



Healthcare
Transparency
Success Story
Presented to the
TACIR Committee

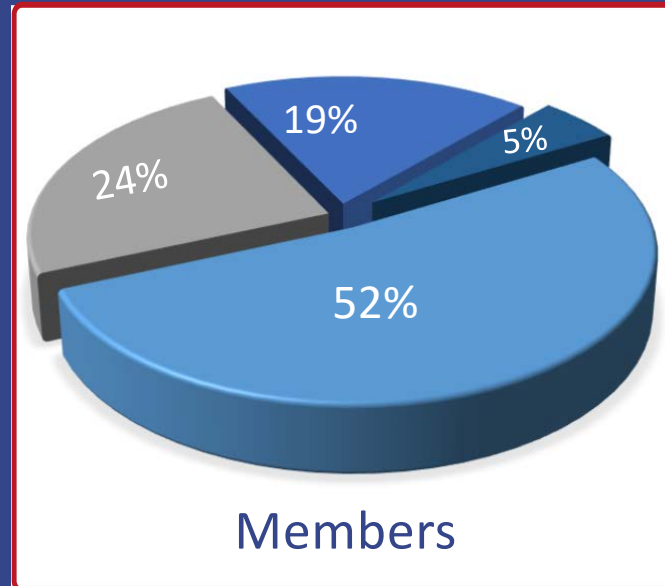
January 20

Connecting People to Purpose

Kentucky Employees' Health Plan

Who are the members?

KEHP covers 6.6% of the entire state population



Members

School Boards	52%
Early Retirees	24%
State Agencies	19%
Quasi Groups	5%

KENTUCKY EMPLOYEES' HEALTH PLAN

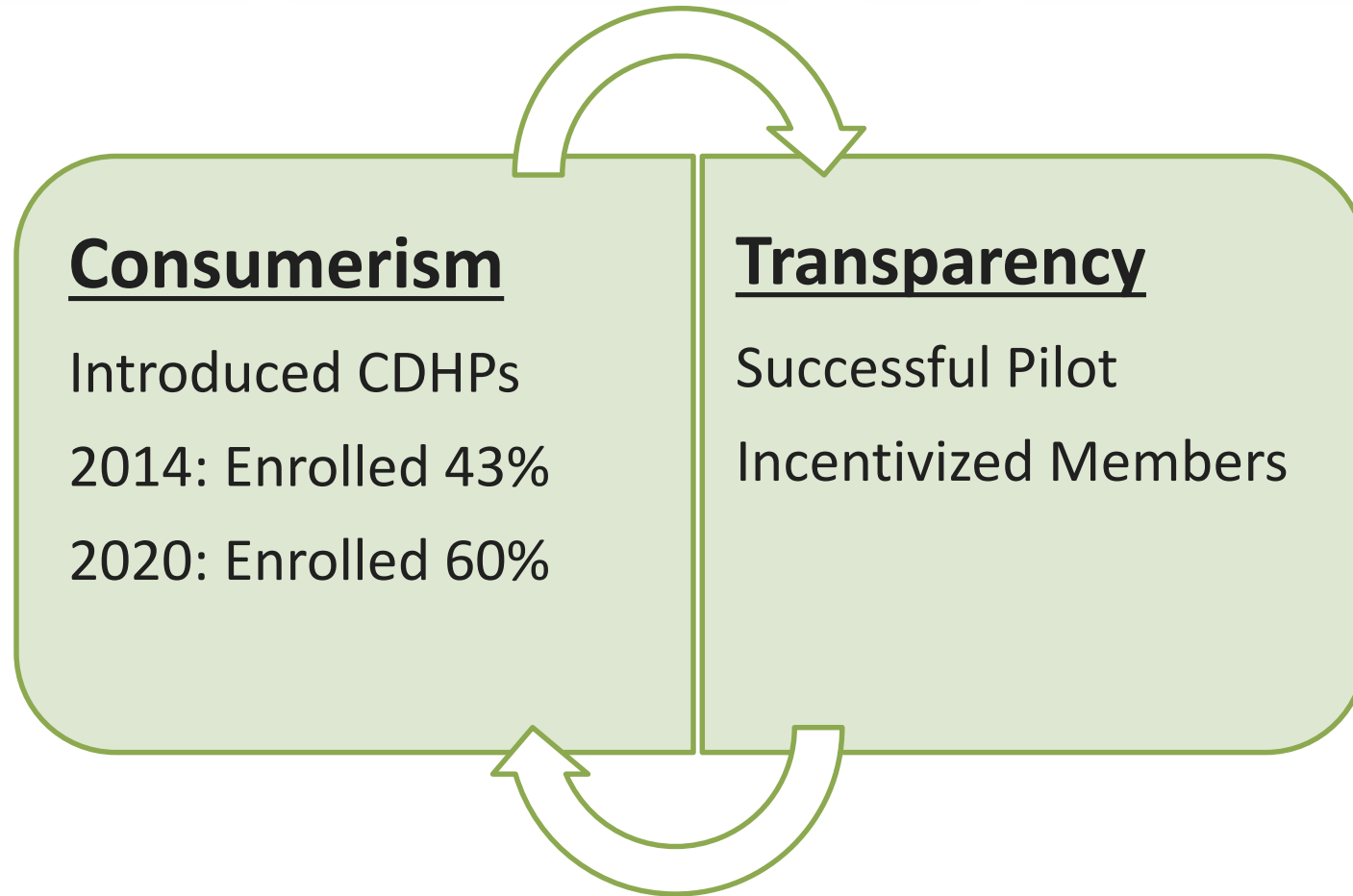
SELF INSURED	PLAN SPEND	EMPLOYEES & RETIREES	LIVES COVERED
Self-insured since 2006	\$1.9 billion annual plan spend	183,766 active employees and pre-65 retirees	296,761 lives

Membership as of December 2019

KEHP's Journey

- Transparency/shopping vendor
 - Medical TPA introduced transparency/shopping vendor to Kentucky Group Health Insurance Board
 - SmartShopper (formerly Compass) was early adopter of incentives for shopping medical services

KEHP's Journey



How it Works

1



Your doctor recommends a medical service.

2



Go online or talk with a SmartShopper Personal Assistant to find high-value options in your area.

3



Have your procedure at the location of your choice.

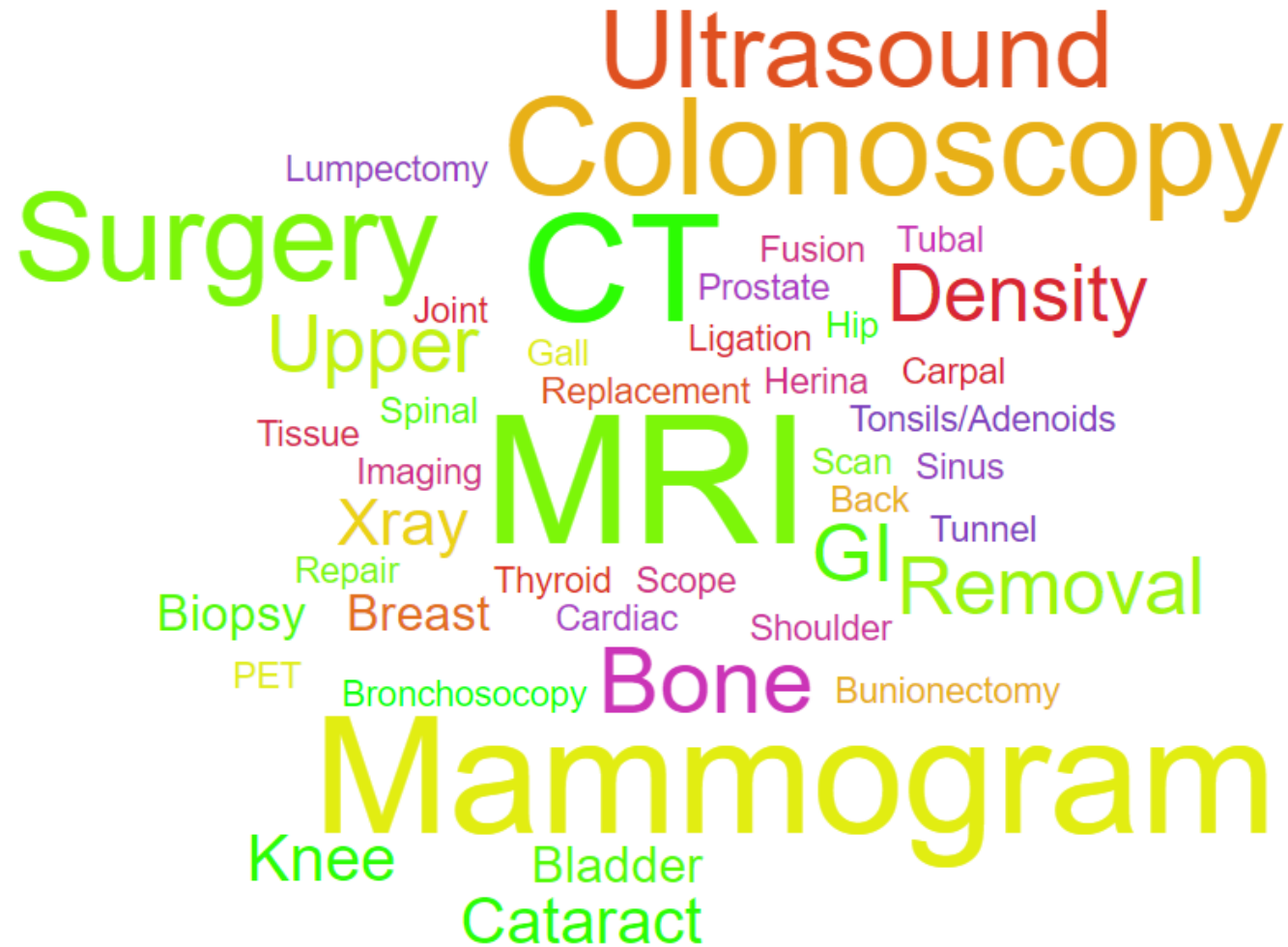
4



Once your claim is paid...

SmartShopper verifies that the location qualifies for an incentive and triggers a reward.

Shoppable Procedures



Shoppable Procedures & Incentives

Save on these Health Care Services	Reward Amount (lowest-cost)	Reward Amount (2nd lowest-cost)	Reward Amount (3rd lowest-cost)
Back Surgery - Laminectomy Inpatient	\$500	\$250	N/A
Back Surgery - Laminectomy, Diskectomy and Foraminotomy	\$500	\$250	N/A
Bladder Repair for Incontinence (Sling)	\$250	\$100	N/A
Bladder Scope with Stent	\$150	N/A	N/A
Bone and Joint Imaging of Whole Body	\$150	\$75	\$50
Bone Density Study of Spine/Pelvis	\$25	\$15	N/A
Breast - Needle Biopsy (with Imaging)	\$250	\$100	N/A
Breast Lumpectomy	\$150	\$75	N/A
Bronchoscopy	\$200	\$100	N/A
Bunionectomy	\$150	\$75	\$50
Cardiac Angioplasty with Drug Eluting Stent	\$500	\$250	N/A
Cardiac Defibrillator Implant without Cardiac Catheterization	\$500	\$250	N/A
Chest X-Ray	\$25	N/A	N/A
Colonoscopy	\$150	\$75	\$50
CT Angiography	\$150	\$75	\$50

KEHP Registration Pilot

NEW IDEA:	GOAL:	METHOD:	FUNDING:
Offer members a \$15.00 incentive to activate	1,000 new registrations (1 per household)	Activation online or via Personal Assistant Team	KEHP funded activation budget (\$15,000)



RESULTS		
Achieved 1000+ activations within 48 hours	89% online, 11% PAT	Who shopped the 1 st week of the pilot: 47% new activated registrants 53% existing registrants

Member Success Story



Curtis

MRI on April 25
Savings: **\$1,105**; Earned **\$150** reward

Stacy (Curtis's wife):
Registers with PAT April 10 and shopped:

- Cataract surgery X2: Savings: **\$8,884**
Reward: **\$300**
- June mammogram: Savings: **\$160**
Reward: **\$25**

Andrew

Receives \$15 reward. No shopping

November 7:
Shops with PAT for colonoscopy.

\$6,083 original location
\$3,340 shopped location

Earns **\$150** reward

SmartShopper by the Numbers

\$12.6M

Total claims savings

\$2.3M

Incentives sent to members

\$554

Average claim savings per incentive



13.48%

Activation Rate

22,839

Incentives Paid

839,642

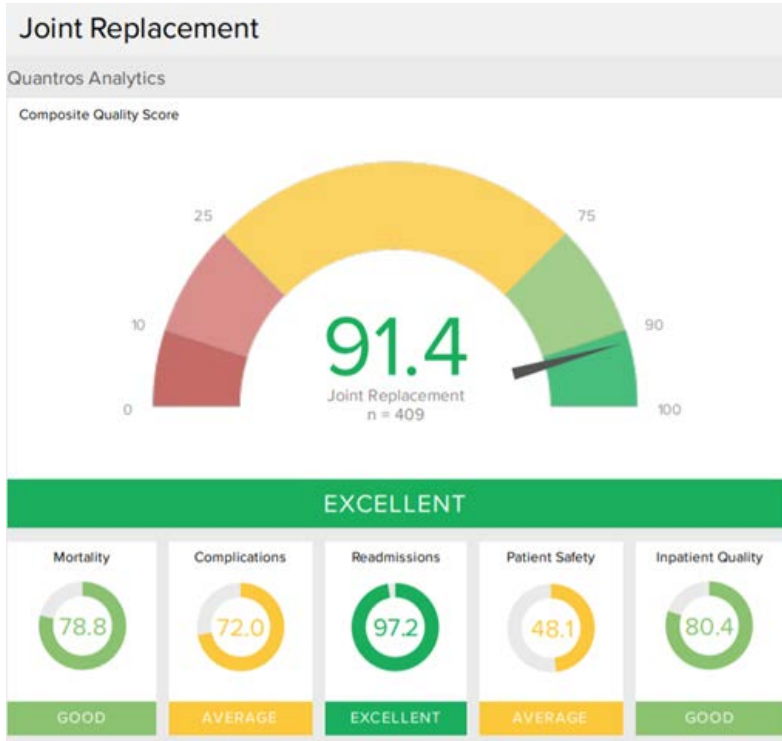
Total Shoppable Claims



**Smarter Surgeries
Better Outcomes**



Where Would You Rather Go?



Surgeon & Facility Selection Matters

Consumer Insight Research is Clear

Consumers are ***more likely to shop*** for medical care options when facing a complex procedure such as a surgery. See that in KEHP's own data

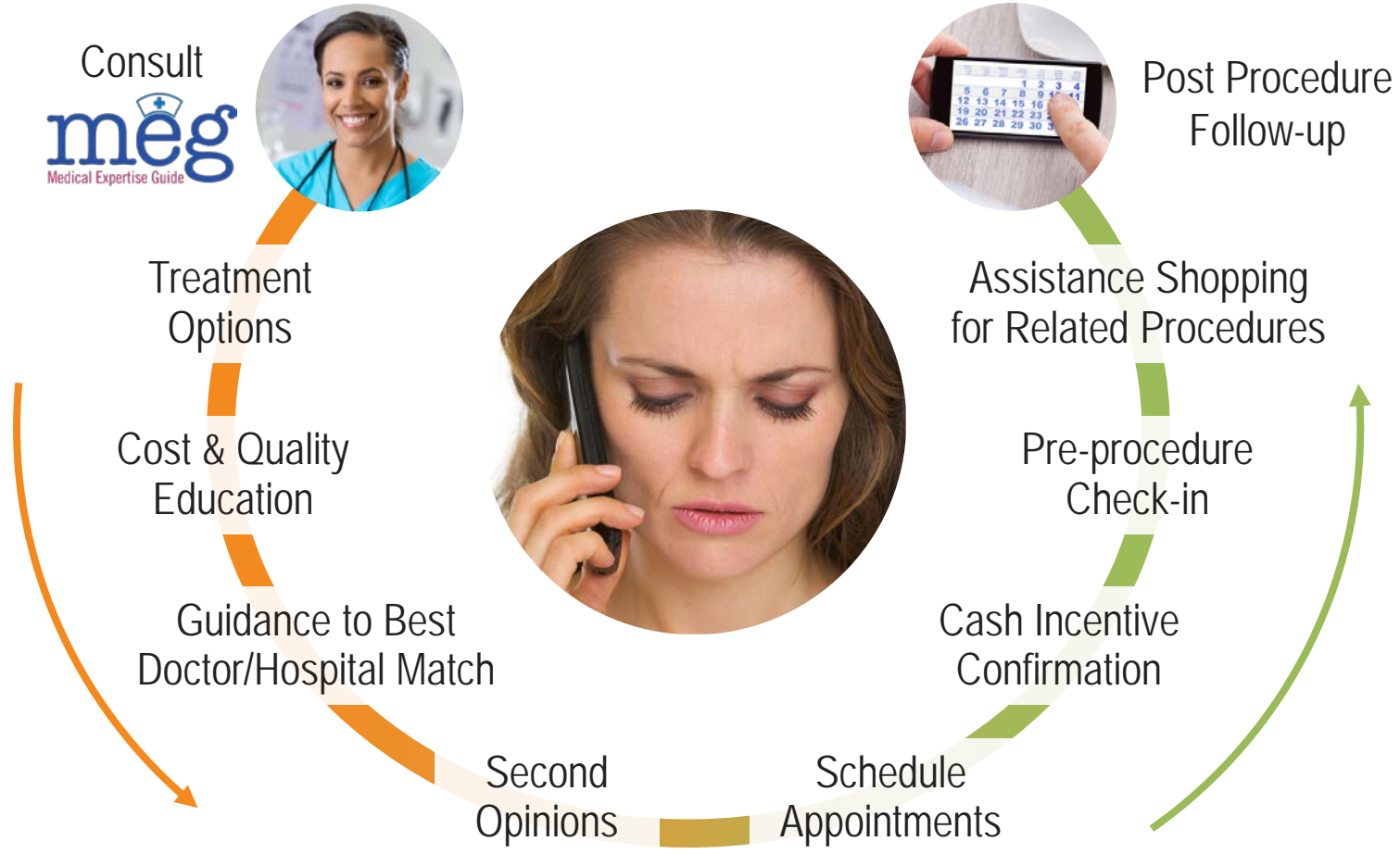
However, they want:

- Information on **quality** with less focus on cost
- Work with someone who will **guide** them and provide **ongoing support**
- **Reassurance** that their medical information and their physician relationship can remain in place

“If it’s something serious, I might listen to my doctor’s recommendation...but I’d search out other options.”

Recent Focus Group Consumer, Sapphire 2019

MEG Provides Support Consumers Need





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