

The Continued Evolution of the Explanation of Benefit Statement

Agenda

- DALBAR's Trends & Best Practices in Explanation of Benefit Statements (EOBs)
 - ✓ Background of Study
 - ✓ Industry's Top EOBs
 - ✓ Key Findings
- Forecasts from Addison

Questions / Comments

Enter questions in
the chat box located
in your toolbar

The screenshot shows the GoToMeeting toolbar with the following sections:

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- Webcam**: Includes a "Webcam Not Detected" button and a "Webcams" dropdown menu.
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- Meet Now**: Displays "Meeting ID: 379-511-250" and the "GoToMeeting" logo.

2012 Trends and Best Practices in EOBs



The Measurement of Success...



DALBAR: An Introduction

- Research and consulting firm
- 30 years of measuring success and raising the standards of excellence in communications and customer service
- Specialized practices in healthcare and financial services

The Centerpiece: EOB Evaluation

Trends and Best Practices in EOB Statements

- Statements Trends
- Best Practices
- Industry Rankings

Total EOB Statements evaluated: 22

Who we are...

Competiscan is a nimble, full-service, competitive intelligence market research partner. Our management team consists of senior level industry experts, each with 15+ years of industry/market experience.

What we do...

Media channels tracked: direct mail, email, print, banner advertising, and social media.
Key verticals: Banking, Credit Cards, Insurance, Investments, Mortgage & Loans, Retail, and Telecoms.

How we do it...

Competiscan collects direct marketing and in-market messages available to consumers, business owners, financial advisors, insurance producers, and providers.

Research Services...

Competitive
Intelligence

Competiscan's online search portal enables clients to see what their competition has sent out into the marketplace within the last 24 hours (or sooner).

Primary
Research

Concept, copy, and ad testing including direct mail, email, print, TV & radio storyboards. Branding and satisfaction surveys. Custom studies. White-papers.

Custom Panel
Services

Capabilities to solicit panelists, develop custom panels, perform secret shops, and to proactively locate hard-to-find or brand-new pieces.

Methodology of EOB Evaluation

Statement evaluations focus on 3 critical areas:

- **Clarity**: Is the content relevant and presented in a manner that can be easily understood by members?
- **Content**: Is all required content present and does additional content help readers put the EOB information into an overall context (e.g. personalized messaging)?
- **Design & Available Formats**: Does the EOB contain purposeful design elements that enhance the statement, such as charts, icons, and font size and style?

Broken down into individual attributes, adding up to a score of 100

DALBAR Designations & Seal

Excellent: 80 – 100 points

Very Good: 70 – 79 points

Good: 60 – 69 points

Seal for Excellence:

- ✓ Achieve at least a **“Very Good”** Designation
- ✓ Higher than industry benchmark



Top 3 EOBs



- **Clearest presentation of data**
- **Best Overall Designs**
- **Best Messaging**

Key Findings

- Movement towards less frequent mailings
 - ✓ Coverage periods instead of per service
 - 1 Month
 - ✓ Health Statements becoming more prevalent

- Industry IS moving in the right direction
 - ✓ Calculated to be Understood
 - Plain Language
 - Clear, Visible Math
 - ✓ More value-added information
 - ✓ Use of charts and graphs

Plain Language

What is this Document and What do I do with it?

Humana



Keep your Smart EOB for your records

Your Smart EOB combines the detail of the traditional EOB with SmartSummary's personalized health messaging and budgeting information. Use your Smart EOB as a record of your healthcare and to talk to your doctor about your health screenings and medicines. You can save it for tax purposes. You also can use it to compare with your doctor bills to make sure your doctor charged the correct amount.

Medical Mutual of Ohio

This is not a bill - it's a statement listing the details of your recent health benefit claims. You'll receive a bill from your service provider for any amount you owe. Please check the details below carefully and let us know if you have any questions.

Clear, Visible Math

How much do I owe?

HEALTH PLAN PAYMENT SUMMARY		
Your total medical and prescription amount charged. <small>For the period December 21, 2009 - January 09, 2010</small>	\$3,433.21	1
Your Arkansas Blue Cross member discount <small>(Your in-network provider has agreed not to bill you for this amount)</small>	- \$1,183.83	2
Your net medical and prescription amount charged	\$2,249.38	3
Your health plan(s) paid	- \$1,806.59	4
YOU OWE OR MAY HAVE PAID <small>(includes deductibles, co-pays, coinsurance, non-covered or excluded services)</small>	\$442.79	5

**At-a-Glance
View**

Clear, Visible Math

How much do I owe?

Humana

Who paid for your family's healthcare

☑	Total Billed Charges	\$491.97
	Humana Discounts	\$115.52
	Allowed Amount	\$376.45
	Amount Humana Paid	\$35.00
▶	Medical Costs	\$22.50
▶	Prescription Costs	\$12.50
	Amount You Paid	\$341.45
▶	Medical Costs	\$200.00
▶	Prescription Costs	\$141.45
▶	Excluded Costs	\$0.00

Charts and Graphs

Who Paid What?

Aetna

\$25.24

Amount you owe or already paid

Amount billed \$237.06

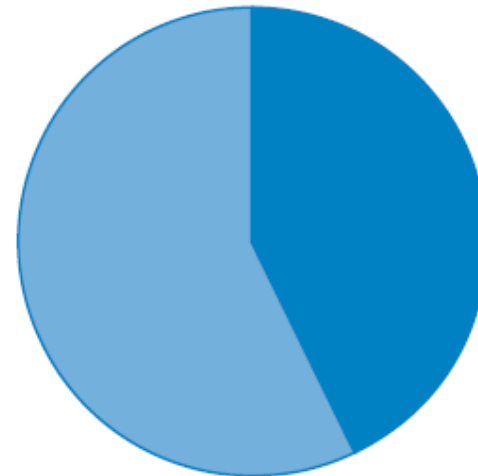
Plan payments and discounts - \$211.82

You owe \$25.24



BCBS of Arizona

Your health care cost this month






■ \$170.42 BCBSAZ paid
■ \$227.81 You paid

Additional Value-add Information

Personal Health Information

Thomson Reuters

My Conditions		My Medications			
Condition	Last treated	Drug Name	Type	Looks like	Last filled
Hypertension (high blood pressure)	09/24/2010	Diovan	Brand name		05/27/2011
Type 2 diabetes	06/16/2011	Lipitor	Brand name		03/27/2011
		Prilosec	Brand name		04/15/2011

Additional Value-add Information



Date	Name of provider, specialty	Procedure	Name of drug, dosage, quantity
Oct 16/10	ABC Pharmacy		-Diovan 160Mg, 90 Tablet
Oct 16/10	ABC Pharmacy		-Oxycodone-Acetaminophen 5-325Mg, 30 Tablet
Oct 18/10	ABC Pharmacy		-Diovan 160Mg, 90 Tablet
Oct 18/10	ABC Pharmacy		-Astelin 137 MCG, 30 Spray/Pump -Amox Tr-Potassium Clavulanate 875-125Mg, 20 Tablet -Prednisone 10Mg, 18 Tablet
Oct 28/10	ABC Pharmacy		-Diovan 320Mg, 90 Tablet
Nov 4/10	ABC Pharmacy		-Prednisone 10Mg, 18 Tablet
Nov 7/10	Smith MD	-Ofc/Outpt Visit E&M Est Mod-HI	
Nov 7/10	Smith MD	-Lipoprotein A -Lipid Panel -General Health Panel	
Dec 7/09	Smith MD	-Collection Of Venous Blood by	

For more information ...

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www.dalbar.com



Addison



addison

About Addison

Independently
owned for 50 years

70 people
in New York City

Core practices:

Simplification

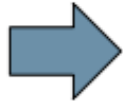
Investor Relations

Branding



Overview

EOBs are rapidly improving



What will help make them even better?

- Regulations will help
- Words will help
- Math will help
- Content will help
- Timing will help
- *All* communications will help



What is beyond "better"?

Regulations Will Help

Multiple Languages

CONTACT INFORMATION

 Visit your Member Services

 Customer Service: 1-888-222-9999 Monday–Friday, 8 a.m.–9 p.m. EST

You have been identified as an individual who is eligible to receive certain notices in the language of this statement. You may call Customer Service using the number noted on the back of your subscriber ID card to request that notices regarding claims and appeals determinations be provided in the language of this statement.

 Visita Servicios del Miembro

 Servicio al Cliente: 1-888-222-9999 Lunes–Viernes, 8 a.m.–9 p.m. EST

Usted ha sido identificado como una persona que cumple con los requisitos para recibir ciertas notificaciones en el idioma utilizado en este comunicado. Puede llamar al departamento de servicio al cliente al número que aparece al respaldo de su tarjeta del seguro para solicitar que las notificaciones relacionadas a reclamaciones y determinaciones de apelaciones se le proporcionen en el idioma de este comunicado.

Words Will Help

SBC Uniform Glossary

Glossary of Health Coverage and Medical Terms

- This glossary has many commonly used terms, but isn't a full list. These glossary terms and definitions are intended to be educational and may be different from the terms and definitions in your plan. Some of these terms also might not have exactly the same meaning when used in your policy or plan, and in any such case, the policy or plan governs. (See your Summary of Benefits and Coverage for information on how to get a copy of your policy or plan document.)
- **Bold blue** text indicates a term defined in this Glossary.
- See page 4 for an example showing how **deductibles**, **co-insurance** and **out-of-pocket limits** work together in a real life situation.

Allowed Amount

Maximum amount on which payment is based for covered health care services. This may be called "eligible expense," "payment allowance" or "negotiated rate." If your **provider** charges more than the allowed amount, you may have to pay the difference. (See **Balance Billing**.)

Appeal

A request for your health insurer or **plan** to review a **claim** or a **grievance** again.

Co-payment

A fixed amount (for example, \$15) you pay for a covered health care service, usually when you receive the service. The amount can vary by the type of covered health care service.

Deductible

The amount you owe for health care services your **health insurance** or **plan** covers before your health insurance begins to pay.



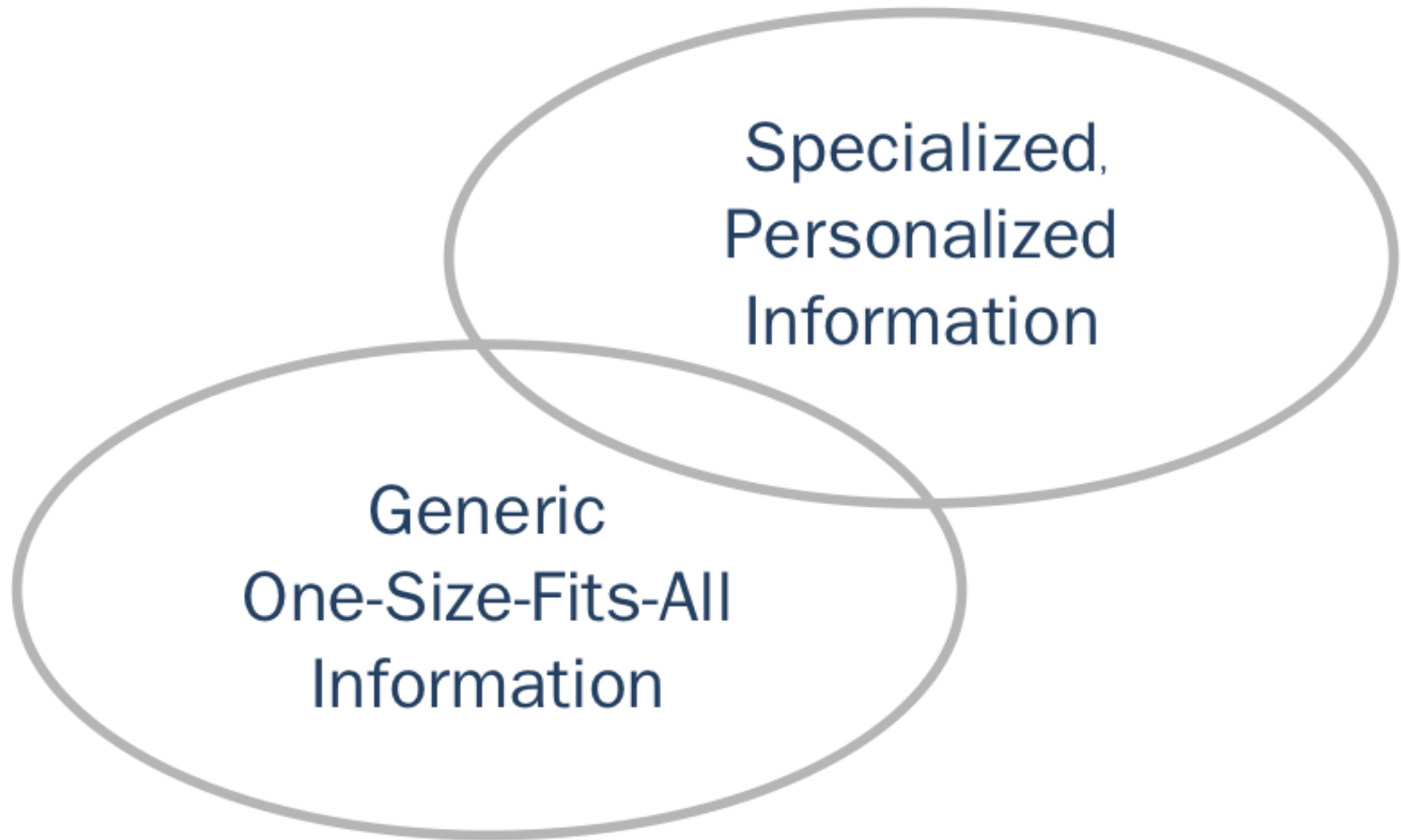
Math Will Help

EOB/HRA/FSA Example

Claim detail

Amount billed	Discount	Amount not covered	Covered amount	Copay/ Deductible	What my CIGNA plan paid	% paid	Coinsurance*	My account paid	Account paid from	What I owe	See notes
120.75	50.87	0.00	69.88	69.88	0.00		0.00	69.88	HRA	0.00	A
381.94	160.91	0.00	221.03	221.03	0.00		0.00	146.91	HRA	0.00	A
								74.12	FSA	0.00	A
85.14	75.68	0.00	9.46	0.00	8.51	90	0.95	0.95	FSA	0.00	A
85.14	0.00	85.14	0.00	0.00	0.00		0.00	0.00		0.00	B
109.94	46.32	0.00	63.62	0.00	57.26	90	6.36	6.36	FSA	0.00	A
\$782.91	\$333.78	\$85.14	\$363.99	\$290.91	\$65.77		\$7.31	\$298.22		\$0.00	

Content Will Help



Generic
One-Size-Fits-All
Information

Specialized,
Personalized
Information

Timing Will Help



Per Event



Claim Period



Quarterly Summary



Semi-Annual Summary



Annual Summary

All Communications Will Help



Account
Opening



Account
Processing



“Welcome”
Experience



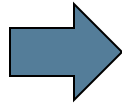
Statements



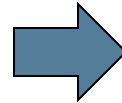
Letters and
Notices

Ed's Forecast

Improved
EOBs



Even
better
EOBs



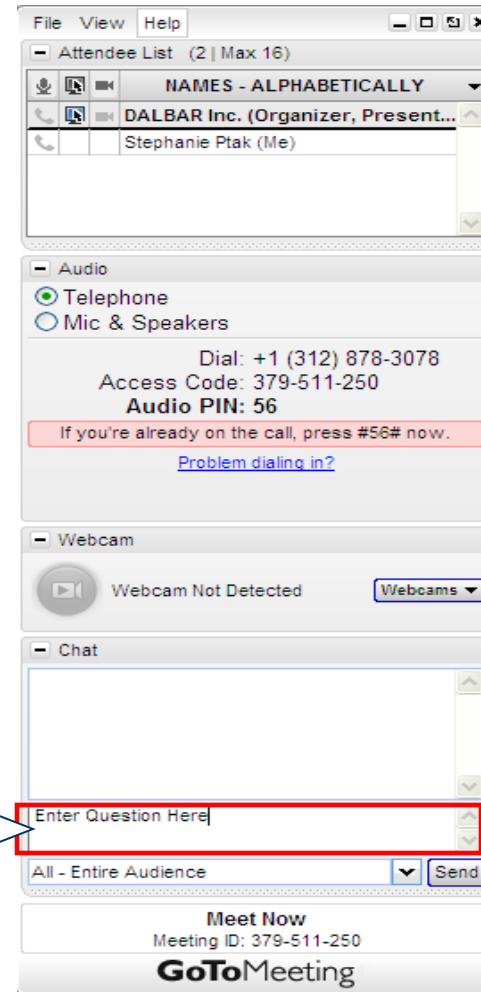
Some EOBs will transform into a tool that helps members participate in and track their health, and get the most from their health insurance.

Other EOBs will resist change and maintain their focus as a limited claim report.

What's your forecast?

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