

PlanSmartChoice Results for the 2008 Federal Open Season

The Overview

Federal agencies that provided *PlanSmartChoice's* health plan selection tools during the 2008 Federal Open Season helped their Federal employees choose medical and dental plans that met their personal and financial circumstances.

The Challenge

Selecting health care coverage is one of the most important — and expensive — purchases any Federal employee makes every year.

In 2008, the decision was once again overwhelming as Federal employees chose from an average of 25 medical plan options. These options included a mix of Consumer Directed Health Plans, Health Maintenance Organizations, High Deductible Health Plans, Preferred Provider Organizations, and others, as well as dental plans.

The Solution

PlanSmartChoice's online decision support tools are available to Federal employees through a link from an agency's HR Web site or the OPM benefits enrollment site. Federal employees used the tools to:

- **Rank medical plan options.** Federal employees see their options ranked in *PlanSmartChoice's* preference module and cost calculator based on their own personal needs and financial situation.
- **Understand total health care costs.** Federal employees estimate their usage of medical services, learn about the true cost of health care, and consider their total health costs in *PlanSmartChoice's* cost calculator.
- **Take advantage of tax savings.** Federal employees determine how much to set aside in a Flexible Spending Account and Health Savings Account and estimate their tax savings with the savings account estimator.
- **Easily compare plan information.** Federal employees see detailed access, benefit, cost, satisfaction information across medical and dental plan options in *PlanSmartChoice's* comparison modules.

The Results

PlanSmartChoice helped federal agencies to achieve the following four important objectives:

Engage Federal employees as health care consumers.

- More than 3,000 Federal employees or about three percent of eligible employees used *PlanSmartChoice* during the Open Season. The site had widespread usage; its users tended to be 45 years of age and younger and be seeking family coverage.
- Federal employees were most concerned with financial issues, such as employee premium, annual deductible, and drug costs, when selecting a medical plan. They also considered access to out-of-network providers, coverage for routine physicals and dental care, plan satisfaction results, and the ability to self refer.
- Federal employees once again did an excellent job of estimating their need for medical care for the year. The services with the highest projected utilization were retail brand name drugs (5.5 prescriptions), office visits (5.3 visits), and retail generic drugs (5.3 prescriptions).

Integrate PlanSmartChoice seamlessly with existing self-service solutions.

- Federal employees agreed that the decision support tools made choosing a plan easier.
- Federal employees agreed that the decision support tools helped them make a more informed decision.
- Federal employees agreed that they would recommend *PlanSmartChoice* to a friend.

Examples of Federal Employee Feedback

"I went back and was able to use the Comparison Module, Dental Comparison, and Medical Cost Calculator. Thanks so much for making me a more informed person about medical health providers."
 "This is the best resource I have found yet for insurance purposes! Keep up the good work!"
 "Excellent for ease of use, well organized, easily comprehensible — just excellent!"...

The Results (continued)

Transform the Federal annual enrollment process with point-of-purchase data.

- Medical plans varied considerably in how well they performed in meeting Federal employees' personal needs and financial circumstances based on the *PlanSmartChoice* results in the preference tool and cost calculator.
- Consumer Directed Health Plans were the least expensive for Federal employees with an average total cost of \$2,863 per year before any tax savings. CDHPs were less effective in meeting employees' personal needs; they ranked first in only four percent of results.
- High Deductible Health Plans best met Federal employees' personal needs; they ranked first in 40 percent of results. HDHPs were not as cost effective as CDHPs, but they were less expensive than other options. On average, they had a total cost of \$3,447 before tax savings.
- Preferred Provider Organizations best met Federal employees' personal needs in 38 percent of results and cost an average of \$3,733 before tax savings.
- While individual results may have differed, HMO, Point-of-Service (POS), and Fee-for-Service (FFS) plans were least effective in meeting employees' personal and financial needs based on the *PlanSmartChoice* results.

Control health care costs.

- Actual enrollment data for Federal employees who used *PlanSmartChoice* is not available.
- Across its client base, Asparity finds that decision support users are two times more likely (than nonusers) to enroll in a CDHP or HDHP and contribute in a Flexible Spending Account.
- To the extent that *PlanSmartChoice* users were more likely to enroll in these plans, they spent significantly less money on their health care than those who enrolled in other options.

The Analytics

PlanSmartChoice is provided by Asparity Decision Solutions. The data generated by use of *PlanSmartChoice* is saved, aggregated to protect individual privacy, and analyzed to prepare these findings. The complete 2008 annual report is available upon request on Asparity's Site Administrator. In addition to housing the 2008 annual report, the Site Administrator provides powerful tools to analyze the preference, demographic and enrollment data from the 2008 Open Season.

The History

Hundreds of thousands of Federal employees have used Asparity's *PlanSmartChoice*[™] health plan selection tools since they were first made available in 1998. The tools were developed in 1996 and 1997, when the Agency for Health Care Policy & Research/ Small Business Innovation Research granted Asparity's founder more than \$1 million to develop software that would help Federal employees and retirees choose a health plan. The technology — trademarked *PlanSmartChoice* — was patented in 2004.

The Client

The Federal Employees Health Benefits (FEHB) Program became effective in 1960. It is the largest employer-sponsored group health insurance program in the world, covering millions of Federal employees, retirees, and family members.

For more information visit:

www.opm.gov/insure/health/

Asparity expresses its appreciation to participating Federal agencies that sponsored *PlanSmartChoice* and to the Office of Personnel Management and its leadership for their assistance in providing medical and dental plan data.



Asparity provides decision support and data solutions in the areas of employee benefits and operational risk management to companies in the United States and around the world. Asparity owns patented technology in conjoint analysis and software applications that it delivers directly to corporate clients and through strategic partners.

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