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**LAURA RICH**  
Executive Officer

## AGENDA ITEM

Action Item

Information Only

**Date:** September 24, 2020

**Item Number:** VIII

**Title:** Proposed Changes to Healthcare Blue Book Rewards Payments

### SUMMARY

This report provides information on the Healthcare Blue Book rewards program and proposed changes to financial incentives.

### BACKGROUND

On November 30, 2017, the Board approved Plan Year 2019 cost savings activities to include the implementation of Healthcare Bluebook, a transparency tool that incentivizes members to shop for high quality, low cost providers in their region. By displaying the variations in price and quality for specific procedures, Healthcare Bluebook helps members become better consumers and in some cases receive a cash incentive if they choose to seek care at the identified facilities.

In March 2018, the Board approved the rewards option that separated rewards by region, and in turn capitalized on each market condition throughout the state. In this scenario, specific medical procedures that experienced lowest utilization of low cost providers were chosen for each region, and members who used those low cost, high quality providers (labeled as “green providers”) for those specific services were automatically provided a monetary reward.

Since PEBP now has two years of HCBB data showing excellent member utilization rates, it is an opportune time to reevaluate the rewards methodology. Currently, PEBP is incentivizing all utilization of green providers for specific services regardless of whether or not a member uses HCBB to search for the procedure. PEBP is proposing transitioning to a model where members must actively use HCBB to search for a procedure and subsequently use the green provider to receive the associated financial reward. Additionally, PEBP is recommending expanding the list of qualifying procedures and in some cases, increasing the dollar amounts, in order to further incentivize positive shopping behavior and ultimately drive more members to lower cost, high quality providers.

Although the amount of qualifying procedures and reward dollars will increase under this proposal, it is expected to at best, incur additional savings to the program or in a worst case scenario, be cost neutral.

**REPORT**

See Attachment A.

**RECOMMENDATION:**

PEBP recommends the Board to approve the method rewards payments for HCBB are issued so that rewards amounts are awarded only when members search for a qualifying procedure and subsequently choose a green provider to perform the procedure.

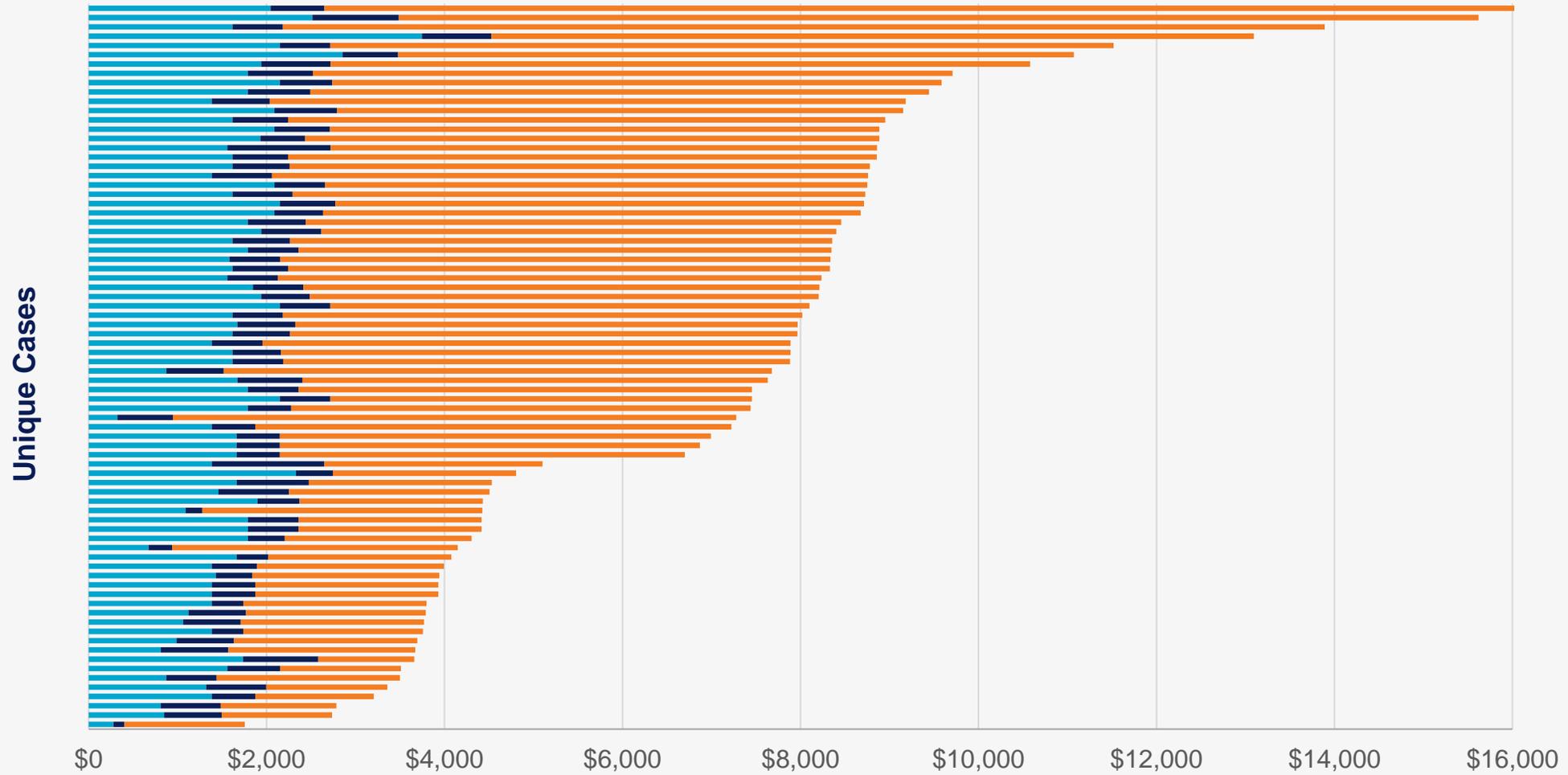


Healthcare Bluebook

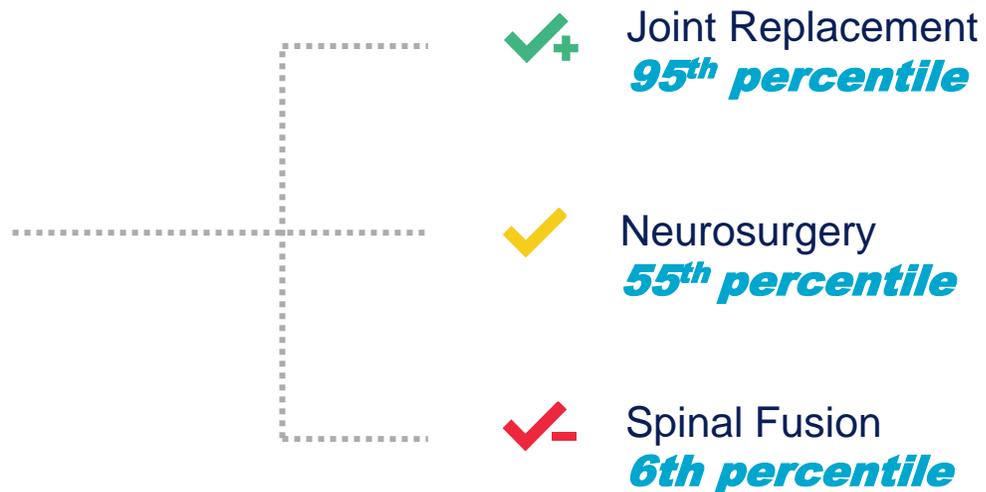
# Healthcare Bluebook Rewards September 24, 2020

# Knee Arthroscopy

Market | Reno



# Hospitals may do everything, but they are not **great** at everything...



# Aligning Quality + Cost

Centers of Excellence



Centers of Dysfunction



### Total Abdominal Hysterectomy

Fair Price **\$16,071**

\$12,857 \$40,178+

VIEW FAIR PRICE BREAKDOWN

**Go Green to Get Green**

**\$1,000 Reward** You are eligible to earn the maximum reward amount for this service by using a Bluebook provider that is **green-rated for quality and green-rated for cost.**

Highest Quality At or Below Fair Price

**\$700 Reward** You are eligible to earn a lower reward for this service by using a Bluebook provider that is **green-rated for quality and yellow-rated for cost.**

Highest Quality Slightly Above Fair Price

[LEARN MORE](#)

Sort By:  Distance:

	Quality Ranking	Cost Ranking
<a href="#">University Medical Center of Southern Nevada</a> (~ 2 miles)		
<a href="#">Mountainview Hospital</a> (~ 7 miles)		
<a href="#">Henderson Hospital</a> (~ 9 miles)		
<a href="#">Summerlin Hospital Medical Center</a> (~ 11 miles)		
<a href="#">Spring Valley Hospital Medical Center</a> (~ 9 miles)		
<a href="#">Valley Hospital Medical Center</a> (~ 2 miles)		
<a href="#">Southern Hills Hospital and Medical Center</a> (~ 12 miles)		
<a href="#">Dignity Health St. Rose Dominican - Siena Campus</a> (~ 12 miles)		
<a href="#">Dignity Health St. Rose Dominican - San Martin Campus</a> (~ 11 miles)		
<a href="#">Centennial Hills Hospital Medical Center</a> (~ 12 miles)		
<a href="#">Sunrise Hospital and Medical Center</a> (~ 3 miles)		



# Year 1 Outcomes Summary

**\$1,620,416 TOTAL SAVINGS**

**3.3:1 ROI\***

**23.1% UTILIZATION**



# Engagement Rewards

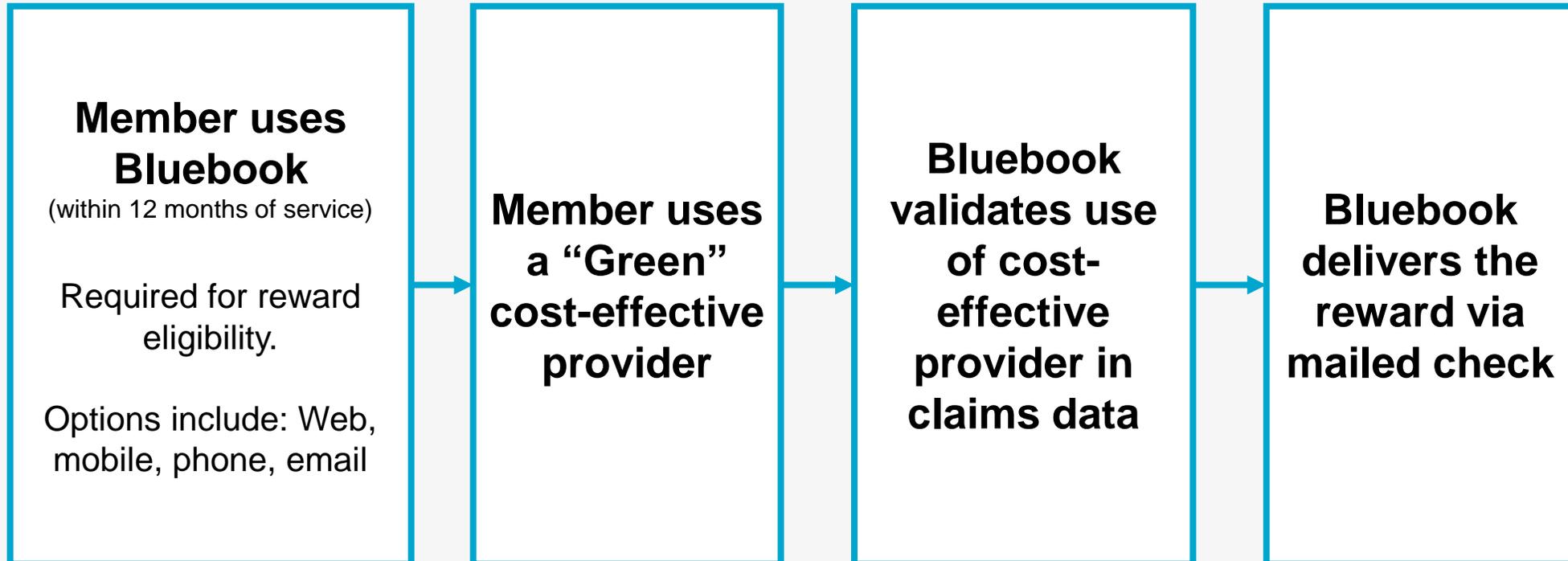
## **Current: All Green Rewards**

- Rewards all members that choose green providers
- 200 rewardable procedures
- Maximum rewards = \$125
- Annual reporting

## **Proposed: Engagement Rewards**

- **Attribution: requires members to shop and then choose a green provider**
- **420+ rewardable procedures**
- **Inpatient and Outpatient Procedures**
- **Max rewards up to \$1,000**
- **Quarterly reporting**
- **Higher engagement (requires use of Bluebook digital engagement)**

# Reward Process



## Budget & Savings

Rewards  
Budget

\$26K – \$55K

Savings  
Projection

\$868K – \$1.73M

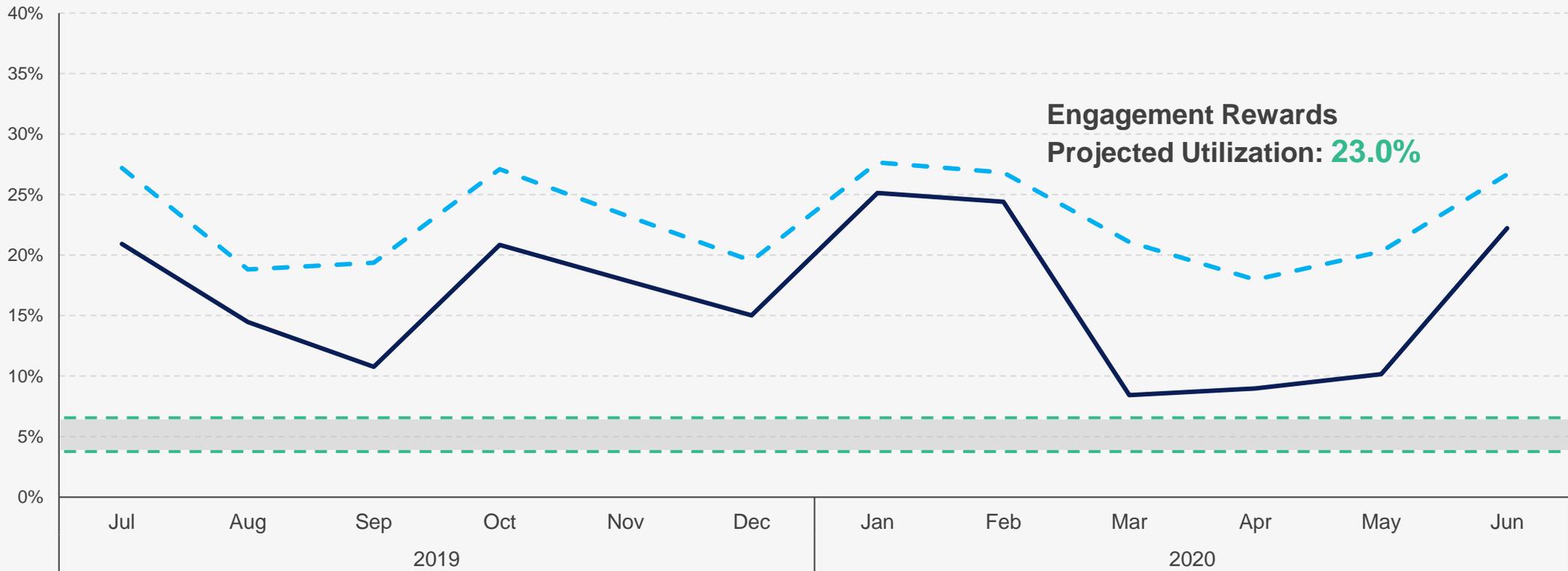
Note. Projection represents savings for rewards categories alone. We estimate there are additional savings in other categories not yet being tracked.

## Case Study

- Single-state employer, over 100,000 employees
- Year 1 with Healthcare Bluebook
- Utilizing digital engagement best practices
- 15% average monthly utilization
- ROI > 2.5:1
- Total Savings: >\$3.6 million

# Monthly Website Utilization

Year 2 Average Utilization: **16.5%**



Target Range:  
**3-5%**

Communication

# Las Vegas Outpatient Engagement Rewards List

Procedure	Reward Amount
Bone Density Scan	\$0
Breast Biopsy	\$100
Carpal Tunnel Surgery	\$100
Cataract Surgery	\$0
Cholecystectomy	\$100
Colonoscopy	\$25
Complex Ear Drum Repair	\$100
CTs	\$0
Diagnostic Mammogram	\$0
Ear Tube Placement	\$100
Heart Perfusion Imaging	\$0
Hysteroscopy	\$100
Lithotripsy	\$100
MRIs	\$25
Nasal Surgery	\$100
Non-Obstetric Ultrasound	\$0
Obstetric Ultrasound	\$0
OP Elbow Surgery	\$150
OP Hip Surgery	\$150
OP Knee Surgery	\$150
OP Shoulder Surgery	\$150
Removal of Adenoids	\$100
Repair Finger Tendon	\$100
Screening Mammogram	\$0
Sleep Study	\$0
Tonsillectomy	\$100
Transesophageal Echocardiogram	\$50
Transthoracic Echocardiogram	\$0
Upper GI Endoscopy	\$50
X-Ray	\$0

# Reno Outpatient Engagement Rewards List

Procedure	Reward Amount
Bone Density Scan	\$0
Breast Biopsy	\$100
Carpal Tunnel Surgery	\$100
Cataract Surgery	\$100
Cholecystectomy	\$100
Colonoscopy	\$0
Complex Ear Drum Repair	\$100
CTs	\$25
Diagnostic Mammogram	\$0
Ear Tube Placement	\$100
Heart Perfusion Imaging	\$50
Hysteroscopy	\$100
Lithotripsy	\$100
MRIs	\$25
Nasal Surgery	\$100
Non-Obstetric Ultrasound	\$0
Obstetric Ultrasound	\$0
OP Elbow Surgery	\$150
OP Hip Surgery	\$150
OP Knee Surgery	\$150
OP Shoulder Surgery	\$150
Removal of Adenoids	\$100
Repair Finger Tendon	\$100
Screening Mammogram	\$0
Sleep Study	\$0
Tonsillectomy	\$100
Transesophageal Echocardiogram	\$50
Transthoracic Echocardiogram	\$25
Upper GI Endoscopy	\$50
X-Ray	\$0

# Elko Outpatient Engagement Rewards List

Procedure	Reward Amount
Bone Density Scan	\$0
Breast Biopsy	\$100
Carpal Tunnel Surgery	\$100
Cataract Surgery	\$100
Cholecystectomy	\$100
Colonoscopy	\$75
Complex Ear Drum Repair	\$100
CTs	\$50
Diagnostic Mammogram	\$0
Ear Tube Placement	\$100
Heart Perfusion Imaging	\$50
Hysteroscopy	\$100
Lithotripsy	\$100
MRIs	\$50
Nasal Surgery	\$100
Non-Obstetric Ultrasound	\$0
Obstetric Ultrasound	\$0
OP Elbow Surgery	\$150
OP Hip Surgery	\$150
OP Knee Surgery	\$150
OP Shoulder Surgery	\$150
Removal of Adenoids	\$100
Repair Finger Tendon	\$100
Screening Mammogram	\$0
Sleep Study	\$75
Tonsillectomy	\$100
Transesophageal Echocardiogram	\$50
Transthoracic Echocardiogram	\$50
Upper GI Endoscopy	\$75
X-Ray	\$0

# Inpatient Engagement Rewards List (COE)

<b>Procedure</b>	<b>Green Quality Green Price</b>	<b>Green Quality Yellow Price</b>
Benign Breast Tumor Removal	\$350	\$250
Hysterectomy	\$350	\$250
Spinal Fusion	\$1,000	\$750