



Cost Transparency

**Driving informed decisions by
enabling health ownership**

Putting employees more in control of their health and money



Informed

Resourceful

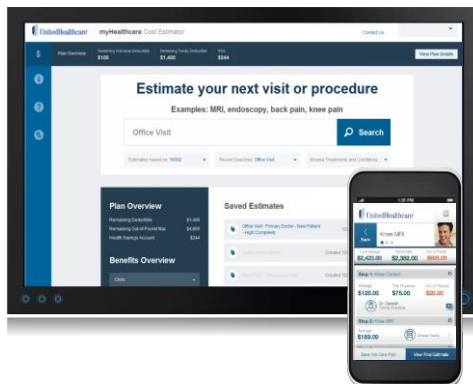
Engaged



UnitedHealthcare & Transparency

*UnitedHealthcare believes transparency is a **critical** component helping members understanding benefits and care choices.*

Providing transparency tools since 2005



Working with APCD since 1998

APCD All-Payer
Claims Database
COUNCIL

Participating with HCII and others since 2011

guroo.com

The Challenge

For many people, low health literacy is a frustrating barrier.



NEARLY 9 IN 10

adults suffer from limited health literacy

Materials are written

ABOVE THE AVERAGE

reading level

Health plans are getting

MORE COMPLEX, making them
HARDER TO UNDERSTAND

**THIS
MATTERS**

People with low health literacy are more likely to skip necessary tests, end up in the emergency room and have a harder time managing chronic illnesses.*

*Centers for Disease Control and Prevention, "Health Literacy," <http://www.cdc.gov/healthliteracy/Learn/index.html>.

The Challenge

Health care benefits can be hard to understand.



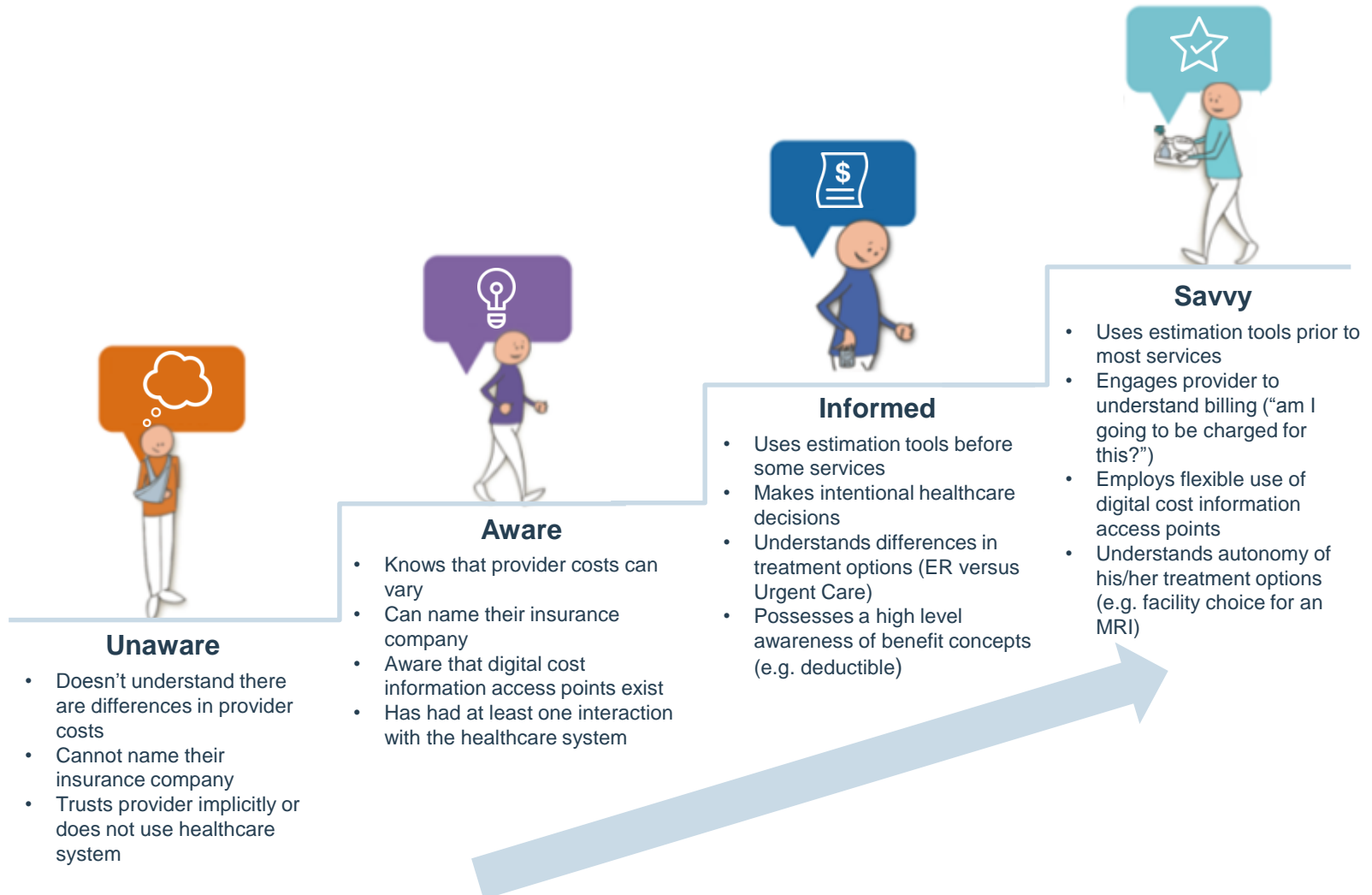
- Only **1 IN 4** people say they fully understand their insurance benefits¹
- But nearly **50%** say they spend an hour or less reviewing their benefits²
- That compares to **10 HOURS** on average researching a new car³

**THIS
MATTERS**

Consumers who don't understand their benefits often stay in the same plan year after year, even though there may be better choices available to them.⁴

(1) J.D. Power and Associates 2010 Member Health Insurance Plan Study. (2) The Employee Mindset: Views, Behaviors, and Solutions, Hewitt, 2010. Open Enrollment Survey, UnitedHealthcare, Aug 2010. (3) Ibid. (4) "Measuring Health Insurance Literacy: A Call to Action," February 2012.

Transparency Consumer Path



The Member Journey

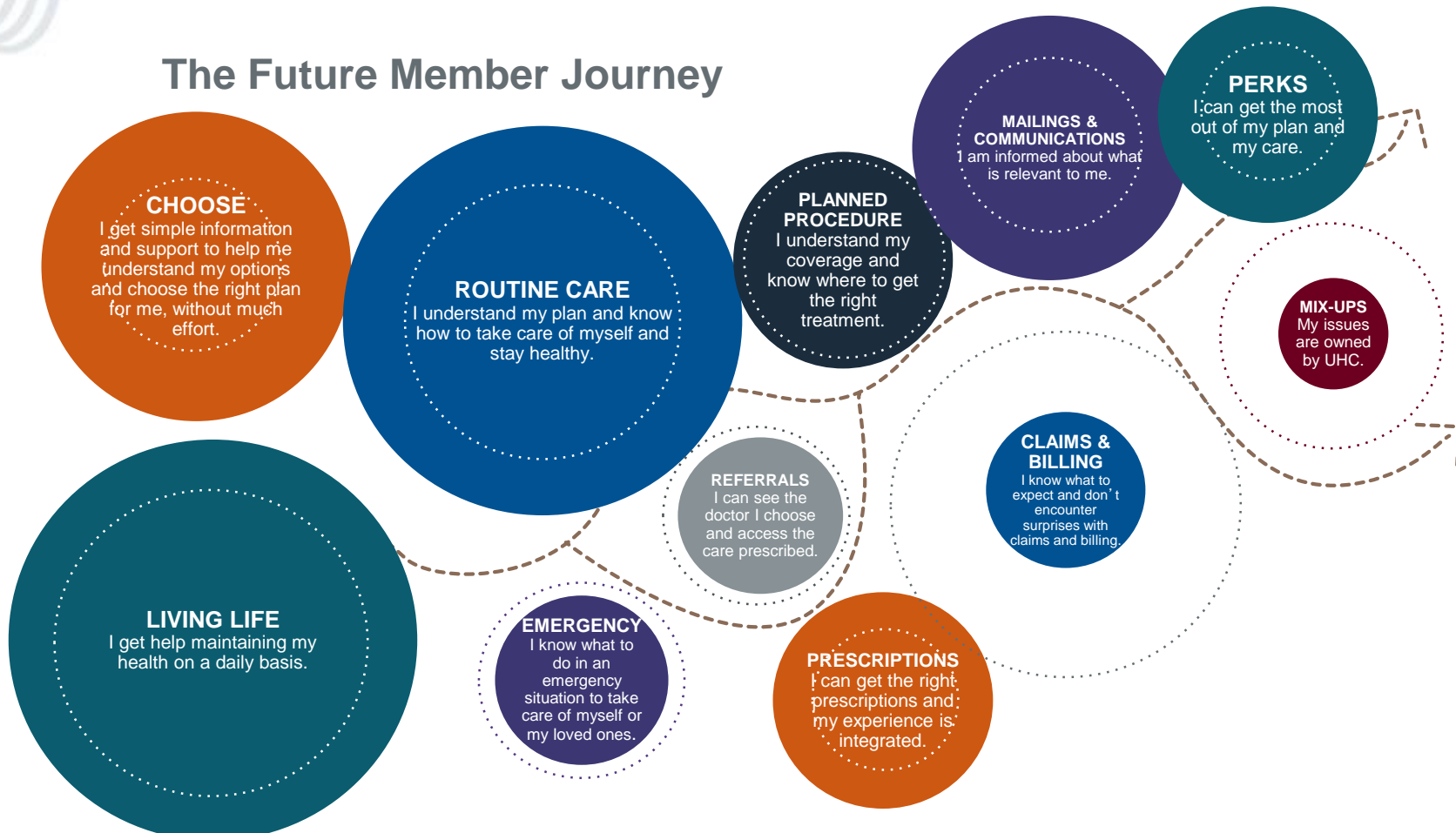


**THIS
MATTERS**

The Journey Map helps us reimagine the health care experience through our members' eyes – and what they're telling us is grounding our transformation.

The Transformation

The Future Member Journey



**THIS
MATTERS**

The future member journey is simpler, more personalized and enables access to care that is higher quality, lower cost, with improved health outcomes.

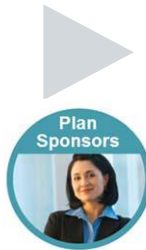
Market Demand for Consumer Transparency



Employers

Encouraging greater consumer engagement in health care decisions – both quality and financial

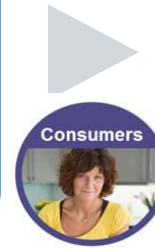
Implementing plan designs and demanding tools that support informed decision-making and increase predictability in costs



Consumers

Assuming increasing financial responsibility

Seeking tools to help predict and manage their expenses, health benefits – and more



Regulators

Federal and State governments emphasize the importance of consumer price transparency

State-specific laws supporting provider cost disclosure

Consumers will have a tool that is **easy to understand and use**

Consumers will get **accurate, personalized estimates they can trust**

Consumers will see provider **quality information in addition to cost information**

Consumers will gain an **understanding of their treatment, what to expect and alternatives**

Consumers will receive **live help** from people who understand their health and benefits

myHealthcare Cost Estimator

Consumer engagement across multiple channels



Ensuring consumers understand the value of myHealthcare Cost Estimator at moments that are relevant to them



myHealthcare Cost Estimator

By the numbers



77% of our consumers

feel myHCE empowers them to take care of their health



755+ / ~500

Services / treatments covered – 79% of shoppable health spend



\$3.7 Billion

In cost estimates for 2014, 1.28M tool sessions



6.2% - 42.4%

Book-of-business participation rate



Greater Tier 1 Usage

Consumers more likely to visit a Tier 1 physician across all specialties with total cost savings up to 0.5%



30%

Savings myHCE mini-book users experienced compared to non-users

**Broad access
and services**

**Unsurpassed
Accuracy**

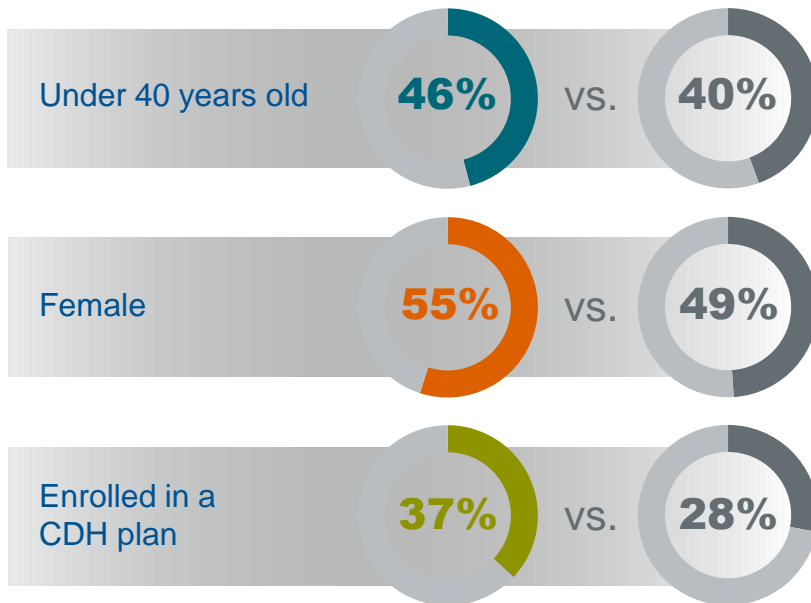
**Integrated
quality**

**Comprehensive
support**

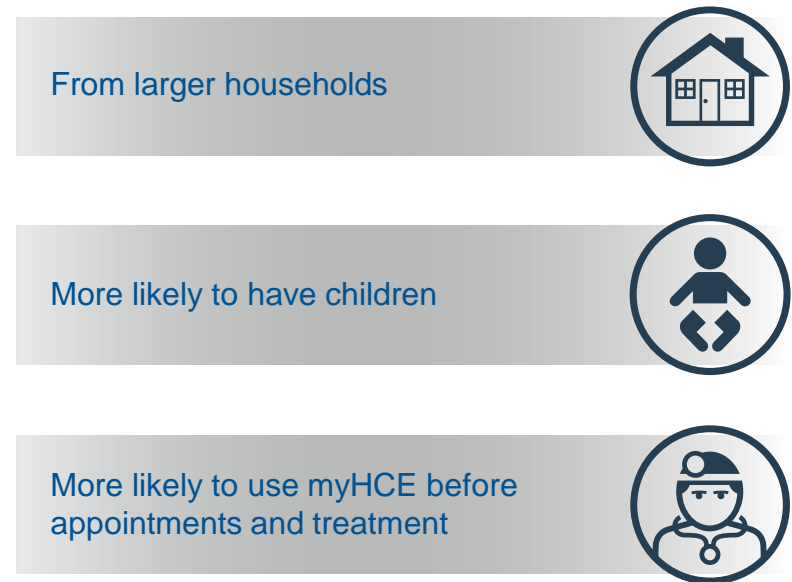
Who Uses myHCE and Why

Our research confirms that people on higher deductible plans use cost-estimating tools more than people with other plans. Overall, regardless of what plan the member was on, myHCE was shown to help people make more informed decisions.

Compared to non-users, myHCE users are typically:



Characteristics of frequent users:¹



¹Source: Opinion Research Corporation February 2012

2014 myHCE User Satisfaction

"I discovered myHealthcare Cost Estimator and plugged in my information. It was very easy and user friendly. No unexpected bills to worry about."

USE*

85%

of users are satisfied with the overall look & feel of myHCE

"I had to get a biopsy, needed to find the cheap cost-effective place and nearby where I work. It was amazing, never seen anything like this before with other insurances."

SAVE*

88%

use myHCE for budgeting health care costs

"I try to use myHCE to make better decisions on my HDHP and better decisions on the VALUE of my healthcare. I try to use this tool PRIOR to any visit."

REPEAT*

84%

of users indicate they would use myHCE again in the future

77%

of users say myHCE helps them better understand their benefits

73%

of users say myHCE helps them save money and choose better quality health care

76%

of users would recommend to others to get cost estimates

77% of users feel myHCE empowers them to take care of their health

Measurable Results

Demonstrated impact, measurable results

We examined Web and claim data to identify what happens when people visit myHCE

People who used myHCE were more likely to visit a quality and efficiency designated (UnitedHealth Premium® designated) care provider for all major specialty categories.



9%

myHCE users were 9% more likely¹ to visit a Premium-designated orthopedic physician



7%

myHCE users were 7% more likely to visit a Premium-designated primary care physician

Why this is important

Previous research indicates that use of Premium physicians is associated with lower costs¹



10%

lower average cost and improved health outcomes, compared to use of non-Premium Tier 1 physicians



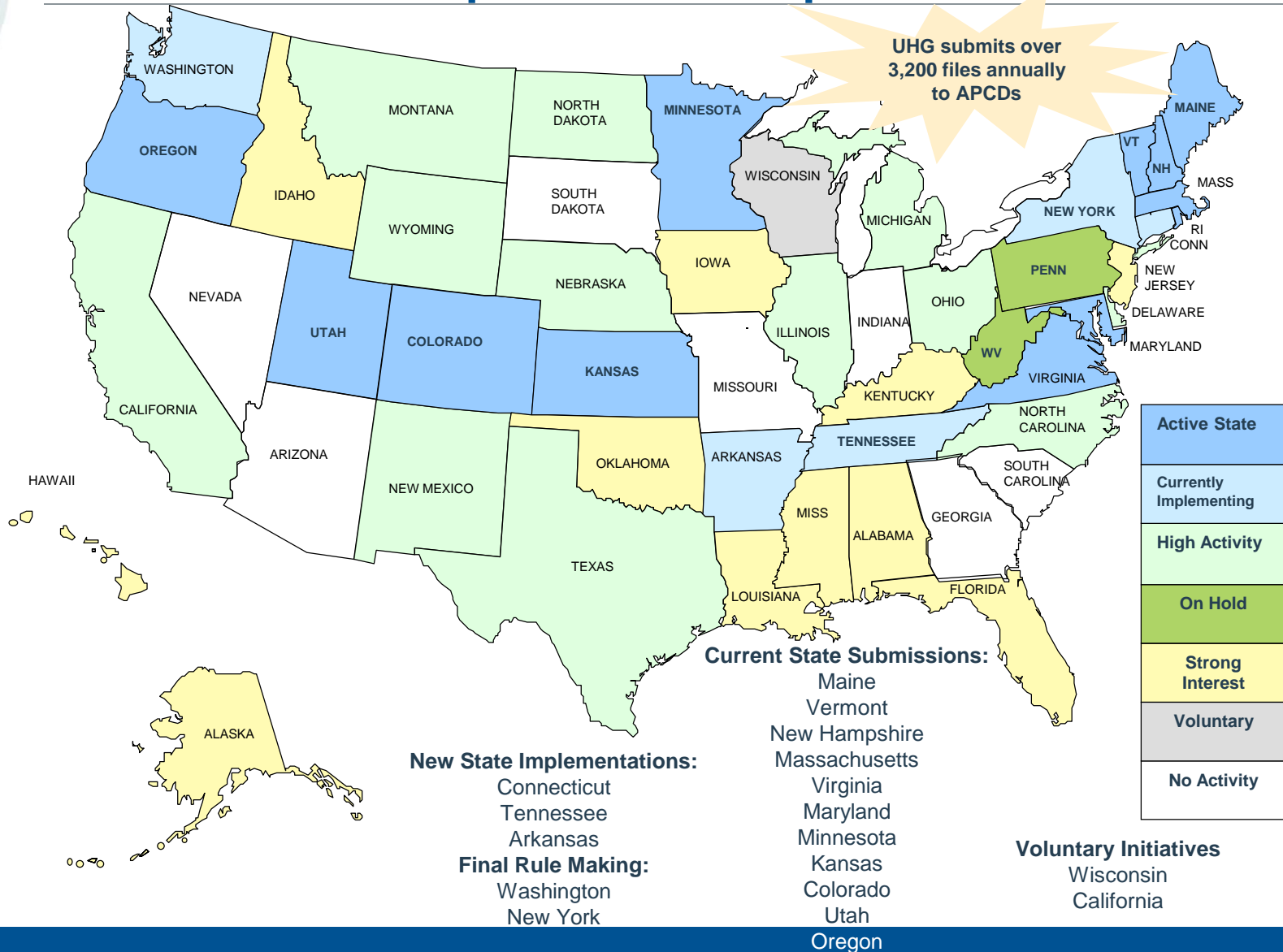
19%

lower costs for Premium Tier 1 orthopedic surgeons than other orthopedic surgeons

¹Source: 2010-2013 UnitedHealthcare internal claims analysis

UnitedHealth Group APCD Participation

UHG submits over 3,200 files annually to APCDs



Why Participate in the HCCI Transparency Initiative?

Create a National Source of Truth

Deep National Database

Governed by an independent and highly credible not for profit organization with experience and reputation of managing health plan data

Standardizes data supplied by health plan which yields apples-to-apples results and reduces cost to the system

Allows for comparisons across state lines so everyone has a better picture

Provides free public access

Supports academic research and development of national standards on cost and quality

