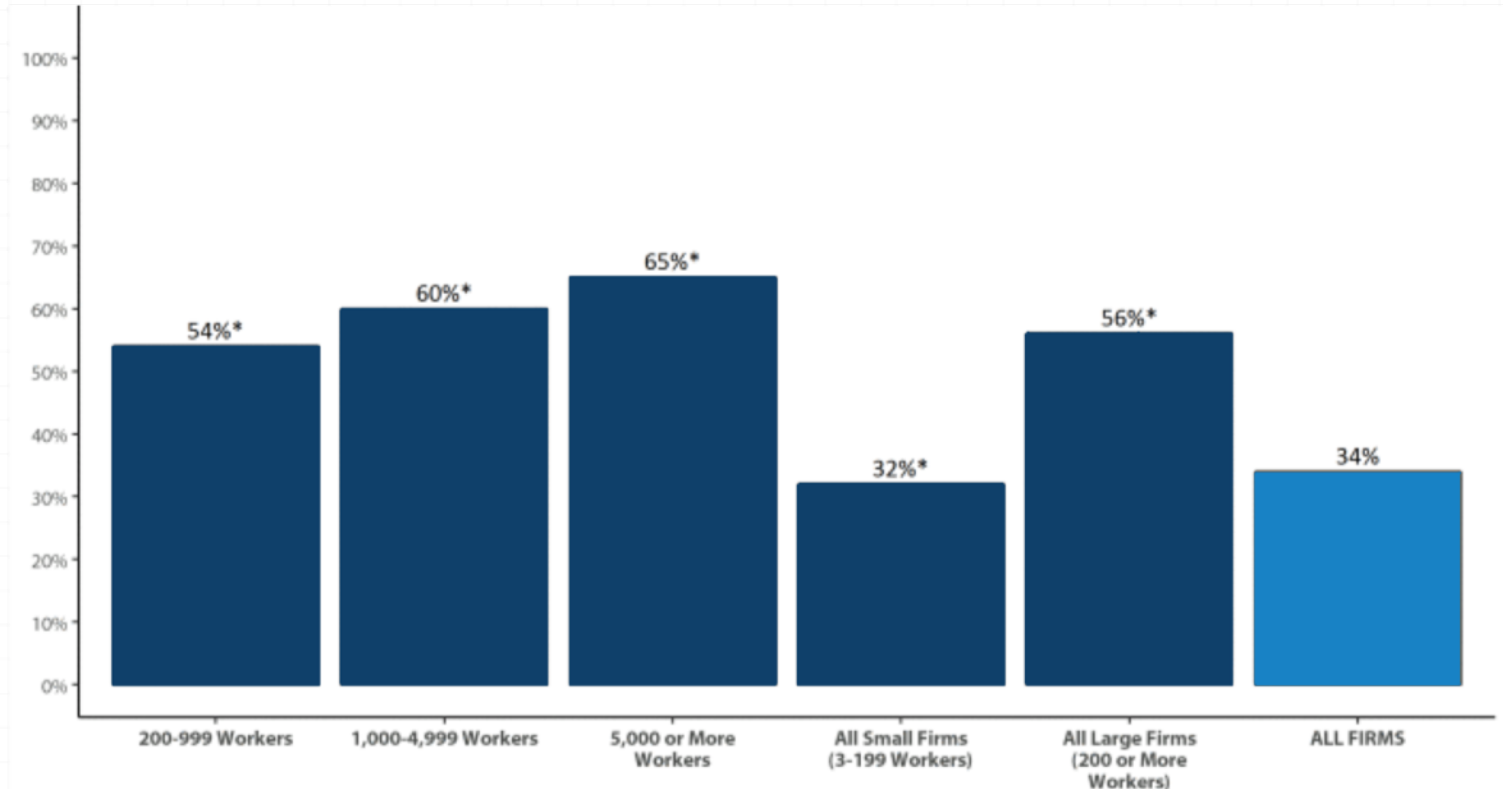
## National HSA contributions

\$795 single

\$1,417 Family

32%

of contributions come from employers; the rest, from employees



\* Estimate is statistically different from estimate for all other firms not in the indicated size category ( $p < .05$ ).

NOTE: A Section 125 cafeteria plan allows employees to receive certain benefits, such as health insurance premiums, on a pretax basis. Under this arrangement, some employees may be able to elect to place money into an HSA account or into other benefit options.

SOURCE: Kaiser/HRET Survey of Employer-Sponsored Health Benefits, 2017

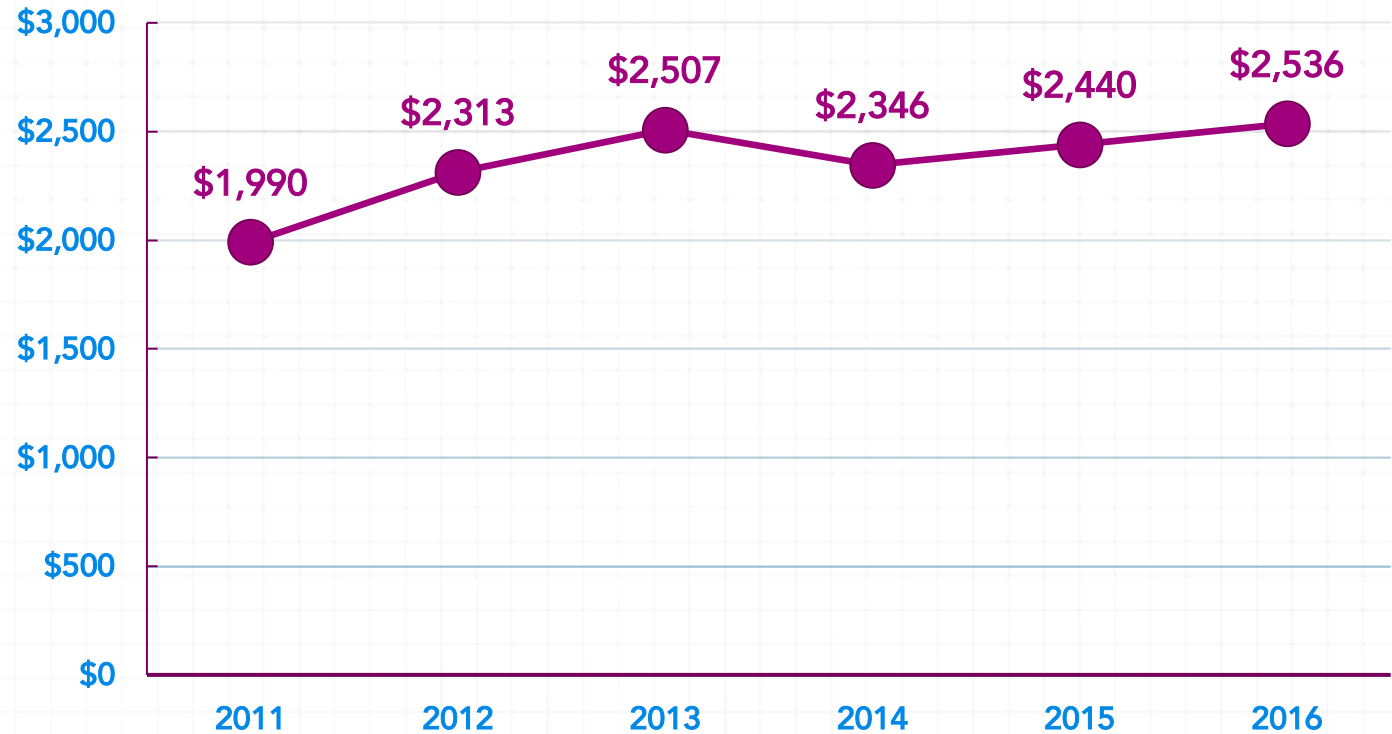
# HSA balances remain stable nationally

*Nationally*

# \$2,536

average HSA  
balance for  
employees

**AVERAGE END-OF-YEAR ACCOUNT BALANCE, BY YEAR,  
2011-2016**

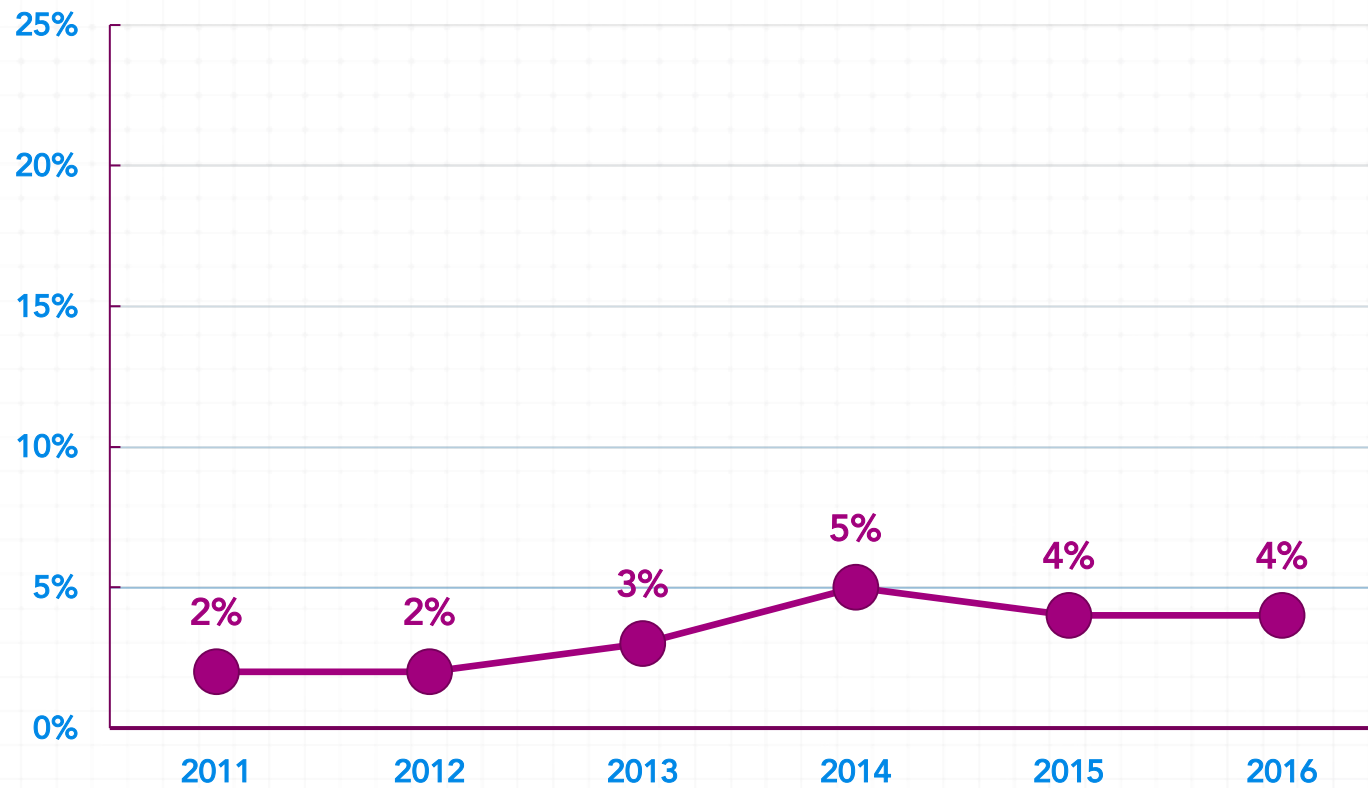


Source: EBRI HSA Database.

# Investing using HSAs

*Those who have had the account longer more likely to invest*

**PRESENCE OF INVESTMENTS OTHER THAN CASH, 2011-2016**



Source: EBRI HAS Database.

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People appear to be using HSAs as specialized checking accounts vs. investment vehicles

**4%**

National investment rate

**5.1%**

Blue Cross HSA investment rate

As of May 2018



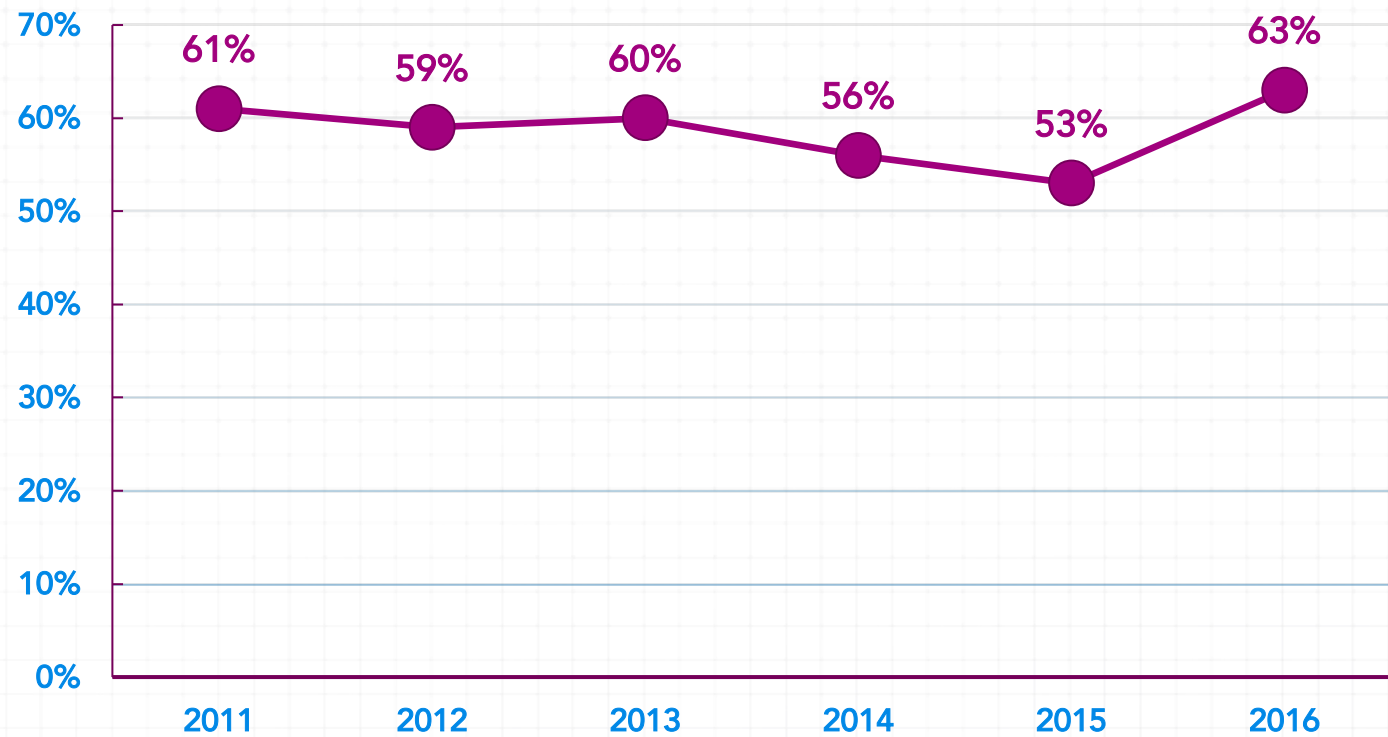
# Nearly two-thirds are spending from HSAs

*Up from previous years*

# 63%

of people with HSAs are taking distributions averaging about \$1,800 annually.

PERCENTAGE OF ACCOUNTS WITH A DISTRIBUTION FROM HSAs, BY YEAR, 2011-2016



Source: EBRI HSA Database.

# CDH – the good, the bad, the ugly

# Affordability is a concern

*Most people live in the moment, then worry about the future later*

76%

of Americans live  
paycheck to paycheck

\$15,432

Average amount of  
credit card debt

\$47,525

Average amount of  
student loan debt

Source: Nerd Wallet, 2018



# Affordability is a concern

*More than a quarter of adults say health care costs have caused a serious financial problem.*

<b>Health care costs caused a serious financial problem</b>	<b>U.S.</b>
Set up a payment plan with a hospital or health care professional	<b>44%</b>
Spent all or most of my personal savings	<b>42%</b>
Contacted by bill collectors	<b>39%</b>
Unable to pay for basic necessities like food, heat or housing	<b>27%</b>
Take on credit card debt that may be difficult to pay off	<b>23%</b>
Taken out a loan that may be hard to pay back	<b>19%</b>
Declared bankruptcy	<b>7%</b>

*Source: NPR/Robert Wood Johnson Foundation/Harvard T.H. Chan School of Public Health poll "Patients' Perspectives on Health Care in the United States." Interviews were conducted via telephone (landline and cellphone) in English and Spanish Sept. 8-Nov. 9, 2015. For national results, the margin of error is +/- 3.8 percentage points.*

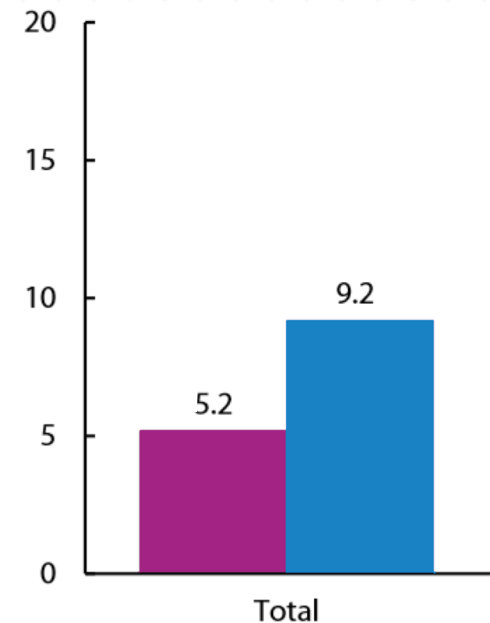
# Are people foregoing or delaying care?

*It's complicated*

# 9.2%

of high-deductible plan members did not get or delayed care vs. 5.2% of traditional PPO plan members

Source: NCHS, National Health Interview Survey, 2016



“Use of certain health care services—inpatient hospital days, pneumonia vaccinations, HPV vaccinations, and HbA1c testing for individuals with diabetes—were unaffected by enrollment in the HSA-eligible health plan.”

Source: EBRI, 2016

# Health plan understanding drives satisfaction!

*Driving understanding helps your investment go further*



- 2.7X** MORE SATISFIED WITH THEIR PLAN
- 2.3X** MORE SATISFIED WITH PLAN FIT
- 2.5X** MORE SATISFIED WITH COVERAGE & BENEFITS
- 3.3X** MORE SATISFIED WITH THE COST OF THE PLAN
- 2.5X** MORE SATISFIED WITH THE NETWORK

# Half are still confused

*Health care literacy is a real issue, especially with high deductible plans*



# What Blue Cross is doing

*Supporting high deductible plan members*

- Engaging members with tools
- Pilot for welcome/onboarding experience
- Case study of large employer

# HealthEquity plan comparison tool

Helping people do the math during enrollment

Your Company Name HealthEquity [START OVER](#)

Who is the coverage for?

Estimated tax information [?](#)

Federal tax rate:  Choose state:  State income tax:

What type of medical costs do you anticipate?  Average  High  Custom [View cost details](#)

What will your personal HSA contributions be?  [?](#) Will you be 55 years or older in the upcoming year?   [?](#)

Your employer HSA contribution for this coverage type is \$200  
Your employer Wellness Incentive HSA deposit is \$100  
Your employer HSA matching contribution is \$1.00 per \$1.00 (max of \$200)

Add your custom notes and disclaimers here

[View comparison](#)

Your Company Name HealthEquity [START OVER](#)

[EMAIL PLAN COMPARISON TO YOURSELF](#) [Change medical costs](#) [Does your family look different?](#)

**TAX SAVINGS** \$1,246

**HSA CARRYOVER** \$3,980

**EMPLOYER \$ FOR EXPENSES**

**CAN'T TAKE IT WITH YOU**

**HSA-qualified plan**

**TOTAL COST \$250**

★★★★

**Traditional plan with HRA**

**TOTAL COST \$4,662**

★★★☆☆

comparing plan 1 with 2 3 [next >](#)

### THE MATH

Your personal HSA deposits:		
-	\$ 4,000	+
Out-of-pocket expenses:		
Annual premiums:	\$1,476	
Medical expenses:	\$770	
Employer HSA deposits:	(\$750)	
Tax savings:	(\$1,246)	
<b>TOTAL COST</b>	<b>\$250</b>	
Out-of-pocket expenses:		
Annual premiums:		\$4,692
Medical expenses:		\$117
HRA dollars used:		(\$117)
Tax savings:		(\$30)
<b>TOTAL COST</b>		<b>\$4,662</b>



# Equipping members with useful tools

Award-winning  
bcbsm.com & mobile app



HealthEquity

Online Health Care



'Find a doctor' & cost estimation



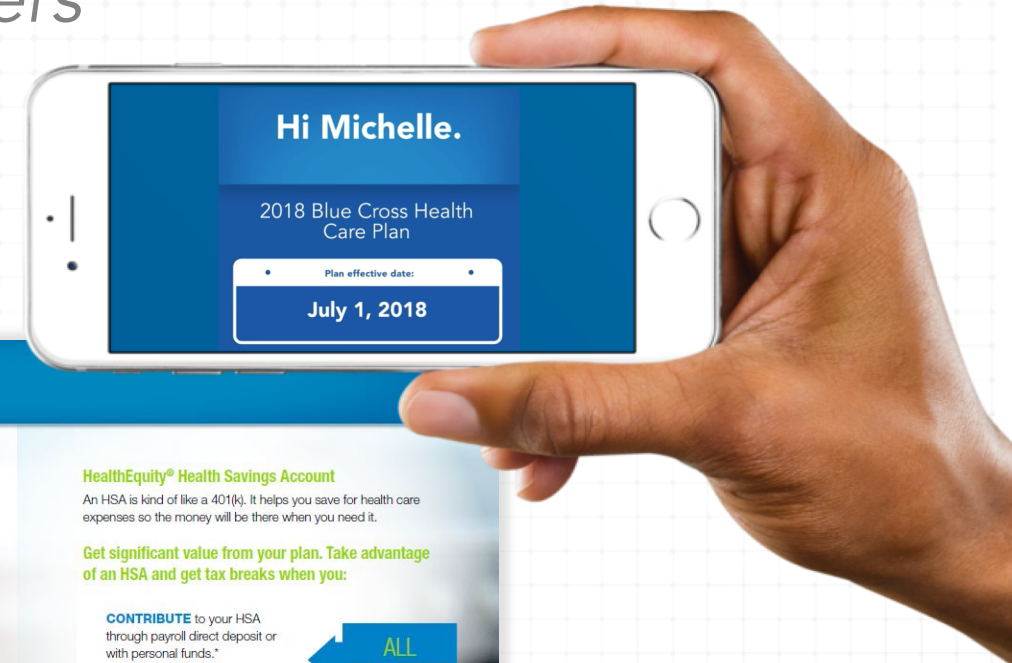
Blue Cross Health & Wellness Powered by WebMD health services



# Welcome/onboarding enhancements

*Focused on high deductible plan members*

- Get in front of people early in the plan year – during onboarding
- Goal to drive better plan understanding and engagement in the Health Savings Account and member tools



**GET READY**

### Know how your plan works

When you understand how your plan works, you'll know what to expect and have more control over where your health care dollars are going.

You pay		Your plan pays
<b>Deductible</b> At the start of the plan year, you pay 100 percent for certain medical services until you reach your full deductible.	<b>Coinsurance</b> Once you've met your deductible, you pay a percentage of medical costs until you reach your out-of-pocket maximum. <b>Your plan pays the remaining percentage of medical costs.</b>	<b>Out-of-pocket maximum is met</b> <b>You owe \$0 for in-network services. We pay the remaining portion.</b>

Please confirm this scenario applies to your plan by reviewing My Coverage in your member account.

### HealthEquity® Health Savings Account

An HSA is kind of like a 401(k). It helps you save for health care expenses so the money will be there when you need it.

**Get significant value from your plan. Take advantage of an HSA and get tax breaks when you:**

- CONTRIBUTE** to your HSA through payroll direct deposit or with personal funds.\*
- USE** your HealthEquity HSA debit card to pay for your deductible and coinsurance at your doctor's office or pharmacy, or pay for other qualified medical services.
- PAY** doctors and providers anytime, anywhere from your member account.
- EARN** interest from the money in your HSA.\*

**ALL TAX FREE**

### Preventive care services

Take advantage of your free preventive care benefits with an in-network doctor.

**Keep in mind, you may have to pay if you:**

- ▶ Get services other than preventive care during the same visit
- ▶ Use services to treat, diagnose or monitor an illness, injury or health problem
- ▶ Get out-of-network care

\*The 2018 limit is up to \$3,450 for individuals and \$6,850 for families. A minimum balance in your HSA may be needed to make investments. See your plan for more details.

**GET READY**

# Case study – large manufacturer

*Driving HSA plan adoption*

## Background

- National Fortune 500 employer with over 10,000 employees
- Has offered 2 HDHPs w/HSA alongside one traditional PPO for several years

## Employer goals

- Drive more shift from the traditional PPO to HDHPs
- Improve adoption and use of the HSA

# Case study – large manufacturer

*Driving HSA plan adoption*

Employees  
were engaged  
in numerous  
ways

- Renamed the plan options to drive attention during open enrollment
- Used a plan selection tool
- Held after-hours webinars with dependents
- Held train-the-trainer with HR personnel
- Provided one-on-one consultations at health fairs
- Overhauled benefit communications
- Sent targeted in-home mailings
- Launched microsite with on-demand videos
- And more

# Case study – large manufacturer

## *Driving HSA plan adoption*

The results  
exceeded  
expectations

- **95%** of employees made an active enrollment decision (+13% YoY)
- **79%** funded an HSA for 2018 (+41% vs. 2017)
- **28%** funded an HSA to the maximum level (+75% vs. 2017)
- **88%** of employees selected an HSA-eligible plan (+17% vs. goal)
- Over 4,000 attended a webinar
- 25k visits to a dedicated microsite

# What you can do

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Practical tips for driving better employee adoption in Consumer Driven Health Plans

# Tip #1

Do the math for employees to drive better understanding between plan options.

*(hint: sometimes a fancy tool is not needed)*

*Paint the whole picture for employees to understand how much it costs to HAVE the plan and how much it costs to USE the plan.*

Paycheck/premium costs (the cost to HAVE the plan)  
+  
out-of-pocket costs including copays, coinsurance (the cost to USE the plan)  
=  
Total cost

# Tip #2

Create a forum to answer questions and engage the entire family in the conversation.

*Open enrollment isn't just for employees.*

*Don't assume your employees are the health care decision makers for the family.*

***Note: 78% of women are the primary health care decision makers for the household.***

- Consider holding after-hours meetings or webinars
- Try not to scale back on mailings to the home



# Tip #3

Rely on multiple channels to get the job done

*No one way is the right way for everyone.*

<b>Traditional</b>	<b>Digital</b>
Tip sheets	Email
Newsletters	Webinars
Posters	Social media
Benefit guides	Video
Postcards	SMS/Text
Meetings & health fairs	Podcasts
Infographics	Decision support tools
Peer-to-peer champions	Microsites

# Tip #4

Separate fact from fiction for employees and drive home the value proposition of the plan

## *Employee concerns*

- "I will go bankrupt if I choose a high deductible plan."
- "Only the healthy people and the executives choose these plans."
- "This plan is going to be more expensive than my current."
- "I'll lose the money in the HSA if I don't use it all this year."

## *Value proposition*

- The triple tax advantage of an HSA
- 100% preventive care coverage and low cost care options
- Premium savings over traditional PPO plans
- HSA savings carry over annually and are portable

# Tip #5

Create less disruption by pointing employees to valuable tools and services to use with the plan.

## *Useful tools for HDHP members*

- **Plan comparison tools** to help employees understand key plan differences and the total cost of ownership.
- **Expanded choices for care** including lower cost settings like telehealth/telemedicine
- **Cost estimation tools** to plan and compare prices ahead of the needed care.

# Tip #6

Get a deeper understanding of your employees to learn what motivates them

## *Consider focus groups*

- Consider doing quick focus groups under an hour
- Small groups (under 8 people per group is optimal)
- Ask open ended questions:
  - What keeps them up at night?
  - What scares you about high deductible plans?
  - What would motivate you to choose this plan?
  - Do you like the way this is communicated, or that?

# Tip #7

Segment your employees and speak to them in a meaningful way.

Consider demographics, like age, salary levels, job type

## *Be relevant in your message*

- Savers want to hear about the HSA as another retirement vehicle, tax shelter and building health savings for the future.
- Spenders want to hear about ways to save on out-of-pocket costs and getting the most from preventive care.
- Parents want reassurance that a family can operate on a high deductible plan.
- Those with chronic conditions want to understand how they can make the plan work for their needs.

# Tip #8

Give employees a visual of their future with an HSA

## *Get employees in a future mindset*

- Savings can grow exponentially over time through interest or investments
- Health care expenses grow with age
- Medicare premiums can be paid with an HSA



# Tip #9

Remove the scare factor of a high deductible plan.

*Use testimonials and 'CDH champions' to show "people like me" have been successful with a high deductible plan.*





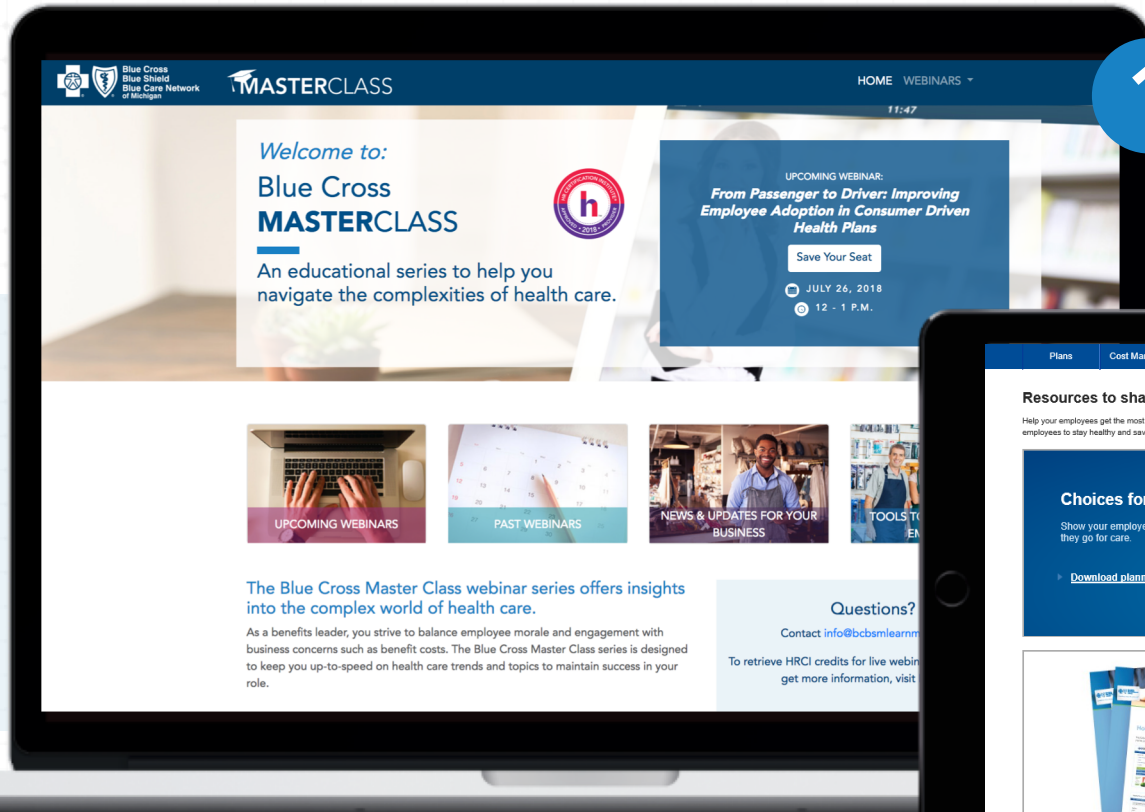
# Tip #10

Evaluate your plan design levers.

## *Considerations*

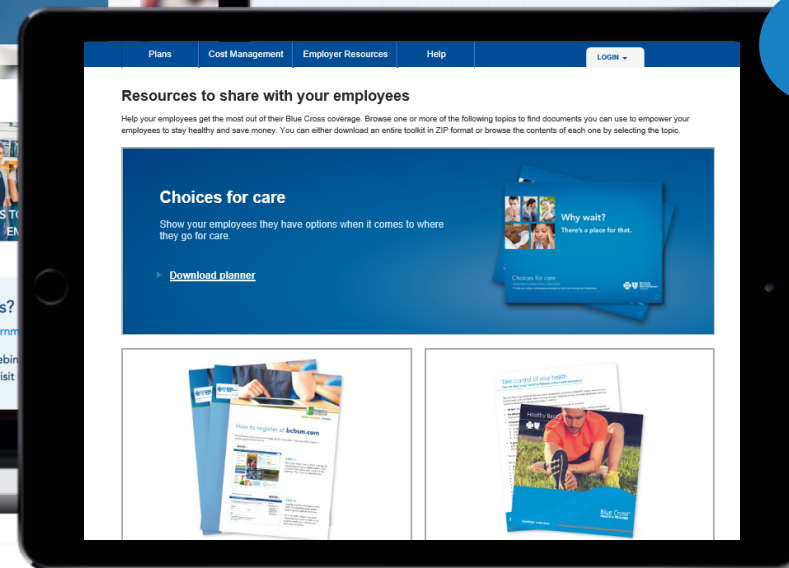
- Is full replacement the right way to go?
- Are you forcing an enrollment decision every year?
- Is your CDH plan option the default plan?
- Should you remove or even just rename your traditional PPO plan?
- How is your CDH plan priced vs. your other plan options? Is it priced to be attractive?
- Are you seeding the HSA with money? Is it front-loaded in the beginning of the year?

# For more information:



1

Visit [bcbsmmasterclass.com](http://bcbsmmasterclass.com) – webinar recording, CE credit instructions and information for next month's class



2

Visit [bcbsm.com/engage](http://bcbsm.com/engage) to get helpful communications tools for your employees



Thank You.

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