

fact sheet...

## HRA PRICER<sup>SM</sup>

*Unless consumer-driven products include the right incentives to affect the high utilization patterns of some consumers, the total cost of providing healthcare benefits is unlikely to change.*

*That's why the Reden & Anders' HRA Pricer<sup>SM</sup> is such a valuable tool!*

- ◆ *It helps employers evaluate the short- and long-term cost impact of various high deductible or healthcare reimbursement account (HRA) plan design options.*
- ◆ *It evaluates the cost impact to employers from choosing HRA plans vs. other offered plans (adverse selection).*
- ◆ *It compares employee out-of-pocket expenses in existing plans vs. the HRA option and identifies the "winners and losers" by contract type, age/sex, or health status.*
- ◆ *It identifies HRA vs. non-HRA cost distribution.*



## HRA Pricer<sup>SM</sup> Helps Employers Determine Feasibility of Consumer-Driven Products



The Reden & Anders' HRA Pricer<sup>SM</sup> enables employers to evaluate whether a proposed HRA option is more or less expensive than the baseline product over the course of three years. Because of the unique rollover provision of a consumer-driven product, it is important to evaluate its cost during a multiple-year period.

In addition to cost-sharing information that can be evaluated by health status, contract type (two or three tier), and age/sex, other pricing

variables built into the HRA Pricer include:

- Deductible and coinsurance by contract type;
- Definition of services covered;
- Definition of HRA carryover provision;
- Definition of HRA forfeiture provision;
- Employee turnover;
- Medical cost trend;
- Geographic location of employer; and
- Employee demographics.

### **Benchmarking Database**

The Reden & Anders Managed Care Utilization Rate Estimates (MCURE<sup>TM</sup>) provides the foundation of the HRA Pricer<sup>SM</sup>. As one of the largest databases in the United States of actual experience of managed care organizations and products, it is updated regularly to keep benchmarks current. MCURE<sup>TM</sup> can also utilize employer-specific data if it is available at the same level of detail. However, if only aggregate cost figures are available, the HRA Pricer<sup>SM</sup> will normalize the database to the employer-specific cost.