

Surest Enrollees Have 54% Lower Out-of-Pocket Costs and 11% Lower Total Medical Costs than Other Commercially Insured Individuals

UnitedHealthcare's Surest, a **value-based copay plan with a broad provider network**, is engaging consumers with clear and actionable information on the effectiveness of different providers and treatment options and the cost of health care services. As a result, consumers choosing to enroll in Surest are selecting **high-quality providers that charge reasonable prices for their services, reducing their out-of-pocket (OOP) costs as well as costs for their employers**. While value-based copay plans represent an innovative consumer-oriented coverage option, they do not compete on an equal footing with other commercial health plans under current federal and state policies.

UnitedHealthcare's Surest is an employer-sponsored value-based copay plan that gives enrollees the tools to see cost and coverage information before they schedule and receive care. Surest:



Uses broad provider networks. Enrollees choose from the hospitals, doctors, and other providers in the broad, national UnitedHealthcare and Optum Behavioral Health networks.



Engages enrollees with actionable information. By using digital tools that provide clear OOP costs, enrollees can compare and select among providers and treatment options.



Assigns copays according to quality and total medical cost. Lower copays are assigned to high-value providers that achieve better outcomes, deliver care more effectively, avoid complications, reduce unnecessary services, and charge reasonable prices for their services.



Eliminates deductibles. Without annual deductibles, an enrollee's OOP cost for a service does not vary depending on the enrollee's recent health care utilization or the time of the year it is needed.



Eliminates coinsurance. Without coinsurance, which requires enrollees to pay a fixed percentage of the provider's price, an enrollee's OOP cost for a service is clear and transparent before care is scheduled: it is just the copay.

Compared to similar individuals in other commercial health plans in 2022, Surest enrollees had:



54% lower out-of-pocket costs¹



11% lower total medical costs including the enrollee's and employer's share²

More Preventive Services

Surest helps enrollees **improve and maintain their health** by providing access to preventive services at low costs that **reduce barriers to care and eliminate price uncertainty**. Compared to their prior year of coverage under another plan, new Surest enrollees had:³



9% more physical exams



15% more screening mammograms



34% more screening colonoscopies

More Physician Visits and Fewer Hospital Visits

Surest helps enrollees get care when they need it from physician practices and urgent care centers, in person or virtually, so they **require fewer emergency department visits and hospital admissions**. Compared to similar individuals in other plans, Surest enrollees had:

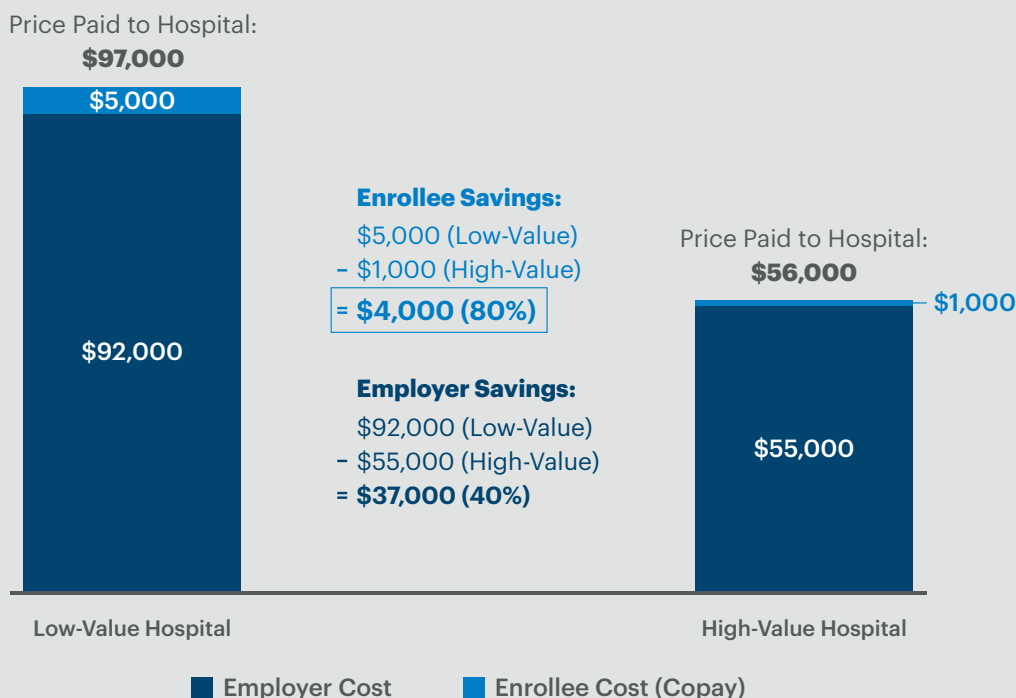


High-Value Hospital Stays

When Surest enrollees require a hospital stay, Surest **helps them choose safe, high-quality hospitals and doctors that charge reasonable prices**. Prior to receiving care, Surest enrollees can see their own OOP costs. The Surest plan's reliance on **simple copays, with no deductibles and coinsurance** that add variability and complexity, helps enrollees identify and select cost-effective options that **lower the total cost of care**. When the total cost of an identical episode of care varies widely across providers of comparable quality in the same local market, as is often the case, Surest enrollees are more likely to select the lower-cost option. In this representative example, when a Surest enrollee chooses a high-quality hospital and high-quality surgeon that are paid \$56,000 instead of \$97,000 for a heart valve surgery:

- The enrollee pays \$1,000 in OOP costs instead of \$5,000 (80% savings).
- A self-insured employer pays \$55,000 instead of \$92,000 (40% savings).

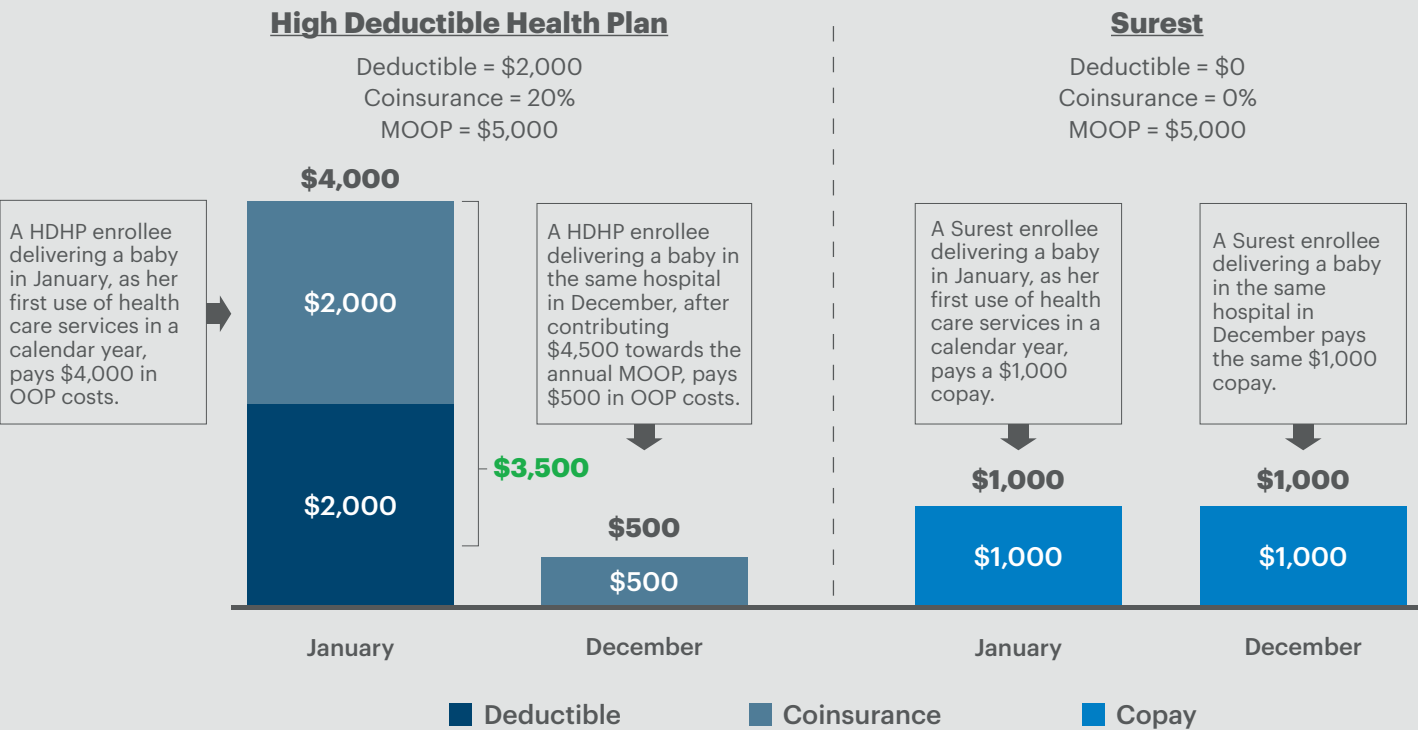
Representative Surest Costs for Inpatient Heart Valve Surgery: Low-Value vs. High-Value Hospital⁹



Consistent Out-of-Pocket Costs for Hospital Stays

Surest enrollees know the exact OOP cost of services they select. **Until they reach their annual maximum out-of-pocket (MOOP) cost, with no deductible and no coinsurance, Surest enrollees pay only the copay.** In contrast, High Deductible Health Plan (HDHP) enrollees’ OOP costs vary throughout the year, depending on the remaining amount of their annual deductible. In this representative example, for the same bundle of labor and delivery services performed in the same high-value hospital by the same doctors at a total cost of \$12,000, a HDHP enrollee’s OOP costs can be \$3,500 higher if the baby arrives in January instead of December.¹⁰

Representative HDHP and Surest Enrollee OOP Costs for Labor and Delivery in a High-Value Hospital, in Different Months of the Year



More Physical Therapy

Surest helps enrollees seek out physical therapy before and after surgeries, and, in certain cases, as a potential **lower-risk alternative to unnecessary elective surgeries**, to improve health outcomes. Compared to similar individuals in other plans, Surest enrollees had:

- 7% more physical therapy visits, at 16% lower cost per visit¹¹
- 5% fewer overall surgeries¹²

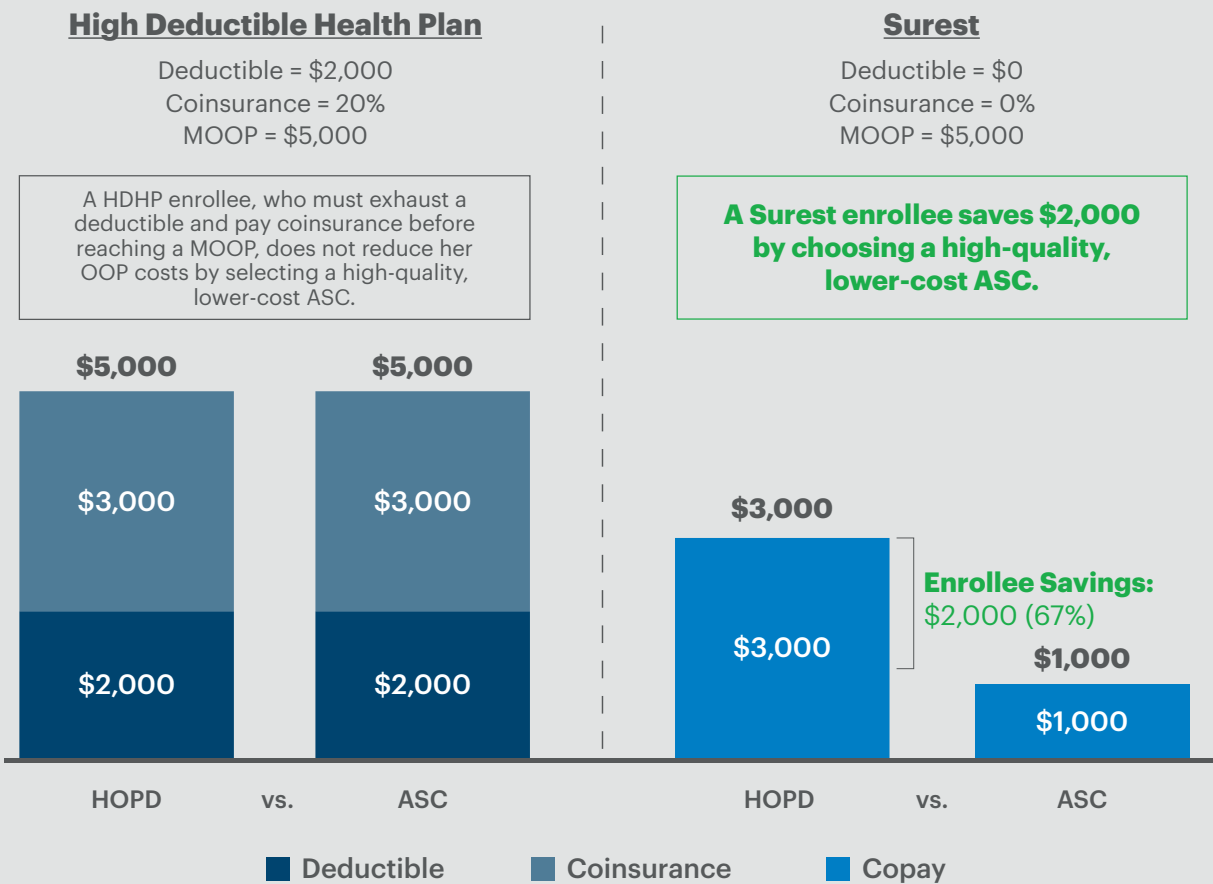
More Surgeries in High-Value Settings

When enrollees need or choose surgery, Surest helps them select safe, high-quality, and cost-effective settings. Compared to similar individuals in other plans using the same type of facility, Surest enrollees had:¹³

- 9% more surgeries in ambulatory surgical centers (ASC), at 43% lower cost per surgery
- 3% fewer hospital outpatient department (HOPD) surgeries, at 15% lower cost per surgery
- 16% fewer hospital inpatient surgeries, at 15% lower cost per surgery

Because they can compare OOP costs in advance, **Surest enrollees are more likely than HDHP enrollees to select a high-value surgery facility that results in savings.**¹⁴ In this representative example, by choosing to have knee surgery in a high-quality, lower-cost ASC where the total cost is \$30,000, instead of an HOPD where the cost is \$60,000, a Surest enrollee saves \$2,000 (67%) and a HDHP enrollee saves nothing.

Representative HDHP and Surest Enrollee OOP Costs for Outpatient Knee Replacement and Related Services, in a Hospital Outpatient Department and an ASC

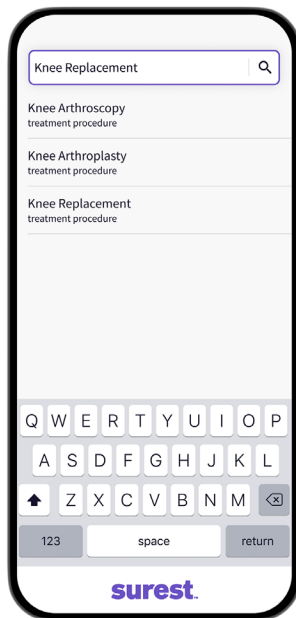


Surest Digital Tools Help Enrollees Select High-Quality, Cost-Effective Providers

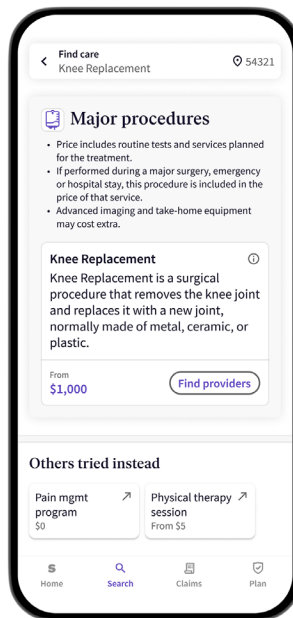
Surest gives enrollees digital tools that provide clear OOP costs, allowing enrollees to compare and select providers before scheduling and receiving episodes of care, such as knee replacements.

Surest search experience

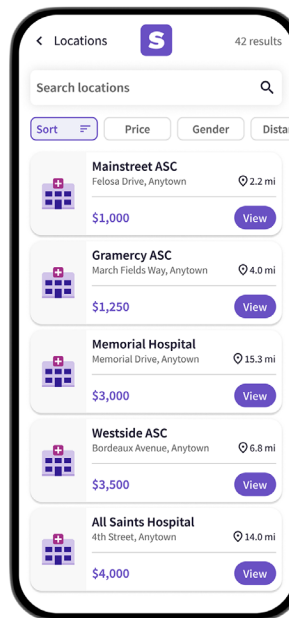
1 **Search** by condition, treatment or provider



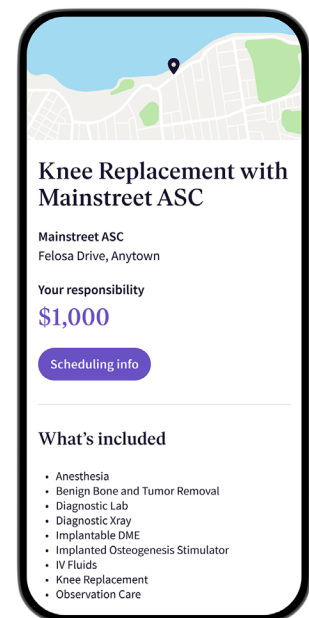
2 **Review** treatment options



3 **Decide** on a provider



4 **Review** the provider and see what's included



surest.
A UnitedHealthcare Company

Providers and locations are fictional. Illustrative example only. Costs and coverage may vary.

Moving Forward

Health plans and employers continue to develop and offer **innovative consumer-oriented coverage options that meet their enrollees' evolving needs and preferences**. Each year more consumers are choosing to enroll in value-based copay plans, resulting in **lower OOP costs for enrollees and savings for employers and the health care system**. However, federal and state regulations, including those written before the development of many plans that are now available, present barriers for consumers who want to reduce their OOP costs by selecting high-quality providers that charge reasonable prices for their services. Moving forward, **policymakers can allow value-based copay plans to compete on an equal footing** with other commercial plans by:

- Allowing enrollees of all commercial plans to contribute to, and realize the full benefits of, federally regulated health savings accounts.
- Updating state regulations on copay limits and tiered provider networks to help more consumers choose high-quality, cost-effective providers.

Citations and Notes

- 1 UnitedHealthcare (UHC) 2023 analysis of 2022 commercial claims for enrollees who migrated to a Surest plan in 2022 compared to enrollees from the same employers in another UHC plan. Commercial health plan enrollees' OOP costs are defined as total deductibles, coinsurance, and copays. For Surest enrollees who do not face deductibles or coinsurance, OOP costs consist entirely of copays. For HDHP enrollees who do not face copays, OOP costs consist of deductibles and coinsurance.
- 2 UHC 2023 analysis of 2019-2022 commercial claims for self-insured employers. This study included individuals who were continuously enrolled for the entire intervention period and enrolled in a UHC plan for at least 12 months prior to joining Surest. A doubly robust difference-in-difference analysis with inverse propensity score weights was used to control for underlying difference between populations. The Surest population and the population remaining in other UHC plans were weighted and adjusted based on baseline medical spend, age, gender, geography, risk score, and chronic conditions. In the primary analysis, enrollees who migrated to Surest in 2020 (N=20,445) had 11% lower total allowed medical per member per month (PMPM) costs (\$35, 95% CI, 8% to 15%) in 2021 compared to enrollees remaining in other UHC plans (N=382,650). In the secondary analysis, enrollees who migrated to Surest in 2021 (N=14,829) had 11% lower total allowed medical PMPM costs (\$36, 95% CI, 6% to 15%) in 2021 compared to enrollees enrolled in UHC plans (N=465,191). In both analyses, outliers were capped at \$100,000. Findings were consistent when outliers were capped at \$50,000 (\$38 savings for 2020 and \$44 for 2021 migration cohort) and \$200,000 (\$27 savings for 2020 and \$26 for 2021 migration cohort). Total medical costs include the employer's premium contributions and the enrollee's premium contributions and OOP costs.
- 3 UHC 2023 analysis of 2021-2022 commercial claims for individuals who had 12 months of enrollment in a Surest plan in 2022 and 12 months of enrollment in another UHC plan in 2021.
- 4 UHC 2023 analysis of Surest 2022 commercial claims compared to industry 2022 commercial benchmarks using a proprietary risk adjustment methodology, which adjusts for demographics, geography, and disease burden. Physician visits include in-person and virtual visits.
- 5 UHC 2023 analysis of 2021-2022 commercial claims for individuals who had 12 months of enrollment in a Surest plan in 2022 and 12 months of enrollment in another UHC plan in 2021.
- 6 UHC 2023 analysis of Surest 2022 Doctor on Demand (DoD) utilization for self-insured employers compared to 2022 DoD utilization norm for commercially insured individuals.
- 7 UHC 2023 analysis of 2021-2022 commercial claims for individuals who had 12 months of enrollment in a Surest plan in 2022 and 12 months of enrollment in another UHC plan in 2021.
- 8 UHC 2023 analysis of 2022 commercial claims compared to industry 2022 commercial benchmarks using a proprietary risk adjustment methodology, which adjusts for demographics, geography, and disease burden. Cost refers to total cost, including the enrollee share and the employer or health plan share.
- 9 Example is based on representative costs for a Surest enrollee who has not met their annual \$5,000 MOOP and is undergoing a heart valve surgery episode of care, which includes the surgery and all related services, in a hospital inpatient setting.
- 10 Example is based on representative OOP costs for a Surest and a HDHP enrollee with comparable premiums and assumes the total cost of a labor and vaginal delivery episode of care, which includes all related services, in a hospital inpatient setting is \$12,000. This example assumes the HDHP enrollee reaches their annual MOOP through the December delivery, thereby lowering their OOP costs for this episode of care, and that the Surest enrollee does not reach their annual MOOP with the December delivery.
- 11 UHC 2023 analysis of Surest 2022 commercial claims compared to industry 2022 commercial benchmarks using a proprietary risk adjustment methodology, which adjusts for demographics, geography, and disease burden. Cost refers to total cost, including the enrollee share and the employer or health plan share.
- 12 UHC 2023 analysis of 2021-2022 commercial claims for individuals who migrated to Surest in 2022 compared to a matched control group of individuals in another UHC plan using a service-mix difference-in-difference methodology.
- 13 Utilization: UHC 2023 analysis of 2021-2022 commercial claims for individuals who migrated to Surest in 2022 compared to a matched control group of individuals in another UHC plan using a service-mix difference-in-difference methodology. Cost refers to total cost, including the enrollee share and the employer or health plan share.
Cost: UHC 2023 analysis of Surest 2022 commercial claims compared to industry 2022 commercial benchmarks using a proprietary risk adjustment methodology, which adjusts for demographics, geography, and disease burden.
- 14 Example is based on representative costs for a Surest and a HDHP enrollee with comparable premiums and assumes neither enrollee has contributed any OOP costs towards the annual MOOP prior to this episode of care. It assumes the total cost of a knee replacement surgery episode is \$30,000 at an ASC and \$60,000 at an HOPD.