

Health Insurance Exchanges: Delivering Value for Health Care Consumers and Challenges Ahead



Dan Durham

Executive Vice President

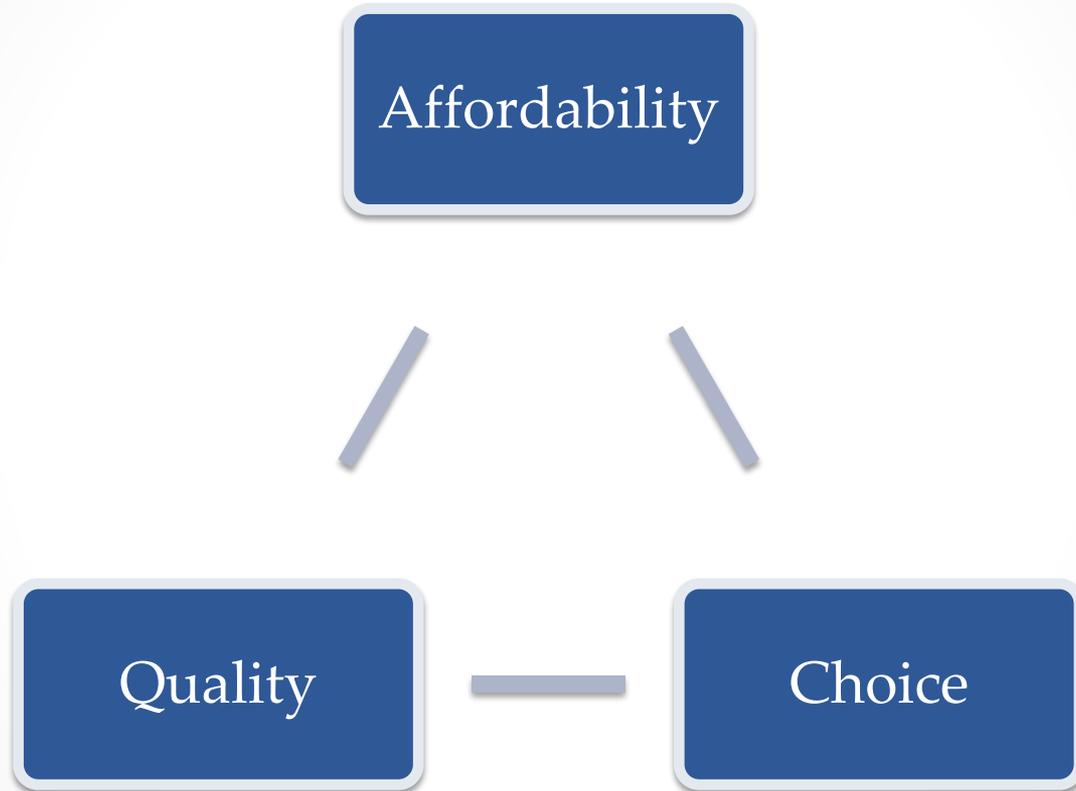
America's Health Insurance Plans

February 24th, 2015

Outline

- Consumer Priorities
- Delivering Value in the Exchanges
- Challenges Ahead
- Deeper Dive: Provider Consolidation & High Cost Drugs
- What Are Next Steps

Consumer Priorities



Delivering Value in the Exchanges

Affordability

*Premiums for narrower network plans are 5-20% lower compared to broader network plans***

73%

**Satisfaction Rate with New Coverage
in the Exchange*****

Quality

Choice

*"...no meaningful performance difference between broad and narrowed exchange networks based on key CMS hospital metrics."**

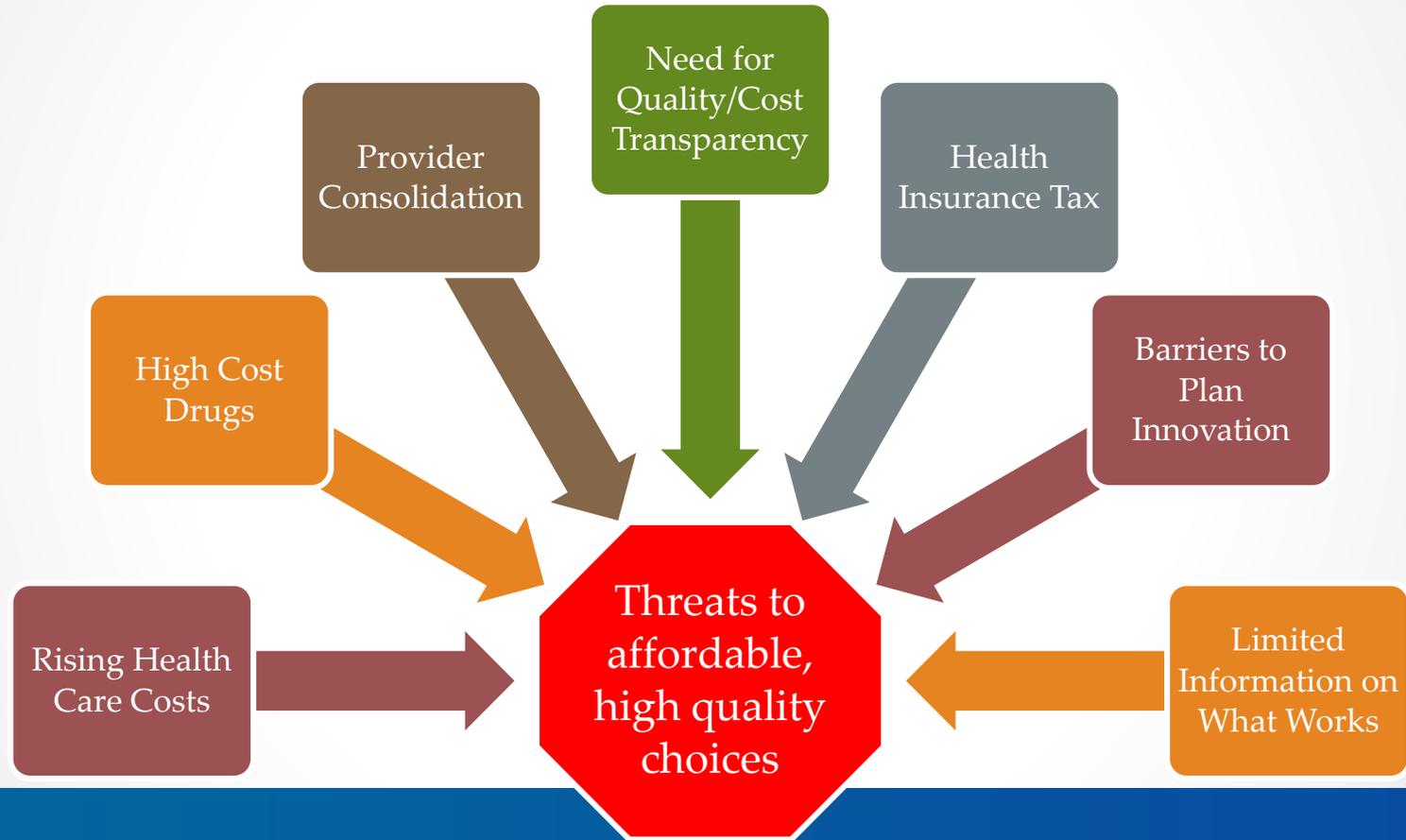
*92% of individuals have access to narrow networks; 90% have access to broad networks**

*McKinsey Report on Networks on the Exchanges (June)

**Milliman, High-Value Healthcare Provider Networks

***Commonwealth Fund, Tracking Trends in Health system performance, July 2014

Challenges Ahead



Deeper Dive: Provider Consolidation

Consolidation
Has Been
Ramping Up



Nearly 50% Increase in
M&A Activity Since
2009

Rhetoric Does
Not Match
the Reality



Mergers Are Leading To
Higher Prices and Not
Necessarily Higher
Quality

Need to
Ensure
Competitive
Provider
Markets



Creating Efficiencies
Cannot Be An Excuse
for Anti-Competitive
Behavior

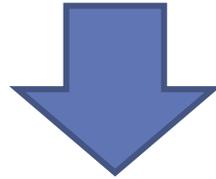
Deeper Dive: High Cost Drugs

Not a Truly
Competitive
Market



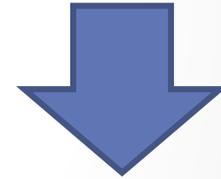
How Do We Get More
Competition?

Limited
Negotiating
Power on
Consumers'
Behalf



How Do We Prevent
Anti-Competitive
Practices?

Need to
Ensure More
Competition
and
Transparency



How Can We Ensure
that Prices Are Truly
Representative of
Value?

Next Steps

Collaboration

Performance Measure Alignment

Transparency

Removing Barriers to Delivering Quality Care

Improving the Evidence-Base to Drive Value

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