Innovation *in the* Marketplace

October 2016
Newsletter

Top 5 lessons learned
at the Innovation forum

1. **The uninsured rate is down to 8.6%** and most people can get insurance on the Marketplace for $50- $100 per month with subsidies.
2. **Effectuation is a monthly consumer engagement activity.** Issuers are thinking outside the box to engage consumers and making it easier for consumers to pay, such as with the Pay Now system, partial payment, and enrollment through portal.
3. **Understanding the consumer is key!** Knowing your population is critical to offering quality health coverage and making sure the consumer can access the care they purchase.
4. **Tools help consumers make decisions.** Issuers are providing interactive, clear, and concise tools and calculators to help members research and decide on the health insurance product that meets their needs.
5. **Provider contracting.** Issuers are tailoring their networks to respond to consumer needs and preferences. Collaborations and partnerships with providers and communities lead to better health outcomes.

For more information on second Issuer Insights and Innovation forum October 5, 2016 and to access materials from the event such as the final agenda, remarks from CMS Acting Administrator Slavitt, remarks from HHS Secretary Burwell, please visit the CCIIO website.

Health Insurance Marketplace

HealthCare.gov



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Marketplace Innovations and Priority Health
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MARKETPLACE INNOVATIONS AND PRIORITY HEALTH
Why transparency in health care matters

A car. A television. A vacation. You wouldn't purchase any of these without first knowing the cost. Why should it be any different with your health care? Transparency in health care is a key priority and here at CMS we are committed to improving transparency and increasing access to data. It is critical that consumers understand what they are purchasing and how to use it. To increase transparency at the federal level, we have implemented a number policies and new tools. For instance, we created the Out-of-Pocket Cost Comparison Tool to help consumers make more informed choices about their health insurance coverage and to help them pick a plan that will best meet their needs. This tool allows shoppers

in the Marketplaces on HealthCare.gov to see estimates of total spending (premiums and cost sharing) across various health insurance plans. We also made improvements to plan compare to provide even more detailed plan information to consumers as they shop and have started to collect and post transparency in coverage data from all issuers.

Transparency is not only being improved at the federal level, but a number of issuers and states around the county are taking steps to increase consumer and provider transparency. One example of this is Priority Health in Michigan.

"It is critical that consumers understand what they are purchasing and how to use it."

The cost for certain procedures can vary widely. For instance, the price of a colonoscopy could vary between $1,200 and $4,500 depending on where you go because different health care facilities may charge different prices for the same procedure. Knowing the cost of care before you receive it could save members thousands of dollars.

That's why Priority Health created the Cost Estimator, an innovative tool that calculates a member's out-of-pocket costs for hundreds of procedures like X-rays, MRI, lab tests and surgeries. If a selected procedure is above fair market price, the tool will provide a list of nearby facilities where it's offered at a lower cost.

As members take on more out-of-pocket costs, there's an increasing demand for price transparency. Priority Health was the first in the state of Michigan to make this information available and will continue providing innovative tools to engage members in their care. **Priority**Rewards combines the power of Priority Health's Cost Estimator with financial rewards for members who make informed health care decisions. They believe that investing in sharing transparent costs with members is not only the right thing to do, but a significant step to controlling the rising cost of health care. Priority Health has made shopping for health care services even more attractive by continuing into their second year with **Priority**Rewards – an incentive program for using the estimator tool – now in its second year. They set fair market prices for each service, and then pay members cash rewards for shopping and receiving care from a provider that is under the fair market price. Rewards can vary from $50 to $200 depending on the service.

Priority Health is continuing to improve the Cost Estimator tool as well. When they identify a fair price for a procedure, they previously showed facilities below the fair market price as green and facilities above the fair market price as red. This was confusing to members, and Priority Health simplified the display so members only have to look for a rewardable trophy to determine if the procedure is rewardable. The fair market price is still listed, along with the pricing for each facility, but the red and green coloring has been removed. In addition, they continue to increase the number of rewardable procedures in the Cost Estimator.

Priority Health is proud to be leading Michigan in the reduction of health care costs through increased consumer engagement and transparency.