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**EBRI Finds Health Plan Deductibles Don't Result in Better Choices Around Low-Value Services Once Deductibles Are Met**

***Discouraging Low-Value Care May Require More Nuanced Plan Design, Improved Consumer Education***

**WASHINGTON – October 22, 2020** – A new study from the Employee Benefit Research Institute (EBRI) examining the extent to which members who satisfy their plan deductible continue to choose wisely when it comes to health care services used, finds the likelihood of receiving low-value health care services increased by as much as 83 percent, depending on the service, for those who had satisfied their plan's deductible relative to those who had not. The study also found that use of cancer screenings is higher among those who do not meet the age recommendations once deductibles are met.

The study, “Do People Choose Wisely After Satisfying Health Plan Deductibles? *Evidence From the Use of Low-Value Health Care Services*”, examines the extent to which members who satisfy their plan deductible continue to be selective when it comes to services used. To quantify whether deductibles help patients learn to avoid choosing low-value care once deductibles have been met, researchers compared the use of six commonly over-utilized imaging, screening, and pre-surgery testing services among 1.5 million individuals enrolled in commercial health plans with a deductible who had, and had not, satisfied the deductible.

Specifically, the research found:

- Individuals reaching their deductible were 83 percent more likely than those not reaching their deductible to have received imaging for an uncomplicated headache within the first 120 days of diagnosis.
- Receipt of screening that were not clinically indicated was also higher among patients who had reached their deductible: Those who had reached their deductible were 68 percent more likely to have had a vitamin D test and 21 percent more likely to have had a PSA test relative to individuals who had not reached their deductible.
- There was a 126 percent increase in use of colorectal cancer screenings once individuals reach their deductible among individuals under age 50 (evidence based guidelines recommended screening of average risk individuals beginning at age 50 in 2015).

“Proponents of HDHPs argue that high cost-sharing can enhance consumers’ tendency to discriminate between high- and low-value health care services, however, a proportion of enrollees will satisfy health plan deductibles, no matter how high,” said Paul Fronstin, Director of EBRI’s Health Research and Education Program and co-author of the report. “Patients who have met their deductible may pay little or nothing for subsequent care, while members still under their deductible generally face 100 percent cost-sharing. It is possible that when a plan deductible is met, relatively low levels of cost-sharing thereafter releases pent-up demand for care, including low-value medical services. Alternatively,

meeting a health plan deductible may be associated with less patient scrutiny over the value of health care services being prescribed by health care providers.”

A lack of nuance in plan design regarding coverage of low-value services may contribute to the observed patterns for those enrollees who satisfy their deductibles, or expect to. Plan sponsors likely miss opportunities to encourage smarter shopping when commonly overused services are treated no differently than unambiguously high-value services for purposes of cost-sharing. The development and implementation of plan designs that consistently and continuously discourage the use of specific low-value services may be called for to more precisely address this issue, rather than oft-satisfied ‘blunt’ deductibles. For example, the State of Oregon’s public employees plan imposes consumer surcharges for certain commonly overused services, leading to a 13 percent reduction in the use of specified overused services. Similarly, Aetna’s and Cigna’s made changes to their policies that no longer cover population-based Vitamin D screening.

In addition to more nuanced plan designs that effectively discourage low value care, these findings underscore the need to implement provider-facing initiatives to reduce-low value care – and ensure that policies are aligned with consumer cost-sharing to achieve low-value care avoidance. “The use of measures of low-value care delivery in new payment models, learning collaboratives for providers, and performance feedback, are among the tools that may help reduce the delivery of low-value care,” said Fronstin.

Copies of “Do People Choose Wisely After Satisfying Health Plan Deductibles? *Evidence From the Use of Low-Value Health Care Services*” can be downloaded at [ebri.org](http://ebri.org).

#### **About the Study:**

To study the impact of having satisfied the deductible on use of low-value health care services, we made use of the Truven Health Analytics MarketScan® Commercial Claims and Encounters Databases (CCAЕ), and the Benefit Plan Design (BPD) Database (copyright © Truven Health Analytics, all rights reserved) for 2015. The BPD Database was created by Truven Health via a statistical analysis of the CCAЕ data to infer values for plan-level design elements such as deductibles, coinsurance rates, and copayment amounts. Our analytical dataset consisted of 1.5 million full-time employees with employee-only coverage between ages 18 and 64 who were continuously enrolled in employment-based health insurance during 2015. Members in capitated health plans were excluded.

Informed by previous related research (Mafi, Russell, Bortz, Dachary, Hazel, & Fendrick, 2017), diagnosis codes, procedure codes, and individuals’ age and gender were used to construct measures of six low-value health care services. These specific services - selected because they could be reliably studied through administrative claims data -- represented a variety of different types of low-value care (e.g., imaging, screening, laboratory work), and were relevant to a range of populations. Inappropriate delivery of the following services was examined: imaging for low-back pain; imaging for uncomplicated headache; pre-operative testing before outpatient hernia repair; laboratory testing for vitamin D deficiency; and screening for prostate cancer (men of any age).

The study also examined how screenings for breast cancer, cervical cancer, and colorectal cancer were affected when individuals reached deductibles by the recommended age for the screening. Screenings before or after specific ages are often considered low-value health care services. Precise sample sizes for each health care service examined are provided in the report.

**About EBRI:**

The Employee Benefit Research Institute is a private, nonpartisan, nonprofit research institute based in Washington, DC, that focuses on health, savings, retirement, and economic security issues. EBRI conducts objective research and education to inform plan design and public policy, does not lobby and does not take policy positions. The work of EBRI is made possible by funding from its members and sponsors, which include a broad range of public, private, for-profit and nonprofit organizations. For more information go to [www.ebri.org](http://www.ebri.org).