

# Value Based Open Option



**Plans designed  
to encourage  
healthy behaviors**



# The Value Based Approach



With health care costs rising faster than the rate of inflation, health insurance is becoming an increasingly large expense for employer groups. At Providence Health Plans, we understand this struggle. Our new suite of Value Based Open Option plans provides more options to help employer groups keep members healthy. Providence Health Plans have been well-recognized for our value-based approach to health care for many years – we've even received awards for it. We are pleased to introduce new products that further support our approach to health management.



## How Value Based Open Option Plans work

Using collective data about Providence Health Plan members, we have designed a product line with benefits that encourage healthy behaviors. The goal of the new Value Based Open Option Plans is to eliminate financial barriers and red tape so that more members will take advantage of preventive care and disease management opportunities, helping them achieve and maintain good health. Key features include:

- More preventive care benefits than any Providence health plan offered before
- Preventive health and wellness services that are fully covered or have low out-of-pocket costs
- Targeted outreach to individual members based on claims data to improve care and out-of-pocket expenses
- Higher cost-sharing for sometimes avoidable services, such as emergency room visits, imaging and lab
- Plans are based on the data of the entire Health Plan, ensuring that the population is representative for both large and small groups



**At Providence Health Plans, “value” doesn’t mean the cheapest plan with stripped-down benefits. “Value” means a greater health plan investment in disease management and preventive care.**

Our message is that by treating health risks early, we can avoid health complications and costs later. This isn’t a new philosophy for Providence. Data show that preventive care and disease management over the last five years at Providence Health Plans have paid off. More and more members are making healthier choices, adhering to their treatment plans, and managing their prescriptions for chronic diseases with lower out-of-pocket costs. One strong reason why our approach has been successful is because our members have access to the multiple systems of care, health education and outreach programs that are unique to Providence Health Plans. Coinciding with the launch of our Value Based Option Plans, members will now have access to two exciting new programs: Value Based Prescription Plans and Health Balance<sup>SM</sup>.



## Value-based pharmacy

Four new Value Based Prescription Plans make it easier for members with chronic conditions to access the medications needed for treatment at a lower cost. The drugs used to treat chronic conditions will be available for the lowest co-pay, whether they are generic or brand-name. Generic drugs will be next in line with regard to an affordable co-pay, followed by brand-name formulary and most specialty drugs. Non-formulary and compounded drugs are subject to coinsurance, with an out-of-pocket maximum to protect members and their families financially.



**Value Based Pharmacy Plans are designed to encourage members with chronic conditions to continue taking their necessary medications, while also promoting more cost-effective generic drugs when doctors determine generics are a good treatment option over brand-name drugs.**



## Health Balance<sup>SM</sup> program

New for fall 2008, Health Balance<sup>SM</sup> is the employee wellness program offered to all health plan members. Free, confidential and easy to use, Health Balance derives from the same value-based health management philosophy: promote wellness and a healthy lifestyle, prevent illness and work towards reducing rising medical costs. Visit [www.providence.org/healthplans/employers](http://www.providence.org/healthplans/employers) for more information, tools and resources to help employers and employees make healthy choices.

If your employer group is looking for more options to choose from as medical costs rise, investing in your employees' health and wellness with Providence Health Plan's Value-Based Open Option Plans can be a great choice for you. Visit [www.providence.org/healthplans/employers](http://www.providence.org/healthplans/employers) for more information.

## Take an active role in achieving good health

The new value-based plans make up one more suite of products that demonstrate Providence Health Plan's dedication to keeping members well. In tandem with our current medical management practices, these plans encourage members to stay healthy and help those with chronic conditions stick to their treatment plans.

In the way that the benefits are designed, Providence Health Plans have done most of the work for you to engage your employees and encourage healthy choices to make progress towards decreasing long-term costs.



## Improving member health

At Providence Health Plans, we're proud to provide coverage to our members that gives them access to quality health care services, with the goal of helping them improve their health. Here are a few examples of the recognition that we've received from the industry that demonstrate our value-based approach and commitment to our members' health.

- **Disease Management Purchasing Consortium International** – *Excellence in Disease Management Outcomes: 2008-2009*
  - Asthma Disease Management
  - Asthma Admission Avoidance
  - Coronary Artery Disease Management
- **Health Industries Research Companies** – *Excellence in Disease Management: 2003, 2006*

## Value Based Open Option:

# Sample Plan Benefit Highlights\*

Deductibles available: \$250 / \$500 / \$750 / \$1,000 / \$2,000



Preventive Health and Wellness Services	In-Plan Co-Pay or Coinsurance	Out-of-Plan Coinsurance
Routine immunizations/shots Flu and pneumococcal vaccines Mammogram	Covered in full	40%✓
Health maintenance testing: CBC, urinalysis, chemical profile, glucose, cholesterol, fecal blood	Covered in full	40%
Routine diabetes testing: HbA1c, retinal exam, urine test for kidney function, diabetic exams of mouth, teeth and feet	Covered in full	40%
Periodic health exams; well-baby care (personal provider) Annual gynecological exams; Pap tests Annual prostate screening exam Nutritional counseling for weight loss (2 visits/year)	\$10 / visit✓	40%✓
Colorectal cancer screening: sigmoidoscopy, colonoscopy	\$10 / visit✓	40%
Smoking deterrent medications, prescription and over the counter (\$500/lifetime at participating pharmacy)	\$10✓	Not covered
Physician / Provider Services		
Office visits	\$20 / visit✓	40%✓
Inpatient hospital visits; surgery; anesthesia; allergy shots; serums; injectable medications; other office procedures	30%	40%
Hospital Services		
Inpatient care; Observation care; Rehabilitative care (30 days per calendar year); Skilled nursing facility (60 days per calendar year)	30%	40%
Maternity		
Pre- and post-natal visits; delivery Routine newborn nursery care Hospital services	\$200 / pregnancy✓ 30%✓ 30%	40%
Emergency/Urgent Care/Ambulance Services***		
Emergency services (for emergency medical conditions only)	\$125	\$125
Urgent care services (for non-life threatening illness/minor injury)	\$25✓	\$25✓
Ambulance services (for emergency transportation only)	30%	30%
Other Covered Services		
X-ray; lab services	30%	40%
Imaging services (PET, CT, MRI)	30%	
Medical and Diabetes Supplies, Durable Medical Equipment	30%**	
Outpatient rehabilitative services (30 visits per calendar year)	30%	
Outpatient surgery, dialysis, infusion, chemotherapy, radiation therapy	30%	

\* Sample Plan is incomplete and serves as a high-level overview only. Refer to Summary of Benefits for complete details.

\*\*\* Co-pay is waived if admitted to the hospital within 24 hours.

✓ Deductible does not apply.

\*\* Deductible does not apply to purchases of diabetes supplies.

## Value Based Open Option:

Deductibles available: \$250 / \$500 / \$750 / \$1,000 / \$2,000

Annual deductible	\$10/\$20/30%/40%/\$3,000 with \$2,000 Common Deductible
Individual	\$2,000
Family	\$6,000

Annual deductible	\$10/\$20/30%/40%/\$3,000 with \$1,000 Common Deductible
Individual	\$1,000
Family	\$3,000

Annual deductible	\$10/\$20/30%/40%/\$3,000 with \$750 Common Deductible
Individual	\$750
Family	\$2,250

Annual deductible	\$10/\$20/30%/40%/\$3,000 with \$500 Common Deductible
Individual	\$500
Family	\$1,500

Annual deductible	\$10/\$20/30%/40%/\$3,000 with \$250 Common Deductible
Individual	\$250
Family	\$750

The Common Deductible applies to both In-Plan and Out-of-Plan services.



## Value Based Pharmacy:

### Sample Plan Benefit Highlights\*

Four different plans are available to choose from

Drug Coverage Category	Co-Pay or Coinsurance			Annual Out-of-Pocket Maximum
	Participating & Preferred Pharmacies (30-day supply)	Mail Order & Preferred Pharmacies (90-day supply)	Participating Specialty Pharmacies	
<b>Value drug:</b> Generic or brand-name drugs commonly used for chronic conditions**	\$5	\$15	Does not apply	Does not apply
<b>Generic drug</b>	\$10	\$30	\$10	
Formulary brand-name drug	\$30	\$90	\$30	
Non-formulary brand-name drug	50%	50%	50%	\$2,000 per person \$6,000 per family (3 or more)
Compounded drug	50%	Does not apply	Does not apply	

\* Sample Plan is incomplete and serves as high-level overview only. Refer to Summary of Benefits for complete details.

\*\* Examples of chronic conditions include diabetes, high blood pressure, high cholesterol, heart disease, depression, asthma and other breathing conditions.

## OUR MISSION

As people of Providence,  
we reveal God's love for all,  
especially the poor and vulnerable,  
through our compassionate service.

## OUR CORE VALUES

Respect, Compassion, Justice,  
Excellence, Stewardship

### Beaverton office

3601 SW Murray Blvd., Suite 10  
Beaverton, OR 97005  
503-574-6300  
1-877-245-4077

### Eugene office

1500 Valley River Drive, Suite 200  
Eugene, OR 97401  
1-877-245-4077

[www.providence.org/healthplans/employers](http://www.providence.org/healthplans/employers)



Providence Health & Services, a not-for-profit health system,  
is an equal opportunity organization in the provision of  
health care services and employment opportunities.

© 2008 Providence Health Plans. All rights reserved.



**Health Balance**™ is a registered  
service mark of Providence Health Plans.

PHP 281641