

# Empowering the Consumer: The Ultimate Health Care Stakeholder

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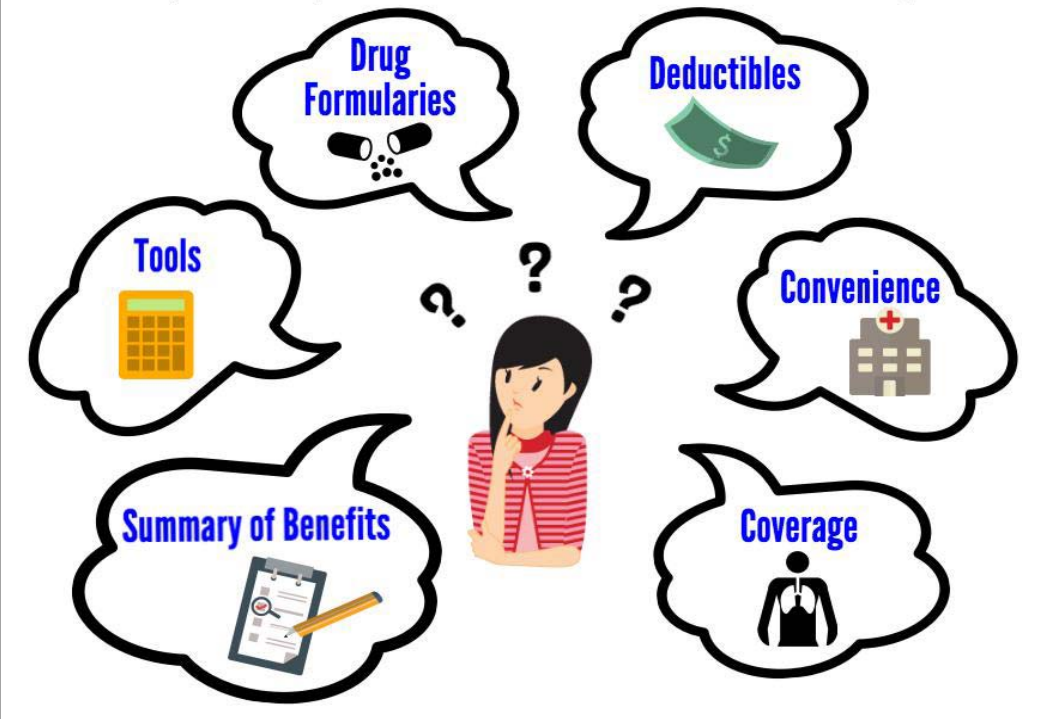
Alliance for Health Reform Briefing

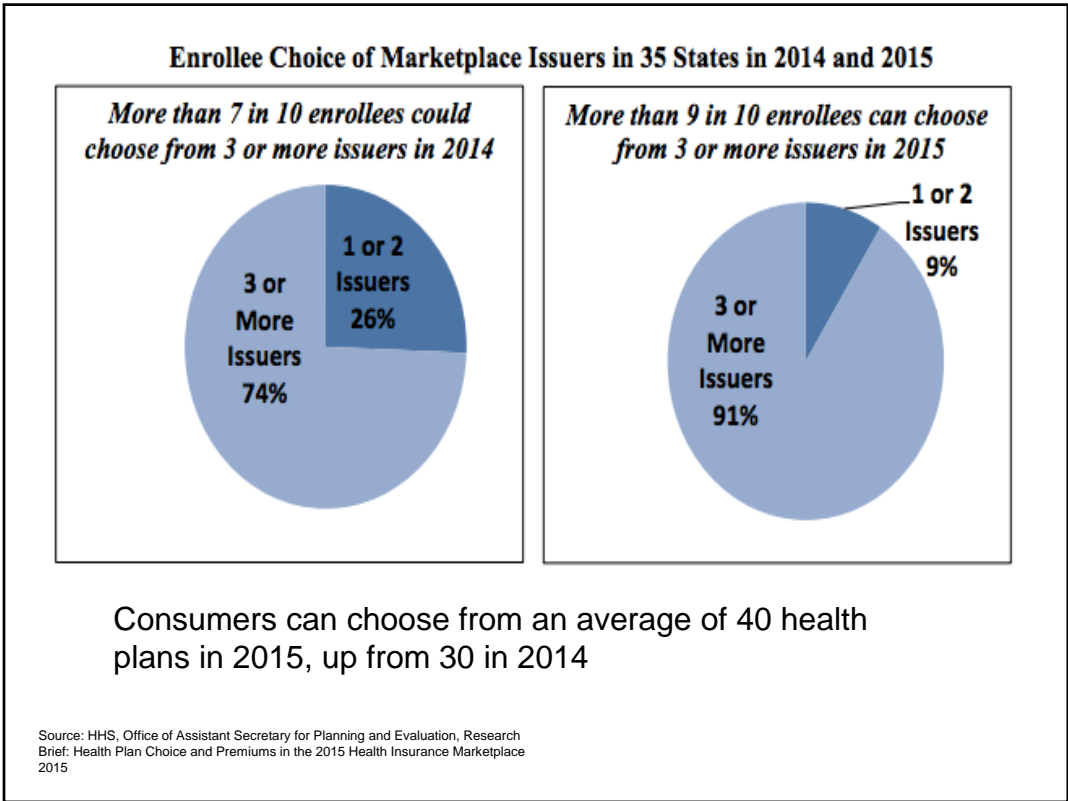
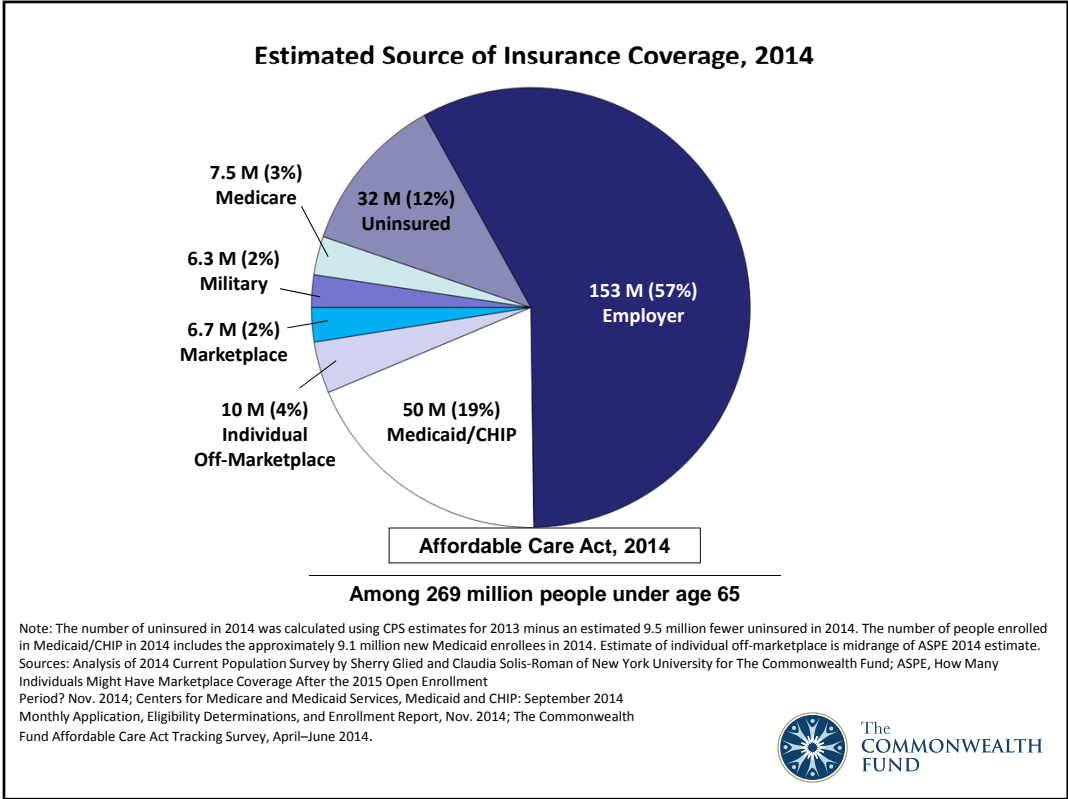
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For Confidence and Safety in the Marketplace

## Empowering the Consumer: Choices in Coverage





## Changing environment for decision-making in health care

### 1) Availability of health information

- 1 in 3 consumers go online to figure out a medical condition (online diagnosis)

### 2) Many consumers want to be in control of their health



## Changing environment for decision-making in health care

### 3) Shift of costs to consumers

- High deductibles, “consumer-driven” plans

### 4) Increase in “noise” through advertising

- 91% of Americans have seen ads for Rx drugs

### 5) Declining trust in health care institutions

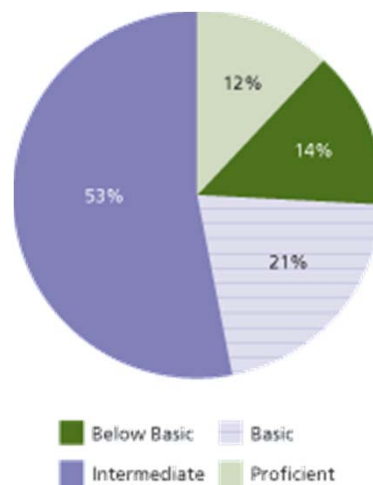
More information & choice = need for decision support

## What do consumers want in coverage?

- Value
- Quality information
  - Physician level and procedure specific
- Out of pocket costs
  - No surprises

## Challenges in choosing health coverage: Literacy

- 12% of U.S. adults have proficient health literacy - such as being able to use a table to calculate employee's share of health insurance cost for a year
- Adults over 65 had lower average health literacy
- Limited health literacy affects *all* racial and ethnic groups
- Compared to privately insured adults, both publicly insured and uninsured adults had lower health literacy skills
- Adults living below the poverty line had lower health literacy



Source: U.S. Dept of Education, National Center for Education Statistics

## Challenges in choosing health coverage: Literacy

For ACA enrollees:

- 37% of enrollees did not know amount of their deductible
- Over 60% were NOT confident in their understanding of basic health insurance terms (premium, deductible, copayment, coinsurance, maximum out of pocket spending, covered services, excluded services, provider network)
- People with lower incomes less likely to understand key elements; the people who need coverage the most, often times, understand it the least

Source: Health Reform Monitoring Survey, 2013

## Challenges in choosing health coverage: Transparency

- Need information up front, before choosing a plan
- Drug formulary - clear information on what is covered, searchable database
- Health Care Provider information – directories, performance measures
- Cost – easy access to prices on common procedures

## Picking a Plan: Three Questions

- 1) What does the plan cover?
- 2) What will it cost?
- 3) Which providers are in the plan's network?



Thank you!



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