NCSL Health Summit

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America’s Health Insurance Plans

Outline

- Environment
- Understanding Rate Variation Across the Country
- Restructuring Cost Debate
- Affordability Challenges
- Plan Operational Focus
Environment

Deep Partisan Divide
Fundamental Disagreement on Government’s Role
Controversy Around Implementation

Understanding Rate Variation Across the Country

- What Coverage People Have Today
- Pre-ACA Market Regulations
- State Mandates
- Low Cost vs. High Cost Areas
- Payment Innovation
Affordability Challenges

- Hospital Consolidation
- Health Insurance Tax
- Restrictions on Cost Containment Tools
- Scope of Practice Limits
- Defensive Medicine

Restructuring the Cost Debate: The Problem

<table>
<thead>
<tr>
<th>Service</th>
<th>US</th>
<th>France</th>
<th>UK/Canada</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hospital Day</td>
<td>4,287</td>
<td>853</td>
<td>-----</td>
</tr>
<tr>
<td>Routine Office Visit</td>
<td>95</td>
<td>30</td>
<td>30</td>
</tr>
<tr>
<td>MRI</td>
<td>1,121</td>
<td>363</td>
<td>335</td>
</tr>
<tr>
<td>Cataract Surgery</td>
<td>3,738</td>
<td>1,938</td>
<td>1,139</td>
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<tr>
<td>Bypass Surgery</td>
<td>73,420</td>
<td>22,844</td>
<td>14,117</td>
</tr>
<tr>
<td>Celebrex</td>
<td>162</td>
<td>126</td>
<td>83</td>
</tr>
<tr>
<td>Nexium</td>
<td>202</td>
<td>32</td>
<td>30</td>
</tr>
<tr>
<td>% of GDP (2010)</td>
<td>17.6</td>
<td>11.6</td>
<td>10.5</td>
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SOURCE: International Federation of Health Plans
Restructuring the Cost Debate: What Needs to Change

- Cost Containment vs. Cost Shifting
- Inputs vs. Outputs
- Competition vs. Consolidation
- Value vs. Volume

Restructuring the Cost Debate

New Partnerships
New Payment Models
New Benefit Structures
More Transparency

Health Plans Driving Change
Plan Operational Focus

- Readiness
- Affordability
- Workability
- Customer Service