Cost Calibration Study Materials Planning:

The FEHB Brochures are ‘models of clarity’ written well and to be easy to understand, much moreso than public or private insurance. Yet, with 280 plans, and brochures being 65-77 pages on average in length!?!

The Consumer Checkbook FEHB website is great… but it’s aimed at a very narrow audience. This is strange, considering that it has excellent explanations for basic things such as why are premiums so different?

What information should we be providing?

* Compare and estimate out-of-pocket costs based on coverage
  + We are allowing people to select their own amount of coverage
* Rate plans based on how well they deal with low, average, or high medical expenses
  + Unsure how to add this information (perhaps a table or chart?)
  + Maybe a graph?
    - Could just add ‘if you are in low/med/high expenses’ these are estimated expenses?
* Accurate estimates of potential exposure to catastrophic expense
  + Should estimate likelihood of catastrophic expense per category regardless?
  + A “total covered” and a “average cost needed per year”
* Information on co-insurance, copays, and other cost sharing

We need to determine what costs are per category, and what categories we have data for on average costs?

National Health Expenditures Excel 2020:

* Total national health expenditure (in mil): 4,124,005
  + Out of pocket cost: 388,646
* Total health insurance cost: 2,809,278
  + Private insurance: 1,141,356
  + Medicare + Medicaid: 829,484 + 671,190
* Other 3rd party payers (worksite, workers compensation, other federal programs): 509,702
* Total population 329 million

Health Consumption Expenditures by category

***Other Professional Services:***

Covers services provided in establishments operated by health practitioners other than physicians and dentists. These professional services include those provided by private-duty nurses, chiropractors, podiatrists, optometrists, and physical, occupational and speech therapists, among others.

* Total Hospital Expenditures: 1,270,149
  + Out of pocket: 32,450
  + Private Insurance: 408,978
  + Non-Private (Medicare, Medicaid, CHIP, DOD, VA): 620,480
* Total Physician and Clinical Expenditures: 809,460
  + Out of pocket: 59,411
  + Private Insurance: 300,644
  + Non-private: 323,697
* Total Dental Expenditures: 142,405
  + Out of pocket: 53,198
  + Private Insurance: 59,707
  + Non-Private (Medicare, Medicaid, CHIP, DOD, VA): 19,014
* Total ‘Other’ (not physicians or dentists) Professional Services: 117,441
  + Out of pocket: 25,771
  + Private Insurance: 32,884
  + Non-Private (Medicare, Medicaid, CHIP, DOD, VA): 37,698
* Total Home Health Care Expenditures: 123,717
  + Out of pocket: 12,621
  + Private Insurance: 15,695
  + Non-Private (Medicare, Medicaid, CHIP, DOD, VA): 82,393
* Other Non-Durable Medical Products (retail sale of non-prescriptions): 85,749
  + Out of pocket: 83,424
  + Private Insurance: 2,325
  + Non-Private (Medicare, Medicaid, CHIP, DOD, VA): 2,325
* Prescription Drugs: 348,411
  + Out of pocket: 46,460
  + Private Insurance: 140,888
  + Non-Private (Medicare, Medicaid, CHIP, DOD, VA): 156,699
* Durable Medical Equipment (retail eyeglasses, hearing aids, wheelchairs, etc.): 54,904
  + Out of pocket: 23,270
  + Private Insurance: 10,584
  + Non-Private (Medicare, Medicaid, CHIP, DOD, VA): 19,957
* Nursing Care and Continuing Care/Retirement Communities: 196,804
  + Out of pocket: 45,276
  + Private Insurance: 16,718
  + Non-Private (Medicare, Medicaid, CHIP, DOD, VA): 99,342
* ‘Other’ Health, residential, and personal care costs (nontraditional settings, community based waivers, school health and worksite healthcare: 208,793)
  + Out of pocket: 6,764
  + Private Insurance: 14,137
  + Non-Private (Medicare, Medicaid, CHIP, DOD, VA): 128,213
* Mental Health (SAHMSA report): 238,000 (25% of cost is prescriptions) =178,500
  + Out of pocket: 10%
  + Private insurance: 25%
  + Non-Private: 63%
* Lab testing (Office of Inspector General)
  + Out of pocket: ?
  + Private insurance (estimated at 30% less): 5,481
  + Non-Private: 7,830
* Vision (Rein et al., 2021 Ophthalmology paper): 56,915 [excluding nursing homes]
* ‘Alternative care’(adjusted for inflation since 2007): 42,315 [out of pocket]