

Transparency 101

Presentation by Phillip J. Haas
Network Market Head
Aetna Life Insurance Company

Employee Benefits Planning Association
November 1, 2007

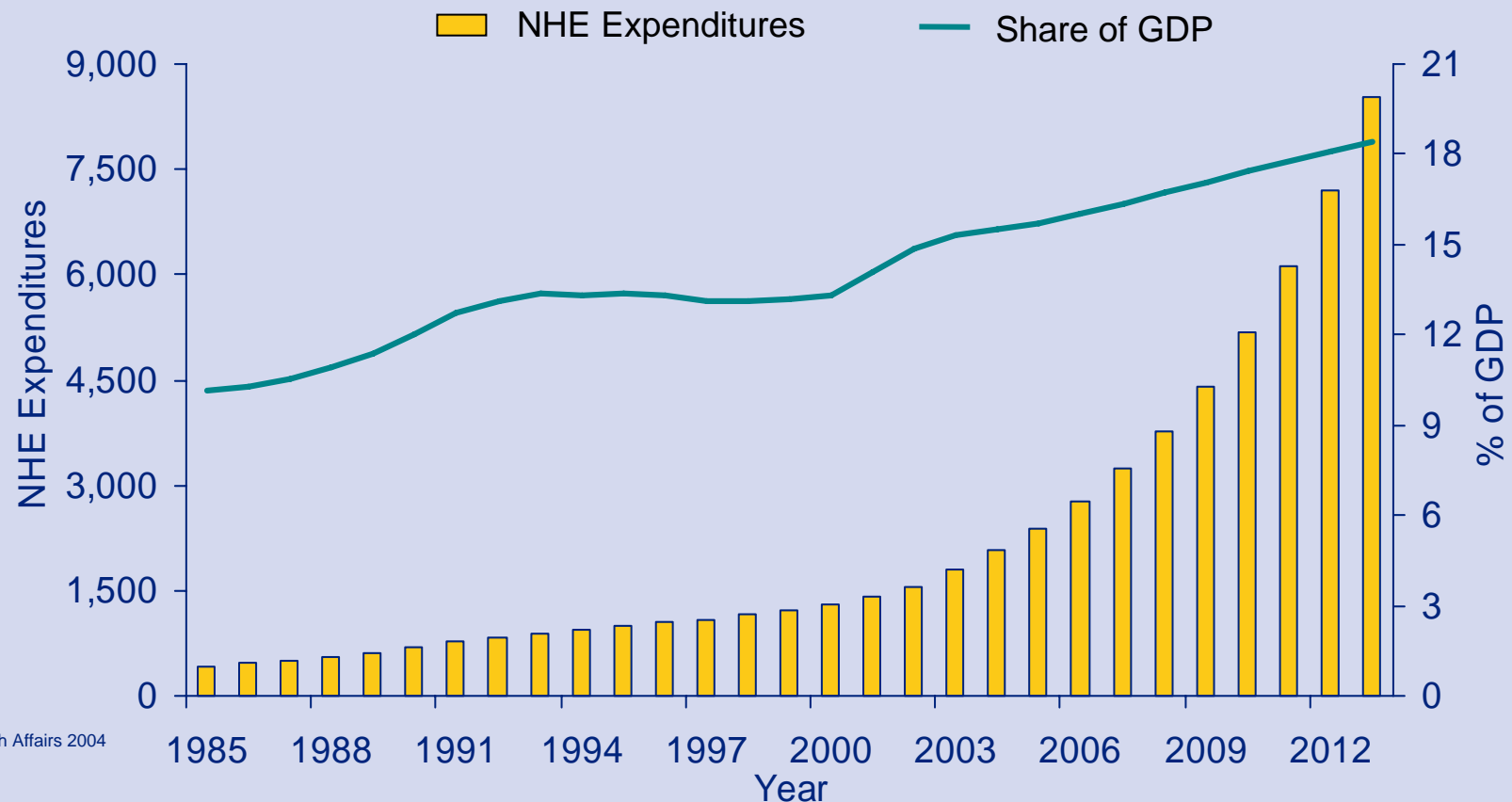
Today's Menu

- Drivers of Change
- Consumers of Health Care
- Transparency
- Payment Assurance
- Collaboration

Medical Costs Increases

National healthcare expenditures continue to take a greater share of GDP

National Health Expenditures: As Share of GDP and Annual Growth
1985-2013E, Billions/Percentage

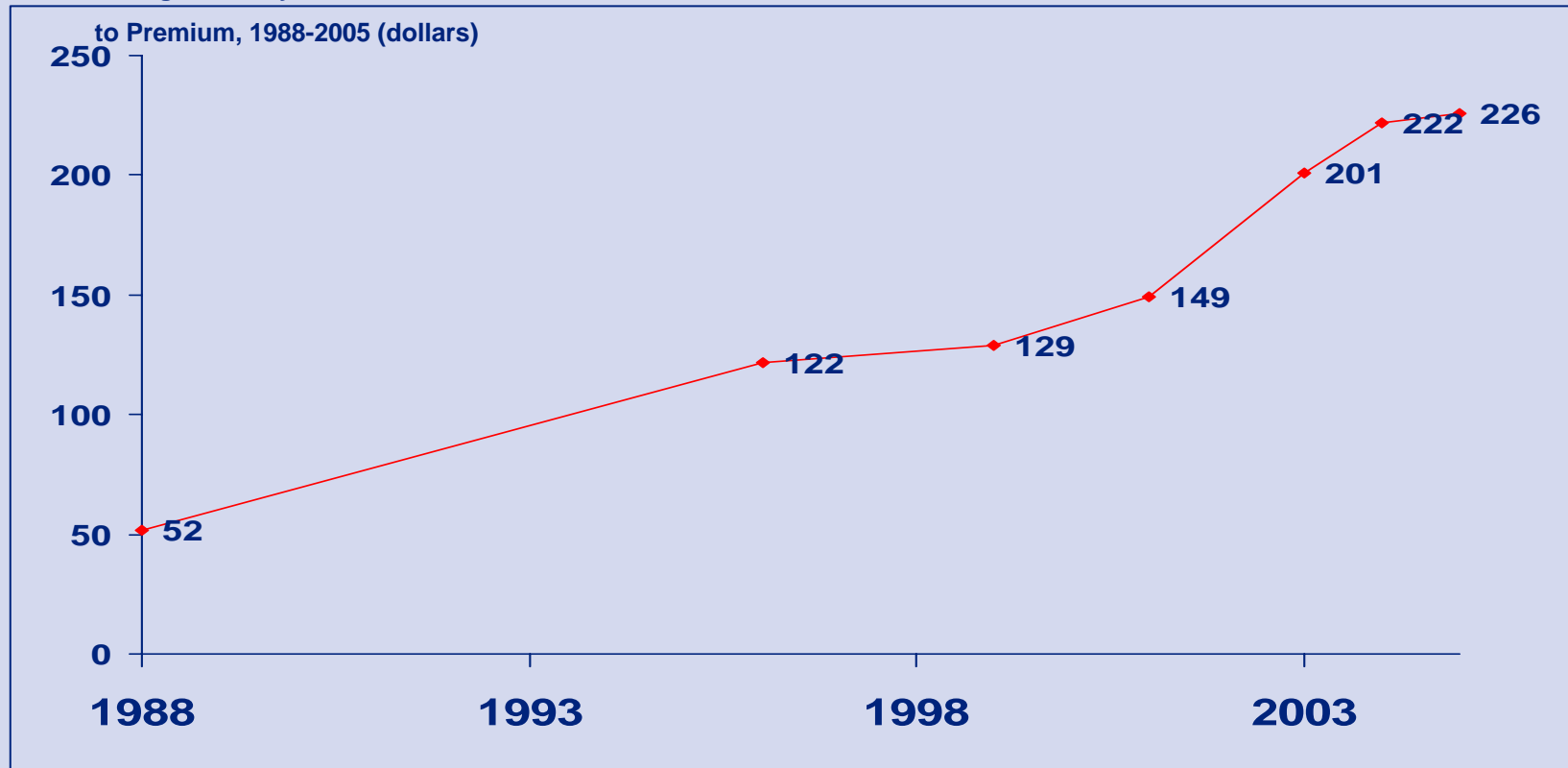


Source: Health Affairs 2004

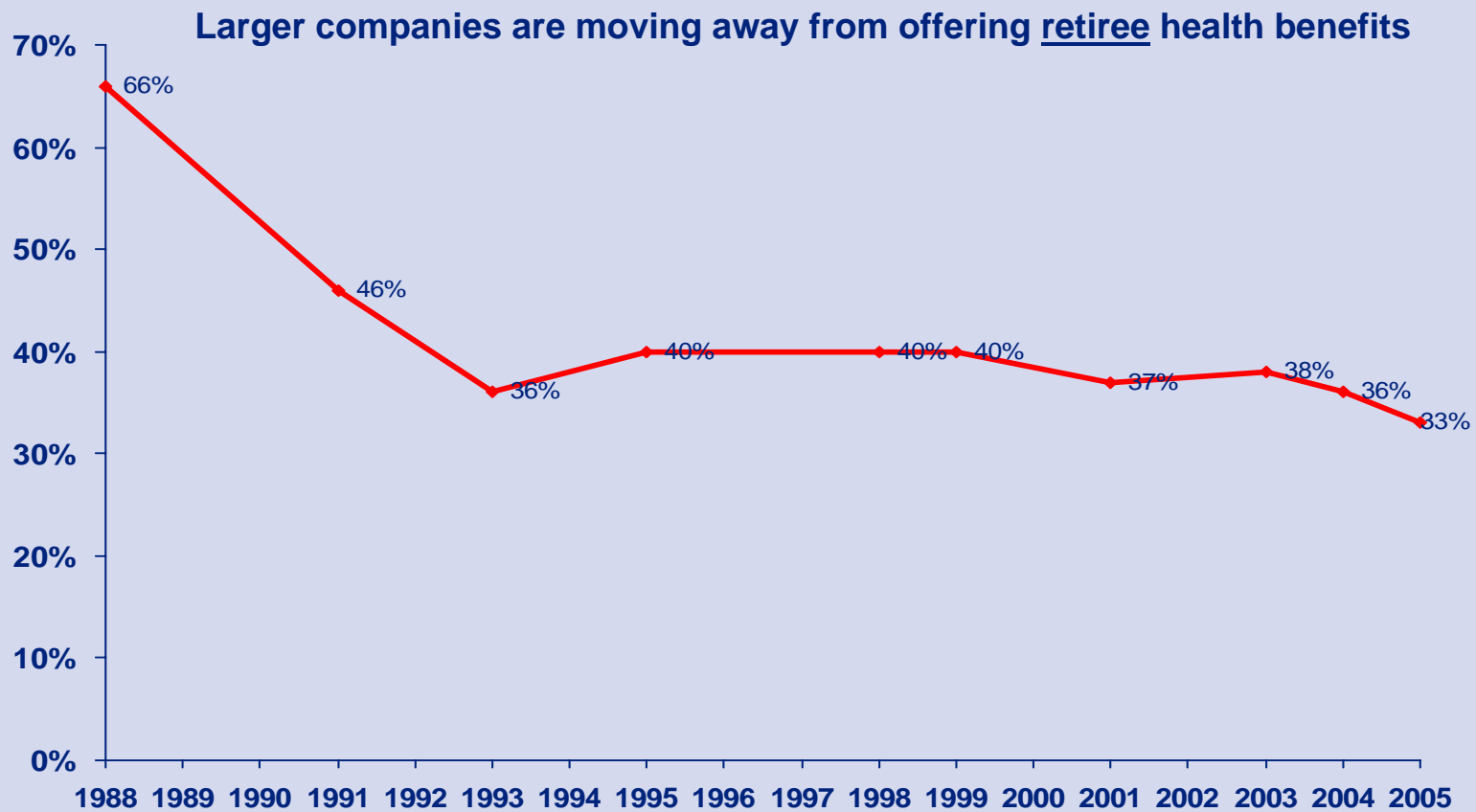
Employer Trends

Workers are contributing a larger portion of health insurance premiums and paying more out of pocket for healthcare services

Average Monthly Worker Contribution

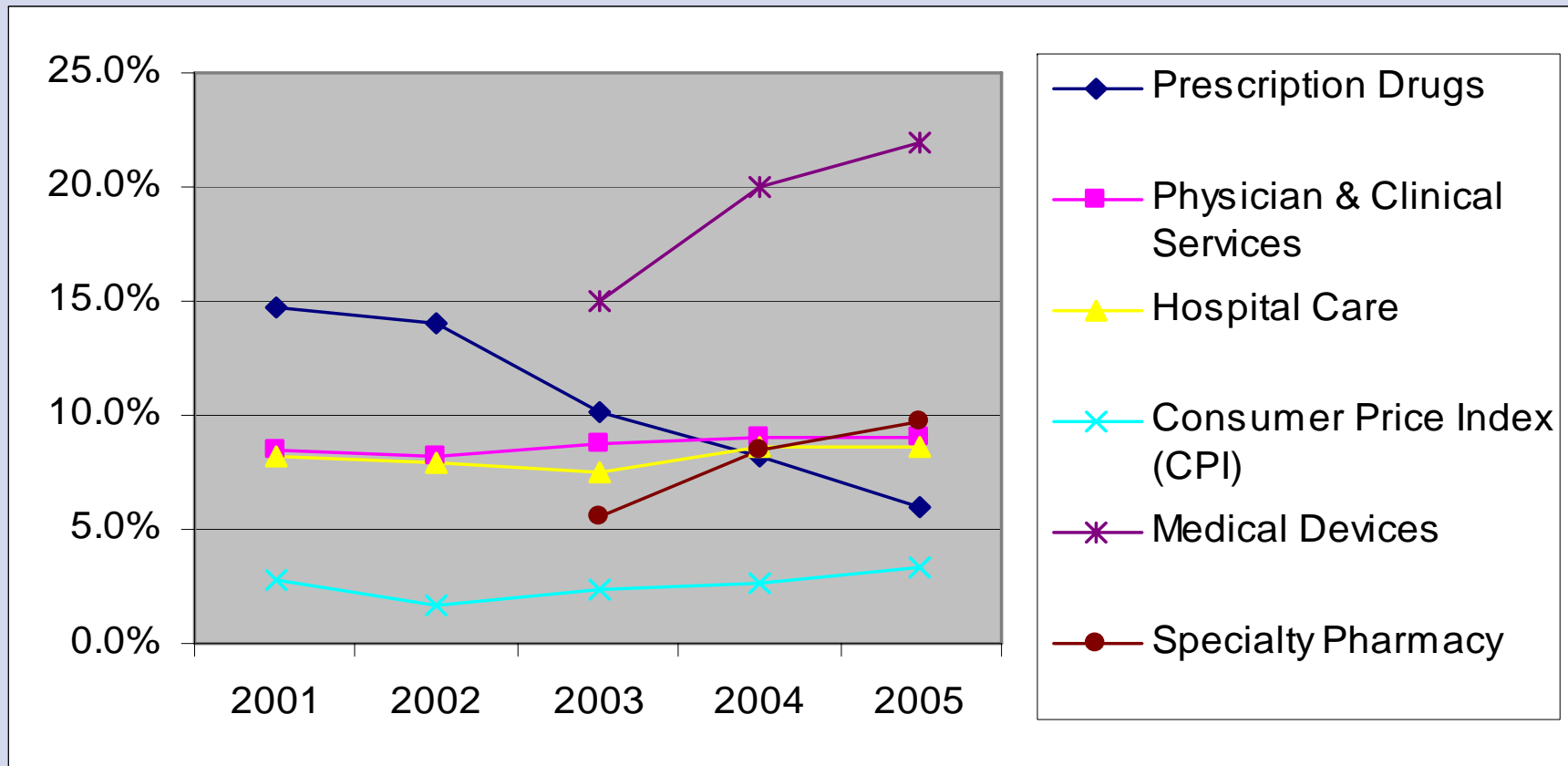


Employer Trends



Note: Large is defined as firms with over 199 workers who offer health benefits to active employees
Source: Kaiser Family Foundation, 10/05.

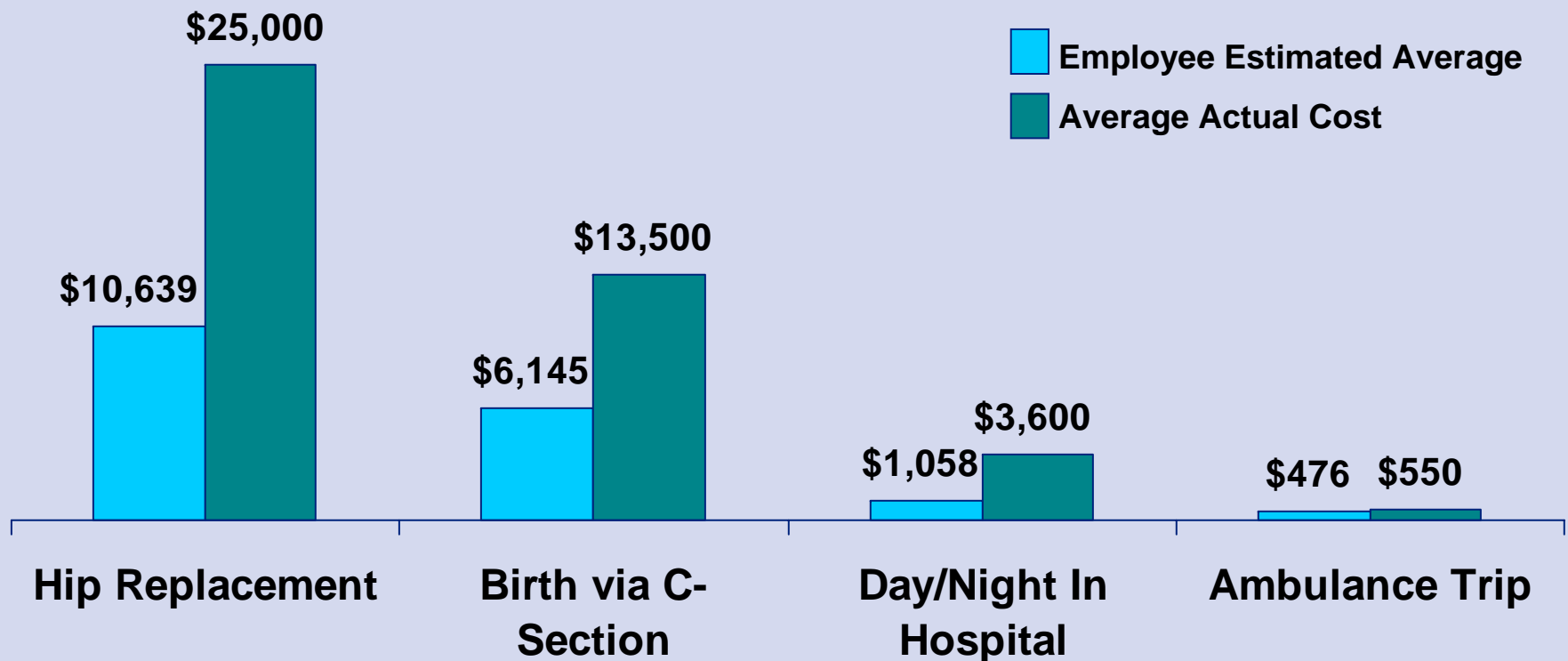
Medical Cost Trend Drivers



Source: Centers for Medicare and Medicaid Services (2006), Congressional Budget Office (2006)

Do Consumers Really Understand the Cost of Health Care?

Consumer Perceptions vs. Reality of Medical Costs

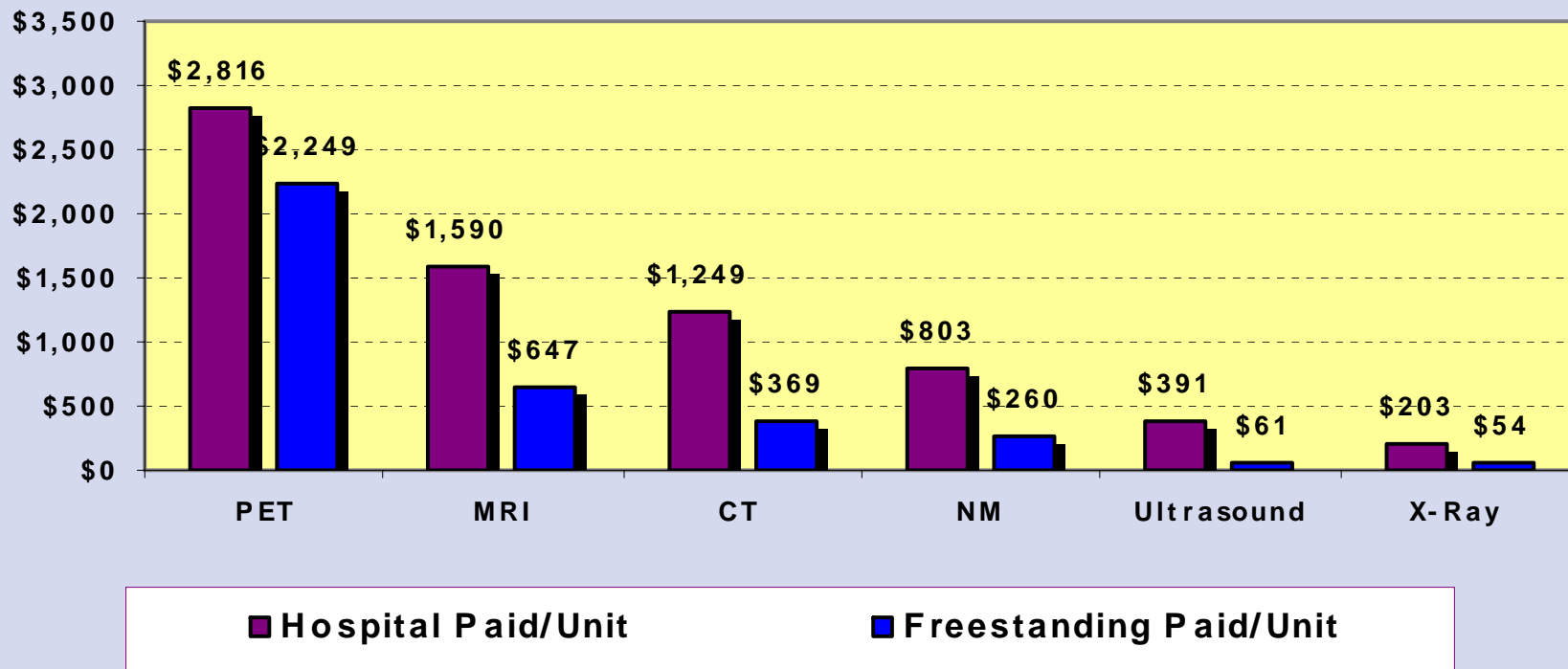


Source: Lehman Brothers, Health Insurance & Consumerism, May 2006

Do Consumers Really Understand the Cost of Health Care?

California PPO Site of Service Cost Differentials

Radiology and Diagnostic Imaging Average Cost per Unit



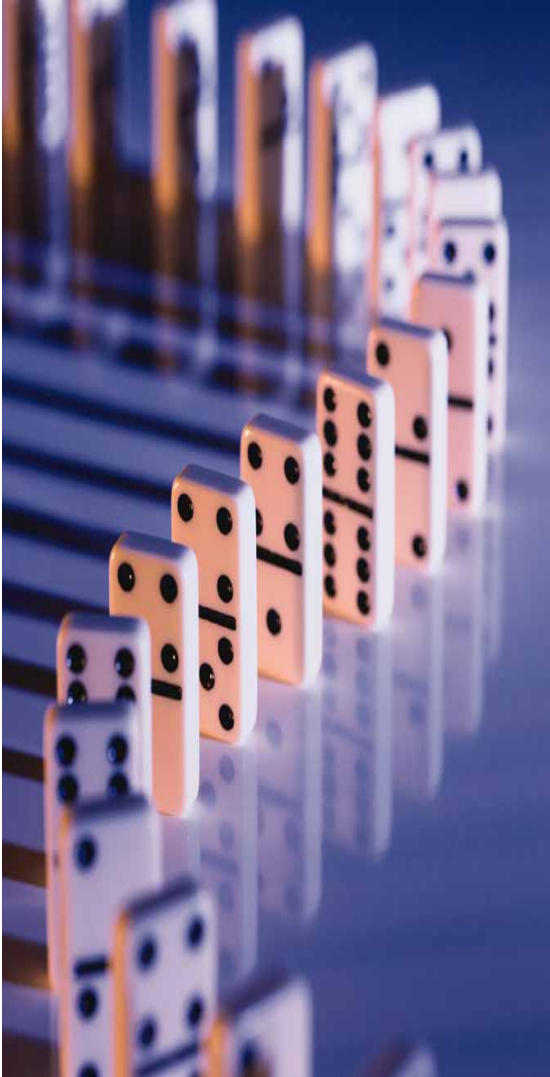
Consumer Research

How Do People Select Facilities?

How do you decide which hospital or facility to go to?	1 st Choice (% of respondents)
Covered by my health insurance plan	40
Doctor recommends	26
Best reputation for quality in the area	16
Highly recommended specialists admit there	9
Most conveniently located	5
Other	4
Recommended by family or friend	-
Least cost	0

Consumerism – Our Beliefs

Member at the Center



- ❖ HDHP, HRA, HSA, Performance Networks
- ❖ Decision Tools for Value-based Purchasing
- ❖ Personal Health Record
- ❖ Health Incentives
- ❖ **Health Care Transparency**
- ❖ Integrated Medical Management
- ❖ Wellness Programs
- ❖ Effective Communications and Education

The Transparency Cornerstone

Aetna's Actions to Date

- Suite of *Best in Class** decision support tools
- Performance Networks (the Aexcel® Blue Star)
- 1st to publish *actual* physician rates
 - Expanded to clinical performance and efficiency
- Consumer-centric Personal Health Records
- Active partner with industry organizations

* Citation from BusinessWeek article

Value-Based Purchasing

Aligning Information and Incentives

Health Care Transparency

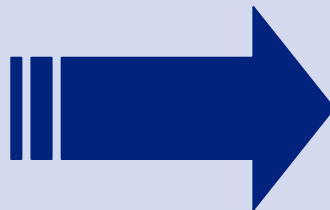
Clinical Quality, Efficiency, Unit Cost and
Health Information Technology



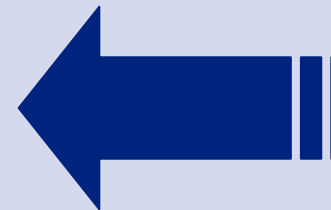
Aexcel[®]

Performance Networks

Case Volume
Clinical Quality
Cost Efficiency



Improving
Quality and
Efficiency
of Care



Provider P4P

Pay for Performance

Clinical Quality
Cost Efficiency
Health I/T

Information and Incentives

Consumer Research

How Do We Know What Members Want?

- Initial price transparency pilot and results
- Publicly available surveys/information
- Usability labs
- Iterative member and provider focus groups

Consumer Research

What we have found

- Consumers like the idea of site of service transparency
 - Information in one online location, ability to match right facility to medical condition, convenience, and peace of mind
- Searching by **site location** or by **name** of health care professional depends on the procedure type
 - Relatively high risk (e.g., cataract eye surgery, cardiac catheterization), consumers prefer searching by physician
 - Relatively low risk diagnostic procedures (e.g., CT scans, sleep study), site location is preferred method for searching
- Presenting price information so that cost of individual items are spelled out is preferred over options like one bundled price
- Descriptive indicators to show whether or not a facility meets quality requirements are preferred over symbols

What Does Transparency Look Like?

Aetna Navigator™ Hospital Comparison Tool

Steps: 1 BASIC INFORMATION 2 CHOOSE HOSPITAL

Hospital Comparison

BASIC INFORMATION

Category:

Orthopedic (Bones)

Explanation

Anderson, Anthony, MD
Address: XX Any Road
Anytown, USA
Health Plan: PPO

PIN: XXXXXXXX
Phone: (XXX) XXX-XXXX
Primary Specialty: Cardio Vascular Disease

Physician Unit Price

Office Visits

Procedure Description	Rate
Established Office Visit for Minimal Problems	\$20.68
Established Office Visit for Moderate Problems	\$33.57
Established Office Visit for Complex Problems	\$46.46

Aexcel Evaluation Standards

Provider Name: Anderson, Anthony, MD **Aexcel Designated** [Learn More](#)
Specialty(ies): Cardiovascular Disease
Address: 151 Farmington Avenue, Hartford, CT 06156
Phone Number(s): (860) 273 XXXX

[Printer Friendly Version](#)

This specialist was **Aexcel-designated** based on meeting the evaluation standards checked below. [Learn more](#)

What this information tells you: The evaluation standards provide a clear picture of the specialist's performance, based on clinical and operational data. Aexcel designation is a mark of excellence.

How to use this information: The evaluation standards are an informational resource to assist you in making informed decisions. You should always consult with your doctor about your health care decisions.

Checked box indicates met standard

- Volume**
- This specialist saw enough Aetna members over the past two years to be evaluated for the Aexcel Designation.
- Clinical Quality**
- Adverse Event – when a complication or problem occurs.
- 30-day readmission rate - unexpectedly re-admitted to the hospital within 30 days.
- Use of beta blockers, ACE inhibitors and/or statin - use of medicines to treat patients with a history of heart attacks, heart disease or heart failure.
- Efficiency**
- A comparison of the resources used to treat health care events managed by this

Price-A-Drug

Retail Pharmacy Estimate In:

Connecticut

Name of Drug: Ambien 5 Mg Tablet

Type: Brand

Days Supply

Dosage/Pk

Estimated Cost

Member's Amount App

Amount App

Mail Order Pharmacy Estimate:

Aetna Rx Home Delivery

Name of Drug: Ambien 5 Mg Tablet

[Click for more information about this drug](#)

Estimate Costs on Conditions

The **estimated cost*** of **High-Severity Diabetes - Insulin Dependent** for zip code **03801** is:

Types of Cost	Amount
Facility:	\$4,672
Doctor:	\$1,364
Pharmacy:	\$1,918
Medical Tests:	\$1,605

Procedure-Based Site of Service

Search Results: Colonoscopy

Plan Name: Aetna Choice® POS II

Results | 1 - 10 | Next >

#	Facility Name	Facility Type	Distance	Cost Range
1	Ambulatory Surgery Center 1 123 Road Anytown, YZ 12345 987.654.3210	Ambulatory Surgical Center	2.3 MAP	Managing Physician: \$283 - \$383 Facility/Other: \$1,321 - \$1,421 Range Total: \$1,604 - \$1,804
2	Ambulatory Surgery Center 2 123 Road Anytown, YZ 12345 987.654.3210	Ambulatory Surgical Center	3.9 MAP	Managing Physician: \$230 - \$330 Facility/Other: \$735 - \$835 Range Total: \$965 - \$1,165
3	Ambulatory Surgery Center 3 123 Road Anytown, YZ 12345 987.654.3210	Ambulatory Surgical Center	3.5 MAP	Managing Physician: \$283 - \$383 Facility/Other: \$1,321 - \$1,421 Range Total: \$1,604 - \$1,804
4	Hospital 1 123 Road Anytown, YZ 12345 987.654.3210	Hospital Inpatient	3.7 MAP	Managing Physician: \$235 - \$335 Facility/Other: \$2,207 - \$2,307

Physician Unit Price

Rates for Aetna Members

Anderson, Anthony, MD

PIN: 012345678

Address: 151 Farmington Avenue
Hartford, CT 06156

Phone: (860) 273-XXXX

Health Plan: Aexcel®Choice POS II

Primary Specialty: Cardiovascular Disease

[Office Visits](#) | [Diagnostics Services](#) | [Minor Procedures](#) | [Major Procedures](#) | [Other Services](#)

Please Note: Displayed rates only reflect the rates for the doctor's own services and not charges for additional services that you may receive, such as anesthesia, pharmacy, medical supplies and facility charges. Doctor's rates are only one of many factors that you should consider when making health care decisions.

For a comprehensive view of all costs (for doctors and additional services) associated with these procedures, please use our [Estimate the Cost of Care](#) tool. You can view average in and out of network costs for services in your area.

Office Visits

Procedure Description	Rate
New Patient Office Visit for Moderate Problems	\$94.28
Established Office Visit for Limited to Minor Problems	\$37.36
Established Patient Office Visit for Low to Moderate Problems	\$51.03
Established Patient Office Visit for Moderate to Severe Problems	\$80.15
Periodic Comprehensive Well Visit for an Established Patient Ages 18-39	\$94.63
Periodic Comprehensive Well Visit for an Established Patient Ages 40-64	\$104.64

[Back to top](#)

Diagnostic Services

Procedure Description	Rate
3 Dimensional Heart Study	\$518.08
Myocardial Perfusion Study With Wall Motion	\$91.57
Prothrombin Time (Blood Clotting) Test	\$4.44
EKG With At Least 12 Leads, Tracing and Interpretation	\$26.97
EKG With At Least 12 Leads, Interpretation and Report Only	\$9.39
Cardiovascular Stress Test (Treadmill or Bicycle) interpretation & report only	\$16.43
Complete Heart Ultrasound	\$203.85
Heart Ultrasound with Doppler	\$89.59
Color Heart Ultrasound with Doppler	\$120.69

- Actual negotiated rate
- Up to 30 of most common doctor's services
- 600+ distinct services

Procedure-Based Site of Service

What is the New Tool?

- Facility-specific information – **not** regional averages
- Includes ambulatory and inpatient facility types
- Reasonable bundle of services for the procedure
 - All costs included
 - Range of cost based on Aetna claim experience
- Allows consumers to compare facilities for like services
- Tools to help educate consumers on health care billing methods & cost
- Pilot at least one site per region (TBA)
- Focused on higher volume elective services where people will be more likely to “shop”

Procedure-Based Site of Service Procedures

- Targeting approximately 34 procedures
- Common and familiar to consumers
- Planned for by a member
- High volume
- Multiple options for locations to seek care
- Comprehensive clinical input from Aetna Medical Directors
- Examples:
 - MRI
 - CT Scan
 - Endoscopy
 - Colonoscopy
 - Breast Biopsies
 - Common maternity procedures
 - Common cardiac procedures

Procedure-Based Site of Service Methodology

Uses Claim Line Detail to Display Costs vs. Provider Contract Database

- Soup-to-Nuts. Comprehensive cost of care from admission to discharge, including all facility, physician and ancillary charges
- Currently cost estimates from actual contract files cannot be utilized due to the number of variables with certain cases (e.g., units of anesthesia) and too many assumptions are required. **Actual historical data is found to be more reliable.**
- Facility contracts can be case rated, per diem, global or have carve outs –members do not know about discount off charges or what their length of stay will be
 - A range of actual costs helps members better understand their potential costs
 - Presents costs for the “typical” routine procedure and defines it in a way that members will know if their doctor is suggesting that the procedure is expected to be more complex, and therefore more costly
- Based on Aetna allowed amounts on actual member claim data before member cost-sharing is applied
- Retrospective claim review rather than a view of current or future costs
- Reasonable bundle of services with all costs included for the service
- Excludes high and low outliers giving us higher confidence in published ranges

Procedure-Based Site of Service Initial Search Screen

We want you to know™



Home

Related Shortcuts

- Find Health Care in DocFind®
- Healthy Outcomes
- Compare Hospitals
- Frequently Asked Questions
- Definitions

Procedure and Facility Cost Search

Compare cost information for common procedures.

Procedure:*	<input type="text" value="Select a procedure"/>		
State:*	<input type="text" value="Select a state"/>	Plan Name:	<input type="text" value="Aetna Choice® POS II"/>
Zip Code:*	<input type="text" value="06457"/>	Distance:	<input type="text" value="Within 5 Miles"/>
	Find a Zip		
Sort Results by:*	<input type="text" value="Select a sort criteria"/>	Results per Page:	<input type="text" value="50"/>

* indicates a required field

Procedure Text Goes Here. Procedure Text Goes Here. Procedure Text Goes Here.

Search

Procedure-Based Site of Service Search on Procedure



Home

Update Your Results

Distance:

Within 5 Miles

Results per Page:

10

Related Shortcuts

- [Find Health Care in DocFind®](#)
- [Healthy Outcomes](#)
- [Compare Hospitals](#)
- [Frequently Asked Questions](#)
- [Definitions](#)
- [How to prepare for a Colonoscopy](#)

Search Results: [Colonoscopy](#)

Plan Name: *Aetna Choice® POS II*

Results | 1 - 10 | [Next >](#)

Printer Friendly

All	Facility Name	Facility Type	Distance	Cost Range
<input type="checkbox"/>	1 Ambulatory Surgery Center 1 123 Road Anywhere, YZ 12345 987.654.3210 > Facility Procedures	Ambulatory Surgical Center	2.3 MAP	Managing Physician: \$283 - \$383 Facility/Other: \$1,321 - \$1,421 <hr/> Range Total: \$1,604 - \$1,804
<input type="checkbox"/>	2 Ambulatory Surgery Center 2 123 Road Anywhere, YZ 12345 987.654.3210 > Facility Procedures	Ambulatory Surgical Center	3.9 MAP	Managing Physician: \$230 - \$330 Facility/Other: \$735 - \$835 <hr/> Range Total: \$965 - \$1,165
<input type="checkbox"/>	3 Ambulatory Surgery Center 3 123 Road Anywhere, YZ 12345 987.654.3210 > Facility Procedures	Ambulatory Surgical Center	3.5 MAP	Managing Physician: \$283 - \$383 Facility/Other: \$1321 - \$1421 <hr/> Range Total: \$1,604 - \$1,804
<input type="checkbox"/>	4 Hospital 1 123 Road Anywhere, YZ 12345 987.654.3210 > Facility Procedures > Show Associated Providers	Hospital Inpatient	3.7 MAP	Managing Physician: \$235 - \$335 Facility/Other: \$2,207 - \$2,307 <hr/> Range Total: \$2,442 - \$2,642
<input type="checkbox"/>	5 Hospital 2	Hospital Inpatient	1.3 	

Procedure-Based Site of Service Search at Facility Level

Rates for Aetna Members

 Additional Information

Ambulatory Surgery Center 1	PIN: 5998157
Address: 123 Road Anywhere, YZ 12345	Phone: (732) 565-5400
Health Plan: Aetna Choice® POS II (Open Access)	Type of Service: Hospital

Please Note: Displayed rates reflect the rates for the facility's own services and charges for additional services that you may receive, such as anesthesia, pharmacy, medical supplies and physician charges. Facility's rates are only one of many factors that you should consider when making health care decisions.

For a comprehensive view of all costs (for facilities and additional services) associated with these procedures, please use our [Estimate the Cost of Care tool](#). You can view average in and out of network costs for services in your area.

To search for facilities that perform a specific procedure, please use our [Facility Procedure Cost Look-up Tool](#). You can view average in and out of network costs for services in your area. (Text TBD)

Facility Procedures	
Procedure Description	Cost Range
Procedure short description/Member friendly term Description: Add long description of text for the procedure here. Add long description of text for the procedure here. Add long description of text for the procedure here. Add long description of text for the procedure here. Add long description of text for the procedure here. Add long description of text for the procedure here. Add long description of text for the procedure here.	Managing Physician \$2,133 - \$3,008 Facility/Other \$4,000 - \$5,400 <hr/> Total Range: \$6,133 - \$8,408
Search for other facilities that perform this procedure	
Total Knee Arthroplasty Description: Add description here	Managing Physician \$1,157 - \$1,557 Facility/Other \$2,000 - \$2,400 <hr/> Total Range: \$3,800 - \$4,800
Search for other facilities that perform this procedure	
Colonoscopy / Sigmoidoscopy	Managing Physician \$383 - \$383

Aetna Transparency

- Price and clinical quality transparency provides members information to gauge perceived value of physicians
- Only insurer providing this information to members – price, clinical quality and efficiency
- Transparency promotes member health literacy and helps members better manage the health care system
- Likely to foster competition among providers as market economics take hold