

\$12M Recovered in Medical Costs for State of New Hampshire

Challenge

The cost for medical care can vary widely from one facility to the next. With a lack of price transparency and incentives, most consumers don't know how much their health plan spends on a procedure or test, and they aren't incented to use a cost effective provider.

As the largest single employer in the state, the State of New Hampshire sought to reduce overall spending on health care. Over 28,000 people were eligible for the SmartShopper program – employees, under age 65 retirees and their dependents. The government employer wanted to encourage its employees and their families to shop for similar-quality, lower-priced care.

When the state began its program, the health plan did not have a deductible and there was little incentive for employees to shop for medical care with consideration for the cost of care. In addition, consumers were often reluctant to shop for alternatives when their doctor had given them a recommendation for a specific facility.

The State asked Anthem Blue Cross and Blue Shield in New Hampshire to help them engage employees in shopping for better value care to reduce health care spending across the government budget.

A case study with State of New Hampshire
and Anthem BlueCross BlueShield



The Solution

Anthem contracted with Vitals for its SmartShopper engagement and rewards program and worked with the State to implement the program.

It works like this: When a procedure is ordered for a member or dependent, s/he can log onto the SmartShopper website or call the SmartShopper call center to understand costs for various facilities in their area. Armed with this information, the member then chooses where to obtain the care they need. If the member chooses a low-cost provider, verified in final claims data, Vitals mails an incentive check back to the member.

Anthem, the State of New Hampshire and Vitals used an aggressive outreach campaign to educate employees about the program. Testimonials were mailed to members explaining the SmartShopper program and encouraging registration. Regular direct mail campaigns reminded members that routine screenings, such as mammograms, colonoscopies and lab screenings are incentive-eligible.

Savings really took off for the State when the State and its unions agreed to implement a \$500 deductible per individual, \$750 per family in 2014.

The Results

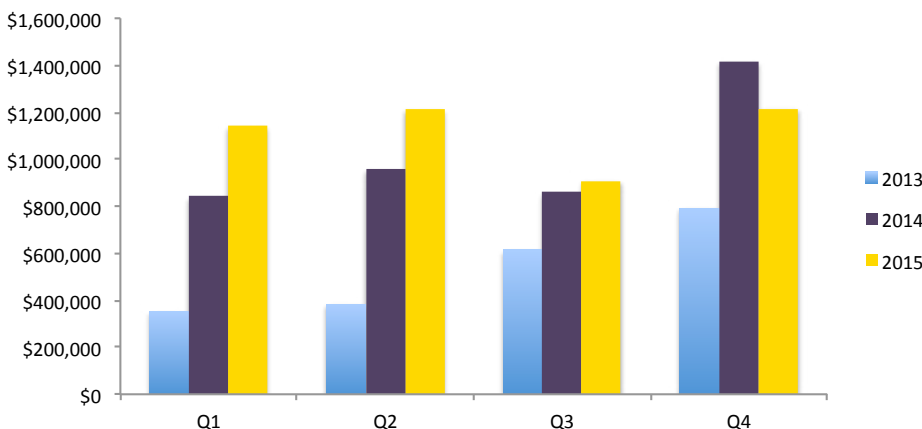
Since its implementation, the popularity of the SmartShopper program has grown year-over-year with employees.

After implementing a modest deductible in 2014, the rate of claims savings nearly doubled from the three previous years. Employees who shopped for care saved the State over \$4.5 million in 2014 – up from \$2.4 million from 2011 to 2013.

To date, SmartShopper has saved over \$12 million dollars in claims by redirecting participants to cost-effective providers. From those savings, the State has shared more than \$1.2 million in cash incentives with participants.

This success is proof that transparency tools combined with cash incentives are a powerful way to engage employees and their families. In fact, State participants reduced medical costs by an average of \$642 when taking advantage of the program, generating a 7:1 return on investment for the State of New Hampshire in 2015.

Monthly Claims Savings



Benefits of Using SmartShopper

- Incentives motivate employees to shop for high quality, low cost care
- Member shopping led to over \$12 million in saved medical costs for
- 7:1 ROI generated for the employer through SmartShopper program

vitals®

For more information or to request a demo, contact us.

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