



OFFICE OF THE
UTAH STATE AUDITOR

For Immediate Release

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**Office of the Utah State Auditor Releases Analysis Report
Opportunities for Financial Benefit Using High Deductible Medical Plans:
Analysis of State Employees' Medical Costs for Fiscal Year 2015**

Employees could have saved \$20 million with higher deductible plans

Salt Lake City, UTAH –

The Office of the Utah State Auditor (Office) today released *Opportunities for Financial Benefit Using High Deductible Medical Plans: Analysis of State Employees' Medical Costs for Fiscal Year 2015*. The Office worked with PEHP actuaries to recalculate the costs employees would have paid utilizing the same health care services had they moved to a higher deductible health plan in fiscal year 2015 (FY2015). A large percentage, 96% of benefited State of Utah employees, collectively could have saved \$20 million by switching to higher deductible health plans while still receiving the same medical care.

The bulk of the \$20 million in savings that might have been realized by certain members comes from reduced premiums and the collection of contributions to Health Savings Accounts (HSA) for those who qualify. The members who likely would not have realized savings by switching to higher deductible health plans would be some members with high prescription drug costs, some members who reached out-of-pocket maximums, and some members with high medical costs for an individual on a double or family plan, or some combination of these factors.

The report further identifies three recommendations that can help employees, and potentially PEHP, save money by making it easier for employees to select the higher deductible options.

1. Create HSA-equivalent options for members who do not qualify for HSA accounts under federal rules.
2. Align plan designs so that the STAR plan always results in a better financial outcome than the Traditional plan.
3. Target the Basic plan to low-risk employees or employees who are more risk tolerant.

The full analysis report may be found on the Office's website, auditor.utah.gov, specifically at <http://financialreports.utah.gov/saoreports/2015/AR16-01BenefitsofPEHPHighDeductiblePlansPublicEmployeesHealthProgram.pdf>.

About the Office of the Utah State Auditor

The Office of the Utah State Auditor provides Utah taxpayers and government officials with an independent assessment of financial operation, statutory compliance, and performance management for state and local government.

Specific activities of the Office include performing financial audits, conducting Federal funds compliance audits, providing local government oversight, conducting agency and program performance audits, performing fraud and compliance audits, and operating the State Auditor Hotline for citizens to report suspected financial issues or improprieties. These capabilities strengthen Utah State Government and help taxpayers have confidence in the integrity of Utah's government agencies.

The Utah State Auditor is a Constitutional Officer of the State of Utah, elected directly by the state's citizens every four years. The role of the Utah State Auditor is authorized in Article VII, Section 15 of the Utah Constitution. For more information, see auditor.utah.gov.

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