

Are High-Deductibles Good Public Health Policy?

Studies show that high-deductible health plans produce cost savings by reducing both high- and low-value care, questioning their public policy value in the long term.

High Deductible = Skin in the Game?

High-deductible health plans (HDHPs) aim to get consumers to make value-based decisions about their health care. Given skin in the game — high initial out-of-pocket costs — do consumers prioritize high-value care over low-value care?

High-Value Care

Preventative care

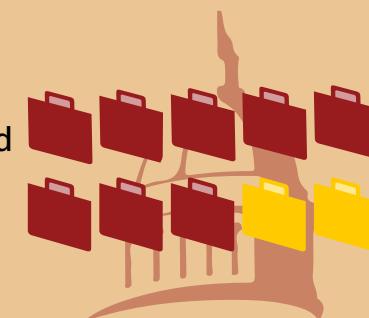


Impact on Overall Health Care Costs

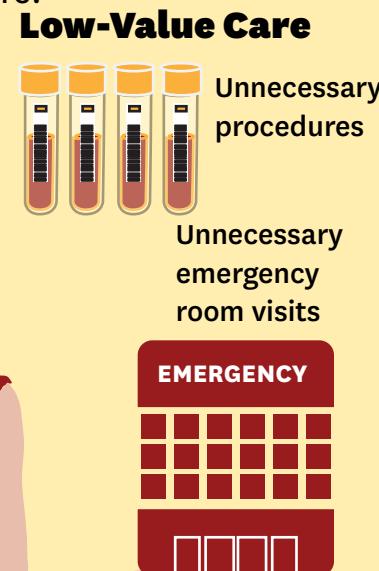
Evidence shows HDHPs resulted in overall reduced health care costs up to 3 years after large employers introduced the plan option

HDHPs have gained significant market share.

80% of plans purchased through ACA Exchanges are HDHPs



1 in 3 plans offered through employers are HDHPs



Impact on Consumer Behavior

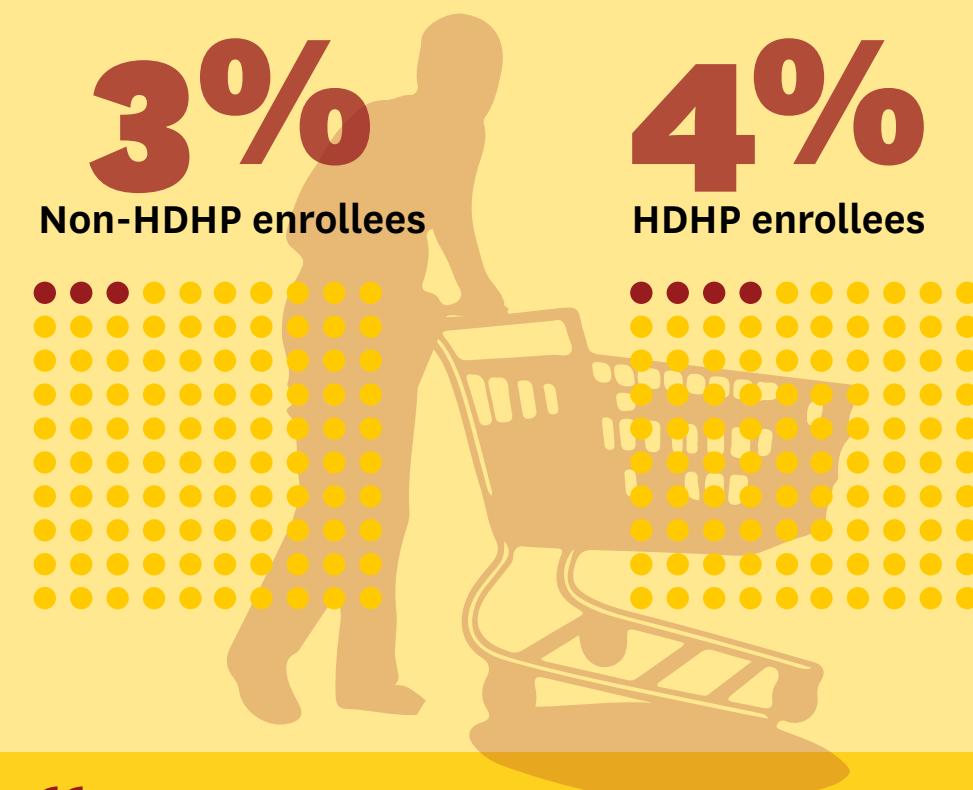
When surveyed, most HDHP and non-HDHP enrollees say out-of-pocket costs matter. But in practice few shop for care — such as comparing costs or changing physicians. Furthermore, there is little difference in behavior between the two groups.

Does 'skin in the game' matter?

During your last use of medical care, did you consider other health care professionals and compare costs across health care professionals?

3%
Non-HDHP enrollees

4%
HDHP enrollees



“What we need are more innovative plan designs that encourage consumers with chronic illness to use appropriate health care, but at the same time discourage inappropriate use of health care by relatively healthy consumers,”

—Neeraj Sood, director of research at the Schaeffer Center and vice dean for research at the USC Price School of Public Policy

Impact on Consumer Decision Making

Evidence suggests that individuals on HDHPs don't make rational choices that prioritize their high-value care. For example, among those who take medications for high cholesterol, high blood pressure, and diabetes, most of the total savings from prescription use came from reducing use of their medicines to treat these chronic conditions.

Percentage of Total Savings from Monthly Out-of-Pocket Spending

