

Highlights from the 2017 St. Louis Health Industry Overview, Volume 1: Health Plans

Brought to you by the St. Louis Area Business Health Coalition
Full report may be accessed at stlbhc.org

In 2015, the U.S. hit two Milestones:

9%

The percentage of uninsured Americans dropped to its lowest point.

75% of public exchange customers received subsidies

Health care spending increased **6%** in 2015, up from **5.3%** in 2014.



\$36 Billion

Federal spending on health care programs exceeded Social Security costs for the first time.

Federal Spending: \$936 Billion
Social Security Spend: \$900 Billion

St. Louis Medicare Advantage Plans Outperform Commercial Insurers

Financial incentives in Medicare Advantage plans are more likely to include quality bonuses or other gain sharing rewards for clinicians that get positive results.

Hypertension Control

Medicare Advantage **73%**

Commercial Insurance **53%**

Blood Sugar Control

Medicare Advantage **78%**

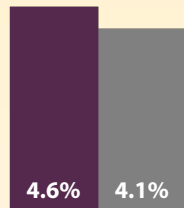
Commercial Insurance **58%**

Secure Financial Positions

Health plans remained profitable despite losses on individual products, both on and off the exchanges.



Health Plan Operating Margins



Health Plan Profit Margins

■ National Average ■ St. Louis Average

Medicare Advantage

Private health plans with a 4-star rating receive a bonus for providing better quality care.

More than half of St. Louis plans earned 4-star rating or higher.



Nationally, less than half of plans earned 4-star rating or higher.



Commercial Payment Alignment

All Local Insurers Pay a **Quality Bonus** to Some Providers

Fee-For-Service Payment
Still Most Common Method

Some Bundled Payments, Yet No Local Plan Offers **Reference Pricing**

All have the responsibility to improve health care affordability.

Public & Private Employers

