



## **Carrier-Sponsored Decision Support: A Simple Step For Driving Better Health Outcomes**

Harvard Pilgrim Health Care and MyHealthMath empower members to get more out of their health insurance.

# Table of Contents

<b>Introduction</b>	<b>2</b>
<b>The Problem:</b>	<b>3</b>
<b>Having Health Insurance Isn't Enough</b>	
<b>Health Insurance Confusion Exacerbates Health and Financial Disparities</b>	
<b>Solution:</b>	<b>6</b>
<b>Health Carriers Are a Beacon for Change</b>	
<b>Success Stories</b>	
<b>A Measurable Impact</b>	
<b>Conclusion</b>	<b>10</b>

# Introduction

Health insurance is a powerful lever for promoting individuals' physical and financial health. But health plan choice confusion abounds. Studies show that employees choose the wrong health plan year after year, often losing out on over \$1,000 annually.

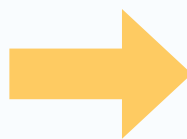
For the past three years, Harvard Pilgrim Health Care, a New England-based health carrier, and MyHealthMath have partnered to solve this costly problem by helping members choose the health plan that best matches their specific health needs. Along with putting money back in members' pockets, decision support empowers them to understand their health benefits and confidently engage with the healthcare system.

By providing decision support to their clients at no charge, Harvard Pilgrim is leading the way in consumer cost-transparency, client services, and member support.

## Ending confusion



90% of consumers roll over their health plans every year.<sup>1</sup>

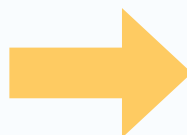


MyHealthMath caused a **4.8x** increase in plan migration among participating Harvard Pilgrim members.\*

## Decreasing costs



Employees waste over \$1,500 by choosing the wrong health plan.<sup>2</sup>



Participating Harvard Pilgrim members saved an average of **\$2,133** a year by switching to a more optimal health plan.\*

\*Numbers are averages from participating members during 2019 open enrollment periods.

## Having health insurance isn't enough.

Health insurance coverage is consistently linked with better health outcomes. Insurance helps people afford the care they need, protects them from the high costs of accidents and illnesses, and connects them with preventive care. However, having health insurance isn't enough. Improving healthcare access and health outcomes also requires helping people understand and make the best use of their health insurance.

Consider the consequences of people not understanding their health benefits:

- **Unnecessarily avoiding preventive care:** Preventive care, like annual physicals and cancer screenings, greatly reduce the risk for disease, disabilities, and death. Yet, while preventive care is covered by insurance under the Affordable Care Act, millions of Americans<sup>3</sup> avoid preventive care, with many citing costs as a primary reason.<sup>4</sup>
- **Overbuying health insurance:** Not knowing how much coverage you need, worrying about paying a high deductible, not understanding health savings accounts (HSAs)—these are just a few of the reasons why so many people choose higher premium health plans even when a lower premium plan with a high deductible would be a better fit. A recent study<sup>5</sup> found that people overbuy health insurance by \$1,700 a year. That's money that can go towards a car payment, rent, the electricity bill, student loan or credit card debt, and so on.
- **Underinvesting for retirement:** That same study found that people who overbuy health insurance are less likely to save for retirement. This means health benefits confusion has long-term repercussions on people's health and wealth.



Consumer confusion also has major implications for employers and health carriers. According to a Harvard Business Review analysis,<sup>6</sup> insurers and employers spend \$26 more in administrative expenses for every person with low health system literacy.

This translates to nearly \$5 billion that could be saved through education and support—a number that would be even higher if accounting for medical costs.

Confusion is not only costly; it abounds:



Only **4%** of Americans know the health terms needed to understand their medical and pharmacy costs under their health plan.<sup>8</sup>

**76%** of workers don't understand portions of their current coverage.<sup>9</sup>

**One in four** people have skipped care because they weren't sure whether it was covered.<sup>10</sup>



Improving health outcomes for the 180 million Americans covered by private health insurance relies on better education and support regarding health benefits.

## Health insurance confusion exacerbates health and financial disparities.

Troublingly, health benefits confusion disproportionately affects those with less income and fewer resources. Employer-sponsored health insurance is a significant burden for lower wage earners, accounting for far more of their annual salary than higher-wage earners. In fact, studies show that health insurance and medical care costs have driven as many as 7 million individuals in low wage households into poverty.<sup>7</sup>

“Too often for those with less resources, it can be a choice between getting health care coverage for their family and feeding their family,” says Beth Roberts, President, Commercial Business at Harvard Pilgrim.

The TIAA Institute found that lower wage earners are more likely to overbuy health insurance, choosing higher premium plans rather than risk a high deductible—even when a high deductible plan is the right fit. This means that those who can least afford to pay more are paying the most.

Moreover, they are subsidizing the costs of healthcare for their higher wage-earning counterparts. It’s an inequitable cycle that fuels a widening health and wealth gap.

“There’s this much needed focus on health equity right now, but a lot of initiatives are reserved for the public health sector,” says Dr. Elizabeth Coté, MyHealthMath President and Medical Director.

“Private health insurance covers around 40 percent of lower wage earners, so it needs to be part of this conversation. Improvements here can make a huge difference for addressing what are really rampant health and wealth disparities.”

## Health carriers are a beacon for change.

While there’s no single solution for addressing health disparities and improving healthcare access, Harvard Pilgrim has identified an opportunity that can make an immediate impact: give members more help when choosing a health plan.

For the past three years, Harvard Pilgrim has partnered with MyHealthMath, a health plan decision support company that helps employees learn about their health plan options and identify the plan that's the best fit for their specific health needs. Harvard Pilgrim has made MyHealthMath free to their employer clients, so that members across New England get the education and support they need.

## Here's how it works:

- 1.** Employees go through a series of questions about their health needs.
- 2.** They get an interactive report showing which health plan will save them the most money next year.
- 3.** They learn how different services can impact their costs; receive resources about HSAs, FSAs, and HRAs; and connect with individual support.

"Harvard Pilgrim has given my clients such an important service for free. So often, employees leave enrollment meetings, and their eyes are crossed. There are just so many questions that they need answered. MyHealthMath helps to answer the biggest question—which plan is right for me."

*Callie Lubinski, Harvard Pilgrim  
Sales Executive*

Along with teaching employees about their benefits, decision support activates employees to engage in a decision they tend to avoid.

"Health insurance is really a big black box for consumers," says Roberts. "It's this confusing but highly emotional decision that ends up catching up to them at the least opportune time—when they have to use the system and then are confronted with a medical bill they never expected."

By improving the first interaction consumers have with their carrier, Harvard Pilgrim is changing the dynamics of how consumers experience the healthcare system. Instead of starting the year confused and overwhelmed, they are confident about their benefit choices and how to manage their costs.

"With MyHealthMath, we're able to front-load people's knowledge, so they can understand their plan options and the benefits that come with each, make active decisions, and then have a predictable experience with the healthcare care system," says Roberts.

## A Measurable Impact



Participating Harvard Pilgrim members saved an average of **\$2,133** a year by switching to a more optimal health plan.\*

MyHealthMath caused a **4.8x** increase in plan migration among participating Harvard Pilgrim members.\*

**52%** of participating members were in their optimal plan after open enrollment.\*

MyHealthMath caused an **80%** increase in average HSA contributions among participating members.\*

\*Numbers are averages from participating members during 2019 open enrollment periods.

### Highlights: The University of New England

Thanks to Harvard Pilgrim, the University of New England (UNE) has been able to provide MyHealthMath decision support to its 1,100+ benefit-employees since 2019.

Cat Martins, UNE's Benefits & Disability Specialist, says decision support enhanced the open enrollment experience for employees. MyHealthMath acted as a partner and additional resource for the Human Resources team, and employees were thrilled with the added education and support. This was especially true among younger generation employees, who can be overwhelmed by the plan-selection process as they may be beginning their first career, or recently came off of their parent's insurance plan.

### Employee Story

A UNE employee was struggling to choose the right plan. They had medications that costs thousands of dollars a month, health concerns, and an upcoming surgery. "I was struggling on where to steer them," says Martins. "I knew with any plan they would face some risks, and I wanted them to feel supported. They contacted MyHealthMath during Open Enrollment and that made all the difference. They went with the number one recommended plan from MyHealthMath, and I haven't heard of any concerns or regrets about their plan choice this year."



“MyHealthMath gave them the education and confidence to choose the right plan for them, and that means a lot,” says Martins.

Getting decision support through their health carrier has made a big impact for UNE.

“We’d never have been able to do this without them,” says Martins. “Giving us this service shows that Harvard Pilgrim is committed to supporting and protecting our HR team and our employees. They don’t want employees paying too much or not understanding their medical bills and potential risks. And that’s really commendable from a carrier.

## Impact for UNE



**5x** increase in employees who moved to a new plan



**\$2,424** average annual savings for employees who moved into optimal plan.

## Highlights: Wright-Pierce

An environmental engineering firm, with offices throughout the Northeast and Florida, Wright-Pierce switched to Harvard Pilgrim for their 2021 plan year. Switching health carriers is often an overwhelming experience for employees, which made the complimentary decision support of MyHealthMath a big value-add.

“We made a lot of changes this year; and having Harvard Pilgrim include MyHealthMath as part of its offerings was an important add-on,” says Connie Taggart, Director of Human Resources at Wright-Pierce. “It supports the messaging we’re trying to share, and it’s a great way to help our employees become better educated about their health benefits.”



Wright-Pierce employees who used MyHealthMath and moved into their optimal plan saved **\$1,704** on average annually.

“MyHealthMath gave employees control they didn’t have before,” says Wright-Pierce Benefits Manager, Claudia Northway. “Too often, choosing a health plan is a guessing game that makes you worry later in the year. Having a tool that does all the math for you... I don’t know how it could get any better or any easier.”

Along with helping employees choose a health plan, MyHealthMath also created efficiencies for the HR team, says Northway. Not having to adjust payroll or scramble last minute to get people into insurance saved time for her team and accounting.

### **Personal Support Builds Trust**

"Along with an online platform, MyHealthMath includes phone-based decision support where live analysts walk employees through questions about their medical needs. This personal approach builds employees' confidence in the plan-choice recommendations, says Northway.

"Going through an online tool is helpful, but if there's anyone like me, there's still some doubt. The phone call helped me understand why my results came out the way they did. And that made me trust the process."

## **Conclusion**

The crisis of the pandemic, rising healthcare costs, and widening disparities by race and income have activated a call for change across the nation.

Harvard Pilgrim has led the way among carriers answering that call. By giving members health plan choice support, they've forwarded a simple solution for reducing health care costs, increasing access, and ultimately driving better health outcomes.

"There are all these complex problems in our healthcare system, but consumer confusion is one that's actually fixable," says MyHealthMath Founder Bob Watterson. "Harvard Pilgrim saw an opportunity to make a big impact with a simple change, and they stepped up immediately. It's just one more example of how they put their members' health first."

## References

- 1 Mercado, D. (2018, November 6). These 5 health benefit enrollment mistakes could cost you in 2019. CNBC. <https://www.cnbc.com/2018/10/31/these-5-benefit-enrollment-mistakes-could-cost-you-in-2019.html>.
- 2 TIAA Institute study finds many Employees overpay for health insurance, limiting their ability to save for retirement. TIAA Institute. (2020, September 15). <https://www.tiaainstitute.org/about/news/tiaa-institute-study-finds-many-employees-overpay-health-insurance-limiting-their>.
- 3 Health People 2030, U.S. Department of Human Services. (n.d.). Preventive Care. <https://health.gov/healthypeople/objectives-and-data/browse-objectives/preventive-care>.
- 4 Smith, K. T., Monti, D., Mir, N., Peters, E., Tipirneni, R., & Politi, M. C. (2018). Access Is Necessary but Not Sufficient: Factors Influencing Delay and Avoidance of Health Care Services. *MDM policy & practice*, 3(1), 2381468318760298. <https://doi.org/10.1177/2381468318760298>
- 5 TIAA Institute study finds many Employees overpay for health insurance, limiting their ability to save for retirement. TIAA Institute. (2020, September 15). <https://www.tiaainstitute.org/about/news/tiaa-institute-study-finds-many-employees-overpay-health-insurance-limiting-their>.
- 6 U.S. health plans can save billions by helping patients navigate the system. *Harvard Business Review*. (2018, November 6). <https://hbr.org/2018/11/u-s-health-plans-can-save-billions-by-helping-patients-navigate-the-system>.
- 7 Mercado, D. (2018, November 6). These 5 health benefit enrollment mistakes could cost you in 2019. CNBC. <https://www.cnbc.com/2018/10/31/these-5-benefit-enrollment-mistakes-could-cost-you-in-2019.html>.
- 8 Mangan, D. (2016, November 7). Many Americans don't know much about health insurance - and it will cost them. CNBC. <https://www.cnbc.com/2016/11/04/many-americans-dont-know-much-about-health-insurance--and-it-will-cost-them.html>.
- 9 Ma, M. (2019, October 29). Health insurance Literacy Survey: Confusion is growing in America. *Policygenius*. <https://www.policygenius.com/blog/health-insurance-literacy-survey-2019/>.
- 10 Levin-Scherz, J., & Nyce, S. (2019, May 23). Making health care affordable for low-wage workers. *Harvard Business Review*. <https://hbr.org/2019/05/making-health-care-affordable-for-low-wage-workers>.