

Surest is Providing High-Quality Health Coverage that is Affordable, Predictable, and Equitable

- Surest is advancing health equity by providing affordable coverage with predictable costs.
- By eliminating deductibles and coinsurance, Surest relies on simple copays to help consumers select providers from broad networks.
- Surest enrollees have lower out-of-pocket costs and access more preventive services.
- Deductibles, which amount to a higher share of income for households earning less, can increase delays in care and lead to adverse health outcomes.
- When employers offer Surest, high-value care without cost uncertainty is more accessible to employees.
- Policymakers can promote health equity by allowing Surest to compete on an equal footing with other plans.

Half of all U.S. adults struggle to afford health care costs, including two-thirds of those in lower-income households.¹ Over the past three decades, the rising cost of employer coverage has cost the average family \$125,000 in cumulative earnings and has contributed to increasing income disparities.² Surest, a UnitedHealthcare **value-based copay plan**, **helps employers incorporate health equity principles into their health benefits**. By eliminating deductibles and coinsurance, which add cost variability and complexity, Surest relies on simple copays to help consumers identify and **select providers from broad networks**. Surest engages consumers with clear and actionable information on the effectiveness of different providers and treatment options and the cost of health care services. This approach – which provides consumers with guaranteed out-of-pocket (OOP) costs for an episode of care – advances health equity.³ As a result, individuals and families of all income levels can **select high-quality providers that charge reasonable prices for their services**.


Compared to similar individuals in other commercial health plans in 2022, Surest enrollees had:⁴


↓ **54%** lower out-of-pocket costs ↓ **11%** lower total medical costs including the enrollee's and employer's share


At the same time, **more people enrolled in Surest are accessing necessary medical services**, including preventive care, at low costs that **eliminate price uncertainty**.


- For every 1,000 individuals enrolled in a Surest plan, 15 more people are accessing medical care each year compared to those enrolled in a traditional plan.⁵
- Compared to their prior year of coverage under another plan, new Surest enrollees had:⁶
 - ↑ **9%** more physical exams ↑ **15%** more screening mammograms ↑ **34%** more screening colonoscopies


Surest 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 medical and Optum Behavioral Health networks, without requirements to select a primary care provider or obtain a referral.

 **Engages enrollees with actionable information.** By using simple 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.

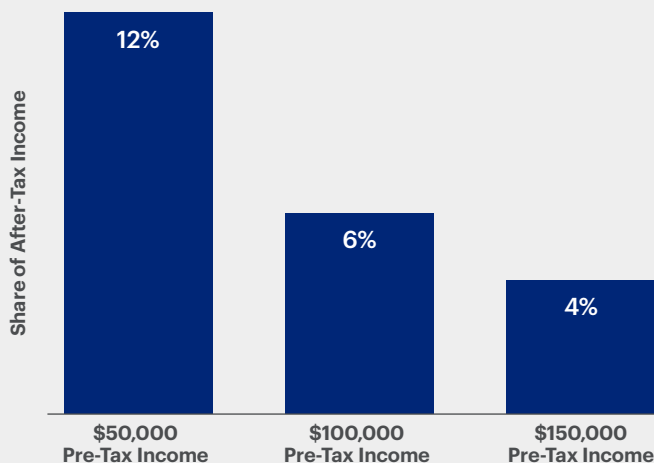
Surest enrollees face no deductibles – the amount individuals and families pay out of pocket each year before their insurance begins – unlike 90 percent of individuals with employer coverage.⁷ For high-deductible health plans (HDHPs), which cover approximately 30 percent of those with employer coverage, deductibles averaged about \$2,600 for single coverage and \$4,900 for family coverage in 2023.⁸ Although deductibles are intended to control low-value spending and utilization, **lower-income employees face a higher financial burden because a larger portion of their income is allocated towards the deductible.** About 50 percent of adults with health insurance express concern about affording their deductible.⁹

Deductibles Impact Lower-Income Families

Health insurance deductibles are regressive, amounting to a higher share of income for households earning less. For example, a \$5,000 family deductible represents a relatively high burden for families earning \$50,000 a year or less, the lowest third of the U.S. household income distribution.¹⁰ In this representative example,¹¹ a \$5,000 family deductible represents:

- **12%** of the \$43,000 in after-tax income for a family earning \$50,000 a year before taxes
- **6%** of the \$81,000 in after-tax income for a family earning \$100,000 a year before taxes
- **4%** of the \$114,000 in after-tax income for a family earning \$150,000 a year before taxes

Representative Annual Family Deductible as a Share of Family Income



After accounting for housing, food, childcare, transportation, health insurance premiums, and other necessities, a **\$5,000 deductible may be burdensome** for a family earning \$50,000 a year.

Deductibles Can Increase Delays in Care



Deductibles can discourage individuals from obtaining health care services,^{12,13} especially early in the plan year, prompting them to delay or avoid necessary treatments altogether,^{14,15} which can exacerbate differences in health outcomes by income.

- Among cancer survivors, higher deductibles were associated with **greater costs to accessing care**; impacts included difficulty affording a specialist, delaying a prescription fill, and using less medication.¹⁶
- People with diabetes who switched to a plan with a higher deductible experienced **increases in emergency department visits for preventable acute diabetes complications**, with greater increases experienced by lower-income people with diabetes.¹⁷
- Women who switched to a plan with a higher deductible experienced **delays in diagnostic breast imaging, breast biopsy, early-stage breast cancer diagnosis, and chemotherapy initiation.**¹⁸



Delays in care, including those associated with greater costs, can lead to adverse health outcomes, including:

- **Worse physical and behavioral symptoms and functioning** among patients with multiple chronic conditions.¹⁹
- **Higher in-hospital mortality** following a heart attack.²⁰
- **Lower five-year survival rates** among young women with breast cancer, with even lower survival rates among women with lower socioeconomic status.²¹

Surest is Advancing Health Equity by Providing Coverage that is Affordable with Predictable Costs

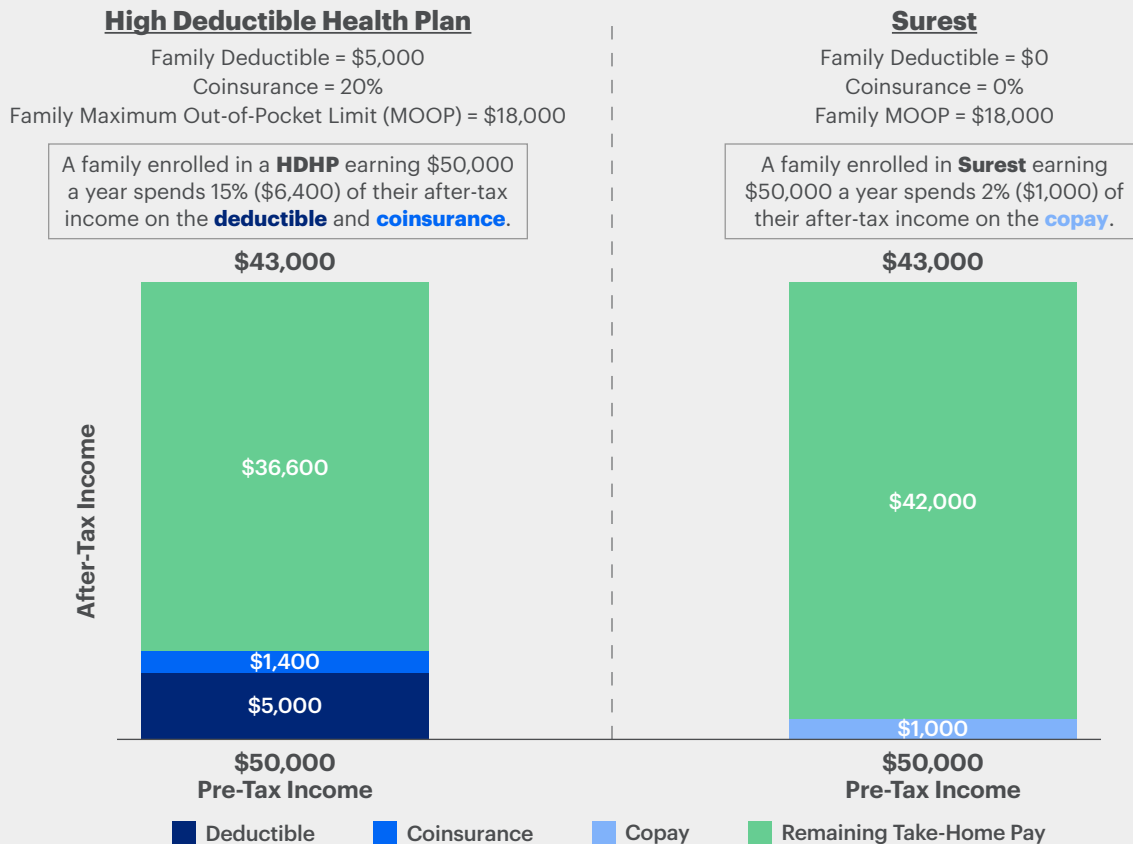
When Surest enrollees access health care services, they face only a copay. In this representative example, for the same bundle of labor and delivery services performed in the same high-value hospital by the same high-quality doctors, at a total cost of \$12,000,²² a family earning \$50,000 a year before taxes would spend about:

15% (\$6,400) of their \$43,000 in after-tax income on OOP costs **with coverage under a HDHP**

vs.

2% (\$1,000) of their \$43,000 in after-tax income on OOP costs **with coverage under a Surest health plan**

Representative HDHP and Surest Enrollee OOP Costs for Labor and Delivery in a High-Value Hospital



Moving Forward

Surest helps employers offer high-quality health benefits to all employees, while reducing the costs that disproportionately impact lower-income families. When employers offer Surest as a coverage option, sometimes as an alternative to other plans including HDHPs, **high-value care without cost uncertainty is more accessible to all employees**. 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 would benefit from Surest's affordability and predictability. Moving forward, **policymakers can promote health equity by allowing value-based copay plans like Surest 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

- 1 KFF, "Americans' Challenges with Health Care Costs," December 2023.
<https://www.kff.org/health-costs/issue-brief/americans-challenges-with-health-care-costs/>
This source defines lower-income households as those with annual incomes under \$40,000.
- 2 Hager, K. et al., "Employer-Sponsored Health Insurance Premium Cost Growth and Its Association with Earnings Inequality Among U.S. Families," JAMA Network Open, January 2024.
<https://jamanetwork.com/journals/jamanetworkopen/fullarticle/2813927>
- 3 Horný, M. et al., "Episode-Based Cost Sharing to Prospectively Guarantee Patients' Out-of-Pocket Costs," JAMA Internal Medicine, March 2024.
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- 4 UnitedHealth Group, "Surest Enrollees Have 54% Lower Out-of-Pocket Costs and 11% Lower Total Medical Costs than Other Commercially Insured Individuals," December 2023.
<https://www.unitedhealthgroup.com/content/dam/UHG/PDF/2023/2023-12-uhg-surest-medical-costs-brief.pdf>
- 5 UnitedHealthcare (UHC) 2024 analysis of 2023 UHC commercial medical claims for employers that offer both Surest plans and other UHC plans.
- 6 UnitedHealth Group, "Surest Enrollees Have 54% Lower Out-of-Pocket Costs and 11% Lower Total Medical Costs than Other Commercially Insured Individuals," December 2023.
<https://www.unitedhealthgroup.com/content/dam/UHG/PDF/2023/2023-12-uhg-surest-medical-costs-brief.pdf>
- 7 KFF, "2023 Employer Health Benefits Survey," October 2023.
<https://files.kff.org/attachment/Employer-Health-Benefits-Survey-2023-Annual-Survey.pdf>
- 8 KFF, "2023 Employer Health Benefits Survey," October 2023.
<https://files.kff.org/attachment/Employer-Health-Benefits-Survey-2023-Annual-Survey.pdf>
The \$4,900 family deductible refers to the average aggregate family deductible, where the out-of-pocket expenses of all family members count towards a specified deductible. The other form of family deductible is called the separate per-person deductible, where each family member is subject to a specified deductible amount before the plan covers expenses for that member. Most families with commercial insurance are enrolled in plans with an aggregate family deductible.
- 9 KFF, "Americans' Challenges with Health Care Costs," December 2023.
<https://www.kff.org/health-costs/issue-brief/americans-challenges-with-health-care-costs/>
- 10 U.S. Census Bureau, "HINC-06. Income Distribution to \$250,000 or More for Households: Household Income in 2022," Accessed February 5, 2024.
<https://www.census.gov/data/tables/time-series/demo/income-poverty/cps-hinc/hinc-06.html>
The one-third (34%) estimate was calculated by summing the number of households with incomes up to \$49,999 under "All races" (44,645,000) and dividing by the total number of households (131,400,000).
- 11 This representative example is based on after-tax income for a married couple filing taxes jointly in Los Angeles, California, for the 2023 tax year. Estimated taxes are calculated by assuming a 1.45% Medicare tax rate, a 6.20% Social Security tax rate, a \$22,700 standard deduction from federal income tax, and a \$10,726 standard deduction from California state income tax.
- 12 Agarwal, R. et al., "High-Deductible Health Plans Reduce Health Care Cost and Utilization, Including Use of Needed Preventive Services," Health Affairs, October 2017.
<https://www.healthaffairs.org/doi/10.1377/hlthaff.2017.0610>
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<https://pubmed.ncbi.nlm.nih.gov/29489428/>
- 19 Rose, G. et al., "Outcomes of Delay of Care After the Onset of COVID-19 for Patients Managing Multiple Chronic Conditions," Journal of the American Board of Family Medicine, December 2022.
<https://www.jabfm.org/content/35/6/1081.long>
Worse outcomes refer to lower physical health and mental health summary scores and higher severity of depression and anxiety symptoms for patients who delayed care multiple times compared to those who did not delay care or delayed care just once.
- 20 Jollis, J. et al., "Treatment Time and In-Hospital Mortality Among Patients with ST-Segment Elevation Myocardial Infarction, 2018-2021," Journal of the American Medical Association, November 2022.
<https://jamanetwork.com/journals/jama/fullarticle/2798440>
- 21 Smith, E. et al., "Delay in Surgical Treatment and Survival After Breast Cancer Diagnosis in Young Women by Race/Ethnicity," JAMA Surgery, June 2013.
<https://jamanetwork.com/journals/jamasurgery/fullarticle/1681805>
- 22 This representative example is based on 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. Bundled pricing, along with a single copay that covers all related services, helps eliminate surprise bills and unexpected costs. This example assumes that neither family has contributed any OOP costs towards the annual MOOP prior to this episode of care and that neither family has a Health Savings Account.