



WHITE PAPER

# Is Your Preventive Benefit Really Covering People at 100%?



It's a familiar scene. You've scheduled your annual physical exam with your doctor. In addition to spending time with the physician, some blood work is ordered to check your cholesterol. Your doctor gives you your annual flu shot and then recommends a screening colonoscopy now that you've turned 45 years old.

All free, right? You went to a network physician, after all, so it must be covered at 100%.

Unfortunately, that's only true for some. Here are some highlights from research recently published in two journals, *Health Affairs* in April 2023 and *Preventive Medicine* in September 2021, based on analyses of commercial health plan claims.

- Across seven different plan designs analyzed, anywhere from 21% to 61% of enrollees experienced cost sharing for preventives services such as flu vaccines, mammography, colonoscopy and even their annual wellness visit.
- When individuals incurred out-of-pocket costs for preventive care, they were charged in the range of \$60 to \$96 for annual well exams and \$329 to \$941 for colonoscopies. Out-of-pocket costs for less expensive preventive services such as flu vaccines or lab work were lower, ranging from \$21 to \$26.
- In employer-sponsored plans, one out of four individuals were estimated to be at risk for receiving a bill for preventive care. Researchers estimated anywhere from \$75 million to \$219 million in cost-sharing for preventive services were inappropriately borne by commercial members. These experiences were more likely to be incurred by women, or in conjunction with screenings for diabetes or high cholesterol, important chronic condition focus areas for employers.

**21% - 61% of enrollees experienced cost sharing for preventive services**

We already know that healthcare affordability is a challenge confronting many working-age people. The Commonwealth Fund recently published survey data showing that many adults find it difficult to afford health care today, with 43% of those with employer coverage struggling. This challenge causes people to forgo or delay care by as many as one out of four people, who are most likely those with lower incomes.

## Preventive Benefit Abrasion

How can this be happening? Ultimately, it comes down to how services are reported on medical claims. Medical carriers have developed detailed claims payment policies to separate screening services from surveillance. To simply explain these two dimensions of prevention, "screening" is done to detect conditions early in people not known to have disease, or who may be at risk of disease, whereas surveillance is monitoring patients based on their risks, because of previous findings or family history. Health plans have gone to great lengths to pay as little for preventive services as they can, and they use these distinctions in their claims payment policies. Unfortunately, few people understand these differences and, as the research is showing, they end up going in for an annual preventive exam expecting 100% coverage, only to learn otherwise, long after their visit.

The research cited earlier summarized various statistics related to the cost exposure individuals may face with different types of preventive services. In November 2023, STAT News brought this issue to life with various examples of how bad the cost exposure risk can become. The article, entitled "Colon cancer prevention paradox: Higher-risk patients pay more for colonoscopy", shared the story of a first colonoscopy for a patient that resulted in a \$12,000 charge; while this may seem an outlier, their reporting further highlighted costs ranging from \$3,000 to \$5,000 for what patients assume would have been 100% covered by their medical plan. Perhaps the most powerful conclusion from the article is the statement saying those "most likely to get colorectal cancer are also most likely to be stuck with the bill for trying to prevent cancer." Research from Stanford University was also cited finding many

individuals who fall into a surveillance track for colorectal cancer don't follow through on their screenings. It is discouraging to read stories like these that bring to life how free preventive care is a matter of haves and have nots for some health plans.

While many self-insured employers can take steps with their third-party administrators to reduce this kind of benefit "abrasion", the reality is the claims payment policies common to many health plans today are too difficult for even the most sophisticated employer to correct. To add insult to injury, some providers have engaged in creative billing practices to increase their reimbursement, which increases the risk of out-of-pocket cost exposure for patients. KFF Health News recently reported on a couple who each had colonoscopies, where the provider's billing for surgical trays cost \$600, even though the colonoscopy procedures were paid as preventive care with no out-of-pocket cost. The situation took persistence by this couple to get all of their preventive care paid in full. How many people would have given up and just paid the bill?

The truth is many people are not experiencing the full benefits of 100% preventive coverage, because they have existing disease or a known risk of disease due to their family history. While the ACA eliminated the pre-existing condition limitations that hindered access to medical insurance, pre-existing conditions seem to have found a new home in the preventive benefit. Surely, there is a better way.

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## 100% Coverage for Preventive Care is Possible

EHE Health's preventive benefit program is designed to avoid all this confusion and fear, ensuring members receive comprehensive preventive care at 100% in-network benefit coverage from high quality physicians. The member benefits through the program's simplicity, whether they do all their preventive care in one visit, or through multiple visits over the year following their initial preventive exam. If the service is delivered through EHE, there is no need to differentiate between screening or surveillance because it is 100% covered.

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The employer benefits too, as EHE's bundled pricing model protects against the dramatic variation in costs for medical services, while ensuring their members experience great medical care, elevating their benefit program. The good news is, it's easy to set up with your third-party administrator too, eliminating the need to dig into those mind-numbing preventive care claim payment guidelines.

<sup>1</sup>Makhoul A et al. Patient Cost Exposure and Use of Preventive Care Among ACA-Compliant Individual Plans, Health Affairs, April 2023, <https://www.healthaffairs.org/doi/full/10.1377/hlthaff.2022.00575>

<sup>2</sup>Makhoul A et al. Patient Cost Exposure and Use of Preventive Care Among ACA-Compliant Individual Plans, Health Affairs, April 2023, <https://www.healthaffairs.org/doi/full/10.1377/hlthaff.2022.00575>

<sup>3</sup>Hoagland A, Shafer P. Out-of-Pocket Costs for Preventive Care Persist Almost a Decade After the Affordable Care Act. Prev Med. 2021;150:106690.

<sup>4</sup>See Paying for It: How Health Care Costs and Medical Debt Are Making Americans Sicker and Poorer, Commonwealth Fund, October 2023. <https://www.commonwealthfund.org/publications/surveys/2023/oct/paying-for-it-costs-debt-americans-sicker-poorer-2023-affordability-survey#:~:text=Large%20shares%20of%20insured%20working,51%20and%20percent%20with%20Medicare.>

<sup>5</sup>See Colon cancer prevention paradox: Higher-risk patients pay more for colonoscopy by Angus Chen, November 29, 2024, STAT News, <https://www.statnews.com/2023/11/29/colorectal-cancer-colonoscopy-insurance-copay/>

<sup>6</sup>One large national medical carrier's published preventive care services payment guidelines runs 49 pages. Another national carrier runs 31 pages. Most plans publish their guidelines online for reference. Unfortunately, only experts can understand them.

<sup>7</sup>See The Colonoscopies Were Free. But the 'Surgical Trays' Came With \$600 Price Tags, KFF Health News, January 25, 2024. <https://kffhealthnews.org/news/article/bill-of-the-month-free-colonoscopy-random-supplies-charge/>