

PROTECTING PATIENTS BY

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EXPOSING THE  
**TRUTH**  
& EMPOWERING  
**CHOICE**

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# WE'VE BEEN AN INDEPENDENT SOURCE OF TRANSPARENCY SINCE 2007

Healthcare Bluebook has over **5,000+** employer clients, including Fortune 500 companies, 90+ public sector clients and private, self-funded employers.

We also power transparency for health plans and the top TPAs (30+) covering over **3.5** million lives.

Self-Funded  
Employers

Health  
Plans

State  
Governments

TPAs

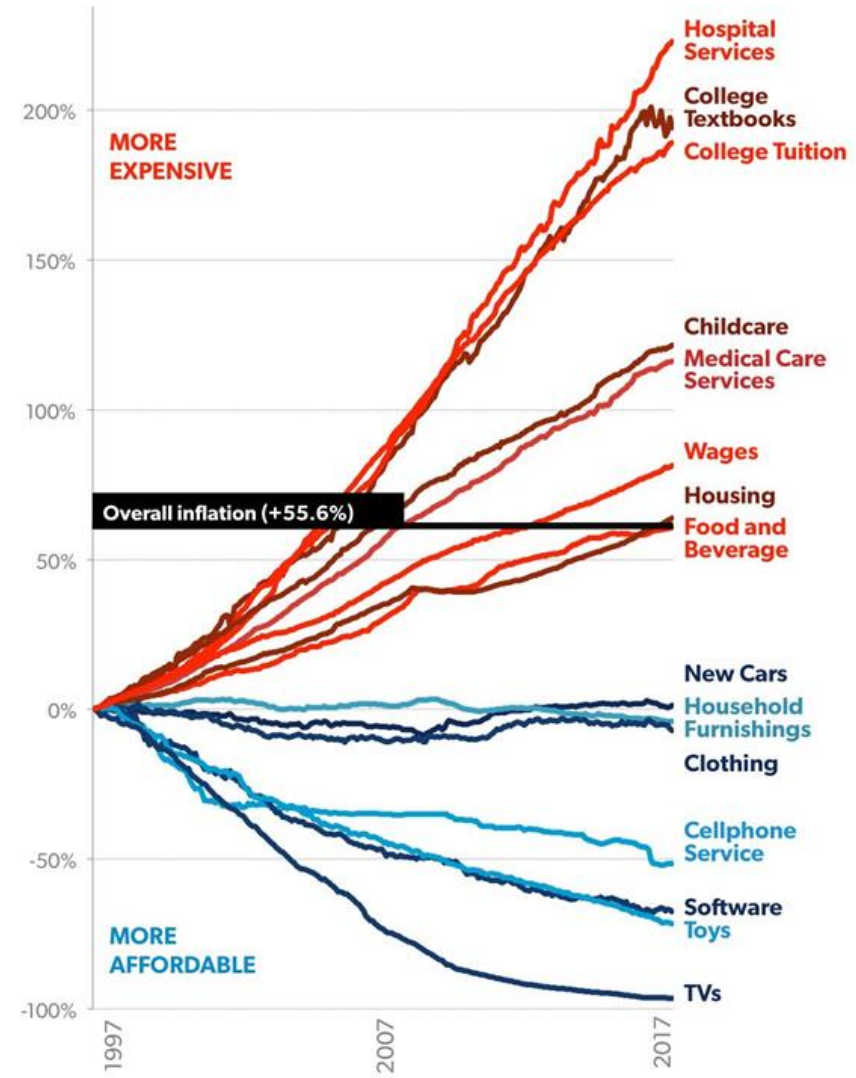
Fortune  
500s



# HEALTHCARE INFLATION vs CONSUMER GOODS

## Price changes (Jan. 1997–Dec. 2017)

Selected US Consumer Goods and Services, and Wages



Data Source: Bureau of Labor Statistics



# Utilization down, spending still up. Price is *the* issue.

March 13, 2018

## Health Care Spending in the United States and Other High-Income Countries

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> Author Affiliations

JAMA. 2018;319(10):1024-1039. doi:10.1001/jama.2018.1150

**JAMA**  
The Journal of the American Medical Association

### Abstract

**Importance** Health care spending in the United States is a major concern and is higher than in other high-income countries, but there is little evidence that efforts to reform US health care delivery have had a meaningful influence on controlling health care spending and costs.

**Objective** To compare potential drivers of spending, such as structural capacity and utilization, in the United States with those of 10 of the highest-income countries (United Kingdom, Canada, Germany, Australia, Japan, Sweden, France, the Netherlands, Switzerland, and Denmark) to gain insight into what the United States can learn from these nations.

**Evidence** Analysis of data primarily from 2013-2016 from key international organizations including the Organisation for Economic Co-operation and Development (OECD), comparing underlying differences in structural features, types of health care and social spending, and performance between the United States and 10 high-income countries. When data were not available for a given country or more accurate country-level estimates were available from sources other than the OECD, country-specific data sources were used.

**Findings** In 2016, the US spent 17.8% of its gross domestic product on health care, and spending in the other countries ranged from 9.6% (Australia) to 12.4% (Switzerland). The proportion of the population with health insurance was 90% in the US, lower than the other countries (range, 99%-100%), and the US had the highest proportion of private health insurance (55.3%). For some determinants of health such as smoking, the US ranked second lowest of the countries (11.4% of the US population ≥15 years smokes daily; mean of all 11 countries, 16.6%), but the US had the highest percentage of adults who were overweight or obese at 70.1% (range for other countries, 23.8%-63.4%; mean of all 11 countries, 55.6%). Life expectancy in the US was the lowest of the 11 countries at 78.8 years (range for other countries, 80.7-83.9 years; mean of all 11 countries, 81.7 years), and infant mortality was the highest (5.8 deaths per 1000 live births in the US; 3.6 per 1000 for all 11 countries). The US did not differ substantially from the other countries in physician workforce (2.6 physicians per 1000; 43% primary care physicians), or nursing workforce (11.1 nurses per 1000). The US had comparable numbers of hospital beds (2.8 per 1000) but higher utilization of magnetic resonance imaging (118 per 1000) and computed tomography (245 per 1000) vs other countries. The US had similar rates of utilization (US discharges per 100 000 were 192 for acute myocardial infarction, 365 for pneumonia, 230 for chronic obstructive pulmonary disease; procedures per 100 000 were 204 for hip replacement, 226 for knee replacement, and 79 for coronary

**HCCI** HEALTH CARE COST  
INSTITUTE

## 2016 Health Care Cost and Utilization Report

A review of trends in health care spending, utilization, and price among Americans with employer-sponsored insurance



January 2018

**Rising Prices Drive Pace of Health Spending Increase**  
Healthcare spending spikes as Americans use less care

HCCI

**U.S. Continues to Spend Much More on Health Care than Other Countries, Driven by Prices of Physician and Hospital Services, Pharmaceuticals**

JAMA



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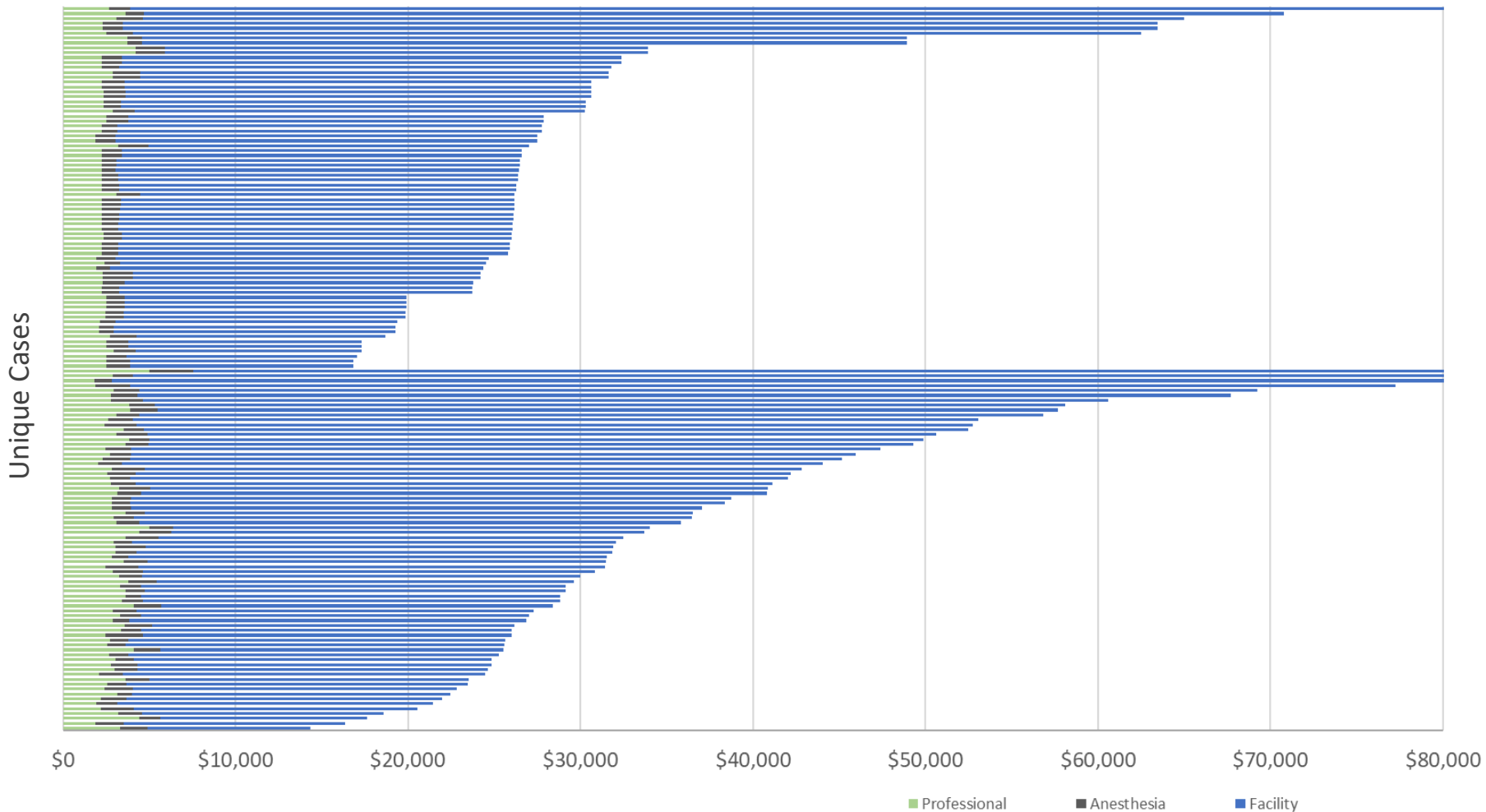
# THE COST & QUALITY PROBLEM



# Hip Replacement

Georgia

Savannah



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Sample of 75 deidentified cases in each market. The total price indicates the commercial payor Allowed Amount, or amount paid after the insurance discount is applied.



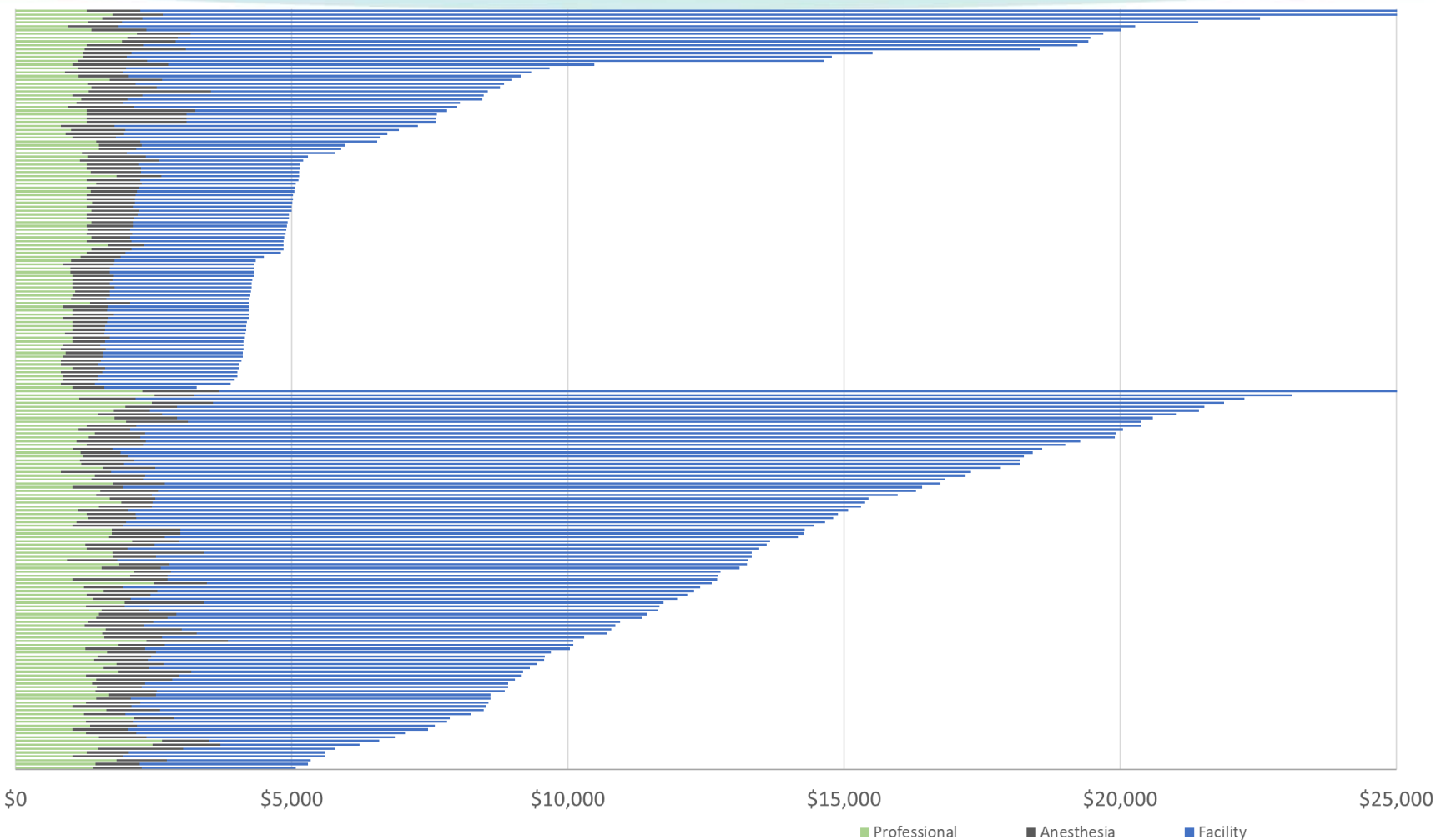
# Laparoscopic Cholecystectomy

Georgia

Savannah

Unique Cases

Atlanta



# Price Variance

Market | Atlanta

MARKET BASKET OF COMMON PROCEDURES	LOW PRICE	HIGH PRICE	VARIANCE
1 Colonoscopy (screening)	\$990	\$6,169	623%
2 Shoulder MRI (no contrast)	\$468	\$3,351	716%
3 Sleep Study	\$743	\$5,908	795%
4 Chest CT (no contrast)	\$230	\$2,088	908%
5 Knee Arthroscopy	\$2,070	\$12,603	609%
6 Upper Gastrointestinal Endoscopy (no biopsy)	\$845	\$5,730	678%
7 Abdominal Ultrasound	\$99	\$821	829%
8 Cataract Surgery	\$1,914	\$7,928	414%
9 Heart Perfusion Imaging	\$804	\$7,540	938%
10 Ear Tube Placement (Tympanostomy)	\$1,545	\$6,538	423%
<b>Average Market Variance</b>			<b>693%</b>
<b>EQUIVALENT VARIANCE IN A GALLON OF GAS</b>	<b>\$2.50</b>	<b>\$17.33</b>	<b>693%</b>



Hospitals may do everything,  
but they are not *great* at everything...

CARDIAC  
SURGERY  
99<sup>th</sup> percentile



GALL BLADDER  
REMOVAL  
49<sup>th</sup> percentile

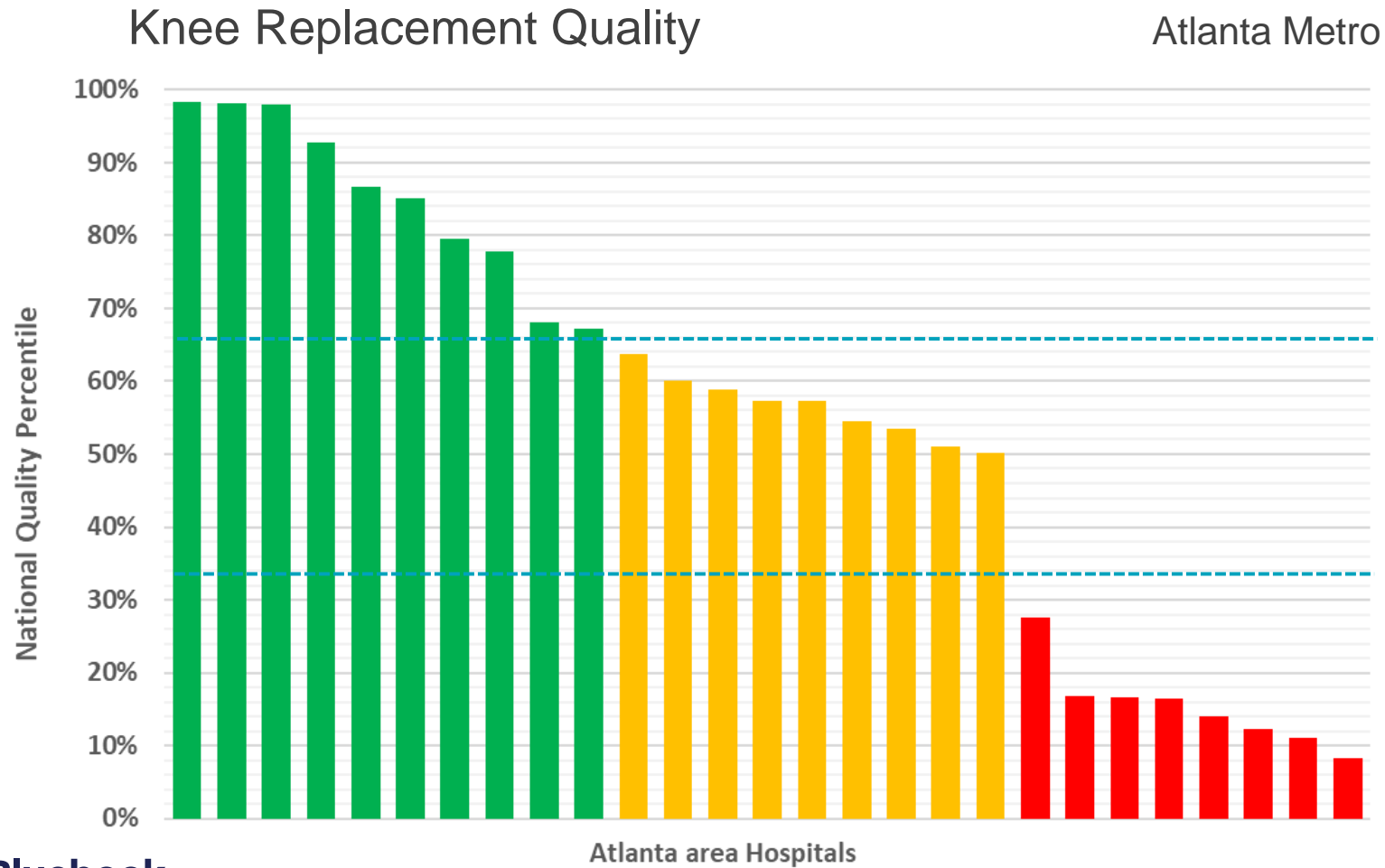


BONE MARROW  
TRANSPLANT  
8<sup>th</sup> percentile



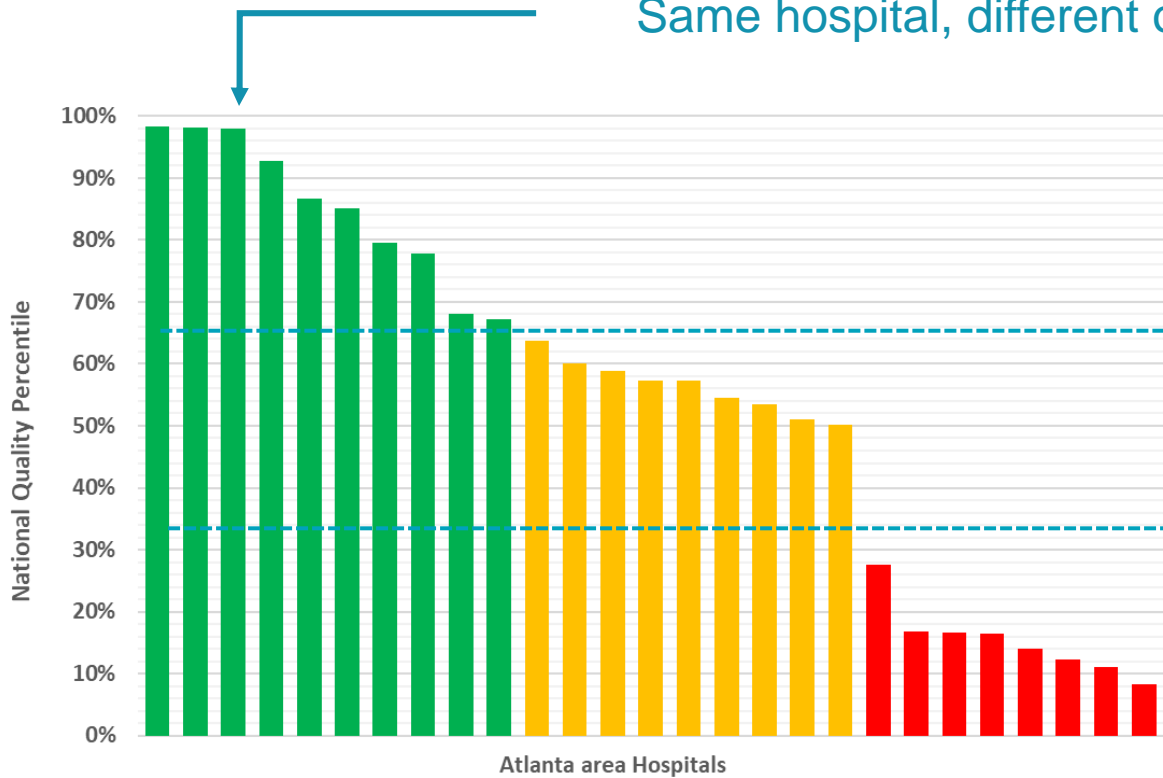
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# Quality exhibits similar variability



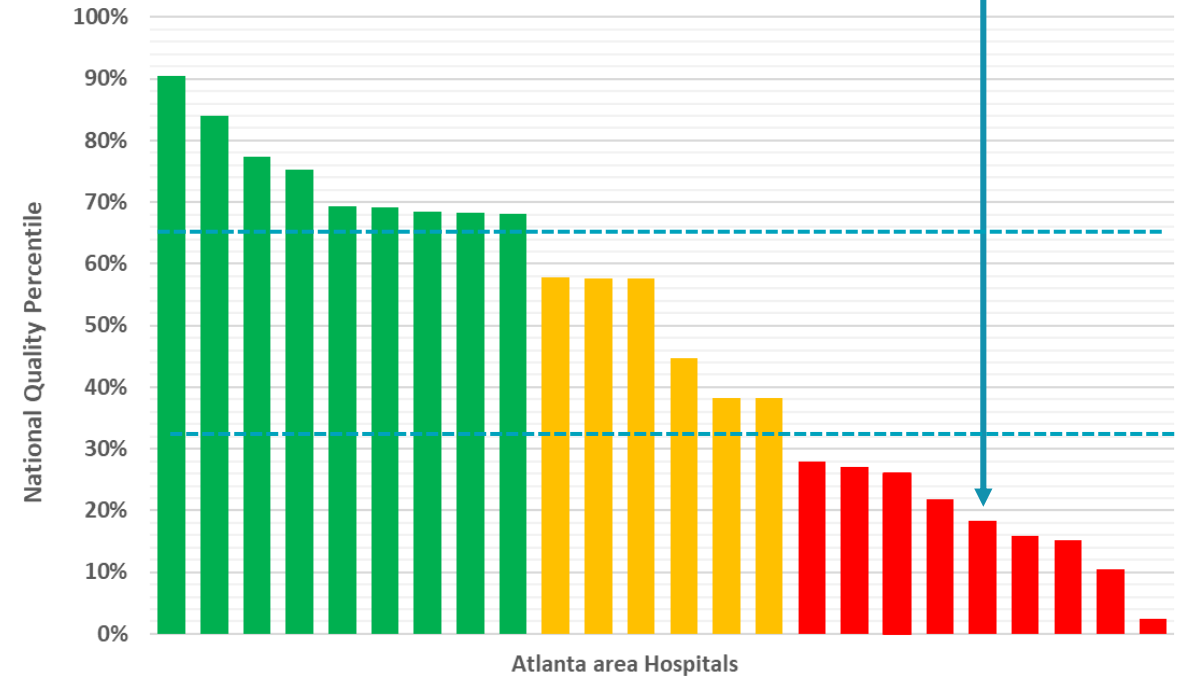
# Example: Hospital Quality

Same hospital, different outcomes for different surgeries



## Joint Replacement

- 98<sup>th</sup> Percentile Nationally
- 3 out of 27 in Atlanta area
- 58 out of 2,928 nationally



## Coronary Intervention

- 20<sup>th</sup> Percentile Nationally
- 20 out of 24 in Atlanta area
- 1,436 out of 1,759 nationally



**SHOPPABLE**  
SERVICES ACCOUNT FOR  
**30-40% OF TOTAL**  
**MEDICAL SPEND**

**MOST EMPLOYERS CAN SAVE**  
**50%**  
**OF THEIR SPEND BY USING LOWER-COST**  
**IN-NETWORK PROVIDERS.**

# Nationally

# Georgia





# SHARED SAVINGS PROGRAM



# Shared Savings Rewards

- 420+ Procedures
- Inpatient and Outpatient Services
- Shopping based on Cost AND Quality
- Reward Amounts: \$25-\$3,000+
- Members must shop prior to receiving a service
- Direct reporting on utilization and savings

Benign Breast Tumor Removal  
Bone Density Scan  
Breast Biopsy (with stereotactic or ultrasound guidance)  
Carpal Tunnel Surgery  
Cataract Surgery  
Cholecystectomy (laparoscopic)  
Colonoscopy  
Complex Ear Drum Repair (Tympanoplasty)  
CTs  
Diagnostic Mammogram  
Ear Tube Placement (Tympanostomy)  
Heart Perfusion Imaging  
Hysterectomy  
Hysteroscopy  
Lithotripsy  
MRIs  
Nasal Passage Widening Surgery (Turbinate Reduction)  
Nasal Septum Repair  
Non-Obstetric Ultrasound  
Obstetric Ultrasound  
OP Elbow Surgery  
OP Hip Surgery  
OP Knee Surgery  
OP Shoulder Surgery  
Removal of Adenoids  
Repair Finger Tendon  
Screening Mammogram  
Sleep Study  
Spinal Fusion  
Tonsillectomy  
Total Hip Replacement  
Total Knee Replacement  
Transesophageal Echocardiogram (TEE)  
Transesophageal Echocardiogram (TEE) (with doppler)  
Transthoracic Echocardiogram  
Upper GI Endoscopy



# Intuitive and Easy to Use

- What do I need?
- What should it cost?
- What is the quality?
- Where can I find the best value?

Procedure Doctor Hospital

Nashville, TN 37215 (change)

Search for a procedure, test or service

Hospital Physician X-ray, Imaging Labs Medications

Share Bluebook: [f](#) [t](#)

## Total Knee Replacement

Fair Price **\$34,357**

\$22,044 \$54,545+

VIEW FAIR PRICE BREAKDOWN

### Go Green to Get Green

**\$1,750 Reward**

You are eligible to earn the maximum reward amount for this service by using a Bluebook provider that is **green-rated for quality and green-rated for cost.**

✓ Highest Quality ● At or Below Fair Price

#### FACILITY QUALITY AND COST RANKINGS<sup>®</sup>

Providers are displayed by cost ranking - least expensive to most expensive. Check the provider's network status and price before making an appointment.

QUALITY: ✓ Highest Quality, ✓ Average Quality, ✗ Lowest Quality  
COST: ● At or Below Fair Price, ▲ Slightly Above Fair Price, ● Highest Price

Provider networks may change, so please confirm if your provider is in-network before seeking care.

Sort By: Quality Ranking Distance: 50 miles

Provider	Quality Ranking	Cost Ranking
Williamson Medical Center (~ 12 miles)	✓	●
Saint Thomas West Hospital (~ 3 miles)	✓	▲
Maury Regional Hospital (~ 36 miles)	✓	▲
Vanderbilt University Hospital (~ 4 miles)	✓	▲
TriStar Centennial Medical Center (~ 5 miles)	✓	●
Saint Thomas Rutherford Hospital (~ 28 miles)	✓	●
Tennova Healthcare - Lebanon (~ 30 miles)	✓	●
TriStar Skyline Medical Center (~ 12 miles)	✓	●
Saint Thomas Midtown Hospital (~ 5 miles)	✓	●
TriStar Summit Medical Center (~ 14 miles)	✗	●
TriStar Stonecrest Medical Center (~ 17 miles)	✗	▲
Sumner Regional Medical Center (~ 31 miles)	✗	●

Mobile Code

To install Bluebook on your mobile phone, have an email or text sent to your device by clicking one of the buttons below.

EMAIL ME TEXT ME

#### Users Also Searched For:

- Physical Therapy (per 15 minute increment)
- Knee X-Ray
- Arm or Leg Ultrasound (Duplex)
- Colonoscopy (with biopsy)
- Digital Screening Mammography - 2D (bilateral)

SHARE YOUR STORY

#### Helpful Resources

Contact the HR Services Center at 1-866-599-4647 or email [HR@benefits.com](mailto:HR@benefits.com)

#### Benefits Summary

**Annual Deductible**  
Individual \$2,000; Family \$4,000

**Co-Insurance**  
20% (after deductible)

**Out-of-Pocket (OOP) Maximum**  
Individual \$4,000; Family \$8,000

**Preventive adult exams, immunizations, well child exams**  
\$25 co-pay (deductible waived)

**Specialist Visit**  
\$50 co-pay (deductible waived)

# Results

- Employees who participate in education are 11X more likely to shop for care in the future.
- Employees who shop are 3X more likely to make better choices
- Average return of \$10 in savings for every \$1 in reward
- First year program ROI 2-4X



Didn't Complete the Game

Completed the Game



# Lessons Learned

- + Simple, Intuitive Design
  - + Digital Engagement
  - + Incentives and Benefit Design
  - + Cost and Quality steerage
- 

ROI





# QUESTIONS



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