

Total Cost of Care a deeper look

Purchasing a health plan? It pays to look deeper than simple network discounts for new strategies to lower the total cost of care.

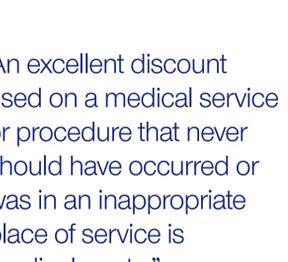
THE NUMBERS

Health care spending is on the rise.

Between 2015–2019, employers spent an average of 6% more year over year on employee healthcare costs.¹



Given a list of cost drivers, here's how employers ranked the ones that affect them most:²



“An excellent discount used on a medical service or procedure that never should have occurred or was in an inappropriate place of service is medical waste.”

Richard Migliori, M.D.
chief medical officer for UnitedHealth Group, the parent company of UnitedHealthcare

THE SITUATION

Network discounts don't tell the full story.

Buying a health plan can be like buying a car. The sticker price doesn't always reveal the least expensive one to own.



The white car's 15% upfront discount looks like the better deal, but you actually end up saving more with the blue car. All it takes is comparing the total cost of ownership.

\$\$\$	+	\$
+	Fuel	
\$\$\$	+	\$
+	Maintenance and Repairs	
\$\$\$	+	\$
+	Insurance, Taxes and Fees	
\$39,064	Total Cost of Ownership	\$36,220

Upfront discounts are just one element of a multi-faceted cost equation with short- and long-term considerations.

When it comes to total healthcare costs, the competitor's network discount can't match our proven strategies designed to lower costs year over year.⁴

Competitor		UnitedHealthcare
\$20k	Average Inpatient Submitted Cost	\$20k
-\$8k	Network Discount	-\$7k
\$12k	Discount Analysis Cost Comparison	\$13k
55	Admissions (per 1k employees)	45
\$660k	Net Cost (Clinical Management)	\$585k

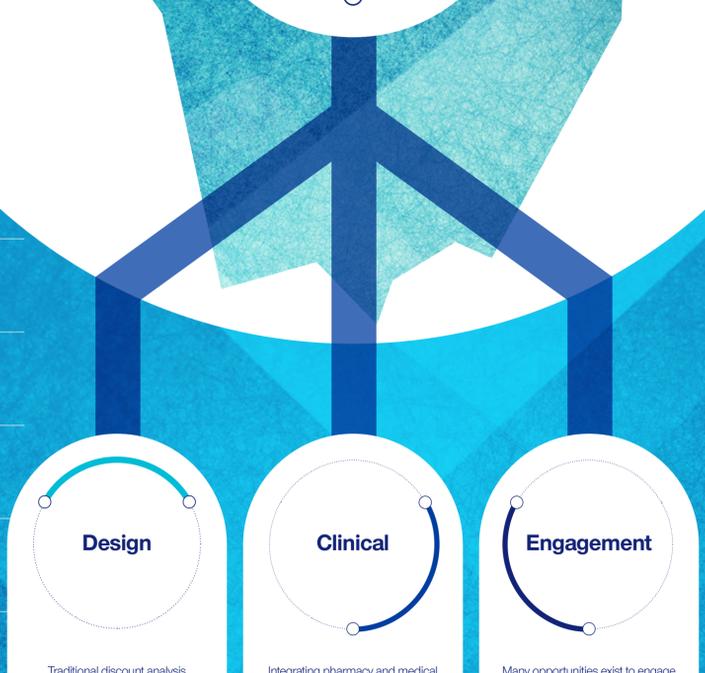


A health plan strategy able to pull multiple levers that effect change can, over the long term, deliver more savings—and improve the experience and outcomes for employees and their families.

THE OPPORTUNITY

Looking deeper to lower the total cost of care.

Upfront discounts are just the tip of the iceberg.
Our Total Cost of Care approach uncovers hidden cost savings below the surface.



Design

Traditional discount analysis doesn't account for the impact of programs like UnitedHealth Premium[®] which identifies network physicians who meet quality and cost efficiency criteria.

Clinical

Integrating pharmacy and medical benefits can help better identify at-risk employees and trigger interventions designed to generate better outcomes and greater savings.

Engagement

Many opportunities exist to engage employees in healthier choices and informed actions. With a 1% increase in Health Activation Index[™] score, medical costs are lowered by .56%.⁵

Premium Care Physician outcomes:⁶

20% lower average complication rate	24% lower average complication rate
31% lower average costs	31% lower average costs

Across 16 premium specialties, UnitedHealth Premium Care Physicians have a **7.24% lower total cost of care** than non-Premium Care Physicians.⁶

\$8–\$25 PMPM medical cost savings⁷

- Up to 15% reduction in inpatient admits.⁸
- Up to 11% reduction in ER visits.⁹

Savings integration fact: Employees save on average \$135 per prescription when prescribers choose lower-cost alternatives through the PreCheck MyScript[®] tool.⁷

Nearly 2/3 of ER visits are non-emergent.¹⁰

Engaged employees make informed choices.

23% decrease in ER visits among targeted group¹⁰ = **\$1,479** savings for each redirected visit¹⁰

Steering employees to the most cost-effective place for care is just one way that engagement can lead to more informed choices, resulting in **more savings and lower costs.**

THE RESULTS

When you evaluate all costs, you can accelerate the savings.

This Pennsylvania customer saved, on average, nearly 20% compared to other competitors over 4 years!¹¹



See how a **Total Cost of Care** approach can help you build a health plan with purpose.

For more information about UnitedHealthcare's approach to managing total cost of care:

Visit uhc.com/employer

Contact your UnitedHealthcare representative