

Figure 1

# Marketing CDHPs to Women

- “HSAs free women from the burden of having to get permission from a bureaucrat in order to take care of themselves.” (*Cannon, M.F., Independent Women’s Forum, Health Savings Accounts: Making the Healthcare System Work for Women, March 2004*)
- “When women...opt for high deductible plans, they regain control of their health choices...they no longer choose a treatment because it is covered by their insurance...it sets women free.” (*Amish, N.A., Top Advances for Women’s Health, 2005*).
- “Driven by Internet research, and relationships with their own bodies, [women] will make new decisions, radical decisions, often highly cost effective decisions, but decisions with a new female paradigm of health and wellness.” (*Amish, N.A., Top Advances for Women’s Health, 2005*).

Figure 2

# How, in General, is Maternity Care Covered?

- **Maternity as a covered benefit**
  - YES in most employer-sponsored group plans
  - NO in most individual market plans
- **Cost sharing**
  - Deductible
  - Coinsurance and co-pays
  - OOP maximum
- **Provider network**
- **Benefit limits/exclusions**

Figure 3

# How Does Your Policy Work?

- **High degree of variation in policies**
- **What costs count toward deductible, OOP?**
- **What authorization rules/penalties?**
- **When does family coverage begin?**
- **Complications of pregnancy covered?**
- **Vague or confusing terminology**
- **Fine print**

**“THIS AGREEMENT SHOULD BE READ AND RE-READ IN ITS ENTIRETY”**

Figure 4

# What Does It Cost to Have a Baby? It Depends on...

- **Medical needs and complications**
  - Complications affect 1/3 of all pregnancies
  - Will complications be covered?
  - Additional medical needs hard to predict
- **Timing of pregnancy**
  - Will one or two plan-years of coverage apply?
  - Year 2 credit for Year 1 cost sharing?
- **Insurance**
  - Covered benefits
  - Cost sharing
  - Other reimbursement rules and limits
- **Billed vs. approved charges**

Figure 5

# What are CDHPs?

- **High cost sharing**
  - Annual deductible
    - \$1,000 self / \$2,000 family
    - \$5,000 self / \$10,000 family
  - Annual OOP
    - \$5,000 self / \$10,000 family
    - no limit
- **Promote prudent health spending choices**
  - Reinforcing info on provider cost and quality
- **Lower premiums**
  - 24% for single coverage (~ \$1,000/year)
  - 31% for family coverage (~ \$3,600/year)
- **Some can be combined with tax-preferred savings**
- **Pre-deductible coverage for preventive services**
- **3 million enrolled (2% of those with ESI)**

Figure 6

# Federally Tax Qualified CDHPs

- **Cost sharing standards**
  - Minimum deductible of \$1,100/\$2,200 (2007)
    - First dollar coverage for limited preventive care
    - Deductible applies to prenatal care
  - Maximum OOP is \$5,500/\$11,000 (2007)
    - Only for in-network
    - Non-network OOP may be same, higher or unlimited
  - No “per person” deductible or OOP allowed in family policies
  - Carryover credit for prior year cost sharing problematic
- **Covered benefit standards**
  - None
- **Employer/individual HSA contributions tax free**
  - Average employer contribution = \$1,600

Figure 7

# Study Methods

- Analyzed clinical practice guidelines from ACOG and AAP for recommended services during routine pregnancy, vaginal and c-section deliveries, and pregnancy with gestational diabetes
- Constructed cost estimates for recommended prenatal care, services during vaginal and c-section deliveries, as well as pregnancy with gestational diabetes based on claims sample of 106 pregnancies covered by Maryland Health Insurance Plan (MHIP)
- Obtained features of 1 traditional health insurance policy (FEHBP) and 12 CDHPs sold in small group, individual markets, FEHBP
- Examined deductibles, cost sharing levels, OOP caps for in-network and out-of-network care
- Applied plan features to 3 different clinical scenarios, with MHIP allowable charges as cost base
- Calculated potential OOP costs for 3 clinical scenarios under each of the plans

**Figure 8**

# Cost Estimates of Pregnancy Using MHIP\*

	<b>Billed Charges</b>	<b>Allowed Charges</b>
Prenatal care, vaginal delivery, postpartum	\$14,484	\$9,660
Prenatal care, C-section delivery, postpartum	\$18,706	\$12,453

\* Cost estimates constructed by authors by applying claims data from sample of 106 MHIP pregnancies to various pregnancy scenarios.

Figure 9

# Three Pregnancy Scenarios

1. Uncomplicated vaginal delivery; pregnancy in one calendar year; all care in network; family coverage
2. Uncomplicated c-section delivery; pregnancy spans 2 years; out-of-network anesthesiologist balance bills; family coverage
3. Pregnancy spans 2 years; complications (gestational diabetes, pre-term labor in year 1, NICU in year 2); all care in network; family coverage

Figure 10

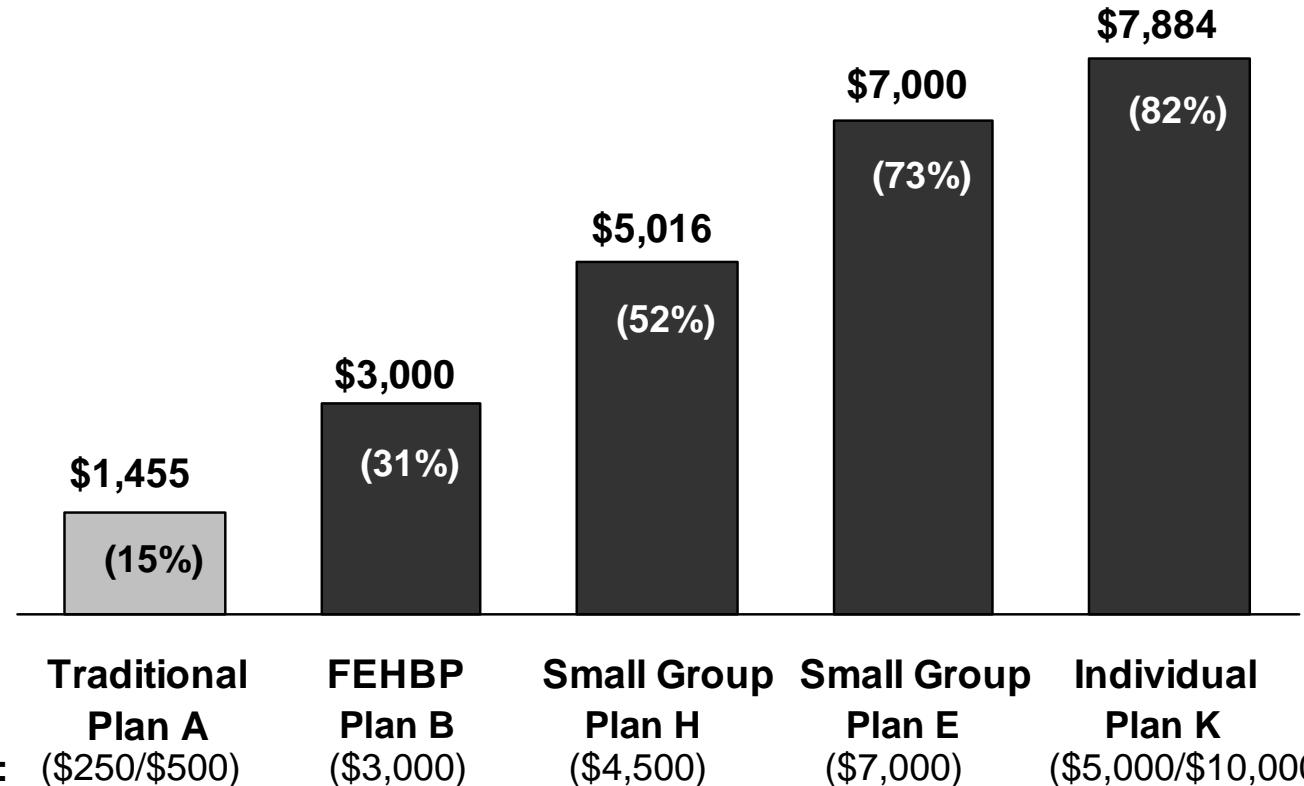
# Features of Selected Plans

Traditional Plan		Consumer-Driven Health Plans				
Plan Features	Plan A FEHBP	Plan B FEHBP	Plan H Small Group	Plan E Small Group	Plan K Individual	
HSA-qualified?	No	Yes	Yes	Yes	No	
<b>Cost Sharing (In-Network)</b>						
Annual Deduct (individual/family)	\$250/\$500	\$1,500/\$3,000	\$2,250/\$4,500	\$3,500/\$7,000	\$5,000/\$10,000	
Annual OOP Max	\$4,000/policy	\$4,000/\$8,000	\$5,000/\$10,000	\$4,000/\$7,500	\$7,500/\$15,000	
Includes deduct?	No	Yes	Yes	Yes	Yes	
Includes co-pays?	No	n/a	Yes	Yes	Yes	
<b>Cost Sharing (Out-of-Network)</b>						
Annual Deduct (individual/family)	\$300/\$600	Same as in-net	Same as in-net	\$3,500/\$7,000	\$5,000/\$10,000	
Annual OOP Max	\$6,000/policy	None	\$10,000/\$20,000	\$4,000/\$7,500	\$7,500/\$15,000	
Includes deduct?	No	Yes		Yes	Yes	

Figure 11

# Potential Out-of-Pocket Costs for Uncomplicated Pregnancy and Vaginal Delivery

Total allowed charges = \$9,660



## Consumer-Driven Health Plans

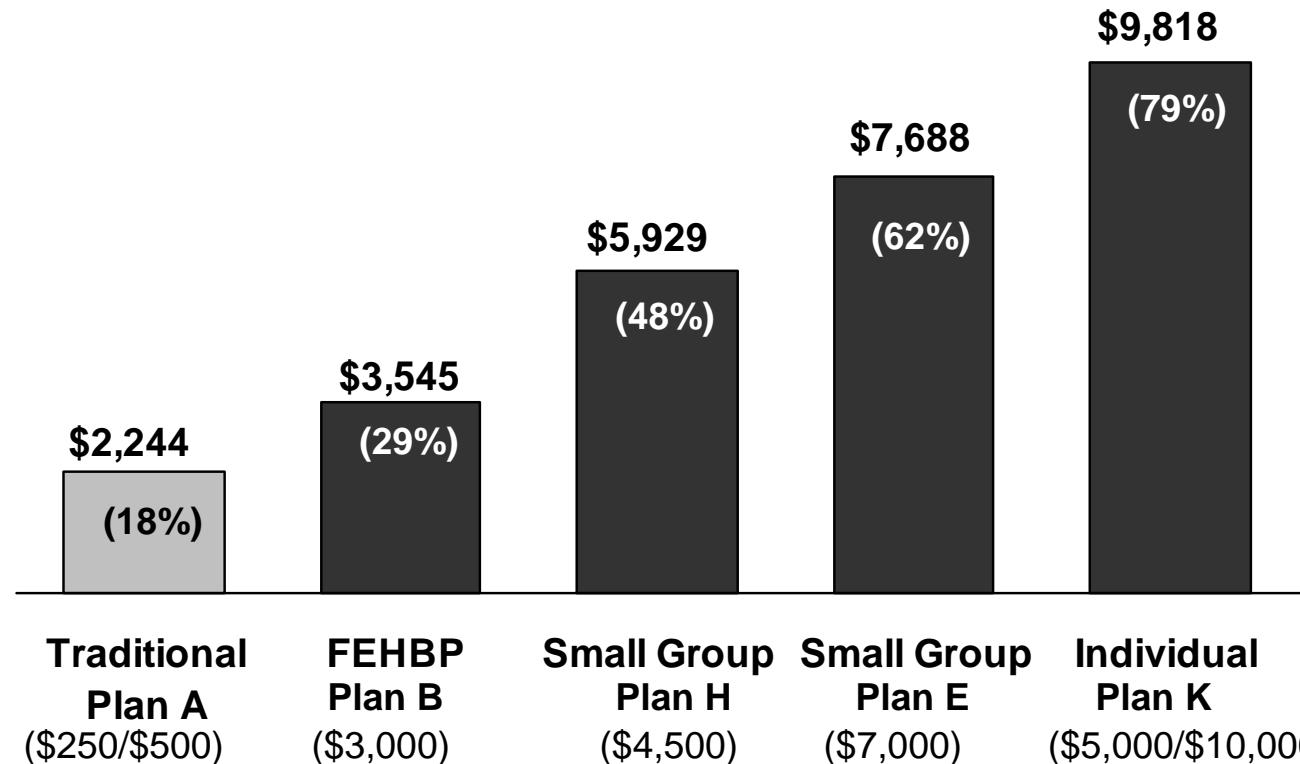
Note: In some cases, out-of-pocket costs under CDHPs may be reduced through tax-preferred contributions by employers or individuals to Health Savings Accounts.

Source: Kaiser Family Foundation, *Maternity Care and Consumer-Driven Health Plans*, 2007.

Figure 12

# Potential Out-of-Pocket Costs for Uncomplicated Pregnancy and C-section Delivery

Total allowed charges = \$12,453



## Consumer-Driven Health Plans

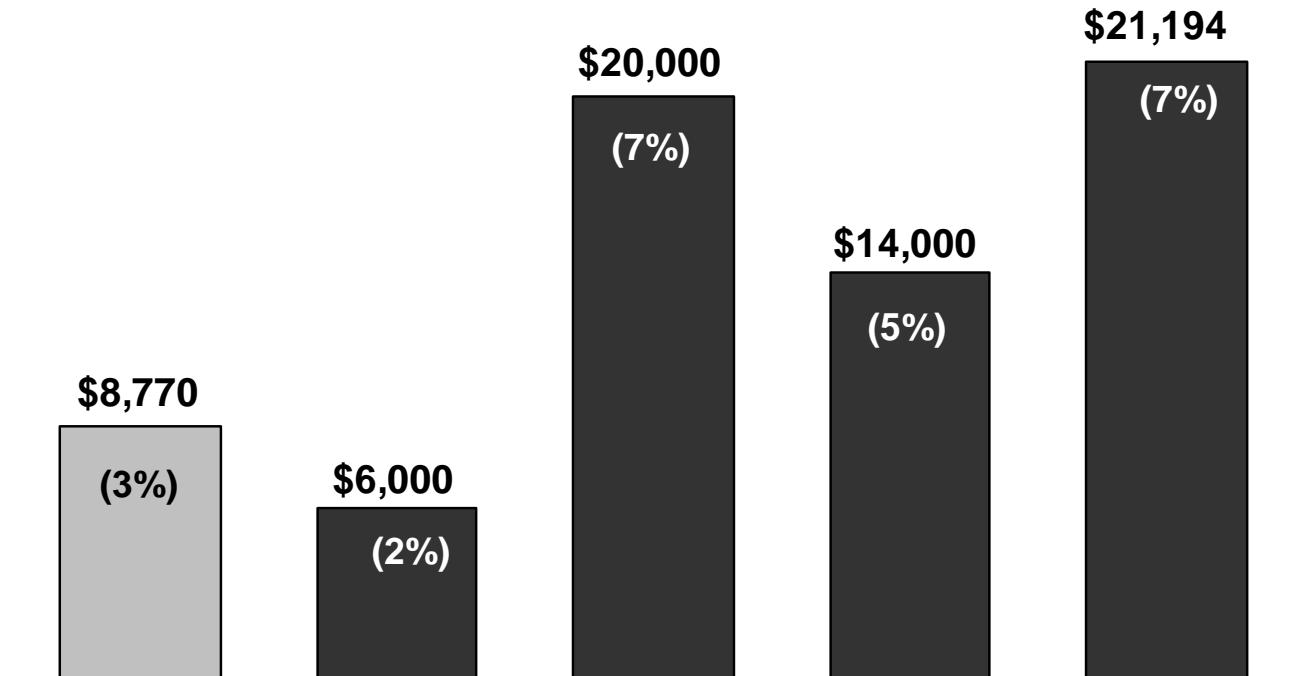
Note: In some cases, out-of-pocket costs under CDHPs may be reduced through tax-preferred contributions by employers or individuals to Health Savings Accounts.

Source: Kaiser Family Foundation, *Maternity Care and Consumer-Driven Health Plans*, 2007.

Figure 13

# Potential Out-of-Pocket Costs for Complicated Pregnancy and C-section Delivery

Total allowed charges = \$287,453



**Traditional  
Plan A**

**Annual Deductible:** (\$250/\$500)

**FEHBP  
Plan B**

(\$3,000)

**Small Group  
Plan H**

(\$4,500)

**Small Group  
Plan E**

(\$7,000)

**Individual  
Plan K**

(\$5,000/\$10,000)

## Consumer-Driven Health Plans

Note: In some cases, out-of-pocket costs under CDHPs may be reduced through tax-preferred contributions by employers or individuals to Health Savings Accounts.

Source: Kaiser Family Foundation, *Maternity Care and Consumer-Driven Health Plans*, 2007.

Figure 14

# Key Findings

- **Substantial financial liability for maternity care under CDHPs**
  - Much higher relative to traditional insurance
  - HSA balances may fall short, require years to accumulate
- **Financial consequences of health insurance complexity is magnified under CDHPs**
- **Prenatal care not exempted from deductibles like other preventive services**
- **For consumers to be in driver's seat:**
  - Greater standardization of policies to reduce uncertainty, hidden costs
  - Marketing materials should include medical scenarios to illustrate potential financial liability